**21 November 2024**

# Grainger plc

**Preliminary full year financial results**
**for the twelve months ended 30 September 2024**

## Excellent performance
## Accelerating growth
## Further upgrade to EPRA earnings guidance

- Net Rental Income up +14%
- Total dividend per share up +14%
- EPRA Earnings up +21%
- Expanded portfolio by 1,236 new homes
- Like-for-like PRS rental growth up +6.3%
- EPRA NTA resilient at 298pps
- High customer satisfaction

Grainger plc, the UK's largest listed residential landlord and leader in the build-to-rent sector, today announces an excellent performance for the 12 months ended 30 September 2024. Grainger has a £3.4bn operational portfolio of 11,069 private rental homes and a £1.4bn build-to-rent pipeline comprising 4,730 new homes.

**Helen Gordon, Chief Executive, said:**

"It is my pleasure to report an excellent performance and another year of accelerated growth for Grainger.

"Building on last year's record, we have delivered another strong year of growth, adding 1,236 new homes to our expanding nationwide portfolio. We added four new communities to our existing clusters in Birmingham, Bristol, London, and Manchester. Building on our national footprint of carefully selected locations, we now have meaningful scale in many cities across the country providing good quality rental homes into areas of high demand. We also opened our first scheme in Cardiff, The Copper Works.

"These new homes together with like-for-like rental growth of 6.3% have meant we have once again delivered double digit net rental income growth at 14% ahead of last year's 12% growth whilst continuing to provide quality homes and communities. For our shareholders this also means a 14% growth in our dividend. We increased EPRA Earnings 21% in the year.

"Customer affordability remains strong at 28%, below the national average of over 34%, and Grainger's customer satisfaction is higher than ever. 9 in 10 customers tell us that they "really like" their Grainger home.

"This coming year is the last financial year before Grainger converts to a REIT, a major milestone in our transformation to becoming the leader in the UK's build-to-rent (BTR) sector. Since setting out our strategy in 2016, we have invested £2.5bn into delivering new BTR homes, and at the same time delivered value by divesting £2bn from non-core businesses and assets. Over this period, we have more than tripled the net rental income for the business. In the last year alone, we have disposed of £274m of non-core assets, recycling £270m of this capital into higher yielding, new, high-quality, energy-efficient BTR homes.

"The delivery of our committed pipeline has the potential to increase EPRA Earnings by another 50% over the medium term, whilst in the near term we expect EPRA Earnings to reach £60m by FY26, a second upgrade from our previous guidance. In addition, we anticipate our EBITDA margin to increase substantially from 54% today to over 60% by FY29.

"We have been pleased to see the new Labour Government's public rejection of rent controls and the acknowledgement that such controls would hurt supply and investment. On the contrary, it has been pleasing to see the Government's commitment to increase housing supply and investment. Plans to raise standards in the rental sector plays to Grainger's strengths as a leading landlord with a best-in-class operating platform and a responsible approach to housing provision.

"The market opportunity for the UK build-to-rent sector is considerable with demand for renting growing and the shortage of rental supply worsening, and with its proven track record, Grainger is best placed to help alleviate this through continued investment and housing delivery, accelerating our growth for years to come."

**Highlights**

- +14% growth delivered in Net Rental Income[1] to £110.1m (FY23: £96.5m)
- +21% growth delivered in EPRA Earnings to £48.0m (FY23: £39.8m)
- Dividend up +14% to 7.55p per share (FY23: 6.65p per share)
- Adjusted Earnings[2] down (6)% to £91.6m (FY23: £97.6m) as guided due to our reducing regulated tenancy portfolio and therefore reduced contribution from sales profits
- +6.3% like-for-like rental growth[3] in our portfolio (FY23: 7.7%)
    - +6.3% like-for-like rental growth in our BTR/PRS Portfolio
        - +5.6% on new lets (FY23: 9.2%)
        - +6.8% on renewals (FY23: 7.2%)
    - +6.6% like-for-like rental growth in our Regulated Tenancy Portfolio (FY23: 5.9%)
- Occupancy of 97.4% in our BTR/PRS portfolio
- Strong sales performance of £274m, driven by an increase in asset recycling
- EPRA NTA robust at 298pps (FY23: 305pps), slightly ahead of FY23 excluding the 8p impact of tax changes (MDR), with a return to valuation growth in the second half
- Strong balance sheet and funding position, debt costs fixed in mid 3%'s for the next four years
- During the year we acquired two sites for direct development opportunities expanding on our existing target cluster locations:
    - Cardiff – potential for up to 405 additional new BTR homes, building on our existing asset, The Copper Works (307 homes)
    - Sheffield – potential for up to 193 additional new BTR homes, building on our two existing assets in Sheffield (521 homes)
- Customer affordability remains robust at 28% of gross household income
- Customer satisfaction remains high, with our Customer Net Promoter Score increasing again year-on-year, placing Grainger ahead of leading consumer brands, including Coca-Cola and Google
- Rental growth for the year ahead is expected to remain above the long-term historical average of 3-3.5%, as well as above our underwriting assumptions
- Grainger is well placed to deliver a sustainable Total Accounting Return of 8%, reflecting conservative assumptions including stable yields and the low-risk nature of our asset class

**Financial Highlights**

| **Income returns** | **FY24** | **FY23** | **Change** |
|---|---|---|---|
| Rental growth *(like-for-like)* | 6.3% | 7.7% | -141bps |
| *PRS rental growth (like-for-like)* | 6.3% | 8.0% | -167bps |
| *PRS like-for-like (new lets)* | 5.6% | 9.2% | -362bps |
| *PRS like-for-like (renewals)* | 6.8% | 7.2% | -45bps |
| *Regulated tenancy rental growth (like-for-like, annualised)* | 6.6% | 5.9% | +74bps |
| Net rental income *(Note 5)* | £110.1m | £96.5m | +14% |
| Adjusted earnings *(Note 2)* | £91.6m | £97.6m | (6)% |
| EPRA Earnings *(Note 3)*[4] | £48.0m | £39.8m | +21% |
| IFRS Profit before tax *(Note 2)* | £40.6m | £27.4m | +48% |
| Earnings per share (diluted, after tax) *(Note 9)* | 4.2p | 3.5p | +20% |
| Dividend per share *(Note 10)*[5] | 7.55p | 6.65p | +14% |

| **Capital returns** | **FY24** | **FY23** | **Change** |
|---|---|---|---|
| Total Property Return[6] | 1.9% | 0.4% | +153bps |
| Total Accounting Return (NTA Basis) *(Note 3)* | 0.3% | (1.8)% | +207bps |
| EPRA NTA per share *(Note 3)* | 298p | 305p | (2)% |
| Net debt | £1,453m | £1,416m | +3% |
| Group LTV | 38.2% | 36.8% | +135bps |
| Cost of debt (average) | 3.2% | 3.3% | -13bps |
| Reversionary surplus | £147m | £213m | (31)% |

| **Build-to-rent investment pipeline** | **Investment** | **Homes** |
|---|---|---|
| Committed | £481m | 1,330 |
| Secured | £541m | 2,009 |
| Planning/ Legals | £379m | 1,391 |
| Total investment value | £1.4bn | 4,730 |

| **ESG benchmark performance** | |
|---|---|
| FTSE4Good | since 2010 |
| ISS ESG | Prime Rating |
| MSCI ESG | ‘AA’ |
| Sustainalytics ESG Risk Rating | Low Risk |
| EPRA Sustainability Best Practice Reporting | Gold Award |
| CDP (formerly the Carbon Disclosure Project) | ‘B’ Rating |
| Workforce Disclosure Initiative | 98% |
| GRESB Public Disclosure | ‘A’ Rating |
| National Equality Standard | Accredited in FY24 |

| **Future reporting dates** | |
|---|---|
| **2025** | |
| AGM & Trading update | 5 February |
| Half year results | 15 May |
| Trading update | September |
| Full year results | 20 November |

[1] *Refer to Note 5 for net rental income calculation.*

[2] *Refer to Note 2 for profit before tax and adjusted earnings reconciliation.*

[3] *Rental growth is the average increase in rent charged across our portfolio on a like-for-like basis.*

[4] *EPRA Earnings is a measure of recurring earnings from core operational activities which the Company uses in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). For more details please see page 171-172 of the Annual Report and Accounts*

[5] *Dividends – Subject to approval at the AGM, the final dividend of 5.01p per share (gross) amounting to £37.0m will be paid on 21 February 2025 to Shareholders on the register at the close of business on 17 January 2025. Shareholders will again be offered the option to participate in a dividend reinvestment plan and the last day for election is 31 January 2025. An interim dividend of 2.54p per share amounting to a total of £18.8m was paid to Shareholders on 5 July 2024 – refer also to Note 10.*

[6] *Total Property Return (TPR) represents the change in gross asset value, net of capital expenditure incurred, plus net income, expressed as a percentage of gross asset value.*

**Results presentation**

Grainger will be holding a presentation of the results at 09.00am (UK time) today, 21 November 2024, which can be accessed via webcast and a telephone dial-in facility (details below), which will be followed by a live Q&A session for sell side analysts and shareholders.

***Webcast details:***

To view the webcast, please go to the following URL link. Registration is required.

https://brrmedia.news/GRI_FY_24

The webcast will be available for six months from the date of the presentation.

***Conference call details:***

Call: **+44 (0)330 551 0200**

Confirmation Code: Quote **Grainger Full Year Results** when prompted by the operator

A copy of the presentation slides will also be available to download on Grainger's website (http://corporate.graingerplc.co.uk/) from 08:30am (UK time).

**Annual Report & Accounts**

We are today also publishing our 2024 Annual Report & Accounts on our website, including the ESEF (tagged) version, (https://corporate.graingerplc.co.uk/investors/investor-downloads) and we will also be submitting the both versions to the National Storage Mechanism and they will shortly be available for inspection at: data.fca.org.uk/#/nsm/nationalstoragemechanism.

We will be publishing our Notice of Annual General Meeting in December 2024, and we will also submit this to the National Storage Mechanism to make it available for inspection. A further announcement will be made at this time.

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## Forward-looking statements disclaimer

This announcement may contain certain statements that are forward-looking statements. They appear in a number of places throughout this announcement and include statements regarding Grainger plc's intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. By their nature, these statements involve risks and uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and, unless otherwise required by applicable law, Grainger plc undertakes no obligation to update or revise these forward-looking statements. Nothing in this announcement should be construed as a profit forecast. Grainger plc and its Directors accept no liability to third parties in respect of this announcement save as would arise under English law.

Information about the management of the Principal Risks and Uncertainties facing Grainger plc is set out within the Annual Report and Accounts 2024. Any forward-looking statements in this announcement speak only at the date of this announcement and Grainger plc undertakes no obligation to update publicly or review any forward-looking statement to reflect new information or events, circumstances or developments after the date of this announcement.

**Nature of announcement**
This announcement is for information purposes only and no reliance may be placed upon it. No representative or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in this announcement. Past performance of securities in Grainger plc cannot be relied upon as a guide to the future performance of such securities. This announcement does not constitute an offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities of Grainger plc.

**Chief Executive's Statement**

# Substantial opportunity to accelerate growth

It is my pleasure to report another year of continuing accelerated growth for your Company and a very strong growth outlook.

Building on last year's record delivery of new homes, we have had another year of strong delivery, adding 1,236 new homes to our expanding portfolio.

We added four new communities to our existing clusters in Birmingham, Bristol, London, and Manchester, and building on our national footprint of carefully selected locations, we are now building meaningful scale in these cities. One of these was the acquisition of an existing BTR asset, The Astley, demonstrating the potential of stabilised acquisitions as a route to growth. We also opened our first scheme in Wales in Cardiff.

These new homes together with like-for-like rental growth of 6.3% have meant we have once again delivered double digit income growth at 14%, ahead of last year's 12% growth. For our Shareholders this also means a 14% growth in our dividend.

Our portfolio returned to valuation growth in the second half with a 1.1% increase which offset the decline in the first half related to the one-off impact of tax changes (the removal of multiple dwellings relief, MDR). Over the whole year valuation declined by 0.8% (FY23: (2.4)%) including this one off impact; excluding MDR underlying valuations increased 0.8% during the year.

Over the past two years, due to rising interest rates, we've experienced yield expansion yet our portfolio value's decline was successfully largely offset by rental growth due to the resilience of our assets and the strength of our operating platform.

Our proactive asset recycling programme drives continued growth, which also preserves the strength of our balance sheet. This year we disposed of a record number of non-core assets generating £274m of gross revenue from these lower yielding assets. We are then reinvesting this capital into higher-yielding, modern, purpose-built, energy efficient, attractive homes. This, together with our high level of asset recycling last year is leading to the continued high quality and strong potential of our portfolio.

The investment and focus we have placed on creating the UK's leading build-to-rent (BTR) operating platform means that we can leverage our planned growth using our central platform and deliver significant margin gains, with our EBITDA margin set to grow by six percentage points to over 60% by FY29, a compounding effect on our earnings growth.

The strategic transformation we have undergone since setting out our strategy in 2016 is enabling us to convert to a REIT in October 2025, made possible by the fact that the business will be majority BTR homes, focused on investment and growing net rental income and no longer reliant on trading profits. Our BTR/PRS portfolio now represents 81% of our operational portfolio given the success of both our pipeline delivery and recycling of our regulated tenancy portfolio.

**High customer satisfaction and healthy customer affordability**

We are committed to delivering great homes and a great service to our customers. Satisfied customers deliver the most robust returns for our Shareholders.

Our investment in customer experience, including deeper customer insight, our CONNECT technology platform and our Company-wide customer service training programme, has led to year-on-year improvements in customer metrics.

Our key metric for customer satisfaction, Net Promoter Score (NPS), has increased even further this year following last year's exceptional score, and is now +48, significantly ahead of industry peers and many other industry market leaders.

Customer retention is high at 63%. On average, our customers stay with Grainger for nearly three years.

In addition to our customers telling us that they are happy renting with Grainger, we closely monitor the financial health of our customers and their rental affordability. It is generally accepted that housing costs should be no more than a third of a household's gross income.

I am pleased to report that Grainger's customer affordability remains healthy at 28%.

**Operational excellence**

We have successfully been leasing our four new schemes well ahead of underwriting, which typically assumes 12-18 months to fully lease up a new building.

In Cardiff at the Coppers Works (307 homes), in Bristol at Millwrights Place (231 homes), in Birmingham at The Silver Yard (375 homes), and in London, our second phase of Windlass Apartments (65 homes), our newly completed buildings are all leasing exceptionally well, ahead of underwriting.

We continue to reap the benefits of scale as we grow. Operating expenses continue to be improved with our 'gross to net' leakage down from 25.5% to 25%, a 75% gross rental margin. This margin is after refresh and refurbishment costs which are included in the 25%.

In addition, with scale we have created efficiencies in our procurement and supply chain. Good examples of this were our consolidation of our repairs and maintenance supplier in the South of England and our consolidation of national furniture suppliers this year, both enabling us to drive savings and, importantly, further enhance customer experience.

Our fully integrated and fully digitised customer journey, combined with our CONNECT technology platform, enables us to benefit from the significant data and insight we have at our fingertips, a benefit of operating all our own properties directly. CONNECT, along with our data, enables us to readily utilise AI and analytics across the business, such as lettings, customer experience, building operations, asset management, development and our core corporate functions too.

We also launched a new website improving our leasing journey for those wishing to rent with Grainger.

**Leading the way on sustainability and responsibility**

We continue to demonstrate our leadership in sustainability and responsibility.

94% of our properties are compliant with future energy efficiency standards expected to come into force in 2030 (BTR/PRS portfolio, EPC ratings A-C).

We continue to make good progress against our target to be net zero carbon for our operations by 2030 with our Scope 1 & 2 emissions reducing again year on year by 8%.

Our focus to reduce Scope 3 emissions, particularly our customer emissions, supported by our consumer campaign, Living a Greener Life, continues to bear fruit, with Scope 1-3 emissions per $m^2$ reduced by 9% year on year on the PRS portfolio.

Through targeted initiatives, we have successfully established a robust baseline of customer emissions data, which has enabled us to apply for our established carbon targets to be recognised as science-based targets, an important step on our net zero carbon pathway.

Safety remains a core focus for Grainger. All housing businesses have a responsibility to keep their residents safe.

Most of our BTR properties were built post Grenfell. This year, with the report on Grenfell, we have further invested in keeping safety at the front of all Grainger employees' minds, a commitment that runs from the Board all the way through the organisation. Our Live.Safe programme continues to successfully engender a safety-first culture. With the enactment of the Building Safety Act, we have been at the forefront of the industry, getting ahead of new building safety regulations and going beyond the new minimum safety standards.

**Political and regulatory landscape**

During the year we worked with both Governments on their proposals for reforming the rental housing market, which have been broadly similar.

The UK now has a Labour Government with a notable majority. The Labour manifesto focused on driving economic growth through stimulating the supply side, particularly through the delivery of 1.5 million new homes over this Parliament. At the same time, the Labour Government also committed to raising standards in the private rented sector.

We have been heavily engaged in dialogue with policy makers, including the Labour Party, both before the election and now they are in government, to ensure our perspective is understood and that policy and regulation continues to encourage investment into private rented homes, which is being met positively.

We were pleased to see that the Labour Government publicly ruled out any form of rent controls in favour of stimulating housing supply and raising standards.

Proposals to raise rental standards have been consistently informed by Grainger over the years. We will continue to engage with Government and policy makers to ensure such changes protect future investment and housing delivery. Our ambition is to lead in the quality of homes and services our customers enjoy.

The Labour Government's commitment to reforming the planning system to stimulate housing delivery is also welcome and aligns to our growth strategy.

We will continue to engage with policy makers and the UK Government in the shaping of future legislation and regulation.

**A great place to work**

We know Grainger is a great place to work because our colleagues tell us it is. The number one reason is because of the people.

I am very proud to announce that Grainger this year achieved the UK's leading benchmark for Equality, Diversity and Inclusion (ED&I), the National Equality Standard, which entailed an in-depth and comprehensive assessment of our ED&I programme and supportive culture and policies.

I am also proud that this year Grainger was recognised as a leading FTSE business for women in business, ranking 19th out of the FTSE250 in the FTSE Women Leaders review.

It is also pleasing to report that our colleague engagement scores remain high, achieving a 'Very Good' rating in our annual survey administered independently by Best Companies. Grainger is now in the Top 100 Employers according to Best Companies.

**Outlook of compounding growth and market momentum**

FY24 marked another year of very strong growth in net rental income and EPRA earnings as our operating platform and excellent pipeline continue to deliver compounding growth. With earnings guidance increased for the next two years and a sizable opportunity for further additional growth beyond, we are accelerating our growth and delivering on our strategy.

The market opportunity for the UK BTR sector is substantial and Grainger, as market leader with a proven track record of successfully launching and operating new BTR homes, is best placed to continue to accelerate and grow in this sector.

Rental growth for the year ahead is expected to remain above the long-term historical average of 3-3.5% as well as above our underwriting assumptions.

Our pipeline for growth is impressive at c.50% of our current BTR portfolio. This growth in our core cities will be delivered with our strengthening relations with partners including public sector landowners.

Our asset recycling programme will continue to support our growth ambitions whilst allowing us to maintain a strong balance sheet.

Structural undersupply combined with pipeline for growth, our expertise and leading operating platform means we are perfectly positioned to continue to grow rapidly. The benefits of scale will enhance returns and deliver compound earnings growth for our Shareholders as well as providing a great experience for renters.

I am proud to lead a great team whose purpose is to enrich people's lives by the homes we create and the service we deliver. I want to thank the Grainger team, our Board and our Shareholders for continuing to support us in this endeavour.

**Helen Gordon**
Chief Executive Officer
20 November 2024

**Financial review**

The 14% growth in our net rents has been achieved by the continuing delivery of our high quality pipeline and excellent operational performance with like-for-like rental growth of 6.3% and occupancy of 97.4%.

The demand for our homes continues to grow as consumers' awareness of the benefits of our offering increases. This strong revenue growth is magnified by the operational leverage generated through our CONNECT platform, scale efficiencies and continued cost control to deliver even stronger earnings growth with EPRA earnings up 21% in the year.

It was also an exceptional year for sales with a record £274m of sales delivered during the year. This higher level of asset recycling ensures that our property level returns are optimised while also providing capital for further investment and managing our net debt in line with our plans.

The second half of the year saw a return to valuation growth. Over the year we saw a continuation of the theme of strong ERV growth of 5.2% offsetting yield shift of c.20bps, but with yields stabilising the balance of these two components should prove more positive going forward.

Our balance sheet remains in great shape with strong liquidity and a strong hedging profile giving us minimal exposure to interest rate rises for the next four years. Both net debt and LTV have decreased from the half year levels demonstrating our ability to flex our capital structure through the strong liquidity in our asset base.

Our dividend per share continues its strong growth trajectory, increasing by 14% to 7.55p on a per share basis (FY23: 6.65p). This year's strong growth looks set to continue with similar levels of absolute growth in net rents expected next year as well as a dividend that will continue to grow strongly as we convert to a REIT. We also upgrade our EPRA earnings guidance for FY26 by £5m to £60m, the second upgrade over the last 12 months, with the potential to deliver 50% EPRA earnings growth from the delivery of our committed pipeline over the medium term.

***Financial highlights***

| **Income return** | **FY24** | **FY23** | **Change** |
|---|---|---|---|
| Rental growth (like-for-like) | 6.3% | 7.7% | -141bps |
| - *PRS* | 6.3% | 8.0% | -167bps |
| - *Regulated tenancies* | 6.6% | 5.9% | +74bps |
| Net rental income *(Note 5)* | £110.1m | £96.5m | +14% |
| Adjusted earnings *(Note 2)* | £91.6m | £97.6m | (6)% |
| EPRA Earnings *(Note 3)* | £48.0m | £39.8m | +21% |
| IFRS Profit before tax *(Note 2)* | £40.6m | £27.4m | +48% |
| Earnings per share (diluted, after tax) (Note 9) | 4.2p | 3.5p | +20% |
| Dividend per share *(Note 10)* | 7.55p | 6.65p | +14% |

| **Capital return** | **FY24** | **FY23** | **Change** |
|---|---|---|---|
| Total Property Return | 1.9% | 0.4% | 153bps |
| Total Accounting Return (NTA basis) *(Note 3)* | 0.3% | (1.8)% | +207bps |
| EPRA NTA per share *(Note 3)* | 298p | 305p | (2)% |
| Net debt | £1,453m | £1,416m | +3% |
| Group LTV | 38.2% | 36.8% | +135bps |
| Cost of debt (average) | 3.2% | 3.3% | +13bps |
| Reversionary surplus | £147m | £213m | (31)% |

**Income statement**

The business continues to deliver very strong growth in EPRA earnings, up 21% to £48.0m (FY23: £39.8m) with the strong growth in net rents of 14% driving even stronger earnings growth as a result of the strong operational leverage inherent in our business.

Adjusted earnings decreased by 6% to £91.6m (FY23: £97.6m) as sales profits were lower than prior years as we continue to shrink our regs portfolio in line with our strategy. Other adjustments include hedge ineffectiveness of £6.6m and a £5.0m fire safety provision.

| **Income statement (£m)** | **FY24** | **FY23** | **Change** |
|---|---|---|---|
| Net rental income | 110.1 | 96.5 | +14% |
| Mortgage income *(CHARM, Note 15)* | 4.6 | 4.7 | (3)% |
| Management fees and other income[1] | 8.1 | 5.0 | +59% |
| Overheads | (35.3) | (33.5) | (5)% |
| Pre-contract costs | (1.0) | (1.2) | +20% |
| Net finance costs | (38.8) | (31.8) | (21)% |
| Joint ventures | 0.3 | 0.1 | +193% |
| **EPRA Earnings**[2] | **48.0** | **39.8** | **+21%** |
| EPRA EPS | 6.5p | 5.4p | +21% |
| Profit from sales | 43.6 | 57.8 | (24)% |
| **Adjusted Earnings** | **91.6** | **97.6** | **(6)%** |
| Adjusted EPS (diluted, after tax)[3] | 9.3p | 10.3p | (10)% |
| Valuation movements[4] | (39.4) | (70.2) | +44% |
| Other adjustments | (11.6) | - | (100)% |
| **IFRS profit before tax** | **40.6** | **27.4** | **+48%** |
| Earnings per share (diluted, after tax) | 4.2p | 3.5p | +20% |

1 Including LADs: "liquidated and ascertained damages" which provide financial compensation for the loss of rental income caused by delays to the practical completion of our schemes
2 EPRA Earnings is a measure of recurring earnings from core operational activities which the Company uses in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). For more details please see page [172]
3 Adjusted earnings per share includes tax of £22.9m (FY23: £21.5m) in line with Corporation Tax of 25% (FY23: 22%)
4 Including £(59)m in H1 due to the removal of MDR; excluding this, underlying valuation movement was +£20m in FY24

**Rental income**

Net rental income increased by 14% to £110.1m (FY23: £96.5m), as we continue our trajectory of recurring double-digit growth. The substantial £13.6m increase was driven by a combination of strong delivery of pipeline scheme launches which contributed £10.9m along with another year of good rental growth reflecting strong demand for our product.

Overall like-for-like rental growth was +6.3% (FY23: +7.7%) with the PRS portfolio continuing to deliver strong growth at +6.3% (FY23: +8.0%), with rental growth on renewals of +6.8% (FY23: +7.2%) and +5.6% (FY23: +9.2%) on new lets. Our regulated tenancy portfolio also delivered strong rental growth at +6.6% (FY23: +5.9%). Looking forward we see rental growth in the coming year continuing above the long-run average of 3.5%.

Gross to net for our stabilised portfolio improved to 25.0% (FY23: 25.5%) as we continue to deliver efficiency benefits as we build out our clusters.

We expect FY25 to deliver similar levels of absolute growth in net rent.

| | £m |
|---|---|
| **FY23 Net rental income** | **96.5** |
| Rental growth and occupancy | 6.1 |
| PRS Investment | 10.9 |
| Disposals | (3.4) |
| **FY24 Net rental income** | **110.1** |

**Sales**

FY24 was an exceptional year for sales. As we had previously guided we stepped up asset recycling in the year in order to maintain our balance sheet and create further capacity for investment. Delivery on this strategy has been very strong with overall sales revenue of £274.3m, a 42% increase on the prior year (FY23: £193.7m) with £147.6m of sales revenue coming from PRS recycling.

Sales profits were lower at £43.6m (FY23: £57.8m) as expected reflecting a smaller regulated tenancy portfolio from which sales profits are generated whereas profits from PRS recycling are based on valuation and therefore have much lower profit margins.

Vacant property sales profits in the period were down 26%, as expected delivering £25.4m (FY23: £34.1m), due to the reducing regulated tenancy portfolio size and a strong end to the prior years' sales. Vacancy rates were flat at 7.1% (FY23: 7.8%) with margins similar to the prior year. Pricing achieved remained robust with sales values within 2.0% of vacant possession values.

Sales of tenanted and other properties delivered £15.6m of profit (FY23: £19.4m) from £194.0m of revenue (FY23: £88.1m) with the increased revenues driven by the higher PRS recycling. Margins on the tenanted regulated tenancy sales which make up the balance and deliver the profit were broadly in line with prior years.

Development profits in the period were £2.6m which relates to the sale of two land plots at our Berewood location.

| | FY24 | | FY23 | |
|---|---|---|---|---|
| **Sales (£m)** | **Revenue** | **Profit** | **Revenue** | **Profit** |
| Residential sales on vacancy | 54.9 | 25.4 | 70.1 | 34.1 |
| Tenanted and other sales | 194.0 | 15.6 | 88.1 | 19.4 |
| **Residential sales total** | **248.9** | **41.0** | **158.2** | **53.5** |
| Development sales | 25.4 | 2.6 | 35.5 | 4.3 |
| **Overall sales** | **274.3** | **43.6** | **193.7** | **57.8** |

**Overheads**

Overheads increased by 5% in the period to £35.3m (FY23: £33.5m) as a result of wage growth across our employee base.

**Balance sheet**

Our PRS portfolio now represents 81% of our operational portfolio given the success of both our pipeline delivery and regulated tenancy recycling, putting us in the position to convert to a REIT in October 2025.

LTV is up marginally on the prior year at 38.2% (FY23: 36.8%) reflecting investment, however it is down from the half year of 39.1%, reflecting accelerated sales in the second half. Looking forward, in the higher interest rate environment, we will be using our strong operating cash flows to reduce debt and LTV over the medium term.

EPRA NTA decreased by 2% to 298p per share (FY23: 305p per share) reflecting the impact during the first half of the removal of multiple dwellings relief (MDR) equating to 8p per share; excluding this one-off impact NTA would be marginally up. EPRA NTA was up 4p (1.4%) on the half year position of 294p.

| **Market value balance sheet (£m)** | **FY24** | **FY23** |
|---|---|---|
| Residential – PRS | 2,708 | 2,423 |
| Residential – regulated tenancies | 591 | 693 |
| Residential – mortgages (CHARM) | 57 | 67 |
| Forward Funded – PRS work in progress | 266 | 441 |
| Development work in progress | 84 | 126 |
| Investment in JVs/associates | 91 | 91 |
| **Total investments** | **3,797** | **3,841** |
| | | |
| Net debt | (1,453) | (1,416) |
| Other liabilities | (48) | (66) |
| **EPRA NRV** | **2,296** | **2,359** |
| | | |
| Deferred and contingent tax – trading assets | (76) | (91) |
| Exclude: intangible assets | (2) | (1) |
| **EPRA NTA** | **2,218** | **2,267** |
| Add back: intangible assets | 2 | 1 |
| Deferred and contingent tax – investment assets | (113) | (106) |
| Fair value of fixed rate debt and derivatives | 88 | 171 |
| **EPRA NDV** | **2,195** | **2,333** |
| | | |
| EPRA NRV pence per share | 309 | 318 |
| **EPRA NTA pence per share** | **298** | **305** |
| EPRA NDV pence per share | 295 | 314 |

**EPRA NTA movement**

| | £m | Pence per share |
|---|---|---|
| **EPRA NTA at 30 September 2023** | **2,267** | **305** |
| Net rents, fees & income | 122 | 17 |
| Overheads | (35) | (5) |
| Finance costs | (39) | (5) |
| ***EPRA earnings*** | ***48*** | ***7*** |
| Valuations (MDR) | (59) | (8) |
| Valuations (trading & investment property) | 14 | 2 |
| Dividends, tax & other | (53) | (8) |
| **EPRA NTA at 30 September 2024** | **2,218** | **298** |

**Property portfolio performance**

Our portfolio returned to valuation growth in the second half with a 1.1% increase offsetting the 1.9% decline in the first half (of which 1.6% related to the one-off £59m impact of the removal of MDR).

Over the whole year valuation declined by 0.8% (FY23: (2.4%)) including this one-off impact; excluding MDR the underlying valuation increase was 0.8% during the year.

Our PRS portfolio saw strong ERV growth of 5.2% which more than offset the c.20bps outward yield movement in the period. Our regional PRS portfolio outperformed London as the capital saw a larger outward yield shift. Valuations in the regulated portfolio were largely flat in the year.

| **Portfolio** | **Region** | **Capital Value** | **Total Valuation movement** | |
|---|---|---|---|---|
| | | **(£m)** | **£m** | **%** |
| PRS | London & SE | 1,277 | (31) | (2.5)% |
| | Regions | 1,431 | 6 | 0.4% |
| | **PRS total** | **2,708** | **(25)** | **(0.9)%** |
| Regulated tenancies | London & SE | 512 | (2) | (0.4)% |
| | Regions | 79 | 1 | 0.9% |
| | **Regulated tenancy total** | **591** | **(1)** | **(0.2)%** |
| **Operational portfolio** | | **3,299** | **(26)** | **(0.8)%** |
| | PRS development | 350 | (5) | (1.3)% |
| **Total portfolio** | | **3,649** | **(31)** | **(0.8)%** |

**Financing and capital structure**

Net debt increased slightly during the year to £1,453m (FY23: £1,416m), however it was down from the half year position of £1,497m. The significant investment in our pipeline of £270m was offset by the step up in our sales programme which generated £269m of net sales proceeds.

We maintained a strong level of liquidity with £509m of headroom in our facilities with an average debt maturity of 4.7 years including extension options. Refinancing risk is minimal with no material refinancing required until 2028. We continue to benefit from a very strong hedging profile, with four years remaining and with our average cost of debt remaining relatively flat at 3.2% (FY23: 3.3%).

| | **FY24** | **FY23** |
|---|---:|---:|
| Net debt | £1,453m | £1,416m |
| Loan to value | 38.2% | 36.8% |
| Cost of debt | 3.2% | 3.3% |
| Headroom | £509m | £519m |
| Weighted average facility maturity (years) | 4.7 | 5.5 |
| Hedging | 95% | 95% |

**Summary and outlook**

FY24 marked another year of very strong growth in net rents and EPRA earnings as our operating platform and excellent pipeline continue to deliver compounding growth. With earnings guidance increased for the next two years and a sizeable opportunity to deliver further additional growth beyond, we are accelerating our growth and delivering on our strategy.

**Rob Hudson**
Chief Financial Officer
20 November 2024

## Consolidated income statement

| For the year ended 30 September | Notes | **2024 £m** | 2023 £m |
|---|---|---|---|
| **Group revenue** | 4 | **290.1** | 267.1 |
| Net rental income | 5 | **110.1** | 96.5 |
| Profit on disposal of trading property | 6 | **49.4** | 54.8 |
| (Loss)/profit on disposal of investment property | 7 | **(5.8)** | 3.3 |
| (Expense)/income from financial interest in property assets | 15 | **(1.3)** | 4.6 |
| Fees and other income | 8 | **8.1** | 5.0 |
| Administrative expenses | | **(35.3)** | (33.5) |
| Other expenses | | **(6.0)** | (1.2) |
| Goodwill impairment | | **-** | (0.1) |
| Impairment of inventories to net realisable value | 12 | **(0.1)** | (1.0) |
| **Operating profit** | | **119.1** | 128.4 |
| Net valuation losses on investment property | 11 | **(32.5)** | (68.8) |
| Hedge ineffectiveness under IFRS9 | | **(6.6)** | - |
| Finance costs | | **(41.8)** | (34.0) |
| Finance income | | **3.0** | 2.2 |
| Share of loss of associates after tax | 13 | **(0.4)** | (0.1) |
| Share of loss of joint ventures after tax | 14 | **(0.2)** | (0.3) |
| **Profit before tax** | 2 | **40.6** | 27.4 |
| Tax charge | 20 | **(9.4)** | (1.8) |
| **Profit for the year attributable to the owners of the Company** | | **31.2** | 25.6 |
| **Basic earnings per share** | 9 | **4.2p** | 3.5p |
| **Diluted earnings per share** | 9 | **4.2p** | 3.5p |

## Consolidated statement of comprehensive income

| For the year ended 30 September | Notes | **2024**<br>**£m** | 2023<br>£m |
|---|---|---|---|
| **Profit for the year** | 2 | **31.2** | 25.6 |
| *Items that will not be transferred to the consolidated income statement:* | | | |
| Remeasurement of BPT Limited defined benefit pension scheme | 21 | **(3.1)** | (1.1) |
| *Items that may be or are reclassified to the consolidated income statement:* | | | |
| Changes in fair value of cash flow hedges | | **(20.8)** | (16.1) |
| **Other comprehensive income and expense for the year before tax** | | **(23.9)** | (17.2) |
| *Tax relating to components of other comprehensive income:* | | | |
| Tax relating to items that will not be transferred to the consolidated income statement | 20 | **0.8** | 0.3 |
| Tax relating to items that may be or are reclassified to the consolidated income statement | 20 | **5.2** | 4.0 |
| **Total tax relating to components of other comprehensive income** | | **6.0** | 4.3 |
| **Other comprehensive income and expense for the year after tax** | | **(17.9)** | (12.9) |
| **Total comprehensive income and expense for the year attributable to the owners of the Company** | | **13.3** | 12.7 |

## Consolidated statement of financial position

| As at 30 September | Notes | **2024 £m** | 2023 £m |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investment property | 11 | **2,996.8** | 2,948.9 |
| Property, plant and equipment | | **10.6** | 8.6 |
| Investment in associates | 13 | **14.9** | 15.8 |
| Investment in joint ventures | 14 | **76.4** | 75.2 |
| Financial interest in property assets | 15 | **57.4** | 67.0 |
| Retirement benefits | 21 | **6.5** | 9.6 |
| Deferred tax assets | 20 | **6.1** | 3.7 |
| Intangible assets | | **1.8** | 1.0 |
| | | **3,170.5** | 3,129.8 |
| **Current assets** | | | |
| Inventories – trading property | 12 | **331.6** | 392.2 |
| Investment property – held for sale | 11 | **31.5** | - |
| Trade and other receivables | 16 | **90.9** | 34.0 |
| Derivative financial instruments | 19 | **19.8** | 45.3 |
| Current tax assets | | **5.2** | - |
| Cash and cash equivalents | | **93.2** | 121.0 |
| | | **572.2** | 592.5 |
| **Total assets** | | **3,742.7** | 3,722.3 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Interest-bearing loans and borrowings | 19 | **1,592.9** | 1,533.5 |
| Trade and other payables | 17 | **6.3** | 6.9 |
| Provisions for other liabilities and charges | 18 | **1.0** | 1.1 |
| Deferred tax liabilities | 20 | **121.5** | 122.3 |
| | | **1,721.7** | 1,663.8 |
| **Current liabilities** | | | |
| Trade and other payables | 17 | **114.1** | 120.7 |
| Provisions for other liabilities and charges | 18 | **13.2** | 8.6 |
| Current tax liabilities | | **-** | 0.6 |
| | | **127.3** | 129.9 |
| **Total liabilities** | | **1,849.0** | 1,793.7 |
| **NET ASSETS** | | **1,893.7** | 1,928.6 |
| **EQUITY** | | | |
| Issued share capital | | **37.2** | 37.2 |
| Share premium account | | **817.9** | 817.8 |
| Merger reserve | | **20.1** | 20.1 |
| Capital redemption reserve | | **0.3** | 0.3 |
| Cash flow hedge reserve | | **4.4** | 20.0 |
| Retained earnings | | **1,013.8** | 1,033.2 |
| **TOTAL EQUITY** | | **1,893.7** | 1,928.6 |

## Consolidated statement of changes in equity

| | Notes | Issued share capital £m | Share premium account £m | Merger reserve £m | Capital redemption reserve £m | Cash flow hedge reserve £m | Retained earnings £m | Total equity £m |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 October 2022** | | 37.1 | 817.6 | 20.1 | 0.3 | 32.1 | 1,059.6 | 1,966.8 |
| Profit for the year | 2 | - | - | - | - | - | 25.6 | 25.6 |
| Other comprehensive loss for the year | | - | - | - | - | (12.1) | (0.8) | (12.9) |
| Total comprehensive income | | - | - | - | - | (12.1) | 24.8 | 12.7 |
| Award of SAYE shares | | 0.1 | 0.2 | - | - | - | - | 0.3 |
| Purchase of own shares | | - | - | - | - | - | (7.9) | (7.9) |
| Share-based payments charge | 22 | - | - | - | - | - | 2.4 | 2.4 |
| Dividends paid | | - | - | - | - | - | (45.7) | (45.7) |
| Total transactions with owners recorded directly in equity | | 0.1 | 0.2 | - | - | - | (51.2) | (50.9) |
| **Balance as at 30 September 2023** | | 37.2 | 817.8 | 20.1 | 0.3 | 20.0 | 1,033.2 | 1,928.6 |
| Profit for the year | 2 | **-** | **-** | **-** | **-** | **-** | **31.2** | **31.2** |
| Other comprehensive loss for the year | | **-** | **-** | **-** | **-** | **(15.6)** | **(2.3)** | **(17.9)** |
| Total comprehensive income | | **-** | **-** | **-** | **-** | **(15.6)** | **28.9** | **13.3** |
| Award of SAYE shares | | **-** | **0.1** | **-** | **-** | **-** | **-** | **0.1** |
| Purchase of own shares | | **-** | **-** | **-** | **-** | **-** | **(0.1)** | **(0.1)** |
| Share-based payments charge | 22 | **-** | **-** | **-** | **-** | **-** | **2.8** | **2.8** |
| Dividends paid | | **-** | **-** | **-** | **-** | **-** | **(51.0)** | **(51.0)** |
| Total transactions with owners recorded directly in equity | | **-** | **0.1** | **-** | **-** | **-** | **(48.3)** | **(48.2)** |
| **Balance as at 30 September 2024** | | **37.2** | **817.9** | **20.1** | **0.3** | **4.4** | **1,013.8** | **1,893.7** |

## Consolidated statement of cash flows

| For the year ended 30 September | Notes | **2024 £m** | 2023 £m |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit for the year | 2 | **31.2** | 25.6 |
| Depreciation and amortisation | | **1.5** | 1.1 |
| Impairment of goodwill | | **-** | 0.1 |
| Net valuation losses on investment property | 11 | **32.5** | 68.8 |
| Hedge ineffectiveness under IFRS 9 | | **6.6** | - |
| Net finance costs | | **38.8** | 31.8 |
| Share of loss of associates and joint ventures | 13, 14 | **0.6** | 0.4 |
| Loss/(profit) on disposal of investment property | 7 | **5.8** | (3.3) |
| Share-based payment charge | 22 | **2.8** | 2.4 |
| Expense/(income) from financial interest in property assets | 15 | **1.3** | (4.6) |
| Tax charge | 20 | **9.4** | 1.8 |
| Cash generated from operating activities before changes in working capital | | **130.5** | 124.1 |
| (Increase)/decrease in trade and other receivables | | **(3.8)** | 6.5 |
| Increase in trade and other payables | | **9.9** | 37.0 |
| Increase in provisions for liabilities and charges | | **4.5** | - |
| Decrease in inventories | | **60.6** | 61.6 |
| Cash generated from operating activities | | **201.7** | 229.2 |
| Interest paid | | **(52.6)** | (46.9) |
| Tax (paid)/received | | **(12.5)** | 2.7 |
| Payments to defined benefit pension scheme | 21 | **-** | (0.3) |
| Net cash inflow from operating activities | | **136.6** | 184.7 |
| **Cash flow from investing activities** | | | |
| Proceeds from sale of investment property | | **90.2** | 63.5 |
| Proceeds from financial interest in property assets | 15 | **8.3** | 6.7 |
| Dividends received from associates | 13 | **0.5** | 0.8 |
| Investment in joint ventures | 14 | **-** | (34.0) |
| Loans advanced to joint ventures | 14 | **(1.4)** | (3.0) |
| Acquisition of investment property | 11 | **(261.0)** | (302.0) |
| Acquisition of property, plant and equipment and intangible assets | | **(4.3)** | (6.1) |
| Net cash outflow from investing activities | | **(167.7)** | (274.1) |
| **Cash flow from financing activities** | | | |
| Award of SAYE shares | | **0.1** | 0.3 |
| Purchase of own shares | | **(0.1)** | (7.9) |
| Proceeds from new borrowings | | **244.0** | 330.0 |
| Payment of loan costs | | **(2.8)** | (2.3) |
| Cash flows relating to new derivatives / settlement of derivatives | | **(1.9)** | (4.9) |
| Repayment of borrowings | | **(185.0)** | (155.0) |
| Dividends paid | | **(51.0)** | (45.7) |
| Net cash inflow from financing activities | | **3.3** | 114.5 |
| **Net (decrease)/increase in cash and cash equivalents** | | **(27.8)** | 25.1 |
| Cash and cash equivalents at the beginning of the year | | **121.0** | 95.9 |
| **Cash and cash equivalents at the end of the year** | | **93.2** | 121.0 |

**Notes to the preliminary financial results**

## 1. Accounting policies

### 1a Basis of preparation

The Board approved this preliminary announcement on 20 November 2024. The financial information included in this preliminary announcement does not constitute the Group's statutory accounts for the years ended 30 September 2023 or 30 September 2024. Statutory accounts for the year ended 30 September 2023 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 September 2024 will be delivered to the Registrar of Companies following the Company's annual general meeting.

The auditors, KPMG LLP, have reported on the accounts for both years. The reports were unqualified, did not include reference to any matters by way of emphasis and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

These financial statements for the year ended 30 September 2024 have been prepared under the historical cost convention except for the following assets and liabilities, and corresponding income statement accounts, which are stated at their fair value; investment property; derivative financial instruments; and financial interest in property assets.

The accounting policies used are consistent with those contained in the Group's full annual report and accounts for the year ended 30 September 2024. The financial information included in this preliminary announcement has been prepared in accordance with UK-adopted international accounting standards (IFRS) and applicable law.

### 1b Adoption of new and revised International Financial Reporting Standards and interpretations

The following new standards and amendments to standards were issued and adopted in the year and have no material impact on the financial statements:

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 12 – International tax reform – Pillar Two model rules;
- IFRS 17 – Insurance Contracts

The following new standards and amendments to standards have been issued but are not yet effective for the Group and have not been early adopted:

- Amendments to IAS 1 – Classification of liabilities as current or non-current;
- Amendments to IAS 1 – Non-current Liabilities with Covenants;
- Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier finance arrangements;
- Amendments to IFRS 16 – Lease liability in a sale and leaseback;
- Amendments to IFRS 9 and IFRS 7: classification and measurement of financial instruments;
- Amendments to IAS 21 – Lack of exchangeability;
- IFRS 18 – Presentation and Disclosure in Financial Statements

With the exception of IFRS 18, the application of these new standards and amendments are not expected to have a material impact on the Group's financial statements.

### 1c Significant judgements and estimates

**Estimates**

**i. Valuation of property assets**

Residential trading property is carried in the statement of financial position at the lower of cost and net realisable value and investment property is carried at fair value. The Group does, however, in its principal non-GAAP net asset value measures, EPRA NRV, EPRA NTA and EPRA NDV, include trading property at market value.

**Notes to the preliminary financial results continued**

The net valuation loss of £33.4m for the year ended 30 September 2024 includes the one-off impact of £58.8m following the Government's removal of MDR.

The adjustment in the value of trading property is the difference between the statutory book value and its market value as set out in Note 3. For investment property, market value is the same as fair value. In respect of trading properties, market valuation is the key assumption in determining the net realisable value of those properties.

In all cases, forming these valuations inherently includes elements of judgement and subjectivity with regards to the selection of unobservable inputs. The valuation basis and key unobservable inputs are outlined in Note 2 in the 2024 Annual Report and Accounts.

The results and the basis of each valuation and their impact on both the financial statements and market value for the Group's non-GAAP net asset value measures are set out below:

| | PRS £m | Reversionary £m | Other £m | Total £m | Valuer | % of properties for which external valuer provides valuation |
|---|---|---|---|---|---|---|
| Trading property | 4.3 | 305.8 | 21.5 | **331.6** | | |
| Investment property[1] | 3,011.9 | 16.4 | - | **3,028.3** | | |
| Financial asset (CHARM) | - | 57.4 | - | **57.4** | | |
| **Total statutory book value** | **3,016.2** | **379.6** | **21.5** | **3,417.3** | | |
| **Trading property** | | | | | | |
| Residential | 3.9 | 574.6 | - | **578.5** | Allsop LLP | 79% |
| Developments | - | - | 41.6 | **41.6** | CBRE Limited | 94% |
| **Total trading property** | **3.9** | **574.6** | **41.6** | **620.1** | | |
| **Investment property** | | | | | | |
| Residential | 670.9 | 16.4 | - | **687.3** | Allsop LLP / CBRE Limited | 100% |
| Developments | 42.1 | - | - | **42.1** | CBRE Limited | 83% |
| New build PRS | 1,936.7 | - | - | **1,936.7** | CBRE Limited | 100% |
| Affordable housing | 210.0 | - | - | **210.0** | Allsop LLP | 100% |
| Tricomm Housing | 152.2 | - | - | **152.2** | Allsop LLP | 100% |
| **Total investment property** | **3,011.9** | **16.4** | **-** | **3,028.3** | | |
| Financial asset (CHARM)[2] | - | 57.4 | - | 57.4 | Allsop LLP | 100% |
| **Total assets at market value** | **3,015.8** | **648.4** | **41.6** | **3,705.8** | | |
| Statutory book value | 3,016.2 | 379.6 | 21.5 | **3,417.3** | | |
| Market value adjustment[3] | (0.4) | 268.8 | 20.1 | **288.5** | | |
| **Total assets at market value** | **3,015.8** | **648.4** | **41.6** | **3,705.8** | | |
| Net revaluation loss recognised in the income statement for wholly-owned properties | (32.5) | | | | | |
| Net revaluation loss relating to joint ventures and associates[4] | (0.9) | | | | | |
| **Net revaluation loss recognised in the year[4]** | **(33.4)** | | | | | |

[1] Includes investment property – held for sale
[2] Allsop LLP provide vacant possession values used by the Directors to value the financial asset.
[3] The market value adjustment is the difference between the statutory book value and the market value of the Group's properties. Refer to Note 3 for market value net asset measures.
[4] Includes the Group's share of joint ventures and associates revaluation loss after tax.

**Notes to the preliminary financial results continued**

**Judgements**

**i. Distinction between investment and trading property**

The Group considers the intention at the outset when each property is acquired in order to classify the property as either an investment or a trading property. Where the intention is either to trade the property or where the property is held for immediate sale upon receiving vacant possession within the ordinary course of business, the property is classified as trading property. Where the intention is to hold the property for its long-term rental yield and/or capital appreciation, the property is classified as an investment property. The classification of the Group's properties is a significant judgement which directly impacts the statutory net asset position, as trading properties are held at the lower of cost and net realisable value, whilst investment properties are held at fair value, with gains or losses taken through the consolidated income statement.

The Group continually reviews properties for changes in use that could subsequently change the classification of properties. A change of use occurs if property meets, or ceases to meet, the definition of investment property which is more than a change in management's intentions. The fact patterns associated with changes in the way in which properties are utilised are considered on a case by case basis and to the extent that a change in use is established, property reclassifications are reflected appropriately.

**1d Group risk factors**

The principal risks and uncertainties facing the Group are set out in the Risk Management report of the 2024 Annual Report and Accounts.

A number of risks faced by the Group are not directly within our control such as the wider economic and political environment.

**1e Going concern assessment**

The Directors are required to make an assessment of the Group's ability to continue to trade as a going concern for the foreseeable future. Given the macro-economic conditions in which the Group is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 30 September 2024.

The financial position of the Group, including details of its financing and capital structure, is set out in the financial review on pages 31 to 36 in the 2024 Annual Report and Accounts. In making the going concern assessment, the Directors have considered the Group's principal risks (see pages 59 to 63 in the 2024 Annual Report and Accounts) and their impact on financial performance. The Directors have assessed the future funding commitments of the Group and compared these to the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts and, where applicable, severe sensitivities have been applied to the key factors affecting financial performance for the Group.

The going concern assessment is based on forecasts to the end of March 2026, which exceeds the required period of assessment of at least 12 months in order to be aligned to the Group's interim reporting date, and uses the same forecasts considered by the Group for the purposes of the Viability Statement. The assessment considers a severe but plausible downside scenario, reflecting the following key assumptions:

- Reducing PRS occupancy to 87.5% by 30 September 2026
- Rental growth reduced by 100bps to 2.5% in FY25
- Reducing property valuations by 10% by 30 September 2025, driven by rents, yield expansion or house price deflation
- Operating and development cost inflation of 10% p.a.
- An increase in SONIA rate of 2% from 1 October 2024

The Group's forecasts incorporate the likely impact of climate change and sustainability requirements including costs to deliver our climate related targets. This includes EPC upgrades across the portfolio and investing in energy efficient solutions for central heating systems.

No new financing is assumed in the assessment period, but existing facilities are assumed to remain available. Even in this severe downside scenario, the Group has sufficient cash reserves, with the loan-to-value covenant remaining no higher than 48% (facility maximum covenant ranges between 70% – 75%) and interest cover no lower than 3.29x (facility minimum covenant ranges between 1.35x – 1.75x) for the period to March 2026 to align with reporting periods, which covers the required period of at least 12 months from the date of authorisation of these financial statements.

Based on these considerations, together with available market information and the Directors' experience of the Group's property portfolio and markets, the Directors continue to adopt the going concern basis in preparing the accounts for the year ended 30 September 2024.

### 1f Forward-looking statement

Certain statements in this preliminary announcement are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct.

Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise. See page 5 for the full forward-looking statements disclaimer.

Notes to the preliminary financial results continued

## 2. Analysis of profit before tax

The table below details adjusted earnings, which is one of Grainger's key performance indicators. The metric is utilised as a key measure to aid understanding of the performance of the continuing business and excludes valuation movements and other adjustments that are one-off in nature, which do not form part of the normal ongoing revenue or costs of the business and, either individually or in aggregate, are material to the reported Group results.

| | | | | **2024** | | | | 2023 |
|---|---|---|---|---|---|---|---|---|
| **£m** | **Statutory** | **Valuation** | **Other adjustments** | **Adjusted earnings** | Statutory | Valuation | Other adjustments | Adjusted earnings |
| **Group revenue** | **290.1** | **-** | **-** | **290.1** | 267.1 | - | - | 267.1 |
| Net rental income | **110.1** | **-** | **-** | **110.1** | 96.5 | - | - | 96.5 |
| Profit on disposal of trading property | **49.4** | **-** | **-** | **49.4** | 54.8 | (0.3) | - | 54.5 |
| (Loss)/profit on disposal of investment property | **(5.8)** | **-** | **-** | **(5.8)** | 3.3 | - | - | 3.3 |
| (Expense)/income from financial interest in property assets | **(1.3)** | **5.9** | **-** | **4.6** | 4.6 | 0.1 | - | 4.7 |
| Fees and other income | **8.1** | **-** | **-** | **8.1** | 5.0 | - | - | 5.0 |
| Administrative expenses | **(35.3)** | **-** | **-** | **(35.3)** | (33.5) | - | - | (33.5) |
| Other expenses | **(6.0)** | **-** | **5.0** | **(1.0)** | (1.2) | - | - | (1.2) |
| Goodwill impairment | **-** | **-** | **-** | **-** | (0.1) | 0.1 | - | - |
| Impairment of inventories to net realisable value | **(0.1)** | **0.1** | **-** | **-** | (1.0) | 1.0 | - | - |
| **Operating profit** | **119.1** | **6.0** | **5.0** | **130.1** | 128.4 | 0.9 | - | 129.3 |
| Net valuation losses on investment property | **(32.5)** | **32.5** | **-** | **-** | (68.8) | 68.8 | - | - |
| Hedge ineffectiveness under IFRS9 | **(6.6)** | **-** | **6.6** | **-** | - | - | - | - |
| Finance costs | **(41.8)** | **-** | **-** | **(41.8)** | (34.0) | - | - | (34.0) |
| Finance income | **3.0** | **-** | **-** | **3.0** | 2.2 | - | - | 2.2 |
| Share of loss of associates after tax | **(0.4)** | **0.9** | **-** | **0.5** | (0.1) | 0.5 | - | 0.4 |
| Share of loss of joint ventures after tax | **(0.2)** | **-** | **-** | **(0.2)** | (0.3) | - | - | (0.3) |
| **Profit before tax** | **40.6** | **39.4** | **11.6** | **91.6** | 27.4 | 70.2 | - | 97.6 |
| Tax charge | **(9.4)** | | | | (1.8) | | | |
| **Profit for the year attributable to the owners of the Company** | **31.2** | | | | 25.6 | | | |
| **Basic adjusted earnings per share** | | | | **9.3p** | | | | 10.3p |
| **Diluted adjusted earnings per share** | | | | **9.3p** | | | | 10.3p |

Profit before tax in the adjusted columns above of £91.6m (2023: £97.6m) is the adjusted earnings of the Group. Adjusted earnings per share assumes tax of £22.9m (2023: £21.5m) in line with the standard rate of UK Corporation Tax of 25.0% (2023: 22.0%), divided by the weighted average number of shares as shown in Note 9. The Group's IFRS statutory earnings per share is also detailed in Note 9. The classification of amounts as other adjustments is a judgement made by management and is a matter referred to the Audit Committee for approval. Included in other adjustments are £5.0m of fire safety provisions (2023: £nil) and hedge ineffectiveness under IFRS9 of £6.6m (2023: £nil).

## Notes to the preliminary financial results continued

### 3. Segmental information

IFRS 8, Operating Segments requires operating segments to be identified based upon the Group's internal reporting to the Chief Operating Decision Maker ('CODM') so that the CODM can make decisions about resources to be allocated to segments and assess their performance. The Group's CODM are the Executive Directors.

The two significant segments for the Group are PRS and Reversionary. The PRS segment includes stabilised PRS assets as well as PRS under construction due to direct development and forward funding arrangements, both for wholly-owned assets and the Group's interest in joint ventures and associates as relevant. The Reversionary segment includes regulated tenancies, as well as CHARM. The Other segment includes legacy strategic land and development arrangements, along with administrative expenses.

The key operating performance measure of profit or loss used by the CODM is adjusted earnings before tax, valuation and other adjustments.

The principal net asset value (NAV) measure reviewed by the CODM is EPRA NTA which is considered to become the most relevant, and therefore the primary NAV measure for the Group. EPRA NTA reflects the tax that will crystallise in relation to the trading portfolio, whilst excluding the volatility of mark to market movements on fixed rate debt and derivatives which are unlikely to be realised. Other NAV measures include EPRA NRV and EPRA NDV which we report alongside EPRA NTA.

Information relating to the Group's operating segments is set out in the tables below. The tables distinguish between adjusted earnings, valuation movements and other adjustments and should be read in conjunction with Note 2.

**2024 Income statement**

| £m | PRS | Reversionary | Other | Total |
|---|---|---|---|---|
| **Group revenue** | **150.3** | **112.5** | **27.3** | **290.1** |
| **Segment revenue – external** | | | | |
| Net rental income | 97.6 | 11.5 | 1.0 | 110.1 |
| Profit on disposal of trading property | (1.3) | 48.1 | 2.6 | 49.4 |
| Loss on disposal of investment property | (5.9) | 0.1 | - | (5.8) |
| Income from financial interest in property assets | - | 4.6 | - | 4.6 |
| Fees and other income | 7.5 | - | 0.6 | 8.1 |
| Administrative expenses | - | - | (35.3) | (35.3) |
| Other expenses | (0.4) | - | (0.6) | (1.0) |
| Net finance costs | (31.3) | (6.6) | (0.9) | (38.8) |
| Share of trading profit of joint ventures and associates after tax | 0.3 | - | - | 0.3 |
| **Adjusted earnings** | **66.5** | **57.7** | **(32.6)** | **91.6** |
| Valuation movements | (33.5) | (5.9) | - | (39.4) |
| Other adjustments | (5.0) | - | (6.6) | (11.6) |
| **Profit before tax** | **28.0** | **51.8** | **(39.2)** | **40.6** |

A reconciliation from adjusted earnings to EPRA earnings is detailed in the table below, with further details shown in the EPRA performance measures section at the end of this document:

| £m | PRS | Reversionary | Other | Total |
|---|---|---|---|---|
| Adjusted earnings | 66.5 | 57.7 | (32.6) | 91.6 |
| Profit on disposal of trading property | 1.3 | (48.1) | (2.6) | (49.4) |
| Loss on disposal of investment property | 5.9 | (0.1) | - | 5.8 |
| **EPRA earnings** | **73.7** | **9.5** | **(35.2)** | **48.0** |

**Notes to the preliminary financial results continued**

**2023 Income statement**

| **£m** | PRS | Reversionary | Other | Total |
|---|---|---|---|---|
| **Group revenue** | 121.5 | 123.9 | 21.7 | 267.1 |
| **Segment revenue – external** | | | | |
| Net rental income | 82.2 | 13.4 | 0.9 | 96.5 |
| Profit on disposal of trading property | (0.5) | 54.2 | 0.8 | 54.5 |
| Profit on disposal of investment property | 3.3 | - | - | 3.3 |
| Income from financial interest in property assets | - | 4.7 | - | 4.7 |
| Fees and other income | 4.6 | - | 0.4 | 5.0 |
| Administrative expenses | - | - | (33.5) | (33.5) |
| Other expenses | (1.2) | - | - | (1.2) |
| Net finance costs | (24.9) | (6.3) | (0.6) | (31.8) |
| Share of trading profit of joint ventures and associates after tax | 0.1 | - | - | 0.1 |
| **Adjusted earnings** | 63.6 | 66.0 | (32.0) | 97.6 |
| Valuation movements | (70.1) | (0.1) | - | (70.2) |
| Other adjustments | - | - | - | - |
| **Profit before tax** | (6.5) | 65.9 | (32.0) | 27.4 |

A reconciliation from adjusted earnings to adjusted EPRA earnings is detailed in the table below:

| £m | PRS | Reversionary | Other | Total |
|---|---|---|---|---|
| Adjusted earnings | 63.6 | 66.0 | (32.0) | 97.6 |
| Profit on disposal of trading property | 0.5 | (54.2) | (0.8) | (54.5) |
| Profit on disposal of investment property | (3.3) | - | - | (3.3) |
| **EPRA earnings** | 60.8 | 11.8 | (32.8) | 39.8 |

**Segmental assets**

The principal net asset value measures reviewed by the CODM are EPRA NRV, EPRA NTA and EPRA NDV. These measures reflect the current market value of trading property owned by the Group rather than the lower of historical cost and net realisable value. These measures are considered to be a more relevant reflection of the value of the assets owned by the Group.

EPRA NRV is the Group's statutory net assets plus the adjustment required to increase the value of trading stock from its statutory accounts value of the lower of cost and net realisable value to its market value. In addition, the statutory statement of financial position amounts for both deferred tax on property revaluations and derivative financial instruments net of deferred tax, including those in joint ventures and associates, are added back to statutory net assets. Finally, the market value of Grainger plc shares owned by the Group are added back to statutory net assets.

EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of deferred tax liabilities. For the Group, deferred tax in relation to revaluations of its trading portfolio is taken into account by applying the expected rate of tax to the adjustment that increases the value of trading stock from its statutory accounts value of the lower of cost and net realisable value, to its market value. The measure also excludes all intangible assets on the statutory balance sheet, including goodwill.

EPRA NDV reverses some of the adjustments made between statutory net assets, EPRA NRV and EPRA NTA. All of the adjustments for the value of derivative financial instruments net of deferred tax, including those in joint ventures and associates, are reversed. The adjustment for the deferred tax on investment property revaluations excluded from EPRA NRV and EPRA NTA are also reversed, as is the intangible adjustment in respect of EPRA NTA, except for goodwill which remains excluded. In addition, adjustments are made to net assets to reflect the fair value, net of deferred tax, of the Group's fixed rate debt.

**Notes to the preliminary financial results continued**

Total Accounting Return (NTA basis) of 0.3% is calculated from the closing EPRA NTA of 298p per share plus the dividend of 7.55p per share for the year, divided by the opening EPRA NTA of 305p per share.

These measures are set out below by segment along with a reconciliation to the summarised statutory statement of financial position:

**2024 Segment net assets**

| £m | PRS | Reversionary | Other | Total | Pence per share |
|---|---|---|---|---|---|
| Total segment net assets (statutory) | 1,757.6 | 117.5 | 18.6 | 1,893.7 | 255 |
| Total segment net assets (EPRA NRV) | 1,873.5 | 386.9 | 35.5 | 2,295.9 | 309 |
| Total segment net assets (EPRA NTA) | 1,870.3 | 319.1 | 28.7 | 2,218.1 | 298 |
| Total segment net assets (EPRA NDV) | 1,757.3 | 319.1 | 118.5 | 2,194.9 | 295 |

**2024 Reconciliation of EPRA NAV measures**

| £m | Statutory balance sheet | Adjustments to market value, deferred tax and derivatives | EPRA NRV balance sheet | Adjustments to deferred and contingent tax and intangibles | EPRA NTA balance sheet | Adjustments to derivatives, fixed rate debt and intangibles | EPRA NDV balance sheet |
|---|---|---|---|---|---|---|---|
| Investment property[1] | 3,028.3 | - | 3,028.3 | - | 3,028.3 | - | 3,028.3 |
| Investment in joint ventures and associates | 91.3 | - | 91.3 | - | 91.3 | - | 91.3 |
| Financial interest in property assets | 57.4 | - | 57.4 | - | 57.4 | - | 57.4 |
| Inventories – trading property | 331.6 | 288.5 | 620.1 | - | 620.1 | - | 620.1 |
| Cash and cash equivalents | 93.2 | - | 93.2 | - | 93.2 | - | 93.2 |
| Other assets | 140.9 | (3.2) | 137.7 | (1.8) | 135.9 | 21.1 | 157.0 |
| **Total assets** | 3,742.7 | 285.3 | 4,028.0 | (1.8) | 4,026.2 | 21.1 | 4,047.3 |
| Interest-bearing loans and borrowings | (1,592.9) | - | (1,592.9) | - | (1,592.9) | 98.1 | (1,494.8) |
| Deferred and contingent tax liabilities | (121.5) | 116.9 | (4.6) | (76.0) | (80.6) | (142.4) | (223.0) |
| Other liabilities | (134.6) | - | (134.6) | - | (134.6) | - | (134.6) |
| **Total liabilities** | (1,849.0) | 116.9 | (1,732.1) | (76.0) | (1,808.1) | (44.3) | (1,852.4) |
| **Net assets** | 1,893.7 | 402.2 | 2,295.9 | (77.8) | 2,218.1 | (23.2) | 2,194.9 |

[1] Includes investment property – held for sale

2023 Segment net assets

| £m | PRS | Reversionary | Other | Total | Pence per share |
|---|---|---|---|---|---|
| Total segment net assets (statutory) | 1,729.8 | 151.7 | 47.1 | 1,928.6 | 260 |
| Total segment net assets (EPRA NRV) | 1,839.3 | 476.9 | 43.1 | 2,359.3 | 318 |
| Total segment net assets (EPRA NTA) | 1,835.1 | 395.0 | 37.4 | 2,267.5 | 305 |
| Total segment net assets (EPRA NDV) | 1,729.2 | 395.0 | 208.7 | 2,332.9 | 314 |

## Notes to the preliminary financial results continued

2023 Reconciliation of EPRA NAV measures

| £m | Statutory balance sheet | Adjustments to market value, deferred tax and derivatives | EPRA NRV balance sheet | Adjustments to deferred and contingent tax and intangibles | EPRA NTA balance sheet | Adjustments to derivatives, fixed rate debt and intangibles | EPRA NDV balance sheet |
|---|---|---|---|---|---|---|---|
| Investment property | 2,948.9 | - | 2,948.9 | - | 2,948.9 | - | 2,948.9 |
| Investment in joint ventures and associates | 91.0 | - | 91.0 | - | 91.0 | - | 91.0 |
| Financial interest in property assets | 67.0 | - | 67.0 | - | 67.0 | - | 67.0 |
| Inventories – trading property | 392.2 | 342.1 | 734.3 | - | 734.3 | - | 734.3 |
| Cash and cash equivalents | 121.0 | - | 121.0 | - | 121.0 | - | 121.0 |
| Other assets | 102.2 | (33.7) | 68.5 | (1.0) | 67.5 | 45.9 | 113.4 |
| Total assets | 3,722.3 | 308.4 | 4,030.7 | (1.0) | 4,029.7 | 45.9 | 4,075.6 |
| Interest-bearing loans and borrowings | (1,533.5) | - | (1,533.5) | - | (1,533.5) | 182.1 | (1,351.4) |
| Deferred and contingent tax liabilities | (122.3) | 122.3 | - | (90.8) | (90.8) | (162.6) | (253.4) |
| Other liabilities | (137.9) | - | (137.9) | - | (137.9) | - | (137.9) |
| Total liabilities | (1,793.7) | 122.3 | (1,671.4) | (90.8) | (1,762.2) | 19.5 | (1,742.7) |
| Net assets | 1,928.6 | 430.7 | 2,359.3 | (91.8) | 2,267.5 | 65.4 | 2,332.9 |

### 4. Group revenue

| | **2024 £m** | 2023 £m |
|---|---|---|
| Gross rental income (Note 5) | **154.8** | 133.7 |
| Gross proceeds from disposal of trading property (Note 6) | **127.2** | 128.4 |
| Fees and other income (Note 8) | **8.1** | 5.0 |
| | **290.1** | 267.1 |

### 5. Net rental income

| | **2024 £m** | 2023 £m |
|---|---|---|
| Gross rental income | **154.8** | 133.7 |
| Property operating expenses | **(44.7)** | (37.2) |
| | **110.1** | 96.5 |

**Notes to the preliminary financial results continued**

## 6. Profit on disposal of trading property

| | **2024** | 2023 |
|---|---|---|
| | **£m** | £m |
| Gross proceeds from disposal of trading property | **127.2** | 128.4 |
| Selling costs | **(2.3)** | (2.8) |
| Net proceeds from disposal of trading property | **124.9** | 125.6 |
| Carrying value of trading property sold (Note 12) | **(75.5)** | (70.8) |
| | **49.4** | 54.8 |

## 7. (Loss)/profit on disposal of investment property

| | **2024** | 2023 |
|---|---|---|
| | **£m** | £m |
| Gross proceeds from disposal of investment property | **147.1** | 65.3 |
| Selling costs | **(3.8)** | (1.8) |
| Net proceeds from disposal of investment property | **143.3** | 63.5 |
| Carrying value of investment property sold (Note 11) | **(149.1)** | (60.2) |
| | **(5.8)** | 3.3 |

## 8. Fees and other income

| | **2024** | 2023 |
|---|---|---|
| | **£m** | £m |
| Property and asset management fee income | **2.6** | 3.2 |
| Other sundry income | **5.5** | 1.8 |
| | **8.1** | 5.0 |

Included within other sundry income in the current year is £5.2m (2023: £1.6m) liquidated and ascertained damages (‘LADs’) recorded to compensate the Group for lost rental income resulting from the delayed completion of construction contracts.

## 9. Earnings per share

**Basic**

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held both in Trust and as treasury shares to meet its obligations under the Long-Term Incentive Plan (‘LTIP’) and Deferred Bonus Plan (‘DBP’), on which the dividends are being waived.

**Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of shares in issue by the dilutive effect of ordinary shares that the Company may potentially issue relating to its share option schemes and contingent share awards under the LTIP and DBP, based upon the number of shares that would be issued if 30 September 2024 was the end of the contingency period. Where the effect of the above adjustments is antidilutive, they are excluded from the calculation of diluted earnings per share.

| | 30 September 2024 | | | 30 September 2023 | | |
|---|---|---|---|---|---|---|
| | **Profit for the year £m** | **Weighted average number of shares (millions)** | **Earnings per share (pence)** | Profit for the year £m | Weighted average number of shares (millions) | Earnings per share (pence) |
| **Basic earnings per share** | | | | | | |
| Profit attributable to equity holders | **31.2** | **738.2** | **4.2** | 25.6 | 739.9 | 3.5 |
| **Effect of potentially dilutive securities** | | | | | | |
| Share options and contingent shares | **-** | **3.3** | **-** | - | 2.5 | - |
| **Diluted earnings per share** | | | | | | |
| Profit attributable to equity holders | **31.2** | **741.5** | **4.2** | 25.6 | 742.4 | 3.5 |

## 10. Dividends

Subject to approval at the AGM, the final dividend of 5.01p per share (gross) amounting to £37.0m will be paid on 21 February 2025 to Shareholders on the register at the close of business on 17 January 2025. Shareholders will again be offered the option to participate in a dividend reinvestment plan and the last day for election is 31 January 2025. An interim dividend of 2.54p per share amounting to a total of £18.8m was paid to Shareholders on 5 July 2024.

## 11. Investment property

| | **2024 £m** | 2023 £m |
|---|---|---|
| Opening balance | **2,948.9** | 2,775.9 |
| Acquisitions | **85.9** | 9.8 |
| Capital expenditure – completed assets | **13.9** | 20.4 |
| Capital expenditure – assets under construction | **161.2** | 271.8 |
| **Total additions** | **261.0** | 302.0 |
| Disposals (Note 7) | **(149.1)** | (60.2) |
| Net valuation losses on investment properties[1] | **(32.5)** | (68.8) |
| Reclassifications to investment property – held for sale | **(31.5)** | - |
| **Closing balance** | **2,996.8** | 2,948.9 |

[1] Within the above are provisions for fire safety works. No potential recovery of these costs has been accounted for.

Within investment property are a number of assets held for sale at the reporting date, valued at £31.5m. Held for sale properties are those that are for sale, where solicitors have been instructed, or where contracts have been exchanged. All investment properties which are held for sale are included within our PRS segment.

## 12. Inventories – trading property

| | **2024 £m** | 2023 £m |
|---|---|---|
| Opening balance | **392.2** | 453.8 |
| Additions | **15.0** | 10.2 |
| Disposals (Note 6) | **(75.5)** | (70.8) |
| Impairment of inventories to net realisable value | **(0.1)** | (1.0) |
| **Closing balance** | **331.6** | 392.2 |

### 13. Investment in associates

| | 2024 £m | 2023 £m |
|---|---|---|
| Opening balance | **15.8** | 16.7 |
| Share of loss for the year | **(0.4)** | (0.1) |
| Dividends paid in the year | **(0.5)** | (0.8) |
| **Closing balance** | **14.9** | 15.8 |

The closing balance comprises share of net assets of £0.4m (2023: £1.3m) and net loans due from associates of £14.5m (2023: £14.5m). At the balance sheet date, there is no expectation of any material credit losses on loans due.

As at 30 September 2024, the Group's interest in active associates was as follows:

| | % of ordinary share capital held | Country of incorporation | Accounting period end |
|---|---|---|---|
| Vesta LP | 20.0 | UK | 30 September |

### 14. Investment in joint ventures

| | 2024 £m | 2023 £m |
|---|---|---|
| Opening balance | **75.2** | 38.5 |
| Share of loss for the year | **(0.2)** | (0.3) |
| Further investment[1] | **-** | 34.0 |
| Loans advanced to joint ventures | **1.4** | 3.0 |
| **Closing balance** | **76.4** | 75.2 |

[1] Grainger invested £nil into Connected Living London (BTR) Limited in the year (2023: £34.0m).

The closing balance comprises share of net assets of £46.7m (2023: £46.9m) and net loans due from joint ventures of £29.7m (2023: £28.3m). At the balance date, there is no expectation of credit losses on loans due.

At 30 September 2024, the Group's interest in active joint ventures was as follows:

| | % of ordinary share capital held | Country of incorporation | Accounting period end |
|---|---|---|---|
| Connected Living London (BTR) Limited | 51 | UK | 30 September |
| Curzon Park Limited | 50 | UK | 31 March |
| Lewisham Grainger Holdings LLP | 50 | UK | 30 September |

### 15. Financial interest in property assets ('CHARM' portfolio)

| | 2024 £m | 2023 £m |
|---|---|---|
| Opening balance | **67.0** | 69.1 |
| Cash received from the instrument | **(8.3)** | (6.7) |
| Amounts taken to income statement | **(1.3)** | 4.6 |
| **Closing balance** | **57.4** | 67.0 |

The CHARM portfolio is a financial interest in equity mortgages held by the Church of England Pensions Board as mortgagee. It is accounted for under IFRS 9 and is measured at fair value through profit and loss.

It is considered to be a Level 3 financial asset as defined by IFRS 13. The financial asset is included in the fair value hierarchy within Note 19.

### 16. Trade and other receivables

| | **2024** **£m** | 2023 £m |
|---|---|---|
| Rent and other tenant receivables | **4.8** | 3.0 |
| Deduct: Provision for impairment | **(1.5)** | (1.5) |
| **Rent and other tenant receivables – net** | **3.3** | 1.5 |
| Restricted deposits | **63.3** | 10.2 |
| Other receivables | **19.3** | 17.9 |
| Prepayments | **5.0** | 4.4 |
| **Closing balance** | **90.9** | 34.0 |

The Group's assessment of expected credit losses involves estimation given its forward-looking nature. This is not considered to be an area of significant judgement or estimation due to the balance of gross rent and other tenant receivables of £4.8m (2023: £3.0m). Assumptions used in the forward-looking assessment are continually reviewed to take into account likely rent deferrals.

Restricted deposits arise from contracts with third parties that place restrictions on use of funds and cannot be accessed on demand. These deposits are held in connection with facility arrangements and are released by the lender on a quarterly basis once covenant compliance has been met.

The fair values of trade and other receivables are considered to be equal to their carrying amounts.

### 17. Trade and other payables

| | **2024** **£m** | 2023 £m |
|---|---|---|
| **Current liabilities** | | |
| Deposits received | **12.8** | 10.7 |
| Trade payables | **19.0** | 15.9 |
| Lease liabilities | **0.7** | 0.2 |
| Tax and social security costs | **4.9** | 3.0 |
| Accruals | **64.5** | 81.9 |
| Deferred income | **12.2** | 9.0 |
| | **114.1** | 120.7 |
| **Non-current liabilities** | | |
| Lease liabilities | **6.3** | 6.9 |
| | **6.3** | 6.9 |
| **Total trade and other payables** | **120.4** | 127.6 |

Within accruals, £43.9m comprises accrued expenditure in respect of ongoing construction activities (2023: £60.2m).

### 18. Provisions for other liabilities and charges

| | 2024 £m | 2023 £m |
|---|---|---|
| **Current provisions for other liabilities and charges** | | |
| Opening balance | **8.6** | 8.6 |
| Additions | **5.0** | 0.3 |
| Utilisation | **(0.4)** | (0.3) |
| | **13.2** | 8.6 |
| **Non-current provisions for other liabilities and charges** | | |
| Opening balance | **1.1** | 1.1 |
| Utilisation | **(0.1)** | - |
| | **1.0** | 1.1 |
| **Total provisions for other liabilities and charges** | **14.2** | 9.7 |

Following an extensive review of legacy development projects, £13.2m for potential fire safety remediation costs has been provided for, relating to a small number of legacy properties that Grainger historically had an involvement in developing and may require fire safety related remediation works. Where appropriate, the Group is seeking recoveries from contractors and insurers which may reduce the liability over time.

### 19. Interest-bearing loans and borrowings and financial risk management

| | 2024 £m | 2023 £m |
|---|---|---|
| **Non-current liabilities** | | |
| Bank loans – Pounds sterling | **548.2** | 490.1 |
| Bank loans – Euros | **0.8** | 0.9 |
| Non-bank financial institution | **347.9** | 347.3 |
| Corporate bonds | **696.0** | 695.2 |
| | **1,592.9** | 1,533.5 |
| **Closing balance** | **1,592.9** | 1,533.5 |

The above analyses of loans and borrowings are net of unamortised loan issue costs and the discount on issuance of the corporate bonds. As at 30 September 2024, unamortised costs totalled £13.7m (2023: £13.8m) and the outstanding discount was £1.6m (2023: £1.9m).

**Categories of financial instrument**

The Group holds financial instruments such as financial interest in property assets, trade and other receivables (excluding prepayments), derivatives, cash and cash equivalents. For all assets and liabilities excluding interest-bearing loans the book value was the same as the fair value as at 30 September 2024 and as at 30 September 2023.

As at 30 September 2024, the fair value of interest-bearing loans is lower than the book value by £319.1m (2023: £291.6m), but there is no requirement under IFRS 9 to adjust the carrying value of loans, all of which are stated at unamortised cost in the consolidated statement of financial position.

## Market risk

The Group is exposed to market risk through interest rates, the availability of credit and house price movements relating to the Tricomm Housing portfolio and the CHARM portfolio. The Group is not significantly exposed to equity price risk or to commodity price risk.

### *Fair values*

IFRS 13 sets out a three-tier hierarchy for financial assets and liabilities valued at fair value. These are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – unobservable inputs for the asset or liability.

The following table presents the Group’s assets and liabilities that are measured at fair value:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Assets £m** | **Liabilities £m** | Assets £m | Liabilities £m |
| Level 3 | | | | |
| CHARM | **57.4** | **-** | 67.0 | - |
| Investment property[1] | **3,028.3** | **-** | 2,948.9 | - |
| | **3,085.7** | **-** | 3,015.9 | - |
| Level 2 | | | | |
| Interest rate swaps – in cash flow hedge accounting relationships | **19.8** | **-** | 45.3 | - |
| | **19.8** | **-** | 45.3 | - |

[1] Includes investment property – held for sale

The significant unobservable inputs affecting the carrying value of the CHARM portfolio are house price inflation and discount rates. A reconciliation of movements and amounts recognised in the consolidated income statement are detailed in Note 15.

The investment valuations provided by Allsop LLP and CBRE Limited are based on RICS Professional Valuation Standards, but include a number of unobservable inputs and other valuation assumptions.

The fair value of swaps and caps were valued in-house by a specialised treasury management system, using first a discounted cash flow model and market information. The fair value is derived from the present value of future cash flows discounted at rates obtained by means of the current yield curve appropriate for those instruments. As all significant inputs required to value the swaps and caps are observable, they fall within Level 2.

The reconciliation between opening and closing balances for Level 3 is detailed in the table below:

| Assets – Level 3 | **2024 £m** | 2023 £m |
|---|---|---|
| Opening balance | **3,015.9** | 2,845.0 |
| Amounts taken to income statement | **(33.8)** | (64.2) |
| Other movements | **103.6** | 235.1 |
| **Closing balance** | **3,085.7** | 3,015.9 |

## 20. Tax

The tax charge for the year of £9.4m (2023: £1.8m) recognised in the consolidated income statement comprises:

| | 2024 £m | 2023 £m |
|---|---|---|
| **Current tax** | | |
| Corporation tax on profit | **14.5** | 18.9 |
| Adjustments relating to prior years | **(7.8)** | (4.3) |
| | **6.7** | 14.6 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | **(4.0)** | (14.2) |
| Adjustments relating to prior years | **6.7** | 1.4 |
| | **2.7** | (12.8) |
| **Total tax charge for the year** | **9.4** | 1.8 |

The 2024 current tax adjustments relating to prior years reflect adjustments which have been included in submitted tax returns and represent movements between deferred and current tax in relation to investment properties and capital allowances.

The Group works in an open and transparent manner and maintains a regular dialogue with HM Revenue & Customs. This approach is consistent with the 'low risk' rating we have been awarded by HM Revenue & Customs and to which the Group is committed.

In addition to the above, a deferred tax credit £6.0m (2023: £4.3m) was recognised within other comprehensive income comprising:

| | 2024 £m | 2023 £m |
|---|---|---|
| Remeasurement of BPT Limited defined benefit pension scheme | **(0.8)** | (0.3) |
| Fair value movement in cash flow hedges | **(5.2)** | (4.0) |
| **Amounts recognised in other comprehensive income** | **(6.0)** | (4.3) |

Deferred tax balances comprise temporary differences attributable to:

| | 2024 £m | 2023 £m |
|---|---|---|
| **Deferred tax assets** | | |
| Short-term temporary differences | **6.1** | 3.7 |
| | **6.1** | 3.7 |
| **Deferred tax liabilities** | | |
| Trading property uplift to fair value on business combinations | **(3.9)** | (5.2) |
| Investment property revaluation | **(93.8)** | (95.2) |
| Short-term temporary differences | **(21.9)** | (13.2) |
| Fair value movement in financial interest in property assets | **(0.2)** | (1.1) |
| Actuarial gain on BPT Limited defined benefit pension scheme | **(0.2)** | (0.9) |
| Fair value movement in derivative financial instruments | **(1.5)** | (6.7) |
| | **(121.5)** | (122.3) |
| **Total deferred tax** | **(115.4)** | (118.6) |

In addition to the tax amounts shown above, contingent tax based on EPRA market value measures, being tax on the difference between the carrying value of trading properties in the consolidated statement of financial position and their market value has not been recognised by the Group. This contingent tax amounts to £72.1m, calculated at 25.0% (2023: £85.5m, calculated at 25.0%) and will be realised as the properties are sold.

### 21. Retirement benefits

The Group retirement benefit asset decreased from £9.6m to £6.5m in the year ended 30 September 2024. This movement has arisen from changes in assumptions of £1.8m and a loss on plan assets of £1.3m. The principal actuarial assumptions used to reflect market conditions as at 30 September 2024 are as follows:

| | **2024** | 2023 |
|---|---|---|
| | **%** | % |
| Discount rate | **5.0** | 5.6 |
| Retail Price Index (RPI) inflation | **3.3** | 3.5 |
| Consumer Price Index (CPI) inflation | **2.6** | 2.8 |
| Rate of increase of pensions in payment | **5.0** | 5.0 |

### 22. Share-based payments

The Group operates a number of equity-settled, share-based compensation plans comprising awards under a Long-Term Incentive Plan (‘LTIP’), a Deferred Bonus Plan (‘DBP’), a Share Incentive Plan (‘SIP’) and a Save As You Earn Scheme (‘SAYE’). The share-based payments charge recognised in the consolidated income statement for the period is £2.8m (2023: £2.4m).

### 23. Related party transactions

During the year ended 30 September 2024, the Group transacted with its associates and joint ventures (details of which are set out in Notes 13 and 14). The Group provides a number of services to its associates and joint ventures. These include property and asset management services for which the Group receives fee income. The related party transactions recognised in the consolidated income statement and consolidated statement of financial position are as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Fees recognised £’000** | **Year end balance £’000** | Fees recognised £’000 | Year end balance £’000 |
| Connected Living London (BTR) Limited | **735** | **870** | 1,455 | 480 |
| Lewisham Grainger Holdings LLP | **226** | **513** | 307 | 368 |
| Vesta Limited Partnership | **811** | **214** | 838 | 227 |
| | **1,772** | **1,697** | 2,600 | 1,075 |

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Interest recognised £’000** | **Year end loan balance £m** | **Interest rate %** | Interest recognised £’000 | Year end loan balance £m | Interest rate % |
| Curzon Park Limited | **-** | **18.1** | **Nil** | - | 18.1 | Nil |
| Lewisham Grainger Holdings LLP | **1,196** | **11.5** | **11.0** | 871 | 10.2 | 11.2 |
| Vesta LP | **-** | **14.5** | **Nil** | - | 14.5 | Nil |
| | **1,196** | **44.1** | | 871 | 42.8 | |

## EPRA Performance Measures - Unaudited

The European Public Real Estate Association (EPRA) is the body that represents Europe's listed property companies. The association sets out guidelines and recommendations to facilitate consistency in listed real estate reporting, in turn allowing stakeholders to compare companies on a like-for-like basis. As a member of EPRA, the Group is supportive of EPRA's initiatives and discloses measures in relation to the EPRA Best Practices Recommendations ('EPRA BPR') guidelines. The most recent guidelines, updated in September 2024, have been adopted by the Group.

## EPRA Earnings

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Earnings £m** | **Shares millions** | **Pence per share** | Earnings £m | Shares millions | Pence per share |
| **Earnings per IFRS income statement** | **40.6** | **738.2** | **5.5** | 27.4 | 739.9 | 3.7 |
| Adjustments to calculate adjusted EPRA Earnings, exclude: | | | | | | |
| i) Changes in value of investment properties, development properties held for investment and other interests | **38.4** | **-** | **5.2** | 68.9 | - | 9.3 |
| ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests | **5.8** | **-** | **0.8** | (3.3) | - | (0.4) |
| iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties | **(49.3)** | **-** | **(6.7)** | (53.8) | - | (7.4) |
| iv) Tax on profits or losses on disposals | **-** | **-** | **-** | - | - | - |
| v) Negative goodwill/goodwill impairment | **-** | **-** | **-** | 0.1 | - | - |
| vi) Changes in fair value of financial instruments and associated close-out costs | **6.6** | **-** | **0.9** | - | - | - |
| vii) Acquisition costs on share deals and non-controlling joint venture interests | **-** | **-** | **-** | - | - | - |
| viii) Adjustments related to funding structure | **-** | **-** | **-** | - | - | - |
| ix) Adjustments related to non-operating and exceptional items | **5.0** | **-** | **0.7** | - | - | - |
| x) Deferred tax in respect of EPRA adjustments | **-** | **-** | **-** | - | - | - |
| xi) Adjustments i) to viii) in respect of joint ventures | **0.9** | **-** | **0.1** | 0.5 | - | 0.1 |
| xii) Non-controlling interests in respect of the above | **-** | **-** | **-** | - | - | - |
| **Adjusted EPRA Earnings/Earnings per share** | **48.0** | **738.2** | **6.5** | 39.8 | 739.9 | 5.4 |
| **Adjusted EPRA Earnings per share after tax** | | | **4.9** | | | 4.2 |

ix) Adjustments relate to fire safety provisions as outlined with the Group's consolidated income statement.

## EPRA Performance Measures - Unaudited (continued)

### EPRA NRV, EPRA NTA and EPRA NDV

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **EPRA NRV £m** | **EPRA NTA £m** | **EPRA NDV** £m | EPRA NRV £m | EPRA NTA £m | EPRA NDV £m |
| **IFRS Equity attributable to shareholders** | **1,893.7** | **1,893.7** | **1,893.7** | 1,928.6 | 1,928.6 | 1,928.6 |
| **Include/Exclude:** | | | | | | |
| i) Hybrid Instruments | **-** | **-** | **-** | - | - | - |
| **Diluted NAV** | **1,893.7** | **1,893.7** | **1,893.7** | 1,928.6 | 1,928.6 | 1,928.6 |
| **Include:** | | | | | | |
| ii.a) Revaluation of IP (if IAS 40 cost option is used) | **-** | **-** | **-** | - | - | - |
| ii.b) Revaluation of IPUC (if IAS 40 cost option is used) | **-** | **-** | **-** | - | - | - |
| ii.c) Revaluation of other non-current investments | **11.8** | **11.8** | **11.8** | 11.6 | 11.6 | 11.6 |
| iii) Revaluation of tenant leases held as finance leases | **-** | **-** | **-** | - | - | - |
| iv) Revaluation of trading properties | **292.4** | **216.4** | **216.4** | 347.3 | 256.5 | 256.5 |
| **Diluted NAV at Fair Value** | **2,197.9** | **2,121.9** | **2,121.9** | 2,287.5 | 2,196.7 | 2,196.7 |
| **Exclude:** | | | | | | |
| v) Deferred tax in relation to fair value gains of IP | **112.9** | **112.9** | **-** | 105.8 | 105.8 | - |
| vi) Fair value of financial instruments | **(14.9)** | **(14.9)** | **-** | (34.0) | (34.0) | - |
| vii) Goodwill as a result of deferred tax | **-** | **-** | **-** | - | - | - |
| viii.a) Goodwill as per the IFRS balance sheet | **-** | **(0.4)** | **(0.4)** | - | (0.4) | (0.4) |
| viii.b) Intangible as per the IFRS balance sheet | **-** | **(1.4)** | **-** | - | (0.6) | - |
| **Include:** | | | | | | |
| ix) Fair value of fixed interest rate debt | **-** | **-** | **73.4** | - | - | 136.6 |
| x) Revaluation of intangibles to fair value | **-** | **-** | **-** | - | - | - |
| xi) Real estate transfer tax | **-** | **-** | **-** | - | - | - |
| **NAV** | **2,295.9** | **2,218.1** | **2,194.9** | 2,359.3 | 2,267.5 | 2,332.9 |
| | | | | | | |
| Fully diluted number of shares | **743.1** | **743.1** | **743.1** | 743.0 | 743.0 | 743.0 |
| **NAV pence per share** | **309** | **298** | **295** | 318 | 305 | 314 |

## EPRA Performance Measures - Unaudited (continued)

### EPRA NIY

| | | 2024 £m | 2023 £m |
|---|---|---|---|
| Investment property – wholly-owned | | **3,028.3** | 2,948.9 |
| Investment property – share of JVs/Funds | | **66.5** | 65.6 |
| Trading property (including share of JVs) | | **620.1** | 734.3 |
| Less: developments | | **(401.7)** | (617.1) |
| **Completed property portfolio valuation** | | **3,313.2** | 3,131.7 |
| Allowance for estimated purchasers' costs | | **180.5** | 125.2 |
| **Gross up completed property portfolio valuation** | B | **3,493.7** | 3,256.9 |
| Annualised cash passing rental income | | **166.1** | 140.1 |
| Property outgoings | | **(48.8)** | (39.1) |
| **Annualised net rents** | A | **117.3** | 101.0 |
| Add: rent incentives | | **0.2** | 0.3 |
| **'Topped up' net annualised rents** | C | **117.5** | 101.3 |
| **EPRA NIY** | A/B | **3.4%** | 3.1% |
| **EPRA 'topped up' NIY** | C/B | **3.4%** | 3.1% |
| Gross up completed property portfolio valuation | | **3,493.7** | 3,256.9 |
| Adjustments to completed property portfolio in respect of regulated tenancies | | **(634.5)** | (740.9) |
| **Adjusted gross up completed property portfolio valuation** | b | **2,859.2** | 2,516.0 |
| Annualised net rents | | **117.3** | 101.0 |
| Adjustments to annualised cash passing rental income in respect of newly completed developments and refurbishment activity | | **8.3** | 11.2 |
| Adjustments to property outgoings in respect of newly completed developments and refurbishment activity | | **(2.4)** | (3.2) |
| Adjustments to annualised cash passing rental income in respect of regulated tenancies | | **(15.0)** | (17.0) |
| Adjustments to property outgoings in respect of regulated tenancies | | **4.5** | 4.7 |
| **Adjusted annualised net rents** | a | **112.7** | 96.7 |
| Add: rent incentives | | **0.2** | 0.3 |
| **EPRA 'topped up' NIY** | c | **112.9** | 97.0 |
| **Adjusted EPRA NIY** | a/b | **3.9%** | 3.8% |
| **Adjusted EPRA 'topped up' NIY** | c/b | **3.9%** | 3.9% |

### EPRA Vacancy Rate

| | | 2024 £m | 2023 £m |
|---|---|---|---|
| Estimated rental value of vacant space | A | **3.3** | 1.8 |
| Estimated rental value of the whole portfolio | B | **122.9** | 112.7 |
| **EPRA Vacancy Rate** | A/B | **2.7%** | 1.6% |

The vacancy rate reflects estimated rental values of the Group's stabilised habitable PRS units as at the reporting date.

## EPRA Performance Measures - Unaudited (continued)

### EPRA Cost Ratio

| | | 2024 £m | 2023 £m |
|---|---|---|---|
| Administrative expenses | | **35.3** | 33.5 |
| Property operating expenses | | **44.7** | 37.2 |
| Share of joint ventures expenses | | **0.6** | (0.1) |
| Management fees | | **(2.6)** | (3.2) |
| Other operating income/recharges intended to cover overhead expenses | | **(5.5)** | (1.8) |
| **Exclude:** | | | |
| Investment property depreciation | | **-** | - |
| Ground rent costs | | **(0.1)** | (0.2) |
| **Costs (including direct vacancy costs)** | **A** | **72.4** | 65.4 |
| Direct vacancy costs | | **(2.4)** | (2.2) |
| **Costs (excluding direct vacancy costs)** | **B** | **70.0** | 63.2 |
| Gross rental income | | **154.8** | 133.7 |
| Less: ground rent income | | **(0.6)** | (0.6) |
| Add: share of joint ventures (gross rental income less ground rents) | | **0.8** | 0.8 |
| Add: adjustment in respect of profits or losses on sales of properties | | **43.6** | 58.1 |
| **Gross Rental Income and Trading Profits** | **C** | **198.6** | 192.0 |
| **Adjusted EPRA Cost Ratio (including direct vacancy costs)** | **A/C** | **36.5%** | 34.1% |
| **Adjusted EPRA Cost Ratio (excluding direct vacancy costs)** | **B/C** | **35.2%** | 32.9% |

### EPRA LTV

| | | **2024** | | | |
|---|---|---|---|---|---|
| **£m** | | **Group** | **Share of Joint Ventures** | **Share of Associates** | **Combined** |
| Borrowings from Financial Institutions | | **908.2** | **-** | **-** | **908.2** |
| Bond loans | | **700.0** | **-** | **-** | **700.0** |
| Net payables | | **29.5** | **6.7** | **14.6** | **50.9** |
| **Exclude:** | | | | | |
| Cash and cash equivalents | | **(140.1)** | **(1.4)** | **(0.5)** | **(142.0)** |
| **Net debt** | **A** | **1,497.6** | **5.3** | **14.2** | **1,517.1** |
| Investment properties at fair value | | **2,720.2** | **-** | **14.5** | **2,734.7** |
| Investment properties under development | | **308.1** | **52.0** | **-** | **360.1** |
| Properties held for sale | | **620.1** | **-** | **-** | **620.1** |
| Financial assets | | **101.7** | **-** | **-** | **101.7** |
| **Total property value** | **B** | **3,750.1** | **52.0** | **14.5** | **3,816.6** |
| **EPRA LTV %** | **A/B** | **39.9%** | **10.1%** | **97.6%** | **39.7%** |

**EPRA Performance Measures - Unaudited (continued)**

| £m | | 2023 Group | Share of Joint Ventures | Share of Associates | Combined |
|---|---|---|---|---|---|
| Borrowings from Financial Institutions | | 849.2 | - | - | 849.2 |
| Bond loans | | 700.0 | - | - | 700.0 |
| Net payables | | 93.6 | 6.7 | 14.6 | 114.9 |
| **Exclude:** | | | | | |
| Cash and cash equivalents | | (117.8) | (3.5) | (0.5) | (121.8) |
| **Net debt** | A | 1,525.0 | 3.2 | 14.1 | 1,542.3 |
| Investment properties at fair value | | 2,433.4 | - | 15.4 | 2,448.8 |
| Investment properties under development | | 515.5 | 50.3 | - | 565.8 |
| Properties held for sale | | 734.3 | - | - | 734.3 |
| Financial assets | | 109.9 | - | - | 109.9 |
| **Total property value** | B | 3,793.1 | 50.3 | 15.4 | 3,858.8 |
| **EPRA LTV %** | A/B | 40.2% | 6.4% | 91.6% | 40.0% |

**EPRA Capital Expenditure**

| | **2024** | | | | |
|---|---|---|---|---|---|
| **£m** | **Trading Properties** | **Investment Properties** | **Group (excl Joint Ventures)** | **Share of Joint Ventures** | **Combined** |
| Acquisitions | **0.2** | **85.9** | **86.1** | **-** | **86.1** |
| Development | **11.0** | **149.6** | **160.6** | **1.2** | **161.8** |
| Completed assets | | | | | |
| - Incremental letting space | **-** | **-** | **-** | **-** | **-** |
| - No incremental letting space | **3.8** | **13.9** | **17.7** | **-** | **17.7** |
| - Tenant incentives | **-** | **-** | **-** | **-** | **-** |
| - Other material non-allocated types of expenditure | **-** | **-** | **-** | **-** | **-** |
| Capitalised interest | **-** | **11.6** | **11.6** | **0.6** | **12.2** |
| **Total capital expenditure** | **15.0** | **261.0** | **276.0** | **1.8** | **277.8** |

| | 2023 | | | | |
|---|---|---|---|---|---|
| £m | Trading Properties | Investment Properties | Group (excl Joint Ventures) | Share of Joint Ventures | Combined |
| Acquisitions | - | 9.8 | 9.8 | - | 9.8 |
| Development | 5.9 | 255.9 | 261.8 | 33.3 | 295.1 |
| Completed assets | | | | | |
| - Incremental letting space | - | - | - | - | - |
| - No incremental letting space | 2.7 | 20.4 | 23.1 | - | 23.1 |
| - Tenant incentives | - | - | - | - | - |
| - Other material non-allocated types of expenditure | - | - | - | - | - |
| Capitalised interest | 1.6 | 15.9 | 17.5 | 0.4 | 17.9 |
| Total capital expenditure | 10.2 | 302.0 | 312.2 | 33.7 | 345.9 |