Caledonia Investments plc

Half-year results for the six months ended 30 September 2020

Financial highlights

	6 months 30 Sep 2020	*Year 31 Mar 2020*	*Change*
Net asset value per share total return	+10.4%	-8.1%	
Net asset value per share	3527p	3236p	+9.0%
Net assets	£1,960m	£1,787m	+9.6%
Interim dividend per share	17.0p	16.6p	+2.4%

Highlights

- +10.4% NAV total return for the six months.
- Caledonia Quoted Equity returned 22.2%, benefitting from a notable rebound in global equity markets and careful stock selection.
- Caledonia Private Capital returned 1.0%, with most investee businesses adapting well to the new Covid-19 environment and trading strongly. However, the resulting positive returns were largely offset by the adverse valuation impact resulting from the restructuring required for Buzz Bingo.
- Caledonia Funds returned 15.7%, with good underlying performance from the Asian funds. The valuations have reverted to manager NAVs, which now incorporate the impact of Covid-19, removing the need for adjustment that existed at the end of March.
- Progressive dividend maintained, with the interim increased by 2.4% to 17.0p per share.
- Portfolio investments totalling £125m: £58m into our Funds pool’s private equity funds programme and £49m into Private Capital investments, including £27m of new equity in Buzz Bingo and £15m in Seven Investment Management to finance its acquisition of Partners Wealth Management.
- Portfolio realisations totalling £27m included £14m from fund distributions and redemptions.
- Good liquidity position, with £8m of cash plus undrawn facilities of £235m at 30 September 2020.

Will Wyatt, Chief Executive, commented:

“A diverse portfolio of high-quality investments is central to our long-term approach. The pressures of 2020 have shown the benefits of this strategy, which has helped to mitigate the worst effects of the Covid-19 pandemic and largely protected shareholders’ capital from much of the volatility seen elsewhere. We remain active managers and over the last six months we have continued to make portfolio investments and to invest in our Private Capital companies.

“The environment clearly remains uncertain. However, our strong balance sheet and liquidity position will enable us to take advantage of the opportunities we see and support our strategy of growing net assets and dividends over the long-term.”

24 November 2020

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Management report

Results

Caledonia's NAV total return for the six months to 30 September 2020 was 10.4%. NAV per share increased 9.0% to 3527p and net assets at 30 September 2020 were £1,959.6m. Income for the half year fell by 34% to £15.7m and there was £7m of net debt at the period end, reflecting cash of £8m and a draw of £15m on the committed facilities of £250m. The directors remain committed to a progressive dividend and have declared an interim dividend of 17.0p per share, an increase of 2.4% compared with the previous year.

The NAV total return was driven by a 22.2% return from the Quoted Equity pool and a 15.7% return from the Funds pool. The performance of the Quoted Equity pool built on the previous year, where careful stock selection had protected shareholders from the steep falls in world stock markets, which subsequently recovered thanks to intervention by governments and central banks. The Quoted Equity portfolios captured these gains and, to the credit of the managers, now have a track record that has outperformed the S&P 500, but without as much volatility. The performance of the Funds pool reflected the reversion to using manager NAVs, compared with the application of an adjustment at March to reflect the potential Covid-19 impact. The Private Capital portfolio returned 1.0%, a creditable performance in the exceptional circumstances created by the Covid-19 pandemic and particularly considering the impact on the investee companies exposed to the consumer leisure sector. Income is likely to be below the levels of last year, as businesses limit pay-outs to protect liquidity. Further commentary on the performance of each pool and the assets therein, can be found below.

The table below shows Caledonia's performance track record to 30 September 2020:

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV total return	10.4	(3.3)	12.6	43.7	107.8
Annualised					
NAV total return		(3.3)	4.0	7.5	7.6
Retail Prices Index		1.1	2.3	2.5	2.7
NAVTR vs RPI		(4.4)	1.7	5.0	4.9
FTSE All-Share Total Return		(16.6)	(3.2)	3.5	5.1
NAVTR vs FTSE All-Share Total Return		13.3	7.2	4.0	2.5

The composition of the portfolio has helped to protect shareholder's capital from the volatility seen in public equity markets. The diversity of the portfolio has mitigated the worst effects of the pandemic to date, by providing shareholders with exposure to businesses in differing geographies and industries. However, the portfolio will not be immune to damage caused by further lockdowns, including those currently in force in the UK and Continental Europe.

Caledonia invested £125m during the six-month period, principally split between the Funds pool (£58m) and the Private Capital pool (£49m). £27m was realised and £16m of investment income was generated.

Asset allocation

	Net assets allocation			Return
	Strategic %	Sep 2020 %	Mar 2020 %	target %
Quoted Equity	35-50	35.7	32.1	9.0
Private Capital	35-45	33.5	34.2	14.0
Funds	20-25	29.0	25.2	12.5
Cash and other	+/-10	1.8	8.5	

Pool performance

	31 Mar 2020 £m	Invest-ments £m	Realis-ations £m	Gains/ losses £m	Accrued income £m	30 Sep 2020 £m	Income £m	Return %
Quoted Equity	574.0	18.3	(11.5)	118.0	–	698.8	9.2	22.2
Private Capital	611.3	48.5	(1.4)	(0.4)	(0.9)	657.1	6.4	1.0
Funds	450.1	57.8	(14.4)	74.5	–	568.0	0.1	15.7
Portfolio investments	1,635.4	124.6	(27.3)	192.1	(0.9)	1,923.9	15.7	12.7
Other investments	21.3	–	5.5	2.6	–	29.4	–	
Total investments	1,656.7	124.6	(21.8)	194.7	(0.9)	1,953.3	15.7	12.7
Cash and other	130.6					6.3		
Net assets	1,787.3					1,959.6		10.4

1. Other investments comprised legacy investments and cash and receivables in subsidiary investment entities.
2. Returns for investments are calculated using the Modified Dietz methodology and the overall return is Caledonia's NAVTR.
3. The Private Capital valuation at 30 September 2020 included £7.6m of accrued income (31 March 2020 – £8.5m).

Caledonia Quoted Equity – Capital and Income portfolios (36% of NAV)

The total return of the Quoted Equity portfolio was 22.2% over the first half of the year. This strong performance reflected a notable rebound in global public equity markets and careful stock selection within both the Capital and Income portfolios. The total returns were 26.2% and 11.1% respectively, building on the performance for the year to 31 March 2020 during which both portfolios proved resilient, falling by just 0.3% compared with the falls in the FTSE All-Share of 18.5% and the S&P 500 of 9.9%. The ability to protect capital in falling markets yet benefit from their rebound is what all fund managers aspire to. Credit must go to the team whose strategy has been tested in the most extreme circumstances and has proven to be market beating.

Trading activity during the period was limited. The development of the Income portfolio continued with the addition of a position in Fortis Inc, a North American utilities business, and the disposal of the holding in Tritax Big Box. Other activity was restricted to refining positions in existing investments, in line with Caledonia's strategy of owning high quality companies that compound their earnings over the long term.

Caledonia Private Capital (33% of NAV)

The diverse Private Capital portfolio includes significant positions in six UK based businesses and one private European investment company. These seven investments represent over 90% of its value. The portfolio generated a total return of 1.0% during the first half of the year. The industrial and financial services businesses have adapted nimbly to the new Covid-19 trading environment and the investment in Cobehold continues to perform well. The impact of the pandemic on the two consumer facing businesses, Buzz Bingo and Liberation Group, has been felt more acutely. The teams at both companies have worked tirelessly running their businesses under enormous pressure.

Buzz Bingo, the UK's biggest omni-channel bingo business, completed a company voluntary arrangement ("CVA") process in August 2020 to protect the long-term prospects of the business, leading to the closure of 26 clubs and, regrettably, associated redundancies. Caledonia participated in the CVA process with the provision of £22m in new equity, having contributed an initial £5m in the spring. The business commenced the phased reopening of its retail venues from early August, with trading post reopening ahead of expectations. The online business (www.buzzbingo.com) has remained profitable on a monthly basis and continues to grow player numbers. All bingo clubs, except for a small number in Scotland, have closed for the duration of the second lockdown, which commenced on 5 November 2020. The valuation at 30 September of £22.0m was down 46% from 31 March 2020.

Liberation Group, a pub, restaurant and drinks business with operations in the Channel Islands and South West England, gradually reopened its pub estate from the middle of June. Out of 104 pubs, 95 were opened and have traded well through the summer, with weekly revenues building to levels close to, or in some cases ahead of, those achieved in 2019. The UK brewery operated throughout the period, supporting trade and growing online sales. The wholesale businesses in Jersey and Guernsey remained open and traded strongly. Although Liberation's 32 UK mainland pubs were required to close again on 4 November for the duration of the recent second lockdown, the Channel Islands' pub estate, as well as both breweries and distribution businesses, remain open for business as usual. The valuation at 30 September of £59.8m was up 18% from March 2020. In November 2020, Caledonia committed up to £36.5m of new equity to support Liberation's acquisition of a substantial portfolio of pubs from Wadworth and various value accretive capital projects across the enlarged estate.

Seven Investment Management ("7IM"), the retail investment manager, has traded well during the period. Assets under management ("AUM") have grown to £14.8bn, ahead of the January 2020 position, due to market performance and positive fund inflows. 7IM's range of funds continue to perform strongly, with core funds in the first and second quartiles over one and three years compared to their peers. At the end of September, 7IM completed the acquisition of Partners Wealth Management, a high net worth financial planning business. The valuation at 30 September of £104.1m was up 23% from March 2020.

Deep Sea Electronics ("DSE"), the industry-leading manufacturer of genset and ATS control modules, battery chargers and power supplies, has remained operational throughout the period. DSE has traded well, continuing to be strongly cash generative. Opportunities for organic growth and bolt-on acquisitions are being actively explored. The valuation at 30 September of £131.6m was up 7% from March 2020.

Cooke Optics, a leading manufacturer of cinematography lenses, has been adversely impacted by the Covid-19 pandemic. In April, Cooke temporarily closed its facilities to develop a safe working environment for employees, before quickly returning to full capacity. Filming activity has been restricted across most geographies. However, the business remains profitable with a healthy order book and, with long-term demand for high quality content expected to remain strong, is well placed to respond as demand recovers. The valuation at 30 September of £78.5m was up 4% from March 2020.

Stonehage Fleming, the international family office, continues to trade strongly, adhering to local working practices across the jurisdictions in which it operates. Activity levels remain high along with AUM increasing by 11% since March 2020 to £12.5bn. In July 2020, Stonehage Fleming successfully acquired Cavendish Asset Management in an all-share transaction, adding a further £1bn of AUM. The valuation at 30 September of £101.7m was up 14% from March 2020.

Cobepa, the Belgian based investment company, owns a diverse portfolio of private global investments. The trading results of the businesses in its high-quality portfolio have proven resilient during the pandemic. The valuation of Cobehold, the holding company of Cobepa, reflected this more positive outlook and a review of the impact of Covid-19 resulted in a valuation at 30 September of £105.5m, up 8% from March 2020.

Caledonia Funds (29% of NAV)

The total return from the Funds pool was 15.7% over the first half of the year. This reflected underlying fund performance and reassessment of valuations. Fund valuations amounting to 84% of the pool's total value were based on manager NAVs at 30 June 2020 and the remaining 16% comprised the Aberdeen US private equity funds of funds, for which the manager's NAVs at 31 March 2020 were the latest available. All fund valuations showed evidence that the impact of the Covid-19 pandemic had been considered.

Caledonia's fund investments are principally in third party managed private equity funds operating in the US and in Asia. Regular contact is maintained with the fund managers to understand the performance of their investee businesses. The insight they provide has been one of gradually improving performance over the six-month period, with the majority of businesses progressing in line with their pre-Covid-19 plans and relatively few suffering a significant decline in trading. Asian fund investments have performed well, showing modest growth over the period and notable gains for healthcare related businesses. In contrast, US funds show some underlying valuation reductions which reflect the continuing impact of Covid-19 and the sector mix within the investee businesses. During the first half of the year, £57.8m was invested and distributions of £14.4m were received.

Fund investments

Geography	
North America	53%
Asia	44%
United Kingdom	3%

Category	
Private equity	63%
Funds of private equity funds	35%
Quoted market	2%

Dividend

The board has declared an interim dividend of 17.0p per share, an increase of 2.4% on last year’s interim, at a total value of £9.3m. This will be paid to shareholders on 7 January 2021.

Outlook

Caledonia’s geographically diverse portfolio of both listed, fund and privately owned assets is managed with the long term in mind. The Covid-19 pandemic presents formidable challenges to all businesses, in particular those operating in the consumer leisure sectors, although our portfolio is invested in high quality companies, which are well led and financed to be able to withstand this particularly difficult period. Whilst it is not clear how long the pandemic will continue to cause disruption, Caledonia’s strong balance sheet and access to committed facilities continue to provide comfort that the company remains well placed to achieve its aims.

Portfolio summary

Holdings of 1% or more of net assets at 30 September 2020 were as follows:

Name	Pool	Geography	Business	Value £m	Net assets %
Deep Sea Electronics	Private Capital	UK	Control systems	131.6	6.7
Cobehold	Private Capital	Belgium	Investment company	105.5	5.4
Seven Investment Management	Private Capital	Jersey	Investment management	104.1	5.3
Stonehage Fleming	Private Capital	Guernsey	Family office services	101.7	5.2
Aberdeen US PE funds	Funds	US	Funds of funds	90.4	4.6
Cooke Optics	Private Capital	UK	Cine lens manufacturer	78.5	4.0
Axiom Asia funds	Funds	Asia	Funds of funds	62.9	3.2
Liberation Group	Private Capital	Jersey	Pubs and restaurants	59.8	3.1
Watsco	Quoted Equity	US	Ventilation products	48.4	2.5
Microsoft	Quoted Equity	US	Software	48.2	2.5
Oracle	Quoted Equity	US	Infrastructure technology	44.0	2.2
Charter Communications	Quoted Equity	US	Cable telecommunications	43.9	2.2
Texas Instruments	Quoted Equity	US	Semiconductor manufacturer	43.5	2.2
Thermo Fisher Scientific	Quoted Equity	US	Biotechnology development	37.1	1.9
Asia Alternatives funds	Funds	Asia	Funds of funds	36.9	1.9
British American Tobacco	Quoted Equity	UK	Tobacco	36.2	1.8
Spirax Sarco	Quoted Equity	UK	Steam engineering	35.4	1.8
Stonepeak funds	Funds	UK	Infrastructure funds	35.1	1.8
JF Lehman funds	Funds	US	Private equity funds	33.4	1.7
Unilever	Quoted Equity	UK	Consumer goods	33.2	1.7
Fastenal	Quoted Equity	US	Fasteners	31.4	1.6
BioAgilytix	Private Capital	US	Bioanalytical testing services	26.7	1.4
Becton Dickinson	Quoted Equity	US	Medical technology	26.3	1.3
Polar Capital	Quoted Equity	UK	Fund manager	25.7	1.3
Hill & Smith	Quoted Equity	UK	Infrastructure products	25.6	1.3
PAG Asia funds	Funds	Asia	Private equity fund	25.5	1.3
Centeroak funds	Funds	US	Private equity funds	23.8	1.2
Decheng funds	Funds	Asia	Private equity funds	22.5	1.2
Buzz Bingo	Private Capital	UK	Bingo operator	22.0	1.1
AG Barr	Quoted Equity	UK	Soft drinks	22.0	1.1
Croda International	Quoted Equity	UK	Speciality chemicals	21.0	1.1
Other investments				441.6	22.6
Portfolio investments				1,923.9	98.2
Other investments				29.4	1.5
Cash and other				6.3	0.3
Net assets				1,959.6	100.0

1. Geography is based on the country of listing, country of domicile for unlisted investments and underlying regional analysis for funds.

Change in pool investments value

	£m
Opening balance	1,635.4
Investments	124.6
Realisations	(27.3)
Gains/losses	192.1
Accrued income	(0.9)
Closing balance	1,923.9

Pool distribution

	Sep 2020	Mar 2020
Quoted Equity	36%	32%
Private Capital	33%	35%
Funds	29%	25%
Cash and other	2%	8%

Geographic distribution

	Sep 2020	Mar 2020
United Kingdom	29%	30%
Channel Islands	14%	13%
Europe	7%	7%
North America	35%	30%
Asia	13%	12%
Cash and other	2%	8%

Asset class distribution

	Sep 2020	Mar 2020
Listed equities	36%	32%
Private companies	33%	34%
Private equity funds	29%	25%
Quoted market funds	–	1%
Cash and other	2%	8%

Currency distribution

	Sep 2020	Mar 2020
Pound sterling	44%	69%
US dollar	48%	26%
Euro	6%	4%
Other currencies	2%	1%

1. The geographic distribution is based on the country of listing, country of domicile for unlisted investments and underlying regional analysis for funds.
2. The asset class and currency distributions are based on the category and denomination of the securities held. These do not look through to the underlying exposures, which may be different.

Risks and uncertainties

Caledonia has a risk management framework that provides a structured process for identifying, assessing and managing risks associated with the company's business objectives and strategy.

The principal risks and uncertainties faced by the company are set out in the strategic report section of Caledonia's annual report 2020. External risks arise from political, legal, regulatory and economic changes. Strategic risks arise from the conception, design and implementation of the company's business model. Investment risks arise from specific investment and realisation decisions. Market risks arise from equity price volatility, foreign exchange rate movements and interest rate volatility. Treasury and funding risks arise from counterparties, uncertainty in market prices and rates and liquidity availability. Operational risks arise from potentially inadequate or failed controls, processes, people or systems. The company is also mindful of the uncertainties related to the effects of Brexit.

The emerging risks arising from the Covid-19 pandemic were also noted in the annual report 2020; whilst this remains a major issue, action has been taken during the first half of the year to mitigate a number of the risks identified and Caledonia has remained fully operational.

The principal risks and uncertainties identified in the annual report 2020, including uncertainties related to the effects of Brexit, remain unchanged and each of them has the potential to affect the company's results during the remainder of the year ending 31 March 2021.

Caledonia actively monitors key risk factors, including portfolio concentration, liquidity and volatility, and aims to manage risk by:
- diversifying the portfolio by sector and geography
- ensuring access to relevant information from investee companies, particularly in the case of unquoted investments through board representation
- managing cash and borrowings to ensure that liquidity is available to meet investment and operating needs
- reducing counterparty risk by limiting maximum aggregate exposures.

Going concern

The factors likely to affect the company's ability to continue as a going concern were set out in the annual report 2020. As at 30 September 2020, there have been no significant changes to these factors. Having reviewed the company's forecasts and other relevant evidence, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-year condensed financial statements.

The directors have completed a detailed financial forecast alongside severe but plausible scenario-based downside stress-testing, including the impact of negative investment performance, a decline in dividend income received from investment portfolios, additional funding required for the private capital businesses and the impact of all Fund pool commitments being called in the next twelve months. Consideration of the risks arising from the Covid-19 pandemic have been included within this assessment. The board regularly assesses the amount of capital that the group holds to cover its principal risks, including the amounts that may be required under a range of adverse planning scenarios, including those set out above, and has determined that the group has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future.

The directors have considered the impact of the emergence and spread of Covid-19 and potential implications on the future of the group. Whilst there are significant wider market uncertainties, which may impact portfolio company investments via, for example, funding risk and commercial development risk, the directors do not believe this will significantly impact the liquidity of the group over the next 12 months. Accordingly, the directors have adopted the going concern basis in preparing these half-yearly results.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union;
- the interim management report includes a fair review of the information required by:
  - DTR 4.2.7R of the *Disclosure Guidance and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year;
  - DTR 4.2.8R of the *Disclosure Guidance and Transparency Rules*, being related parties transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the board

Will Wyatt, Chief Executive
23 November 2020

Independent review report
to Caledonia Investments plc

Conclusion
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2020 which comprises the condensed group statement of comprehensive income, the condensed group statement of financial position, the condensed group statement of changes in equity and the condensed group statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2020 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the *Disclosure Guidance and Transparency Rules* ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities
This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Thomas Brown
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square, London E14 5GL

23 November 2020

Condensed group statement of comprehensive income

for the six months ended 30 September 2020

	Six months 30 Sep 2020			Six months 30 Sep 2019			Year 31 Mar 2020		
	Revenue £m	Capital £m	Total £m	Revenue £m	Capital £m	Total £m	Revenue £m	Capital £m	Total £m
Revenue									
Investment income	15.7	–	15.7	23.9	–	23.9	53.4	–	53.4
Other income	0.1	–	0.1	0.1	–	0.1	–	–	–
Net gains and losses on fair value investments	–	194.7	194.7	–	92.8	92.8	–	(206.3)	(206.3)
Net gains and losses on fair value property	–	(0.4)	(0.4)	–	–	–	–	–	–
Total revenue	15.8	194.3	210.1	24.0	92.8	116.8	53.4	(206.3)	(152.9)
Management expenses	(9.3)	(3.4)	(12.7)	(9.5)	(6.0)	(15.5)	(17.2)	0.6	(16.6)
Profit/(loss) before finance costs	6.5	190.9	197.4	14.5	86.8	101.3	36.2	(205.7)	(169.5)
Treasury interest receivable	0.1	–	0.1	0.3	–	0.3	0.6	–	0.6
Finance costs	(1.3)	–	(1.3)	(1.1)	–	(1.1)	(2.1)	–	(2.1)
Exchange movements	(0.4)	–	(0.4)	0.2	–	0.2	(0.9)	–	(0.9)
Profit/(loss) before tax	4.9	190.9	195.8	13.9	86.8	100.7	33.8	(205.7)	(171.9)
Taxation	(0.2)	0.1	(0.1)	0.8	(0.1)	0.7	0.8	(1.8)	(1.0)
Profit/(loss) for the period	4.7	191.0	195.7	14.7	86.7	101.4	34.6	(207.5)	(172.9)
Other comprehensive income items never to be reclassified to profit or loss									
Re-measurement of defined benefit pension schemes	–	0.4	0.4	–	–	–	–	1.1	1.1
Tax on other comprehensive income	–	(0.5)	(0.5)	–	–	–	–	(0.7)	(0.7)
Total comprehensive income	4.7	190.9	195.6	14.7	86.7	101.4	34.6	(207.1)	(172.5)
Basic earnings per share	8.6p	348.0p	356.6p	26.8p	157.8p	184.6p	63.1p	-378.1p	-315.0p
Diluted earnings per share	8.4p	344.0p	352.4p	26.2p	154.7p	180.9p	62.6p	-378.1p	-315.0p

The total column of the above statement represents the condensed group statement of comprehensive income, prepared in accordance with IFRSs as adopted by the European Union.

The revenue and capital columns are supplementary to the condensed group statement of comprehensive income and are prepared under guidance published by the Association of Investment Companies.

The profit for the period and total comprehensive income for the period is attributable to equity holders of the parent.

Condensed group statement of financial position

at 30 September 2020

	30 Sep 2020 £m	30 Sep 2019 £m	31 Mar 2020 £m
Non-current assets			
Investments held at fair value through profit or loss	1,953.3	2,043.5	1,656.7
Investments in subsidiaries held at cost	–	–	–
Investment property	9.7	7.6	8.7
Property, plant and equipment	27.6	28.2	28.0
Deferred tax assets	0.2	3.8	1.0
Employee benefits	5.2	2.5	5.1
Non-current assets	1,996.0	2,085.6	1,699.5
Current assets			
Trade and other receivables	5.6	20.3	6.6
Current tax assets	2.8	2.4	2.6
Cash and cash equivalents	7.8	11.3	114.7
Current assets	16.2	34.0	123.9
Total assets	2,012.2	2,119.6	1,823.4
Current liabilities			
Interest-bearing loans and borrowings	–	(5.0)	–
Trade and other payables	(31.2)	(29.2)	(30.0)
Employee benefits	(1.3)	(1.3)	(0.9)
Current liabilities	(32.5)	(35.5)	(30.9)
Non-current liabilities			
Interest-bearing loans and borrowings	(15.0)	–	–
Employee benefits	(5.1)	(7.6)	(5.2)
Non-current liabilities	(20.1)	(7.6)	(5.2)
Total liabilities	(52.6)	(43.1)	(36.1)
Net assets	1,959.6	2,076.5	1,787.3
Equity			
Share capital	3.2	3.2	3.2
Share premium	1.3	1.3	1.3
Capital redemption reserve	1.3	1.3	1.3
Capital reserve	1,732.2	1,835.1	1,541.3
Retained earnings	235.5	285.8	255.5
Own shares	(13.9)	(50.2)	(15.3)
Total equity	1,959.6	2,076.5	1,787.3
Undiluted net asset value per share	3571p	3787p	3259p
Diluted net asset value per share	3527p	3712p	3236p

Condensed group statement of changes in equity
for the six months ended 30 September 2020

	Share capital £m	Share premium £m	Capital redemption reserve £m	Capital reserve £m	Retained earnings £m	Own shares £m	Total equity £m
Six months ended 30 September 2020							
Balance at 1 April 2020	3.2	1.3	1.3	1,541.3	255.5	(15.3)	1,787.3
Total comprehensive income							
Profit for the period	–	–	–	191.0	4.7	–	195.7
Other comprehensive income	–	–	–	(0.1)	–	–	(0.1)
Total comprehensive income	–	–	–	190.9	4.7	–	195.6
Transactions with owners of the company							
Contributions by and distributions to owners							
Share-based payments	–	–	–	–	2.5	–	2.5
Transfer of shares to option holders	–	–	–	–	(2.8)	2.8	–
Own shares purchased	–	–	–	–	–	(1.4)	(1.4)
Dividends paid	–	–	–	–	(24.4)	–	(24.4)
Total transactions with owners	–	–	–	–	(24.7)	1.4	(23.3)
Balance at 30 September 2020	3.2	1.3	1.3	1,732.2	235.5	(13.9)	1,959.6
Six months ended 30 September 2019							
Balance at 1 April 2019	3.2	1.3	1.3	1,748.4	292.4	(44.6)	2,002.0
Total comprehensive income							
Profit and total comprehensive income	–	–	–	86.7	14.7	–	101.4
Transactions with owners of the company							
Contributions by and distributions to owners							
Share-based payments	–	–	–	–	2.4	–	2.4
Own shares purchased	–	–	–	–	–	(5.6)	(5.6)
Dividends paid	–	–	–	–	(23.7)	–	(23.7)
Total transactions with owners	–	–	–	–	(21.3)	(5.6)	(26.9)
Balance at 30 September 2019	3.2	1.3	1.3	1,835.1	285.8	(50.2)	2,076.5
Year ended 31 March 2020							
Balance at 1 April 2019	3.2	1.3	1.3	1,748.4	292.4	(44.6)	2,002.0
Total comprehensive income							
Loss for the year	–	–	–	(207.5)	34.6	–	(172.9)
Other comprehensive income	–	–	–	0.4	–	–	0.4
Total comprehensive income	–	–	–	(207.1)	34.6	–	(172.5)
Transactions with owners of the company							
Contributions by and distributions to owners							
Share-based payments	–	–	–	–	(1.5)	–	(1.5)
Transfer of shares to option holders	–	–	–	–	(37.2)	37.2	–
Own shares purchased	–	–	–	–	–	(7.9)	(7.9)
Dividends paid	–	–	–	–	(32.8)	–	(32.8)
Total transactions with owners	–	–	–	–	(71.5)	29.3	(42.2)
Balance at 31 March 2020	3.2	1.3	1.3	1,541.3	255.5	(15.3)	1,787.3

Condensed group statement of cash flows

for the six months ended 30 September 2020

	6 months 30 Sep 2020 £m	6 months 30 Sep 2019 £m	Year 31 Mar 2020 £m
Operating activities			
Dividends received	16.3	22.1	48.8
Interest received	0.1	1.0	1.7
Cash received from customers	0.1	0.1	–
Cash paid to suppliers and employees	(10.6)	(14.3)	(23.3)
Taxes received	0.1	–	0.2
Taxes paid	–	(0.1)	(0.1)
Group tax relief received	0.1	3.7	3.7
Group tax relief paid	–	–	(0.1)
Net cash flow from operating activities	6.1	12.5	30.9
Investing activities			
Purchases of investments	(124.6)	(193.4)	(383.1)
Proceeds from disposal of investments	25.7	103.9	397.2
Purchases of property, plant and equipment	(1.6)	(1.3)	(2.7)
Net cash flow from/(used in) investing activities	(100.5)	(90.8)	11.4
Financing activities			
Interest paid	(1.6)	(0.9)	(1.7)
Dividends paid to owners of the company	(24.4)	(23.7)	(32.8)
Proceeds from bank borrowing	15.0	10.0	10.0
Repayments of bank borrowing	–	(5.0)	(10.0)
Loan receipts from subsidiaries	–	2.5	2.5
Loan payments to subsidiaries	(0.1)	–	–
Purchases of own shares	(1.4)	(5.6)	(7.9)
Net cash flow used in financing activities	(12.5)	(22.7)	(39.9)
Net increase/(decrease) in cash and cash equivalents	(106.9)	(101.0)	2.4
Cash and cash equivalents at period start	114.7	112.3	112.3
Cash and cash equivalents at period end	7.8	11.3	114.7

Notes to the condensed financial statements

1. General information

Caledonia Investments plc is an investment trust company registered in England and Wales with company number 00235481. The address of its registered office is Cayzer House, 30 Buckingham Gate, London SW1E 6NN. The ordinary shares of the company are premium listed on the London Stock Exchange.

This condensed set of financial statements was approved for issue on 23 November 2020 and is unaudited.

The information for the period ended 30 September 2020 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 March 2020 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not draw attention to any matters by way of emphasis of matter and did not contain a statement under section 498(2) and (3) of the Companies Act 2006.

2. Accounting policies

Basis of accounting

This condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended 31 March 2020, which were prepared in accordance with IFRSs as adopted by the European Union.

This condensed set of financial statements has been prepared in accordance with the recommendations of the Statement of Recommended Practice issued by the Association of Investment Companies.

Adopted IFRSs

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual report for the year ended 31 March 2020, except for the mandatory amendments that had an effective date prior to the start of the six-month period. None of the mandatory amendments had an impact on the reported financial position or performance of the group. The changes in accounting policies will also be reflected in the group's consolidated financial statements for the year ending 31 March 2021.

A number of new standards and amendments to standards and interpretations will be effective for periods beginning on or after 1 April 2021. These new standards are not applicable to these financial statements and they are not expected to have an impact when they become effective. The group plans to apply these standards and amendments in the reporting period in which they become effective.

Basis of consolidation

In accordance with the IFRS 10/IAS 28 amendments to apply the investment entities exemption, the consolidated financial statements include the financial statements of the company and service entities controlled by the company made up to the reporting date. All other investments in controlled entities are accounted as held at fair value through profit or loss.

Going concern

The directors have considered the impact of the emergence and spread of Covid-19 and potential implications on the future of the group. Whilst there are significant wider market uncertainties which may impact portfolio company investments via, for example, funding risk and commercial development risk, the Group does not believe this will significantly impact the liquidity of the group over the next 12 months. Accordingly, the directors have adopted the going concern basis in preparing these half-yearly results.

The directors have completed a detailed financial forecast alongside severe but plausible scenario-based downside stress-testing, including the impact of negative investment performance, a decline in dividend income received from investment portfolios, additional funding required for the private capital businesses and the impact of all Fund pool commitments being called in the next twelve months. Consideration of the risks arising from the Covid-19 pandemic have been included within this assessment. The board regularly assesses the amount of capital that the group holds to cover its principal risks, including the amounts that may be required under a range of adverse planning scenarios, including those set out above, and has determined that the group has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future.

The directors have considered the impact of the emergence and spread of Covid-19 and potential implications on the future of the group. Whilst there are significant wider market uncertainties, which may impact portfolio company investments via, for example, funding risk and commercial development risk, the directors do not believe this will significantly impact the liquidity of the group over the next 12 months.

Accordingly, the directors have adopted the going concern basis in preparing these half-yearly results.

Changes in accounting policies
As required by the *Disclosure Guidance and Transparency Rules* of the Financial Conduct Authority, this condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 March 2020.

Judgements and estimates
In preparing these interim financial statements, management has made judgements, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 March 2020.

3. Dividends

Amounts recognised as distributions to owners of the company in the period were as follows:

	6 months 30 Sep 2020 £m	6 months 30 Sep 2019 £m	Year 31 Mar 2020 £m
Final dividend for the year ended 31 March 2020 of 44.5p per share (2019 – 43.2p)	24.4	23.7	23.7
Interim dividend for the year ended 31 March 2020 of 16.6p per share	–	–	9.1
	24.4	23.7	32.8

The directors have declared an interim dividend for the year ending 31 March 2021 of 17.0p per share, totalling £9.3m, which has not been included as a liability in this condensed set of financial statements. This dividend will be payable on 7 January 2021 to holders of shares on the register on 4 December 2020. The ex-dividend date will be 3 December 2020.

The deadline for elections under the dividend reinvestment plan offered by Link Asset Services will be the close of business on 18 December 2020.

4. Share capital

During the period, The Caledonia Investments plc Employee Share Trust sold 96,909 shares for £nil and purchased 53,533 shares for £1.4m relating to the calling of performance share and deferred bonus awards.

In the six months ended 30 September 2019, the Employee Share Trust sold 90,844 shares for £nil and purchased 85,009 shares for £2.6m relating to the calling of performance share and deferred bonus awards. The Employee Share Trust also purchased 100,000 shares from The Cayzer Trust Company Ltd for £3.0m.

In the year ended 31 March 2020, the Employee Share Trust sold 168,087 shares for £nil and purchased 158,637 shares for £4.9m relating to the calling of performance share and deferred bonus awards. The Employee Share Trust also purchased 100,000 shares from The Cayzer Trust Company Ltd for £3.0m.

5. Net asset value per share

The group's undiluted net asset value per share is based on the net assets of the group at the period end and on the number of shares in issue at the period end less shares held by The Caledonia Investments plc Employee Share Trust. The group's diluted net asset value per share assumes the calling of performance share and deferred bonus awards for nil consideration.

6. Operating segments

The chief operating decision maker has been identified as the Executive Committee, which reviews the company's internal reporting to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The performance of operating segments is assessed on a measure of group total revenue, principally comprising gains and losses on investments and investment income. Reportable profit or loss is after treasury income and 'Other items', which comprise management and other expenses. Reportable assets equate to the group's total assets. 'Cash' and 'Other items' are not identifiable operating segments.

'Non-portfolio investments' comprise subsidiaries and other investments not managed as part of the investment portfolio.

	Profit before tax			Total assets		
	6 months 30 Sep 2020 £m	6 months 30 Sep 2019 £m	Year 31 Mar 2020 £m	30 Sep 2020 £m	30 Sep 2019 £m	31 Mar 2020 £m
Quoted Equity	127.2	53.1	(1.7)	698.8	692.7	574.0
Private Capital	6.0	10.5	(128.5)	657.1	765.1	611.3
Funds	74.6	54.3	(13.6)	568.0	553.2	450.1
Portfolio investments	207.8	117.9	(143.8)	1,923.9	2,011.0	1,635.4
Other investments	2.6	(1.2)	(9.1)	29.4	32.5	21.3
Total revenue/investments	210.4	116.7	(152.9)	1,953.3	2,043.5	1,656.7
Cash and cash equivalents	0.1	0.3	0.6	7.8	11.3	114.7
Other items	(14.7)	(16.3)	(19.6)	51.1	64.8	52.0
Reportable total	195.8	100.7	(171.9)	2,012.2	2,119.6	1,823.4

7. Related parties

Caledonia Group Services Ltd, a wholly owned subsidiary of Caledonia Investments plc, provides management services to the company. During the six months ended 30 September 2020, £12.5m was charged to the company for these services (30 September 2019 – £13.1m and 31 March 2020 – £15.6m).

There were no other changes in the transactions or arrangements with related parties as described in the company's annual report for the year ended 31 March 2020 that have had a material effect on the results or the financial position of the company or of the group in the six months ended 30 September 2020.

8. Capital commitments

At 30 September 2020, the group had undrawn fund and other commitments totalling £369.6m (30 September 2019 – £405.8m and 31 March 2020 – £380.8m).

9. Fair value hierarchy

The company measures fair values using the following fair value hierarchy, reflecting the significance of the inputs used in making the measurements:

Level 1 Quoted prices (unadjusted) in active markets for identical assets.
Level 2 Inputs other than quoted prices included within Level 1 that are directly or indirectly observable.
Level 3 Inputs for the asset that are not based on observable market data.

The table below analyses financial instruments held at fair value according to level in the fair value hierarchy into which the fair value measurement is categorised:

	30 Sep 2020 £m	30 Sep 2019 £m	31 Mar 2020 £m
Investments held at fair value			
Level 1	704.3	692.7	577.6
Level 2	6.9	64.9	1.3
Level 3	1,242.1	1,285.9	1,077.8
	1,953.3	2,043.5	1,656.7

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	6 mths 30 Sep 2020 £m	6 mths 30 Sep 2019 £m	Year 31 Mar 2020 £m
Balance at the period start	1,077.8	1,092.1	1,092.1
Transfer from Level 2	–	–	7.8
Transfer to Level 1	–	–	(7.1)
Purchases	106.3	184.2	238.2
Realisation proceeds	(14.5)	(43.2)	(86.1)
Gains and losses on investments sold in the period	(34.0)	8.7	24.0
Gains and losses on investments held at the period end	107.4	41.4	(195.6)
Accrued income	(0.9)	2.7	4.5
Balance at the period end	1,242.1	1,285.9	1,077.8

The table below sets out information about significant unobservable inputs used at 30 September 2020 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Description Valuation technique Unobservable input	Fair value £m	Weighted average input	Input sensitivity +/-	Change in valuation +/- £m
Internally developed				
Private capital companies				
Earnings – very high risk	22.0			
EBITDA multiple		2.1	25%	18.9
Earnings – high risk	169.6			
EBITDA multiple		11.7	20%	43.7
Earnings – medium risk	223.7			
EBITDA multiple		8.2	15%	35.7
Earnings – low risk	101.7			
EBITDA multiple		11.6	10%	9.5
Net assets	140.1		5%	7.0
	657.1			114.8
Other companies				
Net assets	29.1		5%	1.4
	29.1			1.4
Externally developed				
Fund interests				
Private equity	357.4		5%	17.8
Funds of funds	198.5		2%	4.0
	555.9			21.8
	1,242.1			138.0

Private capital companies

Significant unobservable inputs were identified and developed as follows:

- EBITDA multiples represent amounts that market participants would use when pricing the investments. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its earnings before interest, tax, depreciation and amortisation, or are derived from reported mergers and acquisitions transactions involving comparable companies. EBITDA multiples were adjusted to reflect points of difference between the comparators and the company being valued. EBITDA multiples ranged from 4 to 16 (31 March 2020 - 5 to 12), weighted average 6.7 (31 March 2020 - 8.4).

Valuation inputs normally comprise a blend of historic transaction multiples and maintainable earnings derived from the last 12 months EBITDA results. Whilst the 30 September 2020 quoted multiples should reflect the Covid-19 impact, historic multiples for transactions over six months ago will not. In contrast, the results used to derive maintainable earnings included historic, current year and forward-looking metrics; the derived EBITDA includes the impact of Covid-19 on financial performance.

Taking into account the above factors, the directors have concluded that valuations developed from the EBITDA multiples at 30 September 2020, but excluding historic transaction multiples, and maintainable earnings based on trading as described above should give the best estimate of fair value in most cases.

At 31 March 2020, the directors conducted a portfolio risk analysis to assess the potential impact of Covid-19 on the Private Capital investments, which remains relevant. The review examined company and sector specific vulnerabilities as well as considering operating leverage and liquidity. This analysis has been revised to reflect the position at 30 September 2020. Investments are classified into four groups, as shown below:

Investment	Risk weighting	Valuation technique	Valuation £m
Deep Sea Electronics	Medium	Earnings	131.6
Cobehold	Medium	Net assets	105.5
Seven Investment Management	Medium	Earnings	104.1
Stonehage Fleming	Low	Earnings	101.7
Cooke Optics	Medium	Earnings	78.5
Liberation	High	Earnings	59.8
BioAgilytix	Medium	Earnings	26.7
Buzz Bingo	Very high	Earnings	22.0
Other investments	High		28.2
			657.1

The risk weightings were derived from a matrix analysing the severity of people, supply chain, financial, operational, travel and regulatory risks of a short-term value loss and/or significant business interruption applied to each portfolio company. The risk weightings for Seven Investment Management and for Cooke Optics have both been revised downwards to medium, from a rating of high at 31 March 2020. In both cases, the businesses and their markets have adapted well to operating within the constraints caused by the Covid-19 pandemic.

There are two businesses within the Private Capital portfolio that have been rated high and very high.

Liberation operates pub, restaurant, brewing and drinks distribution businesses in the Channel Islands and South West England. It had been impacted by Covid-19, with the closure of pubs for a significant period, but the vast majority were subsequently re-opened and traded well, with revenues close to prior year levels. However, the high-risk weighting reflects the uncertainty of further restrictions, such as the new rules introduced in England in November, although the Channel Islands remain unaffected at present.

The Buzz Bingo business completed a company voluntary arrangement process in August 2020 to protect the long-term prospects of the business. The business undertook a phased re-opening of its retail venues from early August and trading to date has been ahead of expectations. However, the business is dependent on these venues remaining open and trading well. The increased Covid-19 related restrictions announced in early November led to the closure of all the venues in England, supporting the very high-risk weighting assigned to this business.

Although the directors believe that the estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. This is especially true considering the Covid-19 pandemic. Thus, the presentation of a 'valuation range' has become more prevalent.

In the summary table above, the Private Company investments have been shown categorised by their risk weighting and the sensitivities shown in the Level 3 table of significant unobservable inputs give an indication of the effect of changing one or more of the assumptions used in developing the EBITDA multiple to reasonably possible alternative assumptions.

The EBITDA multiples are directly linked to the future earnings potential of the business and will therefore include standard areas such as market demand and competitive activity, but also areas more directly linked to the current Covid-19 pandemic, such as the duration of social distancing measures and their potential impacts and the availability, extent and timing of sources of cash, including compliance with banking covenants or reliance on those covenants being waived. The impact of these assumptions is reflected in the risk weighting and, thus, a progressive scale of sensitivities from 10% to 25% has been applied.

Non-pool companies
Other (non-pool) companies comprise principally cash or group company receivables held in subsidiary investment entities. These are valued at net assets. A sensitivity of 10% has been applied to recognise the judgements in developing the valuations.

Private equity fund interests
Valuation of the private equity fund interests are based on the managers’ NAVs. Managers' NAVs apply valuation techniques consistent with IFRS and are normally subject to annual audit. However, managers’ NAVs are usually published quarterly, two to four months after the quarter end. Consequently, the fund valuations included in these financial statements were mainly based on the 30 June 2020 managers’ NAVs (84% of funds NAV) with the balance based on 31 March 2020 managers’ NAV (16% of funds NAV). Managers' NAVs have been reviewed for clear indications that they have taken into account the economic impact of Covid-19.

At 31 March 2020, fund valuations were based principally on 31 December 2019 managers' NAV, which would not have been expected to include the economic impact of Covid-19. Therefore, the directors determined that a regional, market-based adjustment should be applied to the managers' NAVs in estimating fair value at the reporting date. No such adjustment was considered necessary at 30 September 2020.

The sensitivities shown in the table give an indication of the effect of changing the NAV multiple to reasonably possible alternative assumptions. A higher sensitivity has been applied to the private equity funds, as these will normally be less diversified than funds of funds.

10. Investment property

	Freehold property £m
Valuation at 31 March 2020	8.7
Additions	1.3
Revaluation	(0.3)
Valuation at 30 September 2020	9.7

At 30 September 2020, the group held one property classified as investment property, comprising that part of its head office building currently being redeveloped for lease to a third party.

The fair value of the investment property was estimated by the directors, based on a March 2020 valuation report prepared by Tuckerman, an external, independent property valuer, holding recognised and relevant professional qualifications and with recent experience in the location and category of the property being valued. The March 2020 valuation conformed to the Royal Institution of Chartered Surveyors ("RICS"') Valuation Professional Standards. Fees paid to the valuer are based on a fixed price contract.

As the property is currently being redeveloped, it was valued on the basis of its development potential, considering the gross development value of the completed scheme based upon assumptions of capital value, rental value and yields that would be created through the implementation of the development. Deduction is then made for anticipated costs to complete, before arriving at a valuation.

The investment property held by the group is classified as Level 3.

Property	Market value £m	Valuation technique	Key unobservable inputs	Range (weighted average)
Buckingham Gate, London	9.7	Residual development value	Construction costs	£2.8m
			Rent per sq ft pa	£37-£73 (£67)
			Rent-free period	2.5 years
			Capitalisation rate	4.5%
			Purchaser's costs	6.8%
	9.7			

The table below sets out information about significant unobservable inputs used at 30 September 2020 in measuring Investment property categorised as Level 3 in the fair value hierarchy:

Description Valuation technique Unobservable input	Weighted average input	Input sensitivity +/-	Change in valuation +/- £m
Externally developed			
Property valuation			
Construction costs	£2.8m	10%	0.3
Capitalisation rate	4.5%	0.25%	-0.5/+1.1
Rent per sq ft	£67	5%	0.6
			-0.3/+0.8

The above inputs are interdependent and partially determined by market conditions. The impact on the valuation could be mitigated by the inter-relationship between these inputs.

11. Share-based payments

The group operates performance share schemes and deferred bonus plans. Details of these schemes were disclosed in the annual report 2020 and the basis of measuring fair value was consistent with those disclosures.

During the six months ended 30 September 2020, awards over 273,597 shares were issued under the performance share scheme (30 September 2019 and 31 March 2020 – 239,138 shares). Compulsory deferred bonus awards over 5,229 shares were also granted (30 September 2019 and 31 March 2020 – 44,930 shares).

Expenses in respect of share-based payments in the period were £2.9m (30 September 2019 – £2.7m and 31 March 2020 – £2.4m credit).

12. Subsequent events
On 5 November 2020, Caledonia committed to invest up to £36.5m for new equity in Liberation Group, to support its acquisition of a substantial portfolio of pubs from Wadworth and various value accretive capital projects across the enlarged estate.

END

Copies of this statement are available at the company's registered office, Cayzer House, 30 Buckingham Gate, London SW1E 6NN, United Kingdom, or from its website at www.caledonia.com.