

22 May 2024

STRATEGY DELIVERING: STRONG RENTAL GROWTH, STABLE VALUES IN H2

Simon Carter, CEO said:

“Our strategy of focusing on campuses, retail parks and London urban logistics is delivering.

ERV growth accelerated to 5.9%, exceeding our guidance in all sectors. We outperformed the MSCI benchmark by 300 basis points and values were stable in the second half. Our operational momentum continues with high occupancy, strong leasing and good cost discipline driving Underlying Profit growth of 2%.

We have achieved much this year – the surrender and joint venture of 1 Triton Square, the commitment to 2 Finsbury Avenue following the record breaking pre-let to Citadel, and the sale of Meadowhall are all good examples of our active approach to capital recycling. As a result, 93% of our portfolio is now in our chosen markets.

Although the geopolitical and economic landscape remains uncertain, with a portfolio net equivalent yield over 6%, 3-5% forecast rental growth and development upside, we expect to generate attractive future returns.”

FINANCIAL

- Underlying Profit of £268m up 2%
- EPRA cost ratio 16.4% vs 19.5% in FY23
- Underlying earnings per share of 28.5p up 1%
- Dividend per share of 22.8p up 1%

BALANCE SHEET

- EPRA Net Tangible Assets per share of 562p down 4.4% in the year
- Pro forma Loan To Value 34.6%¹ and FY24 Loan To Value at 37.3% (FY23 36.0%)
- Pro forma Group Net Debt to EBITDA¹ 6.4x and FY24 Group Net Debt to EBITDA 6.8x (FY23 6.4x)
- Fitch Senior Unsecured credit rating at ‘A’ with stable outlook (affirmed August 2023)
- £1.9bn undrawn facilities and cash, with £1bn of financing activity in the year
- Interest rate on our debt fully hedged for FY25 and 86% hedged on average over the next five years

CAPITAL ACTIVITY

- Disposal proceeds in FY24 of £410m, 11% above book value on average
- Sale of 50% stake in Meadowhall Shopping Centre to Norges for £360m, expected to complete in July 2024
- Acquisition of Westwood Retail Park, Thanet for £55m at a net initial yield of 8.1%

OPERATIONAL METRICS

- Portfolio occupancy 97%²: Campuses 96%², Retail Parks 99%, London Urban Logistics 100%
- Leased 3.3m sq ft, 15.1% ahead of ERV
- Campus leasing 679,000 sq ft, 8.7% ahead of ERV; a further 316,000 sq ft signed since 31 March 2024, 13.1% ahead of ERV
- Campus under offers as of 17 May 2024, 544,000 sq ft, 9.3% ahead of ERV, with a further 806,000 sq ft in negotiations
- Retail & London Urban Logistics leasing 2.6m sq ft, 17.8% ahead of ERV, and 493,000 sq ft under offer, 17.9% ahead of ERV

PORTFOLIO VALUATION

- ERV growth of 5.9%: Campuses 5.4%, Retail Parks 7.2%, London Urban Logistics 10.0%
- NEY³ +33bps to 6.2%: Campuses +50 bps to 5.5%, Retail Parks +12 bps to 6.7%, London Urban Logistics +24 bps to 4.9%
- Values -2.6%: Campuses -5.3%, Retail Parks +2.7% and London Urban Logistics +3.7%
- H2 values -0.2%: Campuses -1.5%, Retail Parks +2.5% and London Urban Logistics +3.1%
- Outperformed MSCI All Property total return benchmark by 300 bps, and 800 bps on a sector weighted basis

SUSTAINABILITY

- GRESB rating of 5* for both Standing Investments and Developments
- 58% of the portfolio rated EPC A or B, up from 45% at FY23, and we expect to increase to around 64% in FY25⁴
- New 2030 Social Value Target to generate £200m of direct value of which 50% is social and 50% is economic

OUTLOOK

- FY25 ERV guidance of 3-5% growth in each of our markets
- Comfortable with market expectations for FY25 Underlying EPS of 27.9p
- Expect committed and recently completed developments⁵ to deliver 4.5p of EPS, of which 2.4p will be in FY26

¹ Proportionally consolidated LTV and Group Net Debt to EBITDA pro forma for the sale of our 50% stake in Meadowhall Shopping Centre contracted to complete in July 2024

² Occupancy excludes recently completed developments at Norton Folgate and 3 Sheldon Square

³ Net Equivalent Yield

⁴ Measured by ERV

⁵ Committed (including post period end commitment of 2 Finsbury Avenue) and completed developments including near term development of 1 Triton Square

SUMMARY PERFORMANCE

Year ended	31 March 2024	31 March 2023	% Change
INCOME STATEMENT			
Underlying Profit ¹	£268m	£264m	2%
Underlying earnings per share ¹	28.5p	28.3p	1%
IFRS profit (loss) after tax	£1m	£(1,039)m	
IFRS basic earnings per share	(0.1)p	(112.0)p	
Dividend per share	22.80p	22.64p	1%
Total accounting return ¹	(0.5)%	(16.3)%	
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As at	31 March 2024	31 March 2023	
BALANCE SHEET			
Portfolio at valuation (proportionally consolidated)	£8,684m	£8,898m	(2.6)% ²
EPRA Net Tangible Assets per share ¹	562p	588p	(4.4)%
IFRS net assets	£5,312m	£5,525m	
Net Debt to EBITDA (Group) ^{3,4}	6.8x	6.4x	
Loan to value (proportionally consolidated) ^{4,5}	37.3%	36.0%	
Senior Unsecured credit rating	A	A	
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Year ended	31 March 2024	31 March 2023	
OPERATIONAL STATISTICS			
Lettings and renewals over 1 year	2.8m sq ft	2.6m sq ft	
Total lettings and renewals	3.3m sq ft	3.4m sq ft	
Committed and recently completed developments	2.8m sq ft	1.8m sq ft	
SUSTAINABILITY PERFORMANCE			
MSCI ESG	AAA rating	AAA rating	
GRESB (Standing Investments / Developments)	5* / 5*	4* / 5*	

1. See Note 2 to the condensed financial statements for definition and calculation
2. Valuation movement during the year (after taking account of capex) of properties held at the balance sheet date, including developments (classified by end use), purchases, sales and surrender premium received at 1 Triton Square
3. Net Debt to EBITDA on a Group basis excludes non-recourse and joint venture borrowings and includes distributions and other receivables from non-recourse companies and joint ventures
4. See Note 2 to the condensed financial statements for definition, calculation and reference to IFRS metrics
5. EPRA Loan to value is disclosed in Table E of the condensed financial statements

RESULTS PRESENTATION AND INVESTOR CONFERENCE CALL

A presentation of the results will take place at 8.30am on Wednesday 22 May 2024 at Peel Hunt, 100 Liverpool Street, Broadgate and will be broadcast live via webcast (www.britishland.com) and conference call. The details for the conference call and weblink are as follows:

UK Toll Free Number: 0800 358 1035
International: +44 20 3936 2999
Access code: 238950
Click for access: [Audio weblink](#)

A dial in replay will be available later in the day for 7 days. The details are as follows:

Replay number: 020 3936 3001
Passcode: 867542

Accompanying slides will be made available at Britishland.com just prior to the event starting.

FOR INFORMATION CONTACT

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CHIEF EXECUTIVE'S REVIEW

OVERVIEW

Our strategy of focusing on campuses, retail parks and London urban logistics is delivering.

ERV growth accelerated to 5.9% in the year, exceeding our guidance in all sectors and resulting in an outperformance of the MSCI All Property total return benchmark by 300 basis points (bps). Increases in market interest rates in the first half of the year caused property yields to move out, impacting our portfolio values which declined by 2.6% over the year. However, in the second half of the year the pace of yield expansion slowed significantly with values down only 0.2%, as a 10 bps increase in yields was offset by 2.6% rental growth.

Our operational momentum continued, with strong leasing, additional fee income and tight cost control offsetting the temporary dilutive impact on earnings of buildings moving into development, resulting in 2% Underlying Profit growth. Leverage is well within our target range, especially at this stage in the cycle.

We are pleased with our capital activity this year, which included the 1 Triton Square surrender and recent joint venture with Royal London Asset Management (Royal London), as well as the commitment to develop 2 Finsbury Avenue following its pre-let at record breaking rents to Citadel Securities (Citadel). We have sold Meadowhall 3% ahead of book value and plan to reinvest the proceeds into retail parks. They provide an attractive day one cash yield given their low capex requirements, and at 99% occupancy, our parks are delivering strong rental growth.

With a portfolio Net Equivalent Yield (NEY) of 6.2%, plus 3-5% expected rental growth and development upside we expect to generate attractive earnings growth and deliver 8-10% total accounting return per annum over the medium term.

OPERATIONAL UPDATE

The operational momentum we reported in FY23 continued in FY24, with adjusted occupancy at 97%⁵ and 3.3m sq ft of leasing, 15.1% ahead of ERV. Since 31 March we signed a further 316,000 sq ft on our campuses, 13.1% ahead of ERV and as of 17 May 2024 under offers were 544,000 sq ft, 9.3% ahead of ERV, with a further 806,000 sq ft in negotiations. Key deals included regears with Monzo Bank, Skidmore Owings & Merrill, and a 252,000 sq ft pre-let to Citadel at 2 Finsbury Avenue on our Broadgate campus. In retail, we had another record year of leasing with new lettings and renewals to a wide range of retailers including Sports Direct, Marks & Spencer, Primark, Next, H&M and ASDA. In London urban logistics there were successful regears at Wembley and Enfield.

Our campuses are located close to major transport nodes and have great amenities, high quality sustainable buildings, and allow occupiers to grow and cluster close to other businesses. Demand for this kind of best-in-class workspace remains strong, and as a result, vacancy across our campuses was 4%⁵ compared to 9% in the wider London office market.⁶ This resulted in 5.4% ERV growth on our campuses, significantly above our guided range of 2-4%.

We also continue to see strong demand for our retail parks due to their affordability, adaptability and accessibility. Underlying vacancy on our retail parks is 1% compared to the UK retail market vacancy of 14%.⁷ ERV growth in the year was 7.2%, also significantly above our guided range of 3-5%.

Our urban logistics portfolio is focused on densification and repurposing opportunities in London. Demand is driven by the continued rise of e-commerce, the growth of priority delivery services and the beneficial impact central facilities have on transport costs, carbon emissions and pollution. Supply is constrained which has resulted in an underlying vacancy of 0.2% in our assets compared to 7.2% for the UK big box market.⁸ This supply and demand imbalance drove ERV growth of 10%, materially above our guided range of 4-5%.

STRATEGY

In 2021 we set out a value-add strategy focused on three segments with the strongest operational fundamentals – campuses, retail parks and London urban logistics. In FY24 we outperformed MSCI All Property total return benchmark by 300 bps, and on a reweighted basis to match the British Land portfolio composition at the sector level the outperformance was 800 bps. This was driven by strong ERV growth in campuses and retail parks. We are delivering this outperformance versus the market because we have deep development and asset management capabilities, continue to execute well, and are in the best parts of the market.

CAMPUSES

Best-in-class workspace

The pandemic led most companies to re-evaluate what they wanted from their workspace – their conclusion: higher quality space to attract and retain talent. Alongside this, we identified that science and technology was likely to be a key growth driver of the UK economy over the

⁵ Occupancy excludes recently completed developments at Norton Folgate and 3 Sheldon Square

⁶ CBRE

⁷ Local Data Company

⁸ Savills: >100,000 sq ft UK

next decade, particularly in the Golden Triangle of London, Oxford and Cambridge. In 2021, we set about reshaping our office business around these trends.

At the centre of this is our very successful campus model. Our campuses provide the great amenity, transport connectivity, public realm and high quality, sustainable buildings that businesses are seeking post-pandemic. They are also ideal for the clustering and collaboration, which is key to science and technology businesses.

Although hybrid working is here to stay, based on a 350m sq ft sample of global office space, CBRE found that peak office utilisation in London is high, in line with Singapore and Hong Kong, at 80% of max capacity in line with pre-covid, and ahead of Paris, New York, Boston, and Silicon Valley.⁹ We are seeing a similar trend on our own campuses, where peak utilisation increased 17% year on year.¹⁰

In the past four years, the market has seen a bifurcation in the dynamics between best-in-class and secondary space. Although overall market vacancy is 9%, vacancy for best-in-class new space is 1%.⁹ Because of the long timelines required to develop buildings, there is little to no supply in the best locations. Projects were put on hold or cancelled during the pandemic and in the years thereafter as inflation pushed up construction costs, and rising interest rates created uncertainty around cost of capital and exit yields.

Over the next four years, the average annual development pipeline in the City is only 1.3m sq ft compared to the 10-year annual average take up of new or substantially refurbished workspace of 2.1m sq ft per year which we expect to increase given the trend to upgrade.¹¹ In fact, under offers in the City are at the highest level in the last 24 years and 54% ahead of the 10-year average.⁹ This supply demand imbalance is driving strong rental growth. On our campuses, ERV increased by 5.4% in FY24, and Cushman & Wakefield expect rents for super prime space in the City to grow at c.8% per annum for the next four years.

Given these strong occupational fundamentals, we recently committed to a new 750,000 sq ft development at 2 Finsbury Avenue on our Broadgate campus, where occupancy is 98%. 2 Finsbury Avenue is currently the only significant committed new development in the City to be delivered in 2027.¹¹ This iconic scheme will have a unique podium and dual tower design, incorporating state of the art, highly sustainable workspace with expected BREEAM Outstanding, WELL Platinum, EPC A and a NABERS 5-star ratings. In April 2024, we signed a pre-let with hedge fund and financial advisory firm Citadel to lease 252,000 sq ft of workspace, with options to lease up to another 128,000 sq ft. The deal means that at the point of commitment the building is 33% pre-let at a minimum, and 50% pre-let if the option space is taken.

2 Finsbury Avenue is expected to deliver attractive returns with a forecast yield on cost of 7%, profit on cost above 20%, and a mid-teens IRR (above our target range of 12-14%). Together with GIC, our joint venture partners at Broadgate, we are exploring several capital recycling options, including bringing in an additional partner at 2 Finsbury Avenue to share risk and cost and to accelerate these returns.

Supply of best-in-class workspace will increase to meet demand in due course, and some occupiers may settle for lesser quality space and locations due to price, availability or the need for certainty. Nevertheless, there is a window of opportunity to generate attractive returns over the next three to four years, given the strong demand and long lead times to develop (or convert) space to the high standards of design, sustainability and in the locations that occupiers now favour.

Science and Technology

Targeting fast growing customers is a core part of our campus strategy. The science and technology sector currently represents around 15% of the UK economy and is expected to continue to grow rapidly.¹² The UK's leading position in AI and data sciences is also accelerating the pace of scientific discovery across a broad universe which includes life sciences but also green sciences, physical sciences, and technology. The UK benefits from a strong ecosystem of academic and research institutions and deep pool of talent, particularly, in The Golden Triangle (London, Oxford and Cambridge).

In London this growth is concentrated in the Knowledge Quarter where economic output between 2011 and 2019 increased by 7% per annum.¹³ This increase in economic activity combined with a limited supply of best-in-class office space has resulted in rental growth in the Knowledge Quarter of 7% per annum.¹³ In Cambridge, where employment growth was 3.5% per year over the last 6 years, vacancy for lab fitted space is less than 3%.¹⁴

Our campus proposition is ideally suited for this sector as it allows businesses to cluster and have the serendipitous encounters that are so important in science and technology. We already provide space, services and amenities for customers at different maturity stages from start-ups, through scale-ups to global HQ space. In addition, most of our office buildings are well suited to lab conversion. That's because they are modern, with good power, ventilation and slab-to-slab heights.

Our operational platform is also a competitive advantage. Storey, our flexible office proposition, is now six years old. Whilst there are important differences, we've found the operational experience running Storey has been invaluable as we've rolled out enabled, fitted and serviced labs to smaller occupiers on shorter leases.

⁹ CBRE

¹⁰ April 2023 to April 2024

¹¹ Cushman & Wakefield

¹² Oxford Economics GVA

¹³ Metro Dynamics

¹⁴ Cambridge Ahead

How material can science and technology customers be to British Land? Our plan will flex based on demand and returns. Today, science and technology occupiers represent over 20% of our campus footprint. This could increase to around 50% by 2030 based on our 2m sq ft innovation pipeline, and while labs will be an important part of a campus like Regent's Place, they may only represent around 15% of our science and technology space.

We are targeting science and technology occupiers at our campuses at Regent's Place, Canada Water and the Peterhouse campus in Cambridge. Regent's Place is a 13 acre campus located in the heart of London's Knowledge Quarter, which is home to leading research institutions including The Francis Crick Institute (The Crick), The Wellcome Trust, The Alan Turing Institute and University College London. It is well placed to benefit from its privileged location within this well-established innovation ecosystem. At Canada Water we have 53 acres of well-connected space and are at the early stages of creating a new cluster with the delivery of our modular lab space. In Cambridge, the Peterhouse campus, is a 14 acre campus, part of which is let to ARM. In the first half of the year, we committed to the development of the newest part of the site, The Optic, a 96,000 sq ft office and lab building which will be delivered in 2025 into a highly constrained market.

Networks are critical to success in science and technology and we are becoming the real estate partner of choice in the Golden Triangle. We recently announced a collaboration with The Crick. The first phase will be to fit out and operate a 30,000 sq ft serviced lab offer at 20 Triton Street at Regent's Place, which is due to be delivered by the end of 2024. The Crick will bring a pipeline of customers and its operational expertise to help create a first of its kind facility in London, providing highly serviced fitted lab and office space with shared facilities for customers, as well as access to The Crick's scientific expertise.

This collaboration builds on the Memorandum of Understanding with University College London (UCL) signed in May 2023, which gives our occupiers access to UCL's technical services and facilities and creates the opportunity for British Land to support the growth of UCL spin outs. These partnerships further consolidate Regent's Place as an outstanding science and technology hub.

We recently announced a joint venture with Royal London at 1 Triton Square at Regent's Place. It will be a world class science and technology building with a highly flexible design, offering a mix of fitted and lab enabled space as well as the potential to incorporate serviced offices to accommodate flexible requirements at the lower levels, whilst retaining best-in-class office space on upper floors. The joint venture enables us to accelerate returns and is an example of how we actively recycle capital. British Land received gross proceeds of £193m from the sale of a 50% share of the building, in addition to a £149m surrender premium already received from Meta. The combination of the surrender premium, joint venture formation and subsequent fit out and leasing is expected to deliver an IRR over 30%.

RETAIL PARKS

The second strand of the strategy we set in 2021, was to grow our exposure to retail parks. We could see from our leasing activity that retail parks had become the preferred physical retail format for an increasing number of retailers due to the three "A's" – affordability, accessibility and adaptability. The affordability of retail property is generally assessed by the occupancy cost ratio – rent, rates and service charge as a percentage of total sales. A combination of reduced rents, lower business rates, already low service charges and robust sales reduced this ratio from 17.7% in 2016 to 8.9% now – at this level a very broad range of retailers can trade profitably. Retail parks are highly accessible for consumers as they are typically located on major arterial roads on the outskirts of towns and cities with ample free carparking. This makes them ideal not only for shopping, but for click and collect, returning goods to store and increasingly shipping from store. The adaptability of a retail park unit is an important feature for retailers who face significant challenges in remodelling stores on the high street and in shopping centres.

These occupational fundamentals combined with low capital expenditure requirements, which are around half of that of shopping centres, and pricing below replacement cost make retail parks an attractive investment.¹⁵ Consequently, we have been increasing our exposure to parks and have invested £410m since 2021 at an attractive blended yield of 7.8%. Over the last three years retail parks have been the best performing subsector in UK real estate, and we delivered a total property return of 11.6% per annum, outperforming the wider retail park sector by 440 bps.

We are sometimes asked whether the outperformance of retail parks is just an overhang from Covid because they are open air and were perceived to be safer to visit. Our view is that it is a permanent structural shift driven by the three "A's" above. Affordability is driving incremental demand from discounters and essential retailers and accessibility and adaptability are key for the multichannel retailers. This is borne out by statistics on UK store closures and openings. Since 2016 there have been net closures of -4,327 and -1,195 on the high street and within shopping centres respectively, but +615 net store openings at retail parks, reflecting this incremental demand.¹⁶

LONDON URBAN LOGISTICS

Our urban logistics strategy is to deliver new space in London by repurposing assets, like the Finsbury Square carpark, or densifying existing industrial land with multistorey schemes like our Mandela Way scheme in Southwark. Strong demand is underpinned by the growth of e-commerce and rising customer expectations on the speed and convenience of deliveries. Occupiers want to optimise their distribution operations and lower costs, while at the same time reducing their carbon footprint and pollution by using e-bikes and e-vehicles for the last mile logistics. Over the last two decades, significant amounts of industrial space in London have been converted to other uses, which combined with strong demand has led to very low vacancy of 0.8% in inner London.¹⁷ This backdrop plays well to our planning expertise and

¹⁵ Capex is 12% of net rental income for retail parks compared to 21% at covered centres (MSCI five-year average)

¹⁶ Local Data Company

¹⁷ Savills

track record of delivering complex developments in London. Our London urban logistics development pipeline has a gross development value of £1.5bn.

During the year we have received planning consents for our schemes at The Box in Paddington, Mandela Way in Southwark, Thurrock and Heritage House in Enfield. We also submitted plans for approval of our scheme in Verney Road in Southwark. Although exit yields and construction costs are higher, returns still look strong as we have been able to mitigate these headwinds by increasing the massing of schemes and rents have grown faster than expected.

CAPITAL ALLOCATION

Actively recycling capital is an important way we create value. We dispose of non core and dry assets and redeploy capital into opportunities with higher returns, namely retail parks acquisitions and our development pipeline in campuses and London urban logistics. We also use joint ventures to accelerate returns, stretch our equity, share risk and earn attractive fees.

Since we launched our new strategy, capital activity totalled £3.5bn, of which £1.7bn were offices sold at an average yield of 4.5%. We have reinvested proceeds into developments, an early re-entry into retail parks in 2021 and our London urban logistics pipeline. These transactions have reshaped our portfolio which is now 93% focused on our chosen sectors of campuses, retail parks and London urban logistics and we will continue to actively recycle capital as we see opportunities to create value.

In FY24, disposals totalled £410m from assets sold at 11% above book value on average. These transactions include the joint venture with Royal London to accelerate returns and share risk at 1 Triton Square as well as disposing of non core assets including an office and data centre portfolio. On 20 May 2024 we announced the sale of our 50% stake in Meadowhall Shopping Centre (Meadowhall) to our partner Norges Bank Investment Management (Norges) for £360m. This follows the sale of some ancillary land for £7m (British Land share) earlier this year. Together these deals value the entirety of the Meadowhall Estate at £734m, 3% above the September 2023 book value.

As we continue to recycle capital, our priorities for capital allocation remain unchanged. The resilience of our balance sheet is of utmost importance as it gives the ability to navigate macroeconomic uncertainties and the flexibility to invest in opportunities as they arise. Our pro forma LTV including the sale of Meadowhall is 34.6%, with FY24 at 37.3% (FY23 36.9%). Pro forma Group Net Debt to EBITDA was 6.4x, with FY24 at 6.8x (FY23 6.4x), with £1.9bn of undrawn facilities and cash at 31 March 2024. In August 2023, Fitch affirmed our Senior Unsecured credit rating at 'A' with stable outlook.

We will continue to buy retail parks opportunistically. They have strong occupational fundamentals, values below replacement costs, attractive yields and are earnings accretive upon acquisition. Developments have created significant value for us over the years and we have adjusted our return and yield on cost requirements to reflect the higher interest rate environment, which has also increased exit yields and finance costs. Our pipeline is focused on campuses and London urban logistics, both subsectors where the supply of new schemes is constrained. As a result, we are securing higher than expected rents, which combined with construction costs levelling off, is resulting in returns above our investment hurdles. This year we committed to The Optic, a lab enabled building at our Peterhouse campus in Cambridge and Mandela Way, a multistorey urban logistics scheme in Southwark. More recently we committed to 2 Finsbury Avenue, a best-in-class office scheme on our Broadgate campus.

We also remain committed to shareholder distributions. Our dividend policy is to pay 80% of underlying EPS and we consider other shareholder distributions as and when appropriate.

SUSTAINABILITY

We have made good progress against our Sustainability Strategy in FY24. The percentage of the portfolio which is rated EPC A or B increased to 58%, up from 45% at FY23, and is expected to increase to around 64% in FY25.¹⁸ We expect to meet the proposed Minimum Energy Efficiency Standard of EPC 'B' by 2030, the cost of this is estimated to be around £100m, of which two thirds will be recovered through the service charge. Since FY19 we have spent a cumulative £18m on these initiatives, 63% of which has been recovered via the service charge.

We are a global leader in sustainable development, retaining our GRESB 5* rating and achieving a score of 99/100, whilst our standing investments achieved a rating of 5* up from 4* in FY23. We have also achieved Living Wage accreditation. We recognise that people are key to the success of our business and have always paid at least the real Living Wage to our direct employees and across our developments. The accreditation reflects the work we have done in recent years to encourage our supply chain to do the same.

Another highlight during the year was the introduction of a new social value target to generate £200m of direct value by 2030 of which 50% is social value and 50% is economic value. We will target an additional £100m of indirect social value. These targets provide a financial value to the outcomes of our social sustainability programmes and further embed social impact into everything we do. Progress will be reported annually, providing a clear and transparent methodology that demonstrates how the social and economic impact is quantified.

¹⁸ Measured by ERV

BOARD

During the year we have had a series of changes to the Board. William Rucker has been appointed as Chair Designate to succeed Tim Score who will step down after the 2024 AGM after 10 years on the Board and five years as Chair. I would like to thank Tim for his excellent advice and support during his tenure as Chair and welcome William, whose experience and insights will be very valuable as we continue to execute our strategy.

I would like to extend a warm welcome to Amanda Mackenzie, Mary Ricks and Amanda James who have been appointed as independent Non-Executive Directors. The Board will benefit hugely from the depth and breadth of their experience. I would also like to thank Laura Wade-Gery for her significant contribution; she will step down as Non-Executive Director in July at the 2024 AGM after nine years on the Board and we wish her well in her future endeavours. Amanda Mackenzie will become Chair of the Remuneration Committee at the conclusion of the 2024 AGM.

OUTLOOK

In the past 12 months macroeconomic and geopolitical uncertainty has remained high. However, inflation has declined, and markets are now anticipating interest rate cuts. Consequently, yield expansion in the portfolio slowed significantly in the second half and strong rental growth meant values were broadly flat.

Our base case is that we will be operating in a more supportive economic environment over the next 12 months than we have seen in the last two years. With inflation lower, the next move in the base rate is likely to be down rather than up and although UK GDP growth is expected to be modest at best, most forecasts are for it to be positive. Unemployment is expected to remain low which should be supportive of demand for best-in-class workspace at our campuses as businesses continue to focus on attracting and retaining talent in a competitive jobs market. The return of real wage growth should provide valuable breathing space for consumers, supporting our retail parks business.

The momentum we are seeing in the business combined with strong occupational fundamentals underpin our ERV guidance of 3-5% in each of our markets.

We recognise geopolitical risk remains elevated, but we take comfort from our strong operational performance over the last 24 months. With a portfolio NEY of 6.2%, strong rental growth prospects and development upside we expect to deliver 8-10% total accounting return per annum over the medium term.

MARKET

LONDON OFFICE MARKET

Take up over the last year for new and refurbished space in core Central London was 12% ahead of the 10-year average, even though take up of all space across London was 13% behind the 10-year average.¹⁹ The forward-looking indicators are also encouraging with under offers, a key measure of demand, in core Central London significantly increasing at the start of the year to 3.2m sq ft, 24% above the 10-year average.¹⁹ Furthermore, active demand in Central London is at 13m sq ft, 37% above the 10-year average and super prime deals are 36% above.²⁰ The picture is even more positive in the City, with under offers on all space at the highest level in 24 years at 2.2m sq ft, 54% ahead of the long term average.²¹

Supply is constrained across London, with vacancy for the best space and the rest continuing to diverge. Vacancy for new or refurbished space in core Central London is at 1%, while vacancy for second hand space outside of core Central London is 11%.¹⁹ This is also true of the City submarket, with average expected annual development completions of 1.3m sq ft per annum from 2024 to 2027 compared to the 10-year average annual take up of 2.1m sq ft.²⁰ The result is that we are seeing strong rental growth for super prime (top 10% of space) in the City, with Cushman & Wakefield forecasting super prime rents in the City to grow by c.8% per annum over the next four years.²⁰

Investment markets were subdued. Total volumes were £6bn across the City and West End compared to c.£10bn last year. There has been an uptick in West End investment volumes in H2, however City investment levels remain low.

SCIENCE & TECHNOLOGY MARKET

The Golden Triangle of London, Oxford and Cambridge remains the focus for science and technology occupiers and the current demand supply imbalance for lab space continues to drive rents in these locations. Take up of offices and labs in Oxford and Cambridge and science related take up in London was 1.4m sq ft, 739,000 sq ft of which was for lab space.²² Demand is strong, with active requirements for science and innovation space in the Golden Triangle totalling 1.5m sq ft.²² Although supply has been highly constrained historically, there is a more significant development pipeline coming through in some locations.

Investment volumes in the year were very low with £0.4bn of space transacted in the year compared to £2.1bn last year.

RETAIL PARK MARKET

Occupational markets have been strong in the year as the consumer remained resilient. Retail parks continue to perform very well with 697 new unit openings recorded in 2023 (calendar year), exceeding the five-year average total of 667 new openings.²³ Vacancy rates on parks remain very low due to increased demand from retailers who prefer the format due to the affordability, accessibility and adaptability, coupled with limited supply coming through.

Investment volumes in the year were £1.7bn, down from £3.2bn last year.

URBAN LOGISTICS MARKET

In London, take up in the year was 0.9m sq ft, tracking below 2022 take up of 1.5m sq ft, as businesses have taken more time to consider larger capital investment in new properties.²⁵ Rents continue to grow, reflecting the strength of demand for very centrally located space driven by the growth of e-commerce and increased expectations for priority delivery and lack of available stock, particularly in London. As a result, inner London vacancy is 0.8%.²²

Investment volumes in the year were £7.2bn, down from £8.4bn last year.

¹⁹ CBRE: Core Central London defined as City and West End (Paddington to Victoria, excluding Midtown)

²⁰ Cushman & Wakefield

²¹ CBRE

²² Savills

²³ Local Data Company

BUSINESS REVIEW

KEY METRICS

Year ended	31 March 2024	31 March 2023
Portfolio valuation	£8,684m	£8,898m
Occupancy ¹	97.2%²	96.7%
Weighted average lease length to first break	5.2 yrs	5.7 yrs
Total property return	2.0%	(9.5)%
– Yield shift	+33 bps	+71 bps
– ERV movement	5.9%	2.8%
– Valuation movement	(2.6)%	(12.3)%
Lettings/renewals (sq ft) over 1 year	2.8m	2.6m
Lettings/renewals over 1 year vs ERV	+15.1%	+15.1%
Gross capital activity ³	£869m	£1,225m
– Acquisitions	£55m	£148m
– Disposals	£(410)m	£(729)m
– Capital investment	£404m	£348m
Net investment/(divestment)	£49m	£(233)m

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

- Where occupiers have entered CVA or administration but are still liable for rates, these are treated as occupied. If units in administration are treated as vacant, then the occupancy rate would reduce to 96.8%, excluding recently completed developments
- Occupancy excludes recently completed developments at Norton Folgate and 3 Sheldon Square
- Excludes the sale of Meadowhall Shopping Centre post year end

PORTFOLIO PERFORMANCE

At 31 March 2024	Valuation £m	Valuation movement %	ERV movement %	Yield shift bps	Total property return %	Net equivalent yield %
Campuses	5,278	(5.3)	5.4	+50	(2.3)	5.5
Central London	4,613	(4.9)	5.6	+50	(1.8)	5.5
Canada Water & other Campuses	514	(13.1)	(0.2)	+46	(12.4)	6.0
Retail & London Urban Logistics	3,406	2.1	6.3	+15	9.6	7.0
Retail Parks	2,128	2.7	7.2	+12	10.0	6.7
Shopping Centres	753	0.8	5.2	+19	10.8	8.1
London Urban Logistics	313	3.7	10.0	+24	6.5	4.9
Total	8,684	(2.6)	5.9	+33	2.0	6.2

See supplementary tables for detailed breakdown

The value of the portfolio was down 2.6% driven by yield expansion of 33 bps across the portfolio. There has been a notable slowdown in outward yield shift in H2 of 10 bps, compared to H1 where yields moved out by 23 bps. This was partly offset by positive ERV growth of 5.9%, with positive ERV movement across all major subsectors.

Campus valuations were down 5.3% over the year but this decline slowed to -1.5% in H2 compared to -4.0% in H1. The value of our West End portfolio was down 2.5% and City portfolio down 6.9%, reflecting yield expansion of 52 bps and 48 bps respectively. While investment markets continue to see low levels of transactions, there continues to be strong occupational demand for new, best-in-class buildings, located next to transport hubs with strong sustainability credentials. This has led to ERV growth of 5.4% across campuses, with 7.1% and 4.2% ERV growth in our West End and City office portfolio respectively, reflecting leasing activity and limited supply.

The value of our retail park portfolio is up 2.7% in the year, with strong ERV growth of 7.2%, driven by occupier demand and high occupancy on our parks, offsetting marginal outward yield shift of 12 bps. Yields in H2 stabilised.

The value of our shopping centres was marginally up by 0.8% with a 5.2% increase in ERV offsetting yield expansion of 19 bps. London urban logistics values increased by 3.7%, with a significant increase in ERV of 10.0% offsetting outward yield shift of 24 bps.

Campus offices outperformed the MSCI benchmark for All Offices and Central London Offices by 700 bps and 480 bps respectively on a total return basis for the year ended 31 March 2024. Retail parks outperformed the MSCI All Retail Park benchmark on a total return basis by 840 bps and urban logistics outperformed the MSCI industrials benchmark by 210 bps. Our portfolio overall outperformed the MSCI All Property total return index by 300 bps over the year and by 800 bps on a reweighted basis.

CAPITAL ACTIVITY

From 1 April 2023	Retail & London		Total £m
	Campuses £m	Urban Logistics £m	
Purchases	-	55	55
Sales ¹	(354)	(56)	(410)
Development Spend	344	10	354
Capital Spend	42	8	50
Net Investment	32	17	49
Gross Capital Activity	740	129	869

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Excludes the sale of Meadowhall Shopping Centre post period end

The total gross value of our capital activity in the year was £0.9bn. The most significant transaction in the year was the sale of our 50% stake in 1 Triton Square to Royal London for £193m. Post period end, we exchanged on the sale of our 50% stake in the Meadowhall to our partner Norges for £360m. This follows the sale of some ancillary land for £7m (British Land share) earlier this year. Together these deals value the entirety of the Meadowhall Estate at £734m, 3% above September 2023 book value.

We continue to be disciplined in our approach to capital recycling within the portfolio. Since April 2023, we've disposed of non core assets including six office and data centres for £125m, reflecting a net initial yield (NIY) of 4.6%, 13% ahead of book value as well as superstores in Burton on Trent and Coleraine for £8m and £10m. We continue to grow our exposure to retail parks, purchasing Westwood Retail Park in Thanet for £55m, for a net initial yield of 8.1%, which benefits from excellent accessibility and is let to a strong mix of retailers.

CAMPUSES

KEY METRICS

Year ended	31 March 2024	31 March 2023
Portfolio valuation	£5,278m	£5,650m
Occupancy ¹	95.8%	96.2%
Weighted average lease length to first break	5.8 yrs	7.2 yrs
Total property return	(2.3)%	(11.9)%
– Yield shift	+50 bps	+70 bps
– ERV growth	5.4%	2.6%
– Valuation movement	(5.3)%	(13.1)%
Total lettings/renewals (sq ft)	679,000	1,037,000
Lettings/renewals (sq ft) over 1 year	561,000	777,000
Lettings/renewals over 1 year vs ERV	+8.7%	+11.0%
Like-for-like income ²	+4%	+3%

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Occupancy excludes recently completed developments of Norton Folgate and 3 Sheldon Square

2. Like-for-like excludes the impact of surrender premia, CVAs & admins, provisions for debtors and tenant incentives, and Storey. Including Storey, campus like-for-like income would be +1% in FY24 and +7% for FY23

CAMPUS OPERATIONAL REVIEW

Campuses were valued at £5.3bn, down 5.3%. This was driven by yield expansion of 50 bps, which was partly offset by ERV growth of 5.4%. Lettings and renewals (including Storey) totalled 679,000 sq ft, 8.7% ahead of ERV and 13.4% above previous passing rent. Weighted average lease length is 5.8 years. Post period end, we have completed 316,000 sq ft of deals, 13.1% ahead of ERV, and are under offer on a further 544,000 sq ft, 9.3% ahead of ERV, with a further 806,000 sq ft in negotiations. Occupancy at our campuses is 95.8%.

Campus like-for-like income growth (excluding Storey) was +4% in the year driven by strong leasing and asset management activity across all three London campuses. At Storey, we saw -18% like-for-like growth in the year. Whilst this was in part a consequence of the timing of lease events, which by their nature, can create fluctuations to our income, the key driver was one off cost rebates made in the prior period. Storey occupancy is now at our target of 90%. Looking ahead, we expect strong ERV growth to drive future like-for-like performance across our campuses.

Our campuses provide the great amenity, transport connectivity, public realm and high quality sustainable buildings that businesses are seeking post-pandemic. Across our standing portfolio, we benefit from a diverse group of high quality customers across financial, corporate, science, health, technology and media sectors.

BROADGATE

Broadgate saw a valuation decline of 6.2% driven by outward yield shift of 45 bps, offset by ERV growth of 4.4%. Occupancy remains high at 98%, reflecting the high quality of the space, amenities and public realm and its central location.

Leasing activity (excluding Storey) covered 328,000 sq ft, of which 304,000 sq ft were long term deals, 5.3% ahead of ERV. Significant deals include regears to Monzo Bank at Broadwalk House covering 83,000 sq ft and the Bank of Nova Scotia at 201 Bishopsgate covering 39,000 sq ft. New lettings have also been signed with Steamship Mutual, which signed for 25,000 sq ft of newly refurbished space at 155 Bishopsgate and Vorboss which has signed 29,000 sq ft at 10 Exchange Square.

Post period end, we have also signed a pre-let with Citadel for 252,000 sq ft of workspace at 2 Finsbury Avenue, with options to lease up to another 128,000 sq ft. The deal means the building is already 33% pre-let at a minimum, and 50% pre-let if the option space is taken, at a record headline rent for the City. Simultaneously, we have committed to the 2 Finsbury Avenue development.

We are making good progress on asset management initiatives to improve the sustainability credentials of several buildings on the campus. 10 Exchange Square, 199 and 201 Bishopsgate have all achieved EPC 'B' ratings due to building improvements including air source heat pumps, air handling unit improvements and LED lights.

Our social impact initiatives continue to focus on forging connections between our occupiers and local communities and we were pleased to have run a successful pilot of the Social Mobility Business Partnership's Insights and Skills Programme alongside one of our occupiers. Through the Young Readers Programme, in partnership with the National Literacy Trust, 32 school children participated in activities across the campus. This year we published a socio economic report quantifying £10m of economic value generated over the last 10 years from our long running dedicated employment programme Broadgate Connect, and in the last year, 54 people have benefitted from meaningful employment support.

REGENT'S PLACE

Regent's Place valuation was marginally down 0.7%, driven by outward yield shift of 50 bps which was offset by strong ERV growth of 6.9%. Declining values in the first half were partly reversed by an increase in value of 0.9% in H2, as a result of our 50% sale of 1 Triton Square to Royal London and our partnership with The Crick at 20 Triton Street. Occupancy at the campus is 94.5%.

Leasing activity in the year (excluding Storey) covered 59,000 sq ft, of which 51,000 sq ft were long term deals, 13.1% ahead of ERV. Key deals include lease renewals with Digital Cinema Media and Alpha Real Capital covering 7,600 sq ft and 7,300 sq ft respectively and a new letting with affordable housing provider, The Guinness Partnership, which signed 15,000 sq ft of workspace at 350 Euston Road.

Regent's Place continues to gain momentum as a life sciences and innovation hub. At 1 Triton Square, alongside our JV partners Royal London, we are progressing designs to repurpose the building for innovation and life sciences occupiers, including adding lab space and Storey on the bottom floors whilst retaining best-in-class office space on upper floors. This year we announced a collaboration with The Crick, to partner on a 30,000 sq ft fitted lab offer at 20 Triton Street, which is due to be delivered later this year. The Crick will bring its operational expertise to help create the first of its kind facility in London, which will provide highly serviced fitted lab and office space with shared facilities for customers, as well as access to The Crick's scientific expertise. This collaboration builds on the Memorandum of Understanding with UCL, signed in May 2023, which gives our occupiers access to UCL's technical services and facilities and creates the opportunity for British Land to support the growth of UCL spin outs.

Our social impact initiatives at Regent's Place include partnering with Hypha Studios, a charity matching creatives with empty spaces across London. The organisation opened at a vacant retail unit in Euston Tower, which will feature exhibitions from local artists. This builds on our focus on affordable space and the addition of Little Village, a baby bank providing essentials for families living in poverty, opening on the campus. Our partnership with Rebel Business School taught 127 entrepreneurs how to test their new business ideas. Through the Young Readers Programme, in partnership with the National Literacy Trust, 183 school children participated in activities across the campus.

PADDINGTON CENTRAL

Paddington Central saw valuation declines of 10.7% driven by outward yield shift of 74 bps. This has been partially offset by ERV growth of 10.4%, largely due to development and leasing progress at 3 Sheldon Square. Occupancy at the campus remains high at 99.5%.²⁴

Given we are virtually full, leasing activity (excluding Storey) covered 44,000 sq ft, all of which were long term deals, 7.9% ahead of ERV. There is a further 131,000 sq ft under offer, 8.6% ahead of ERV.

The most significant development on the campus this year was the delivery of 3 Sheldon Square which completed in February 2024. The building has an all electric design and is rated EPC 'A' and the development completed with a low embodied carbon intensity at 124kg CO₂e per sqm. The building is already 65% let to Virgin Media O2 and we are under offer on a further 27,000 sq ft to a life science occupier, which would take the building to 86% let or under offer.

As part of our social impact initiatives, we continue to provide affordable space to the Ukrainian Institute to run their English language courses. To date, the classes have benefitted 965 displaced Ukrainians. In partnership with occupiers on the campus, we hosted Mastering My Future insight days for 26 young people to experience different careers at Paddington Central. Through the Young Readers Programme, in partnership with the National Literacy Trust, 122 school children participated in activities across the campus.

STOREY: FLEXIBLE OFFICE SPACE

Storey is a key part of our campus proposition and provides occupiers with the flexibility to expand and contract depending on their requirements. The quality of the space, central location and access to campus amenities make the space appealing to scale up businesses and overseas businesses looking to open a UK Headquarters. Customers on our campuses also benefit from access to ad hoc meeting and events space at Storey Club and this service is an increasingly important factor when making workspace decisions.

Storey is currently operational across 343,000 sq ft. We recently completed 35,500 sq ft at 201 Bishopsgate on our Broadgate campus and 7,500 sq ft at 2 Kingdom Street on our Paddington campus.

Storey leasing activity covered 134,000 sq ft in the year at a 30% premium to traditional rents. Post period end, we have exchanged a further 3,200 sq ft of space and we are under offer on a further 13,400 sq ft. Occupancy is at our target of 90%.

²⁴ Occupancy excludes the recently completed development of 3 Sheldon Square

CANADA WATER

The valuation of Canada Water declined 14.1%, driven by 35 bps outward yield shift on the offices. The first phase of the Canada Water development, which comprises a mix of workspace, retail, leisure and residential is progressing well. Roberts Close (K1), which consists of 79 affordable homes pre-purchased by the London Borough of Southwark, achieved practical completion in January 2024. 1-3 Deal Porters Way (A1), which is a mix of 186 residential units (The Founding) and workspace and The Dock Shed (A2), workspace with a leisure centre on the ground floors is due to be ready for occupation in 2025.

We are targeting rents on the workspace from £50 psf. Residential sales for The Founding launched in February 2023 and current sales are above targeted pricing levels, achieving in excess of £1,250 psf, which is attractive relative to competing schemes.

The London Borough of Southwark held an initial 20% interest in the scheme and has the ability to participate in the development up to a maximum of 20% with returns pro-rated accordingly. Although it has elected not to fully participate in Phase 1, Southwark pre-purchased the affordable homes at Roberts Close and part funded the 55,000 sq ft leisure centre in The Dock Shed.

In the year, we submitted our revised plans for a cultural and office scheme at the Printworks, in addition to agreeing terms with Broadwick Live to operate the cultural part of the Printworks. Demolition works have commenced to prepare the site for when we place a build contract. This, together with the planning permissions received in July 2022 for Zones L and F, represent the range of options available for the next phase of the Canada Water Masterplan. We also achieved planning consent for Zone G of the Masterplan, which includes a replacement Tesco store, residential including affordable housing, some smaller flexible retail space and a new 3.5 acre public park.

Building on the success of the TEDI modular campus we recently completed the build of a 33,000 sq ft modular innovation campus on the site. We are seeing good interest in this space from a range of science and technology businesses. We have signed deals with CheMastery, a startup aiming to increase the efficiency of chemical research and manufacturing and Prosemino, a venture builder committed to addressing climate change by co-founding and building innovative early-stage clean energy technology companies. Canada Water is well located to cater to science and technology businesses, due to its proximity to three leading teaching and research hospitals including Guy's Hospital in London Bridge, St Thomas' Hospital in Waterloo and King's College Hospital in Denmark Hill.

RETAIL & LONDON URBAN LOGISTICS

KEY METRICS

Year ended	31 March 2024	31 March 2023
Portfolio valuation	£3,406m	£3,248m
– Of which Retail Parks	£2,128m	£1,976m
– Of which Shopping Centres	£753m	£746m
– Of which London Urban Logistics	£313m	£263m
Occupancy ¹	98.5%	97.3%
Weighted average lease length to first break	4.7 yrs	4.6 yrs
Total property return	9.6%	(5.0)%
– Yield shift	+15 bps	+72 bps
– ERV growth	6.3%	3.0%
– Valuation movement	2.1%	(10.9)%
Total lettings/renewals (sq ft)	2,628,000	2,395,000
Lettings/renewals (sq ft) over 1 year	2,282,000	1,808,000
Lettings/renewals over 1 year vs ERV	+17.8%	+18.8%
Like-for-like income ²	+1%	+5%

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Where occupiers have entered CVA or administration but are still liable for rates, these are treated as occupied. If units in administration are treated as vacant, then the occupancy rate for Retail would reduce from 98.5% to 97.7%
2. Like-for-like excludes the impact of surrender premia, CVAs & admins and provisions for debtors and tenant incentives

RETAIL & LONDON URBAN LOGISTICS OPERATIONAL REVIEW

Valuations in these subsectors increased by 2.1% in the year, with retail parks and London urban logistics values up 2.7% and 3.7% respectively, outperforming shopping centres, which were marginally up by 0.8%. Average rental growth across the three subsectors was 6.3% in the year, more than doubling the 3.0% growth delivered in FY23, which offset yield shift of 15 bps. Retail parks rental growth of 7.2% is stronger than shopping centres at 5.2%.

We continue to lease well, with 2.6m sq ft of deals signed in the year, 1.5m sq ft of these were at our retail parks. Retail and London urban logistics deals completed over the year were 17.8% ahead of ERV and 3.1% above previous passing rent. Occupancy across the three subsectors remains high at 98.5%. Like-for-like income was up 1% as we filled vacant space in our shopping centres, which helped to offset negative reversion coming through on some older leases. We expect strong leasing ahead of ERV to increase like-for-like growth next year.

Weighted average lease length is 4.7 years. In the year, we agreed 773,000 sq ft of rent reviews, 0.3% above previous passing rent across all three subsectors. In total, we have 493,000 sq ft of deals under offer, 17.9% above March 2023 ERV.

RETAIL PARKS

We continue to see significant leasing momentum across our retail parks with 1.5m sq ft of deals signed in the year, 19.9% above ERV and 5.1% below previous passing rent, compared with -9.7% in FY23. We have a further 282,000 sq ft under offer, 19.2% above ERV. Occupancy remains high at 99%, reflecting strong demand and limited supply. Retail parks are the preferred format for a wide range of customers due to the format's affordability, adaptability and accessibility, which in September, led us to upgrade ERV growth guidance from 2-4% to 3-5%, which we have exceeded.

We continue to see excellent leasing activity on our parks, with 57% of deals done in the year being repeat business. These include six deals with JD Sports totalling 58,000 sq ft and six transactions with Frasers Group totalling 104,000 sq ft, including 91,000 sq ft with Sports Direct and a 12,500 sq ft Flannels at Teesside Park. Marks & Spencer continue to expand on retail parks with two upsizes at Doncaster and Swindon totalling 94,000 sq ft and Asda signed four lease renewals totalling 88,000 sq ft.

New entrants to the retail park format include Hotel Chocolat, which signed three new leases covering 10,000 sq ft and In Health which signed 5,000 sq ft at Denton, representing the first medical diagnostics letting on our parks. Other notable lettings this year include Primark signing for 23,000 sq ft at Glasow Fort. At Teesside Park, we've had very strong leasing in the year with 343,000 sq ft of new letting and renewals, including Sports Direct doubling in size to 25,000 sq ft; a new 12,500 sq ft letting to Flannels and 43,000 sq ft to value retailer B&M.

Our Really Local Stores social sustainability initiative, which gives local makers access to affordable space, operated at five of our retail assets in FY24 including Fort Kinnaird and Ealing Broadway.

SHOPPING CENTRES

We continue to actively manage our shopping centres improving occupancy and driving rents forward. We have completed 737,000 sq ft of deals, on average 19.5% ahead of ERV and 0.5% above previous passing rent. This activity improved occupancy which is now at 97.5%.

We prefer the occupational fundamentals of retail parks and have said we will reduce our exposure to covered centres at the right time and price. In line with this, we announced the sale of our 50% stake in the Meadowhall to our partner Norges for £360m. This follows the sale of some ancillary land for £7m (British Land share) earlier this year. Together these deals value the entirety of the Meadowhall Estate at £734m, 3% above September 2023 book value.

LONDON URBAN LOGISTICS

In London urban logistics we have assembled a 2.3m sq ft pipeline with a GDV of £1.5bn. This year we started on site at Mandela Way in Southwark building a 144,000 sq ft multistorey scheme in Central London. In addition, we have achieved planning consent for four out of seven schemes including at The Box in Paddington, Mandela Way in Southwark and Heritage House in Enfield this year, and have submitted planning for a second multistorey scheme at Verney Road in Southwark. We have completed 230,000 sq ft of lettings and renewals, 102% above previous passing rent and 7% above ERV.

RETAIL FOOTFALL AND SALES

	02 April 2023 – 31 March 2024	
	% of 2023 ¹	Performance vs benchmark ^{2,3}
Footfall		
– Portfolio	100.2%	-120 bps
– Retail Parks	100.3%	-110 bps
Sales		
– Portfolio	103.9%	100 bps
– Retail Parks	105.4%	250 bps

- 1. Compared to the equivalent weeks in 2022/23
- 2. Footfall benchmark: Springboard overall
- 3. Sales benchmark: BRC UK total instore retail sales

DEVELOPMENTS

	Sq ft '000	Current Value £m	Cost to complete £m	ERV £m	ERV Let & under offer £m
At 31 March 2024					
Committed	2,273	648	639	87.4	28.4
Near term	976	253	286	39.8	-
Medium term	7,723	960	3,484	272.4	-
Total pipeline	10,972	1,861	4,409	399.6	28.4

On a proportionally consolidated basis including the Group's share of joint ventures (except area which is shown at 100%)

Development Pipeline

Developments are a key driver of long term value creation for British Land. Altogether, we expect our development pipeline to deliver profits of around £1.4bn. Against a backdrop of higher interest rates, which have pushed yields out and impacted funding costs, we have increased the return hurdles for our new developments. We now target IRRs of 12-14% on our campuses and mid teens on our London urban logistics developments. Because we are in the right parts of our markets with good supply demand tension, we are securing higher rents. Construction cost inflation appears to be levelling off and higher funding costs have resulted in limited new supply coming on stream. We expect our committed and recently completed developments,²⁵ in addition to asset management initiatives, to deliver 4.5p of future earnings per share growth, with 2.4p being delivered in FY26 alone.

We are currently on site with 2.3m sq ft of space, which will target BREEAM Outstanding (for offices) and Excellent (for retail), delivering £87.4m of ERV, with 33% already pre-let or under offer. Excluding build to sell residential and retail space, which we will let closer to completion, we are 36% pre-let or under offer by ERV. Total development exposure is now 7.6% of portfolio gross asset value. Speculative exposure, which is based on ERV and includes space under offer, is 9.6% and within our internal risk parameter of 12.5%.

Development valuations were down 2.4% driven primarily by outward yield shift.

Completed Developments

At 31 March 2024	Sector	BL Share %	100% sq ft '000	PC Calendar Year	ERV £m
3 Sheldon Square	Office	25	140	Q1 2024	2.6
Norton Folgate	Office	100	335	Q4 2023	25.7
Roberts Close (Plot K1)	Residential	50	62	Q1 2024	-
Total Completed			537		28.3

We completed three developments totalling 537,000 sq ft in the year. 3 Sheldon Square reached practical completion in February 2024. The building is one of our most sustainable refurbishments ever, with an all electric design and EPC 'A' rating. Norton Folgate completed in December 2023. We have let 42% of the space including 115,000 sq ft to law firm Reed Smith and 20,000 sq ft to Swiss high performance sportswear brand, On Running. We have commenced fit out of 67,000 sq ft of fully fitted floors, which are likely to be let closer to completion of the fit out later this year.

²⁵ Committed (including post period end commitment of 2 Finsbury Avenue) and completed developments including near term development of 1 Triton Square

Committed Developments

As at 31 March 2024	Sector	BL Share %	100% sq ft '000	PC Calendar Year	ERV £m ¹	Gross Yield on Cost% ²
The Priestley Centre	Science & Technology	100	84	Q2 2024	3.3	8.0
Aldgate Place, Phase 2	Residential	100	138	Q2 2024	6.9	5.0
The Optic	Science & Technology	100	96	Q1 2025	4.7	6.2
1 Broadgate	Office	50	545	Q2 2025	20.1	5.8
Mandela Way	Logistics	100	144	Q3 2025	4.7	6.2
2 Finsbury Avenue ³	Office	50	750	Q2 2027	38.6	7.7
Canada Water⁴						
1-3 Deal Porters Way (Plot A1)	Mixed use	50	270	Q4 2024	3.6	blended
The Dock Shed (Plot A2)	Mixed use	50	246	Q4 2024	5.5	7.1
Total Committed			2,273		87.4	6.7

1. Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)
2. Gross yield on cost is the estimated annual rent of a completed development divided by the total cost of development including the site value at the point of commitment and any actual or estimated capitalisation of interest, expressed as a percentage return
3. Committed to post period end
4. The London Borough of Southwark has confirmed they will not be investing in Phase 1, but retain the right to participate in the development of subsequent plots up to a maximum of 20% with their returns pro-rated accordingly

Our committed pipeline stands at 2.3m sq ft. In the year we have committed to Mandela Way delivering 144,000 sq ft of urban logistics space across four floors in Southwark and The Optic, delivering a 96,000 sq ft office and lab building on our Peterhouse campus, the only speculative office development to be delivered in Cambridge in 2025. Post period end, we committed to 2 Finsbury Avenue delivering 750,000 sq ft of best-in-class workspace at Broadgate.

We are also on site with an 84,000 sq ft development at The Priestley Centre in Guildford, which will be a mix of innovation and lab enabled space. The building is already 62% pre-let to LGC, a leading global life sciences company, ahead of completion in Q2 2024.

The development of 1 Broadgate is progressing on programme and the office space is fully pre-let or under option to JLL and Allen & Overy, demonstrating the strong demand for best-in-class, sustainable buildings.

We are making good progress on the development of the first phase of Canada Water, which comprises three buildings covering 578,000 sq ft. The first building, Roberts Close is now complete, and the remaining two buildings, 1-3 Deal Porters Way and The Dock Shed, are due to be ready for occupation in 2025. We are targeting BREEAM Outstanding on all the commercial space, BREEAM Excellent on retail and a minimum of HQM One 4*²⁶ for private residential.

The development of phase 2 at Aldgate Place is progressing to plan. The scheme comprises 159 premium rental apartments with 19,000 sq ft of office space and 8,000 sq ft of retail and leisure space. It is well located, adjacent to Aldgate East and between Liverpool Street and Whitechapel stations. Completion is expected in Q2 2024.

Near Term Pipeline

Our near term pipeline covers 976,000 sq ft. At 1 Triton Square, we are progressing designs to repurpose the building for innovation and life sciences occupiers, including adding lab space and Storey on the bottom floors whilst retaining best-in-class office space on upper floors. While it is part of our near term pipeline, we expect to commit to this project shortly.

Our near term pipeline also includes two London urban logistics developments, The Box at Paddington and Verney Road in Southwark. We have achieved planning consent for The Box and we have submitted planning for a multistorey scheme at Verney Road.

Medium Term Pipeline

Our medium term pipeline covers 7.7m sq ft, the largest of which are the future phases of the Canada Water Masterplan, which accounts for 4.3m sq ft and Euston Tower, where we have an exciting opportunity to deliver a highly sustainable innovation and lab enabled building in London's Knowledge Quarter.

London urban logistics opportunities account for 1.8m sq ft of medium term opportunities. This includes Thurrock, where we have achieved planning for a 644,000 sq ft two-storey logistics scheme east of London; Heritage House, Enfield where we have achieved planning for a two-storey logistics scheme totalling 437,000 sq ft, Hannah Close in Wembley, where there is potential to deliver 668,000 sq ft of well located, multistorey urban logistics space within the M25 and Finsbury Square where we are working up plans for an 81,000 sq ft underground logistics facility close to the City of London.

²⁶The Home Quality Mark is an independently assessed certification scheme for new homes, with a simple star rating based on a home's design, construction and sustainability. Every home with an HQM certificate meets standards that are significantly higher than minimum standards such as Building Regulations

FINANCE REVIEW

Year ended	31 March 2024	31 March 2023
Underlying Profit ^{1,2}	£268m	£264m
Underlying earnings per share ^{1,2}	28.5p	28.3p
IFRS profit (loss) after tax	£1m	£(1,039)m
Dividend per share	22.80p	22.64p
Total accounting return ¹	(0.5)%	(16.3)%
EPRA Net Tangible Assets per share ^{1,2}	562p	588p
EPRA Net Disposal Value per share ^{1,2}	577p	606p
IFRS net assets	£5,312m	£5,525m
LTV ^{3,4,5,6}	37.3%	36.0%
Net Debt to EBITDA (Group) ^{3,7,8}	6.8x	6.4x
Net Debt to EBITDA (proportionally consolidated) ^{3,4,9}	8.5x	8.4x
Weighted average interest rate ⁴	3.4%	3.5%
Senior Unsecured credit rating	A	A

1. See Note 2 to condensed financial statements for definition and calculation

2. See Table B within supplementary disclosures for reconciliations to IFRS metrics

3. See Note 8 to condensed financial statements for definition, calculation and reference to IFRS metrics

4. On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

5. EPRA Loan to value is disclosed in Table E of the condensed financial statements

6. Following the unconditional exchange for the sale of our 50% stake in Meadowhall, LTV falls to 34.6% on a pro forma basis

7. Net Debt to EBITDA on a Group basis excludes non-recourse and joint venture borrowings, and includes distributions and other receivables from non-recourse companies and joint ventures

8. Following the unconditional exchange for the sale of our 50% stake in Meadowhall, Net Debt to EBITDA on a Group basis falls to 6.4x on a pro forma basis

9. Following the unconditional exchange for the sale of our 50% stake in Meadowhall, Net Debt to EBITDA on a proportionally consolidated basis falls to 8.2x on a pro forma basis

OVERVIEW

Continued operational momentum drove delivery of our financial performance in the year. Like-for-like rental growth of 1%, a tight grip on costs, an increase in joint venture fee income and a one off collection of historic arrears resulted in Underlying Profit of £268m up 2% despite a number of properties entering development and the Meta surrender. Underlying earnings per share (EPS) was up 1% at 28.5p. Based on our policy of setting the dividend at 80% of Underlying EPS, the Board has proposed a dividend of 22.80p per share, up 1%. The growth in the dividend is lower than Underlying Profit growth due to the impact of tax payable on fee income received during the year.

IFRS profit after tax for the year to 31 March 2024 was £1m, compared with a loss after tax for the prior year to 31 March 2023 of £1,039m. The year on year improvement reflects a lower valuation decline on the Group's properties and those of its joint ventures, and a net capital finance loss from mark-to-market movement on the derivatives hedging the interest rate on our debt, which was offset by the capital uplift from the surrender premium received at 1 Triton Square.

Overall valuations on a proportionally consolidated basis have fallen by 2.6% resulting in a decrease in EPRA NTA per share of 4%. This fall in values was weighted to the first half of the year (2.5%), while second half values were broadly flat (0.2%). Including dividends paid of 23.20p per share, total accounting return was -0.5%.

Loan to value (LTV) on a proportionally consolidated basis increased by 130 bps from 36.0% at 31 March 2023 to 37.3% at 31 March 2024. This reflects asset valuation declines and capital expenditure on our committed development pipeline, offset by the disposal of an office and data centre portfolio, the 1 Triton Square surrender receipt from Meta and the subsequent 50% joint venture of the asset with Royal London Asset Management Property.

Group Net Debt to EBITDA increased by 0.4x to 6.8x, and Net Debt to EBITDA on a proportionally consolidated basis increased by 0.1x to 8.5x. The Group measure increase reflected the repayment at maturity of the non-recourse HUT term loans using lower margin revolving credit facilities which increased the Group's net debt.

We continue to have good access to finance markets and completed c.£1bn of financing activity for the Group in the year on favourable terms. We arranged five new bank term loans totalling £475m, all with initial five year terms. We also extended £475m in four existing bank revolving credit facilities, by an additional year to 2028/29.

Our financial position remains strong with £1.9bn of undrawn facilities and cash at 31 March 2024 and, based on our commitments and in place facilities, no requirement to refinance until early 2027.

Our weighted average interest rate at 31 March 2024 was 3.4%, a 10 bps decrease from 31 March 2023. The repayment of higher margin HUT term loans and our interest rate hedging, which includes fixed rate debt, swaps to fixed rate, and caps (where the strike rates are

below current SONIA) has fully mitigated the impact of increased market rates on our interest costs. Our debt is fully hedged for the year ending 31 March 2025, and 86% hedged on average over the five years to 2029.

We have access to diverse sources of finance and raise debt in British Land for the Group and in our joint ventures. Debt raised in British Land (except for the legacy debentures) is unsecured with no interest cover covenants. We retain significant headroom to our unsecured debt covenants; at March 2024 the Group could withstand a fall in asset values across the portfolio of 39% before reaching the covenant limits, prior to taking any mitigating actions. Joint venture debt is secured on the assets of the relevant entity, non-recourse to the Group, and the majority is “covenant light” with no LTV default covenants.

Fitch Ratings, as part of their annual review in August 2023, affirmed all our credit ratings with a stable outlook, including the Senior Unsecured rating at ‘A’.

In May 2024, post year end, the Group exchanged contracts on the sale of its 50% interest in the Meadowhall joint venture. Completion is unconditional and scheduled to occur in July 2024. The transaction values the investment properties of the joint venture at £720m (£360m at the Group’s 50% share). The cash consideration to be received by the Group, taking into account net debt and other customary transaction adjustments, totals £156m and is materially in line with the carrying value of the joint venture as at 31 March 2024.

UNDERLYING PROFIT

	£m
Underlying Profit for the year ended 31 March 2023	264
Disposals ¹	-
Acquisitions ¹	5
Developments ¹	(24)
Like-for-like net rent	3
Surrender premia	1
CVAs, administrations and provisions for debtors and tenant incentives	11
Finance activity, administrative costs and fee income	8
Underlying Profit for the year ended 31 March 2024	268

1. Movement includes the impact on net rental income and finance costs

Underlying Profit increased by £4m, with like-for-like net rental growth, strong cost control, improved fee income, the collection of historic arrears and net divestment, offsetting the impacts of properties going into development, with the incremental associated finance costs on our development pipeline.

Over the last 24 months we disposed of £1.1bn of mature assets (primarily the sale of a 75% interest in the majority of our assets in Paddington Central and the sale of a 50% interest in 1 Triton Square). The net rent dilution of these disposals has been entirely offset by finance cost savings and therefore they have not impacted Underlying Profit. We completed £0.2bn of acquisitions in retail parks, London urban logistics and innovation opportunities which resulted in a £5m increase to Underlying Profit with the additional net rental income exceeding additional finance costs.

Properties moving into development and related incremental spend reduced Underlying Profit by £24m. The net rent reduction was £17m which includes a £9m impact from the space previously leased by Meta at 1 Triton Square, which was surrendered in September 2023. In addition, 3 Sheldon Square being in development, a rate rebate received on Euston Tower in the prior year, and 1 Appold Street which is now vacant and classified as development, all lowered net rents. We expect our committed and recently completed developments,²⁷ in addition to asset management initiatives, to deliver 4.5p of future earnings per share growth, with 2.4p being delivered in FY26 alone. The net interest cost impact was £7m as interest on development expenditure is capitalised at the Group’s weighted average interest rate, at 31 March 2024 of 2.6% (31 March 2023: 2.9%), which is below the Group’s incremental cost of borrowing.

Like-for-like net rental growth across the portfolio was 1% in the year, adding £3m to net rents.

Surrender premia receipts, excluding the £149m receipt from Meta at 1 Triton Square recognised through capital and other profit, added £1m to net rents.

CVAs, administrations and provisions made against debtors and tenant incentives improved by £11m compared to the prior year. This improvement is primarily due to the one-off collection of arrears relating to Arcadia.

Administrative costs were £2m lower year on year due to ongoing cost control, whilst fee income increased £5m primarily as a result of progression of joint venture developments. Excluding the impact of capital activity and development spend, finance costs were also £1m lower as a result of financing activity which includes the repayment at maturity of HUT term loans in December with lower margin facilities in the Group. In aggregate finance activity, admin costs and fee income contributed to a £8m increase in Underlying Profit.

²⁷ Committed (including post period end commitment of 2 Finsbury Avenue) and completed developments including near term development of 1 Triton Square

PRESENTATION OF FINANCIAL INFORMATION AND ALTERNATIVE PERFORMANCE MEASURES

The Group financial statements are prepared under IFRS (UK-adopted International Accounting Standards) where the Group's interests in joint ventures are shown as a single line item on the income statement and balance sheet and all subsidiaries are consolidated at 100%.

Management considers the business principally on a proportionally consolidated basis when setting the strategy, determining annual priorities, making investment and financing decisions, and reviewing performance. This includes the Group's share of joint ventures on a line-by-line basis and excludes non-controlling interests in the Group's subsidiaries. The financial key performance indicators are also presented on this basis.

A summary income statement and summary balance sheet which reconcile the Group income statement and balance sheet to British Land's interests on a proportionally consolidated basis are included in Table A within the supplementary disclosures.

Management uses a number of performance metrics in order to assess the performance of the Group and allow for greater comparability between years, however, does not consider these performance measures to be a substitute for IFRS measures.

Management monitors Underlying Profit as it is an additional informative measure of the underlying recurring performance of our core property rental activity and excludes the non-cash valuation movement on the property portfolio when compared to IFRS metrics. It is based on the Best Practices Recommendations of the European Public Real Estate Association (EPRA) which are widely used alternate metrics to their IFRS equivalents, with additional Company adjustments when relevant (see Note 2 in the condensed financial statements for further detail).

Management monitors EPRA NTA as this provides a transparent and consistent basis to enable comparison between European property companies. Linked to this, the use of Total Accounting Return allows management to monitor return to shareholders based on movements in a consistently applied metric, being EPRA NTA, and dividends paid.

Loan to value (proportionally consolidated) and Net Debt to EBITDA (Group and proportionally consolidated) are monitored by management as key measures of the level of debt employed by the business to meet its strategic objectives, along with a measurement of risk. It also allows comparison to other property companies who similarly monitor and report these measures. The definitions and calculations of loan to value and Net Debt to EBITDA are shown in Note 8 of the condensed financial statements.

INCOME STATEMENT

1.1 UNDERLYING PROFIT

Underlying Profit is the measure that we use to assess income performance. This is presented below on a proportionally consolidated basis. In the year to 31 March 2024, £120m was excluded from the calculation of Underlying Profit¹ (see Note 2 of the condensed financial statements for further details) in relation to the Meta surrender of its lease at 1 Triton Square. No company adjustments were made in the year to 31 March 2023.

Year ended	Section	31 March 2024 £m	31 March 2023 £m
Gross rental income		476	493
Property operating expenses		(36)	(47)
Net rental income	1.3	440	446
Net fees and other income		23	18
Administrative expenses	1.4	(87)	(89)
Net financing costs	1.5	(108)	(111)
Underlying Profit		268	264
Underlying tax		(3)	(1)
Non-controlling interests in Underlying Profit		1	1
EPRA and Company adjustments ²		(265)	(1,303)
IFRS profit/(loss) after tax	2	1	(1,039)
Underlying EPS	1.2	28.5p	28.3p
IFRS basic EPS	2	(0.1)p	(112.0)p
Dividend per share	3	22.80p	22.64p

- On 25 September 2023, the Group completed a deed of surrender in relation to an in-force lease of one of its investment properties. The consideration for the surrender was a £149m premium paid by the tenant on the completion date. In line with the requirements of IFRS 16, the surrender transaction was treated as a modification to the lease, with the surrender premium received recognised in full through the income statement at the point of completion, which represented the modified termination date of the lease. At the point of modification, the lease had associated tenant incentive balances of £54m, and as the right to receive these amounts was extinguished through the lease modification, an impairment was recognised in full through the income statement at the point of completion. Also at the point of modification, the lease had an associated deferred lease premium balance of £25m, which in line with the surrender premium received, was recognised in full through the income statement at the point of completion. Owing to the unusual and significant size and nature of this transaction, and in line with the Group's accounting policies, all elements of the transaction have been included within the Capital and other column of the income statement.
- EPRA adjustments consist of investment and development property revaluations, gains/losses on investment and trading property disposals, changes in the fair value of financial instruments, associated close out costs and related deferred tax. Company adjustments consist of items which are considered to be unusual and/or significant by virtue of their size or nature. These items are presented in the 'capital and other' column of the consolidated income statement.

1.2 UNDERLYING EPS

Underlying EPS was 28.5p, up 1%. This reflects the Underlying Profit growth of 2%, after a £3m tax charge in the year.

1.3 NET RENTAL INCOME

	£m
Net rental income for the year ended 31 March 2023	446
Disposals	(15)
Acquisitions	11
Developments	(17)
Like-for-like net rent	3
CVAs, administrations and provisions for debtors and tenant incentives	11
Surrender premia	1
Net rental income for the year ended 31 March 2024	440

Disposals of income producing assets over the last 24 months reduced net rents by £15m in the year, primarily relating to the sale of a 75% interest in the majority of our assets in Paddington Central in July 2022 and the sale of an office and data centre portfolio in September 2023. The proceeds from sales were reinvested into value accretive acquisitions and our development pipeline. Acquisitions have increased net rents by £11m, primarily as a result of the purchase of nearly £0.2bn retail parks in Farnborough, Preston and Thanet. Properties classified as developments have decreased net rents by £17m, driven by the Meta surrender of 1 Triton Square and its subsequent transfer to our development pipeline. In addition, net rents were reduced by 3 Sheldon Square at our Paddington campus which was under refurbishment, and a one-off rate rebate was received on Euston Tower in the prior year, where we de-rated it for development, and 1 Appold Street which is now vacant and classified as development. The committed development pipeline is expected to deliver £87.4m of ERV in future years.

Like-for-like net rental growth across the portfolio was 1% in the year, adding £3m to net rents.

Campus like-for-like net rental growth was driven by strong leasing and asset management activity, adding £12m to net rents in the year, offset by expiries which reduced net rent by £7m. Storey like-for-like rent declined by £3m, impacted by the timing of expiries and one-off cost rebates in the prior year. Like-for-like net rental growth for retail & London urban logistics was £1m, as our retail parks remained full and we filled vacant units in our shopping centres.

CVAs, administrations and provisions made against debtors and tenant incentives improved by £11m compared to the prior year. This improvement is primarily due to the collection of arrears relating to Arcadia in the year. We also continue to make good progress on prior year debtors with cash collection at 99% in line with pre-pandemic levels.

1.4 ADMINISTRATIVE EXPENSES

Despite the inflationary environment, administrative expenses decreased £2m to £87m, as a result of our cost control. The Group's EPRA operating cost ratio decreased to 16.4% (March 2023: 19.5%) through lower administrative costs, higher fee income from our joint ventures and the one-off collection of Arcadia arrears.

1.5 NET FINANCING COSTS

	£m
Net financing costs for the year ended 31 March 2023	(111)
Net divestment	9
Developments	(7)
Financing activity	1
Market rates	-
Net financing costs for the year ended 31 March 2024	(108)

Net financing costs decreased by £3m year on year to £108m. Although the amount of debt at year end is at a similar level to last year, movements in the year included net divestment, which reduced financing costs by £9m; disposals of £1.1bn over the last 24 months reduced costs by £15m, partially offset by the £6m impact from acquisitions made over the same period. Drawing on our bank facilities to fund our committed development pipeline and other maintenance capex increased financing costs by £7m. This is due to a significant proportion of the interest on development expenditure being capitalised at the Group's weighted average interest rate, at 31 March 2024 of 2.6%, which is below the Group's incremental cost of borrowing.

Financing activity during the year reduced financing costs by £1m. This was primarily the result of the repayment on maturity of the £300m secured bank loans in HUT, in December, by drawing lower margin Group facilities.

Despite higher market rates over FY24 compared to FY23 (FY24 SONIA 5.0% on average, FY23 SONIA 2.3% on average), our hedging has offset the impact on our financing costs.

The interest rate on our debt is fully hedged for the year ended 31 March 2025, 97% hedged to 31 March 2026, and 86% hedged on average over the five years to 2029, with a gradually declining profile.

2. IFRS PROFIT AFTER TAX

IFRS profit after tax includes the valuation movements on investment properties, fair value movements on financial instruments and associated deferred tax, capital financing costs and any Company adjustments. These items are not included in our headline Underlying Profit. In addition, the Group's investments in joint ventures are equity accounted in the IFRS income statement but are included on a proportionally consolidated basis within Underlying Profit.

The IFRS profit after tax for the year ended 31 March 2024 was £1m, compared with a loss after tax for the prior year of £(1,039)m. IFRS basic EPS was (0.1)p, compared to (112.0)p in the prior year. The IFRS profit after tax for the year primarily reflects the Underlying Profit of £268m, the capital and other gain from surrender of 1 Triton Square of £120m (as disclosed in Note 3 of the condensed financial statements), the downward valuation movement on the Group's properties of £(131)m, the capital and other loss from joint ventures of £(179)m, £(41)m capital and other finance costs, a £(23)m loss on disposal of investment properties and underlying and capital taxation for the year. The Group valuation movement and capital and other loss from joint ventures was driven principally by outward yield shift of 33 bps offset by ERV growth of 5.9% in the portfolio resulting in a full year valuation decline of 2.6%.

The net IFRS profit impact of the two significant transactions relating to 1 Triton Square in the year was £106m, comprised of the surrender net profit of £120m and the loss on disposal to the newly formed joint venture of £14m (as disclosed in Note 3 and Note 6 of the condensed financial statements respectively).

The basic weighted average number of shares in issue during the year was 927m (31 March 2023: 927m).

3. DIVIDENDS

Our dividend is semi-annual, and in line with our dividend policy, is calculated at 80% of Underlying EPS based on the most recently completed six-month year. Applying this policy, the Board are proposing a final dividend for the year ended 31 March 2024 of 10.64p per share. Payment will be made on Friday 26 July 2024 to shareholders on the register at close of business on Friday 21 June 2024. The dividend will be a Property Income Distribution. A Dividend Reinvestment Plan (DRIP) is provided by Equiniti Financial Services Limited which enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at www.shareview.co.uk/info/drip.

BALANCE SHEET

As at	Section	31 March 2024 £m	31 March 2023 £m
Property assets		8,688	8,907
Other non-current assets		73	141
		8,761	9,048
Other net current liabilities		(248)	(290)
Adjusted net debt	6	3,261	(3,221)
Other non-current liabilities		-	(50)
EPRA Net Tangible Assets		5,252	5,487
EPRA NTA per share	4	562p	588p
Non-controlling interests		13	13
Other EPRA adjustments ¹		47	25
IFRS net assets	5	5,312	5,525

Proportionally consolidated basis

1. EPRA Net Tangible Assets NTA is a proportionally consolidated measure that is based on IFRS net assets excluding the mark-to-market on derivatives and related debt adjustments, the carrying value of intangibles as well as deferred taxation on property and derivative valuations. The metric includes the valuation surplus on trading properties and is adjusted for the dilutive impact of share options. Details of the EPRA adjustments are included in Table A within the supplementary disclosures

4. EPRA NET TANGIBLE ASSETS PER SHARE

	pence
EPRA NTA per share at 31 March 2023	588
Valuation performance	(36)
Surrender at 1 Triton Square	13
Underlying Profit	28
Dividend	(23)
Other	(8)
EPRA NTA per share at 31 March 2024	562

The 4.4% decrease in EPRA NTA per share reflects a valuation decrease of 2.6%, the uplift from the surrender of 1 Triton Square, and the effect of the Group's gearing. The decrease in valuations was a result of further yield expansion, especially in the first half of the year when interest rates continued to rise.

Campus valuations were down 5.3%, driven by yields moving out 50 bps, partly offset by ERV growth of 5.4% reflecting our successful leasing activity and the premium customers are placing on the amenity, transport connections, sustainability and location of our London campuses.

Retail & London urban logistics valuations were up 2.1%, with outward yield shift of 15 bps offset by ERV growth of 6.3%. Retail park values increased by 2.7% in the year, driven by strong ERV growth of 7.2% offsetting yield expansion of 12 bps. Shopping centre values increased by 0.8% driven by yields expanding 19 bps and ERV growth of 5.2%. London urban logistics values were up 3.7%, with yield expansion of 24 bps and strong ERV growth of 10.0%.

On 19 October 2023 the RICS published guidelines on a new time-limited, mandatory rotation cycle for regulated purpose valuations. Rules are effective from 1 May 2024 and require, after a two year transition year, a valuation firm to be rotated after 10 consecutive years of valuing a given asset. These guidelines match our existing voluntary policy of 10 yearly valuer rotation, therefore our planned valuer rotation cycle remains unchanged.

5. IFRS NET ASSETS

IFRS net assets at 31 March 2024 were £5,312m, a decrease of £213m from 31 March 2023. This was primarily due to the IFRS profit after tax of £1m and dividends paid in the year of £215m.

CASH FLOW, NET DEBT AND FINANCING

6. ADJUSTED NET DEBT¹

	£m
Adjusted net debt at 31 March 2023	(3,221)
Disposals	391
1 Triton Square surrender premium receipt	149
Acquisitions ²	(58)
Developments	(388)
Capex (asset management initiatives)	(47)
Tenant incentives	(31)
Net cash from operations	260
Dividend	(215)
Other ³	(101)
Adjusted net debt at 31 March 2024	(3,261)

1. Adjusted net debt is a proportionally consolidated measure. It represents the principal amount of gross debt, less cash, short term deposits and liquid investments and is used in the calculation of proportionally consolidated LTV and Net Debt to EBITDA. A reconciliation between the Group net debt as disclosed in Note 8 to the condensed financial statements and adjusted net debt is included in Table A within the supplementary disclosures

2. Including transaction costs

3. Other includes financing activities, cash payments in respect of interest costs which are capitalised and other cash movements

Net debt in the year increased marginally by £40m. Asset disposals of £391m and the 1 Triton Square surrender premium receipt of £149m decreased net debt whilst retail park acquisitions increased net debt by £58m. Development spend of £388m, £47m of capital expenditure related to asset management on the standing portfolio, tenant incentives paid of £31m and other cash movements of £101m increased net debt. Net cash from operations offset by the dividend payment reduced net debt by £45m.

7. FINANCING

	Group		Proportionally consolidated	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Net debt / adjusted net debt ^{1,2}	£2,081m	£2,065m	£3,261m	£3,221m
Principal amount of gross debt	£2,225m	£2,250m	£3,443m	£3,448m
Loan to value ²	28.5%	27.4%	37.3%	36.0%
Net Debt to EBITDA ^{2,3}	6.8x	6.4x	8.5x	8.4x
Weighted average interest rate	2.6%	2.9%	3.4%	3.5%
Interest cover	5.9x	5.4x	3.5x	3.4x
Weighted average maturity of drawn debt	6.1 years	5.6 years	5.8 years	5.9 years

1. Group data as presented in Note 8 of the condensed financial statements. The proportionally consolidated figures include the Group's share of joint ventures' net debt and represents the principal amount of gross debt, less cash, short term deposits and liquid investments

2. Note 8 of the condensed financial statements sets out the calculation of the Group and proportionally consolidated LTV and Net Debt to EBITDA

3. Net Debt to EBITDA on a Group basis excludes non-recourse and joint venture borrowings, and includes distributions and other receivables from non-recourse companies and joint ventures

At 31 March 2024, our proportionally consolidated LTV was 37.3%, slightly up from 36.0% at 31 March 2023. Disposals in the year, primarily the office and data centre portfolio and the 1 Triton Square surrender premium receipt and proceeds from the 50% joint venture of this asset decreased LTV by 460 bps. This was offset by the impact of valuation movements which added 150 bps, development spend which added 320 bps and acquisitions in the year which added 40 bps to LTV.

Net Debt to EBITDA for the Group increased from 6.4x to 6.8x at 31 March 2024; on a proportionally consolidated basis the ratio increased 0.1x to 8.5x. Our proportionally consolidated weighted average interest rate at 31 March 2024 was 3.4%, down 10 bps from 3.5%.

Movements in Group Net Debt to EBITDA and proportionally consolidated weighted average interest rate were driven by our decision to repay the HUT term loans at maturity with lower margin Group facilities, in December 2023.

We maintain good long term relationships with debt providers across the markets. The strength of these relationships enabled us to continue to raise funds on good terms (despite volatile market conditions), and during the year our financing activity was c.£1bn. For British Land, we agreed five new bilateral five year term loans totalling £475m with existing relationship banks on favourable terms in line with other facilities, including our unsecured financial covenants. Most of these term loans also have extension options to a total of seven years. We also extended four bilateral unsecured bank revolving credit facilities totalling £475m, by a further year to 2028/29.

Sustainability targets apply to the majority of these new loans and extended revolving credit facilities, aligned with our other ESG linked facilities and to our Sustainability Strategy. In British Land and our joint ventures we have a total £1.7bn (£1.5bn BL share) of Green and sustainability/ESG linked loans and facilities.

At 31 March 2024, as a result of our financing activity, we had £1.9bn of undrawn facilities and cash. Based on our commitments and these facilities, the Group has no requirement to refinance until early 2027. In keeping with our usual practice, we expect to refinance or replace debt facilities ahead of relevant maturities.

We have an advantageous debt structure with access to diverse sources of finance through debt raised by British Land and in our joint ventures. Our debt in British Land (except for the legacy debentures) is unsecured with no interest cover covenants. At 31 March 2024 we retain significant headroom to our debt covenants, meaning the Group could withstand a fall in asset values across the portfolio of 39%, prior to taking any mitigating actions. Joint venture debt is secured on the assets of the relevant entity, non-recourse to the Group, and the majority is “covenant light” with no LTV default covenants.

Fitch Ratings, as part of their annual review in August 2023 affirmed all our credit ratings, with a stable outlook; Senior Unsecured ‘A’, long term IDR ‘A-’ and short term IDR ‘F1’.

Our strong balance sheet, established lender relationships, access to different sources of finance and liquidity enable us to deliver on our strategy.

Bhavesh Mistry

Chief Financial Officer

ABOUT BRITISH LAND

British Land is a UK commercial property company focused on real estate sectors with the strongest operational fundamentals: London campuses, retail parks, and London urban logistics. We own or manage a portfolio valued at £13.0bn (British Land share: £8.7bn) as at 31 March 2024.

Our purpose is to create and manage Places People Prefer – outstanding places that deliver positive outcomes for all our stakeholders on a long term, sustainable basis. We do this by leveraging our best in class platform and proven expertise in development, repositioning and active asset management.

We have both a responsibility and an opportunity to manage our business in an environmentally and socially responsible manner. Our approach to sustainability is focused on three pillars: Greener Spaces, Thriving Places and Responsible Choices.

Read more about us at www.britishland.com.

RISK MANAGEMENT AND PRINCIPAL RISKS

Risk Management

We have an established risk management and control framework that enables us to effectively identify, assess and manage both financial and non-financial risks, including the principal risks that could threaten solvency and liquidity, as well as to identify emerging risks. Our approach is not intended to eliminate risk entirely, but instead to manage our risk exposures within our appetite for each risk, whilst at the same time maximising opportunities.

Our integrated risk management approach combines a top-down strategic view with a complementary bottom-up operational process. Whilst ultimate responsibility for risk management and maintaining a robust internal control framework rests with the Board, the day-to-day management of risk is embedded within our business units and is integral to the way the Group conducts business. In essence, our approach to risk management is centred on being risk aware, clearly defining our risk appetite, responding quickly to changes in our risk profile and fostering a strong risk management culture amongst all employees.

Our focus this year has remained on the risks posed by the ongoing macroeconomic and geopolitical challenges, such as higher interest rates, and inflation, along with resultant pressures on property valuations. Encouragingly, the economy has shown greater resilience than anticipated this year, coupled with recent declines in inflation and expectations for lower interest rates. Nevertheless, uncertainties persist, particularly in light of recent geopolitical events. The Board and key committees have maintained oversight over our response to these external challenges, proactively implementing measures to mitigate their impact on our business, particularly concerning strategic capital allocation, maintaining financing strength, and mitigating development and financing risks.

The Board has undertaken a robust assessment of both principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity, as well as our strategic priorities. The Board does not consider that the fundamental principal risks and uncertainties facing the Group have changed during the year. However, we have broadened our 'Environmental Sustainability' principal risk to 'Environmental & Social Sustainability' to incorporate risks related to our social conduct across our portfolio. This broader perspective aligns with our sustainability strategy, acknowledging the significance of our social value, including community, well-being and economic benefit, whilst also adapting to evolving sustainability expectations. Though the risk landscape continues to evolve, our current risk assessment indicates a reduction in several external risks concerning the Macroeconomic and Retail Property Market, alongside improvements in People and Culture and Customer risks, driven by structural trends and proactive risk management initiatives. However, there has been a slight increase in development risk, reflecting our recent development commitments as we actively pursue our strategy to capitalise on our strengths in this area.

The table below sets out our eleven external and internal principal risks, detailing the key changes in the risk profile across the year. The Group's approach to managing and mitigating these risks will be included in our 2024 Annual Report and Accounts. Our comprehensive risk management process, coupled with the Group's continued ability to be flexible to adjust and respond to our principal risks and emerging risks as they evolve, will be pivotal to the future performance of our business.

EXTERNAL PRINCIPAL RISKS

Principal Risk	Status at year end	Change since last year end	Risk Assessment
<p>Macroeconomic Changes in the macroeconomic environment and in fiscal and monetary policy can pose risks and opportunities for property and financing markets, impacting our strategy and financial performance.</p>	Medium to High	Decrease	<p>Despite ongoing challenges, the economy has shown greater resilience than expected this year. This risk has slightly decreased from its elevated level last year, with expectations for lower inflation and interest rates, and improving, but still modest GDP growth in the near term. Nevertheless, uncertainties persist, particularly in light of recent geopolitical events, making the macroeconomic outlook our most significant risk.</p> <p>Throughout the year, the Board and key Committees have closely monitored the macroeconomic impact on our portfolio strategy, markets and customers, and have responded accordingly. This has included actively managing our business by strategically allocating capital, maintaining financial strength and mitigating development and financing risks (as detailed under the respective risks below).</p> <p>Opportunity/approach We operate a diversified model, focusing on strategically attractive segments with strong occupational fundamentals. This, combined with our high quality properties, robust balance sheet and experienced leadership, positions us well to navigate further market challenges and capitalise on opportunities as the macroeconomic environment improves.</p>
<p>Political, Legal and Regulatory Significant political events and regulatory changes, along with government policies, pose risks in three key areas, influencing both our strategy and financial performance:</p> <ul style="list-style-type: none"> • Reluctance of investors and businesses to make investment and occupational decisions due to prevailing uncertainty. • Negative impact on appetite to invest in the UK, along with changes in government policies and regulation, especially those directly affecting real estate or our customers. • Potential changes in the UK government or shifts in political direction. 	Medium to High	Stable	<p>Throughout the year, the assessment of Political, Legal and Regulatory risks has remained stable, yet uncertain and elevated. This is primarily due to macroeconomic conditions, ongoing geopolitical tensions arising from the wars in Ukraine and the Middle East, increased government regulations and intervention, and the potential for political leadership changes at the upcoming general election later this year. These factors have the potential to impact various aspects, including interest rates, supply chains, security, cyber risks, compliance and reputation.</p> <p>Opportunity/approach We actively monitor the political outlook and regulatory changes to promptly identify and address shifts which may impact the Group or our customers to enable us to navigate potential impacts. We work closely with government, both directly and through our membership of key industry bodies, to input into regulation as draft proposals emerge.</p>

Principal Risk	Status at year end	Change since last year end	Risk Assessment
Property Markets			
A decrease in investor demand or weakening occupier demand in our property markets could adversely affect underlying income, rental growth and capital performance. Additionally, structural changes in consumer and business practices, such as the growth of online retailing and hybrid working, could also negatively impact demand for our assets.			
Campuses	Medium	Stable	<p>The Campus Property Market risk outlook has remained stable, mainly due to sustained higher interest rates affecting investor sentiment and structural challenges arising from hybrid working trends. Meanwhile, the prime London office market continues to exhibit strong occupational fundamentals, driven by low vacancy, reduced development pipeline and increasing demand for premium, sustainable spaces.</p> <p>Opportunity/approach Our campus model strategically focuses on providing well-connected, best in class buildings with leading sustainability and design credentials, surrounded by attractive public spaces with a range of amenities. The quality of our assets enhances the resilience of our offer as occupiers seek out the best space for their business needs.</p>
Retail	Medium	Decrease	<p>The Retail Property Market risk outlook has improved, with strengthening occupational markets and relatively robust investment activity in our preferred retail park sector.</p> <p>Opportunity/approach Our retail portfolio strategically focuses on retail parks, aligned with the growth of convenience and an omni-channel retail strategy. We will continue to seek acquisition opportunities in retail parks, leveraging our scale and asset management expertise for value creation.</p>
London urban logistics	Low	Stable	<p>The London Urban Logistics Property Market risk outlook has remained stable at a relatively low level, driven by structural changes in e-commerce and a tight supply of suitable space.</p> <p>Opportunity/approach Our urban logistics portfolio strategically focuses on development-led initiatives, involving the intensification and repurposing of existing buildings in London, capitalising on high demand and scarce supply.</p>
Major Events/Business Disruption	Medium	Stable	<p>Global uncertainties, both political and economic, remain elevated posing potential threats to the Group’s operations and stakeholders. Notably, terrorism and cyber security breaches continue to pose threats, as well as evolving geopolitical events which have the potential to disrupt UK supply chains. Our crisis management team carries out event simulations to test our response processes and procedures.</p> <p>Opportunity/approach The challenges faced in recent years, especially during the pandemic, have demonstrated the resilience of our business model and the effectiveness of our crisis management plans. We remain vigilant in addressing ongoing risks posed by external threats.</p>

INTERNAL PRINCIPAL RISKS

Principal Risk	Status at year end	Change since last year end	Risk Assessment
<p>Portfolio Strategy Inappropriate portfolio strategy and subsequent execution could lead to income and capital underperformance. This could result from incorrect sector selection and weighting, poor timing of investment and divestment decisions, inappropriate exposure to developments, the wrong mix of assets, occupiers and region concentration, inadequate due diligence, or inappropriate co-investment arrangements.</p>	Medium	Stable	<p>Our portfolio strategy has faced ongoing challenges, and this risk remains broadly stable, reflecting macroeconomic conditions and challenging investment markets. While rising interest rates have impacted our portfolio valuations, there has been a notable slowdown in outward yield movement during the latter half of the year. Despite this, our operational performance remains strong, reinforcing our confidence in our core markets: campuses, retail parks and London urban logistics. We have maintained a disciplined approach to capital allocation, progressing multiple sales while advancing our development pipeline.</p> <p>Opportunity/approach Our value-add strategy is resilient, centred on recycling capital and redeploying to value-add acquisitions and developments in our chosen sectors. As the market environment becomes more favourable, we anticipate continued rental growth and development upside.</p>
<p>Development Development offers an opportunity for outperformance but usually involves elevated risk. Development strategy addresses several risks that could adversely impact underlying income and capital performance, including development letting exposure, construction timing and costs, contractor failure, adverse planning decisions, as well as changes in occupational and investment markets.</p>	Medium	Increase	<p>We have observed a slight increase in prospective development risk from a relatively low level. This reflects our increased development commitments as we actively pursue our strategy to capitalise on our strengths in this area. While inflationary pressures within the construction supply chain have somewhat eased, geopolitical instabilities continue to pose supply chain risks. This year, we have committed to further projects, including The Optic in Cambridge and, post-year end, 2 Finsbury Avenue. While this has increased our gross and speculative development exposure, we remain within our associated risk tolerances, and are mitigating risks through a combination of pre-lets, fixing costs and joint ventures.</p> <p>Opportunity/approach Advancing value-accretive development remains a primary focus for driving business performance. Our robust balance sheet, contractor relationships and development management expertise positions us well to proceed with our pipeline while managing associated risks. We have adjusted our return and yield on cost requirements to account for higher exit yields and finance costs. We will evaluate future development returns based on these defined criteria, taking into consideration our balance sheet capacity.</p>
<p>Financing Failure to adequately manage financing risks may result in a shortage of funds to sustain the operations of the business or repay facilities as they fall due. Financing risks include reduced availability of finance, increased financing costs, leverage magnifying property returns (both positive and negative) and breach of covenants on borrowing facilities.</p>	Low to Medium	Stable	<p>Our overall financing risk has remained relatively stable during the year. Despite the significant rise in market interest rates over the past two years, current forecasts indicate interest rates will begin to decrease in the near term. We have continued to actively manage our financing risk by maintaining access to a diverse range of funding sources with a spread of repayment dates.</p> <p>Opportunity/approach The macroeconomic environment reinforces the importance of a strong balance sheet. Fitch reaffirmed all our credit ratings, including our senior unsecured credit rating at 'A' during the year, with a stable outlook. Our Group Net Debt to EBITDA ratio is 6.8x, and on a proportionally consolidated basis is 8.5x, with our LTV at 37.3%. We have completed £1bn of financing activity in the year, arranging £475m of new bank term loans and extending £475m of revolving credit facilities by one year.</p>

Principal Risk	Status at year end	Change since last year end	Risk Assessment
			We use hedging to manage our interest rate risk and are fully hedged in the year to March 2025. With favourable access to debt capital markets, we are well positioned to support business needs and emerging opportunities.
<p>Environmental and Social Sustainability This overarching risk now includes both environmental and social factors, with a primary focus on environmental concerns, but acknowledging broader social implications. These risks could affect our financial performance, reputation, operations, assets and our ability to meet our 2030 sustainability goals.</p> <p>This risk category covers:</p> <ul style="list-style-type: none"> Increased exposure of assets to physical environmental hazards, driven by climate change. Compliance and costs related to both existing and emerging environmental and social regulations. Investment and occupational risk as a result of less sustainable/non-compliant buildings. Social impacts within our communities. 	Medium	Stable	<p>Our assessment of Environmental and Social Sustainability risk now extends beyond environmental factors to include our social conduct across our portfolio. Despite the evolving regulatory landscape, this risk has remained relatively stable for our business. The growing significance of sustainability risks impacts not only our business but also our customers and stakeholders. We are making good progress on our 2030 Sustainability Strategy, particularly in improving the energy efficiency of our standing portfolio, resulting in improved EPC ratings with 58% of the portfolio now rated A or B.</p> <p>Opportunity/approach We recognise both a responsibility and an opportunity to manage our business in an environmentally and socially responsible manner. This commitment is integral to our overall strategy. Our Sustainability Strategy is built upon three key pillars: Greener Spaces, Thriving Places and Responsible Choices, addressing environmental, social and governance aspects of our approach. Our overall sustainability performance has been recognised in international benchmarks, including GRESB, where we achieved a GRESB 5-star rating.</p>
<p>People and Culture Failure to develop, attract and inspire talent with the right skills and experience to deliver our strategy at pace could lead to significant business underperformance. Additionally, if we don't have a culture where employees can thrive, feel able to be themselves and reflect the people who live, work and socialise at our assets, our operational performance and decision making will be less than optimal. The talents of our people and the strength of our company culture are key components of our competitive advantage to allow us to achieve our performance goals. This risk encompasses factors such as employee engagement, talent retention, diversity and inclusion, manager effectiveness and aligning corporate values with employee initiatives.</p>	Medium	Decrease	<p>The People and Culture risk has decreased over the year, driven by our sustained high employee engagement at 78% and a shift in the recruitment landscape towards a more balanced dynamic between employee and employer. Although there will always be competition for top talent, the general recruitment environment has eased somewhat amidst economic uncertainties.</p> <p>Opportunity/approach Our overarching focus is ensuring appropriate resources in key areas to support strategic priorities and leveraging our employee value proposition to maintain British Land's status as an employer of choice. We recognise that the talents of our people, and the strength of our Company culture are key components in attaining performance objectives. As part of a specific initiative, this coming year, we are implementing a programme to assess the technology skills of our employees, enabling us to provide tailored training to optimise the utilisation of our technology resources.</p>
<p>Customer The Group's primary source of income is rent received from our customers. This could be adversely affected by non-payment of rent; occupier failures; inability to anticipate evolving customer needs; inability to re-let space on equivalent terms; poor customer service; and potential structural changes to lease obligations.</p>	Medium	Decrease	<p>Our overall Customer risk has decreased due to strong cash collection, leasing activity and minimal impact of administrations or CVAs, alongside improvements in the macroeconomic landscape. While we remain mindful of ongoing macroeconomic uncertainty and structural shifts in property markets, we proactively maintain a resilient and diversified customer base. As our markets have continued to polarise, customers increasingly demand more from the places where they work and shop.</p> <p>Opportunity/approach Successful customer relationships are critical to our business growth. Our business model revolves around our customers, aiming to offer them modern and sustainable spaces that meet their evolving needs and market expectations. Our strategic positioning across campuses, retail parks and London urban logistics portfolios, along with strong collaborative</p>

Principal Risk	Status at year end	Change since last year end	Risk Assessment
<p>Operational and Compliance The Group’s ability to protect its reputation, income and capital values could be damaged by a failure to manage several key operational risks to our business, including: technology and cyber security; health and safety; third party relationships; and key controls. Additionally, compliance failures such as breaches in regulations, third party agreements, loan agreements or tax legislation could also damage reputation and our financial performance.</p>	<p>Low to Medium</p>	<p>Stable</p>	<p>relationships, is focused on providing high quality spaces while maintaining sustainable occupancy costs. This is demonstrated in our high occupancy rate and 99% rent collection.</p> <p>Our Operational and Compliance risks have remained stable. Our business faces both operational and compliance risks in its day-to-day activities across our people, processes and technology. We remain vigilant in monitoring these critical operational and compliance risks and there have been no significant issues to report during the year. We remain committed to ongoing monitoring and are actively implementing strategies to enhance our cyber security, technology infrastructure and related key controls, as well as enhancing our overall internal control framework. We have also carried out business wide risk assessments in respect of fraud, bribery and corruption and money laundering risks, and assessed the controls we have in place to mitigate these risks.</p> <p>Opportunity/approach The Risk Committee oversees and monitors our key operational and compliance risks across the business. Our goal is to optimise operational capabilities, create efficiencies in people, processes and technology, and simultaneously establish appropriate controls to mitigate risks. Moving forward, we will continue investing in enhancing our operational risk management platform, ensuring adaptability to the dynamic environment while safeguarding the business and allowing us to seize potential future opportunities.</p>

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Statement of Directors' Responsibilities below has been prepared in connection with the full Annual Report and Accounts for the year ended 31 March 2024. Certain parts of the Annual Report and Accounts have not been included in this announcement as set out in Note 1 of the condensed financial statements.

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have prepared the Group Financial Statements in accordance with UK-adopted International Accounting Standards and the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed for the Group Financial Statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company Financial Statements, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in Corporate Governance report, confirms that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group;
- the Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report and Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Bhavesh Mistry

Chief Financial Officer

21 May 2024

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2024

	Note	2024			2023		
		Underlying ¹ £m	Capital and other £m	Total £m	Underlying ¹ £m	Capital and other £m	Total £m
Revenue	3	401	174	575	418	–	418
Costs ²	3	(92)	(54)	(146)	(97)	–	(97)
	3	309	120	429	321	–	321
Joint ventures (see also below) ³	7	100	(179)	(79)	92	(559)	(467)
Administrative expenses		(85)	–	(85)	(88)	–	(88)
Valuation movement	4	–	(131)	(131)	–	(798)	(798)
Loss on disposal of investment properties and revaluation of investments		–	(23)	(23)	–	(30)	(30)
Net financing (charges) income							
financing income	5	1	–	1	2	88	90
financing charges	5	(56)	(41)	(97)	(62)	–	(62)
		(55)	(41)	(96)	(60)	88	28
Profit (loss) before taxation		269	(254)	15	265	(1,299)	(1,034)
Taxation		(3)	(11)	(14)	(1)	(4)	(5)
Profit (loss) for the year after taxation		266	(265)	1	264	(1,303)	(1,039)
Attributable to non-controlling interests		1	1	2	1	(2)	(1)
Attributable to shareholders of the Company		265	(266)	(1)	263	(1,301)	(1,038)
Earnings per share:							
basic	2			(0.1)p			(112.0)p
diluted	2			(0.1)p			(112.0)p

All results derive from continuing operations.

	Note	2024			2023		
		Underlying ¹ £m	Capital and other £m	Total £m	Underlying ¹ £m	Capital and other £m	Total £m
Results of joint ventures accounted for using the equity method							
Underlying Profit		100	–	100	92	–	92
Valuation movement	4	–	(179)	(179)	–	(567)	(567)
Capital financing (charges) income		–	(5)	(5)	–	8	8
Profit on disposal of investment and trading properties		–	5	5	–	–	–
Taxation		–	–	–	–	–	–
	7	100	(179)	(79)	92	(559)	(467)

1. See definition in Note 2 and a reconciliation between Underlying Profit and IFRS profit in Note 11.

2. Included within 'Costs' is a credit relating to provisions for impairment of tenant debtors, accrued income and tenant incentives and contracted rent increases of £14m (2022/23: £9m credit).

3. Included within 'Joint ventures' is a credit relating to the movement of provision for impairment of equity investments and loans to joint ventures of £42m (2022/23: £237m debit), disclosed in further detail in Note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 £m	2023 £m
Profit (loss) for the year after taxation	1	(1,039)
Other comprehensive (expense) income:		
Items that may be reclassified subsequently to profit or loss:		
(Losses) gains on cash flow hedges		
– Joint ventures	(1)	10
	(1)	10
Reclassification of foreign exchange differences to the income statement	(1)	–
Other comprehensive (expense) income for the year	(2)	10
Total comprehensive expense for the year	(1)	(1,029)
Attributable to non-controlling interests	2	(1)
Attributable to shareholders of the Company	(3)	(1,028)

CONSOLIDATED BALANCE SHEET

As at 31 March 2024

	Note	2024 £m	2023 £m
ASSETS			
Non-current assets			
Investment and development properties	6	5,229	5,677
		5,229	5,677
Other non-current assets			
Investments in joint ventures	7	2,429	2,206
Other investments		54	58
Property, plant and equipment		19	22
Interest rate and currency derivative assets	8	79	144
		7,810	8,107
Current assets			
Trading properties	6	22	22
Debtors		34	34
Corporation tax		–	2
Interest rate and currency derivative assets	8	20	–
Cash and cash equivalents	8	88	125
		164	183
Total assets		7,974	8,290
LIABILITIES			
Current liabilities			
Short term borrowings and overdrafts	8	(10)	(402)
Creditors		(260)	(282)
Corporation tax		(8)	–
		(278)	(684)
Non-current liabilities			
Debentures and loans	8	(2,202)	(1,865)
Other non-current liabilities		(121)	(145)
Deferred tax liabilities		(5)	(4)
Interest rate and currency derivative liabilities	8	(56)	(67)
		(2,384)	(2,081)
Total liabilities		(2,662)	(2,765)
Net assets		5,312	5,525
EQUITY			
Share capital		235	234
Share premium		1,310	1,308
Merger reserve		213	213
Other reserves		13	15
Retained earnings		3,528	3,742
Equity attributable to shareholders of the Company		5,299	5,512
Non-controlling interests		13	13
Total equity		5,312	5,525
EPRA Net Tangible Assets per share¹	2	562p	588p

1. See definition in Note 2.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Income received from tenants		367	391
Surrender premia received ¹		149	–
Fees and other income received		47	47
Operating expenses paid to suppliers and employees		(177)	(200)
Cash generated from operations		386	238
Interest paid		(51)	(71)
Interest received		3	–
Corporation taxation payments		(6)	–
Distributions and other receivables from joint ventures	7	77	73
Net cash inflow from operating activities		409	240
Cash flows from investing activities			
Development and other capital expenditure		(312)	(209)
Purchase of investment properties		(58)	(155)
Sale of investment properties		197	8
Sale of investment properties to Paddington Central Joint Venture	7	–	686
Sale of investment properties to 1 Triton Square Joint Venture	7	193	–
Purchase of investments		(7)	(15)
Indirect taxes paid in respect of investing activities		1	4
Loan repayments from joint ventures	7	–	125
Investment in and loans to joint ventures		(186)	(148)
Capital distributions from joint ventures	7	–	30
Net cash (outflow) inflow from investing activities		(172)	326
Cash flows from financing activities			
Issue of ordinary shares		1	–
Dividends paid	9	(213)	(213)
Dividends paid to non-controlling interests		(2)	(1)
Capital payments in respect of interest rate derivatives		(31)	(21)
Repayment of lease liabilities		(3)	(4)
Repayment of bank and other borrowings ²		(385)	(52)
Drawdowns on bank and other borrowings ²		361	20
Net repayment of revolving credit facilities ²		(2)	(281)
Net cash outflow from financing activities		(274)	(552)
Net (decrease) increase in cash and cash equivalents		(37)	14
Cash and cash equivalents at 1 April		125	111
Cash and cash equivalents at 31 March	8	88	125
Cash and cash equivalents consists of:			
Cash and short term deposits		58	99
Tenant deposits		30	26

1. Surrender premia received includes £149m (2022/23: £nil) of the consideration for the surrender of 1 Triton Square. Refer to Note 3 for further information.

2. The repayment of bank and other borrowings and drawdowns on bank and other borrowings have both been restated for the year ended 31 March 2023, to exclude the repayments and drawdowns of revolving credit facilities. For the year ended 31 March 2023, the net repayment of revolving credit facilities of £281m has now been disclosed separately within net cash outflow from financing activities. As a result, in the prior year the repayment of bank and other borrowings decreases from £637m to £52m and the drawdowns on bank and other borrowings decreases from £324m to £20m.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Share capital £m	Share premium £m	Hedging and translation reserve £m	Re-valuation reserve £m	Merger reserve £m	Retained earnings £m	Total £m	Non- controlling interests £m	Total equity £m
Balance at 1 April 2023	234	1,308	2	13	213	3,742	5,512	13	5,525
(Loss) profit for the year after taxation	–	–	–	–	–	(1)	(1)	2	1
Losses on cash flow hedges – joint ventures	–	–	–	(1)	–	–	(1)	–	(1)
Reclassification of foreign exchange differences to the income statement	–	–	(2)	1	–	–	(1)	–	(1)
Other comprehensive expense	–	–	(2)	–	–	–	(2)	–	(2)
Total comprehensive (expense) income for the year	–	–	(2)	–	–	(1)	(3)	2	(1)
Shares issued in the year	1	2	–	–	–	–	3	–	3
Fair value of share and share option awards	–	–	–	–	–	2	2	–	2
Dividends payable in year (23.20p per share)	–	–	–	–	–	(215)	(215)	–	(215)
Dividends payable by subsidiaries	–	–	–	–	–	–	–	(2)	(2)
Balance at 31 March 2024	235	1,310	–	13	213	3,528	5,299	13	5,312
Balance at 1 April 2022	234	1,307	2	3	213	4,994	6,753	15	6,768
Loss for the year after taxation	–	–	–	–	–	(1,038)	(1,038)	(1)	(1,039)
Gains on cash flow hedges – joint ventures	–	–	–	10	–	–	10	–	10
Other comprehensive income	–	–	–	10	–	–	10	–	10
Total comprehensive (expense) income for the year	–	–	–	10	–	(1,038)	(1,028)	(1)	(1,029)
Share issued in the year	–	1	–	–	–	–	1	–	1
Fair value of share and share option awards	–	–	–	–	–	1	1	–	1
Dividends payable in year (23.20p per share)	–	–	–	–	–	(215)	(215)	–	(215)
Dividends payable by subsidiaries	–	–	–	–	–	–	–	(1)	(1)
Balance at 31 March 2023	234	1,308	2	13	213	3,742	5,512	13	5,525

1 Basis of preparation, material accounting policies and accounting judgements

Basis of preparation

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2024 or 2023, but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting. The auditor has reported on those accounts and their reports on those accounts were unqualified. The auditors' report did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

The financial statements for the year ended 31 March 2024 have been prepared on the historical cost basis, except for the revaluation of properties, investments classified as fair value through profit or loss and derivatives. The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

A number of new standards and amendments to standards and interpretations have been issued for the current accounting year. The Group has applied the following new standards and amendments to the financial statements for the first time for the year ended 31 March 2024: IFRS 17 'Insurance Contracts', amendments to IAS 8 impacting the definition of accounting estimates, Pillar Two model rules and associated IAS 12 amendments, amendments to IAS 12 impacting deferred tax related to assets and liabilities arising from a single transaction, and amendments to IAS 1 and IFRS Practice Statement 2 impacting the disclosure of accounting policies. The new standards and amendments listed above did not have any material impact on amounts recognised in prior years and are not expected to materially affect current and future years.

The Group has assessed the impact of the Pillar Two tax legislation (effective 1 January 2024). The Group is not expected to meet the minimum thresholds for the legislation to apply.

The following standards and interpretations which have been issued but are not yet effective include IAS 1 'Presentation of Financial Statements' on the classification of liabilities and non-current liabilities with covenants, IFRS 16 'Leases' on sale and leaseback arrangements, and limited scope amendments to both IFRS 10 'Consolidated Financial Statements', IAS 28 'Investments in Associates and Joint Ventures' in respect of sale or contribution of assets between an investor and its associates or joint ventures and IFRS 18 'Presentation and Disclosure in Financial Statements'. With the exception of IFRS 18, these amendments to standards that are not yet effective are not expected to have a material impact on the Group's results.

These financial statements are presented in Pounds Sterling which is the functional currency of the Group, to the nearest million.

Going concern

The financial statements are prepared on a going concern basis. The consolidated balance sheet shows that the Group is in a net current liability position, predominantly due to current creditors of £260m. The Group has access to £1.9bn of undrawn facilities and cash, which provides the Directors with a reasonable expectation that the Group will be able to meet these current liabilities as they fall due. In making this assessment the Directors took into account forecast cash flows and covenant compliance, including stress testing through the impact of sensitivities as part of a 'severe but plausible downside scenario'. Before factoring in any income receivable, the undrawn facilities and cash would also be sufficient to cover forecast capital expenditure, property operating costs, administrative expenses, maturing debt and interest over the next 12 months from the approval date of these financial statements.

Having assessed the principal risks, the Directors believe that the Group is well placed to manage its financing and other business risks satisfactorily despite the uncertain economic climate and have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for at least 12 months from the signing date of these financial statements. Accordingly, they believe the going concern basis is an appropriate one.

Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the Directors are required to make critical accounting judgements and assess key sources of estimation uncertainty that affect the financial statements.

Key sources of estimation uncertainty

Valuation of investment, development, and trading properties: The Group uses external professional valuers to determine the relevant amounts. The primary source of evidence for property valuations should be recent, comparable market transactions on an arm's length basis. However, the valuation of the Group's property portfolio is inherently subjective, as it is based upon valuer assumptions and estimations that form part of the key unobservable inputs of the valuation, which may prove to be inaccurate. Further details on the valuers' assumptions, estimates have been provided in Note 6. Additionally, the Group's investment in joint ventures can be materially impacted by the joint venture property portfolio.

The Group no longer identifies the impairment provisioning of tenant debtors and tenant incentives as a key source of estimation uncertainty as, in the Group's view, the inherent uncertainty related to these balances, which was driven by the Covid-19 pandemic, no longer has the potential to materially impact the carrying amount of these assets within the next financial year. As this key source of estimation uncertainty has decreased, the associated sensitivities and balances have not been disclosed. Other sources of estimation uncertainty that would not result in a material movement in the carrying amount in the next financial year include the valuation of interest rate derivatives, the determination of share-based payments, the actuarial assumptions used in calculating the Group's retirement benefit obligations, the fair value of pension scheme assets and taxation provisions.

1 Basis of preparation, material accounting policies and accounting judgements (continued)

Critical accounting judgements

In the current year to 31 March 2024, the Directors do not consider there to be any critical accounting judgements in the preparation of the Group's financial statements.

In the prior year to 31 March 2023, the Directors exercised critical judgement in respect of the joint control assessment of the Paddington Central Joint Venture. As part of this assessment, the Directors considered the Group's control over the Paddington Property Limited Partnership in respect of its 25% ownership. The Directors assessed the Group's power to direct the relevant activities of the Partnership through the partnership agreements, including reserved matters which require the unanimous consent of the Partners, and the Group's subsequent exposure to variable returns. Through this analysis, the Directors satisfactorily concluded that the Group has joint control over the Partnership and therefore has accounted for the Partnership as a joint venture using the equity method, in line with the Group's accounting policies.

The following items are ongoing areas of accounting judgement, however, the Directors do not consider these accounting judgements to be critical and material accounting judgement has not been required for any of these items in the current financial year.

REIT status: British Land is a Real Estate Investment Trust (REIT) and does not pay tax on its property income or gains on property sales, provided that at least 90% of the Group's property income is distributed as a dividend to shareholders, which becomes taxable in their hands. In addition, the Group has to meet certain conditions such as ensuring the property rental business represents more than 75% of total profits and assets. Any potential or proposed changes to the REIT legislation are monitored and discussed with HMRC. It is management's intention that the Group will continue as a REIT for the foreseeable future.

Accounting for joint ventures: In accordance with IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements' and IFRS 12 'Disclosure of Interests in Other Entities', an assessment is required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial statement treatment is appropriate. The assessment undertaken by management includes consideration of the structure, legal form, contractual terms and other facts and circumstances relating to the relevant entity. This assessment is updated annually and there have been no changes in the judgement reached in relation to the degree of control the Group exercises within the current or prior year. An assessment was performed for the 1 Triton Square Joint Venture transaction that occurred in the current year, and the Paddington Central Joint Venture transaction that occurred in the prior year (see Note 7). A critical accounting judgement was not identified in the assessment of the 1 Triton Square Joint Venture transaction in the current financial year, owing to the ownership structure of the joint venture. As previously disclosed, in the prior year a critical accounting judgement was identified in the assessment of the Paddington Central Joint Venture transaction. Group shares in joint ventures resulting from this process are disclosed in Note 7 to the financial statements.

Joint ventures are accounted for under the equity method, whereby the consolidated balance sheet incorporates the Group's share of the net assets of its joint ventures. The consolidated income statement incorporates the Group's share of joint ventures profits after tax.

Accounting for transactions: Property transactions are complex in nature and can be material to the financial statements. Judgements made in relation to transactions include whether an acquisition is a business combination or an asset; whether held for sale criteria have been met for transactions not yet completed; accounting for transaction costs and contingent consideration; and application of the concept of linked accounting. Management consider each transaction separately in order to determine the most appropriate accounting treatment, and, when considered necessary, seek independent advice. Management have considered the accounting of the 1 Triton Square Joint Venture transaction in the current year, and the Paddington Central Joint Venture transaction in the prior year (see Note 7).

2 Performance measures

Earnings per share

The Group measures financial performance with reference to underlying earnings per share, the European Public Real Estate Association (EPRA) earnings per share and IFRS earnings per share. The relevant earnings and weighted average number of shares (including dilution adjustments) for each performance measure are shown below, and a reconciliation between these is shown within the supplementary disclosures (Table B).

EPRA earnings per share is calculated using EPRA earnings, which is the IFRS profit after taxation attributable to shareholders of the Company excluding investment and development property revaluations, gains/losses on investment and trading property disposals, changes in the fair value of financial instruments and associated close-out costs and their related taxation.

Underlying earnings per share is calculated using Underlying Profit adjusted for underlying taxation, with the dilutive measure being the primary disclosure measure used. Underlying Profit is the pre-tax EPRA earnings measure, with additional Company adjustments for items which are considered to be unusual and/or significant by virtue of their size and nature. In the current year to 31 March 2024, £25m of rent receivable, £149m of surrender premia receivable, and £54m of tenant incentive impairment were excluded from the calculation of Underlying Profit (see Note 3 for further details). In the prior year to 31 March 2023, no Company adjustments were made.

	2024			2023		
	Relevant earnings £m	Relevant number of shares million	Earnings per share pence	Relevant earnings £m	Relevant number of shares million	Earnings per share pence
Earnings per share						
Underlying						
Underlying basic	265	927	28.6	263	927	28.4
Underlying diluted	265	929	28.5	263	930	28.3
EPRA						
EPRA basic	385	927	41.5	263	927	28.4
EPRA diluted	385	929	41.4	263	930	28.3
IFRS						
Basic	(1)	927	(0.1)	(1,038)	927	(112.0)
Diluted	(1)	927	(0.1)	(1,038)	927	(112.0)

Net asset value

The Group measures financial position with reference to EPRA Net Tangible Assets (NTA), Net Reinvestment Value (NRV) and Net Disposal Value (NDV). The net assets and number of shares for each performance measure are shown below. A reconciliation between IFRS net assets and the three EPRA net asset valuation metrics, and the relevant number of shares for each performance measure, is shown within the supplementary disclosures (Table B). EPRA NTA is a measure that is based on IFRS net assets excluding the mark-to-market on derivatives and related debt adjustments, the carrying value of intangibles, as well as deferred taxation on property and derivative valuations. The metric includes the valuation surplus on trading properties and is adjusted for the dilutive impact of share options.

	2024			2023		
	Relevant net assets £m	Relevant number of shares million	Net asset value per share pence	Relevant net assets £m	Relevant number of shares million	Net asset value per share pence
Net asset value per share						
EPRA						
EPRA NTA	5,252	934	562	5,487	933	588
EPRA NRV	5,782	934	619	6,029	933	646
EPRA NDV	5,389	934	577	5,658	933	606
IFRS						
Basic	5,312	927	573	5,525	927	596
Diluted	5,312	934	569	5,525	933	592

2 Performance measures (continued)

Total accounting return

The Group also measures financial performance with reference to total accounting return. This is calculated as the movement in EPRA NTA per share and dividend paid in the year as a percentage of the EPRA NTA per share at the start of the year.

	2024			2023		
	Movement in NTA per share pence	Dividend per share paid pence	Total accounting return	Movement in NTA per share pence	Dividend per share paid pence	Total accounting return
Total accounting return	(26)	23.2	(0.5%)	(142)	23.2	(16.3%)

3 Revenue and costs

	2024			2023		
	Underlying £m	Capital and other £m	Total £m	Underlying £m	Capital and other £m	Total £m
Rent receivable ¹	284	25	309	306	–	306
Spreading of tenant incentives and contracted rent increases	10	–	10	15	–	15
Surrender premia ¹	3	149	152	1	–	1
Gross rental income	297	174	471	322	–	322
Service charge income	59	–	59	59	–	59
Management and performance fees (from joint ventures)	17	–	17	13	–	13
Other fees and commissions	28	–	28	24	–	24
Revenue	401	174	575	418	–	418
Service charge expenses	(48)	–	(48)	(50)	–	(50)
Property operating expenses	(36)	–	(36)	(37)	–	(37)
Release of impairment of trade debtors and accrued income	14	–	14	11	–	11
Provisions for impairment of tenant incentives and contracted rent increases ¹	–	(54)	(54)	(2)	–	(2)
Other fees and commissions expenses	(22)	–	(22)	(19)	–	(19)
Costs	(92)	(54)	(146)	(97)	–	(97)
	309	120	429	321	–	321

1. On 25 September 2023, the Group completed a deed of surrender in relation to an in-force lease of one of its investment properties. The consideration for the surrender was a £149m premium paid by the tenant on the completion date. In line with the requirements of IFRS 16, the surrender transaction was treated as a modification to the lease, with the surrender premium received recognised in full through the income statement at the point of completion, which represented the modified termination date of the lease. At the point of modification, the lease had associated tenant incentive balances of £54m, and as the right to receive these amounts was extinguished through the lease modification, an impairment was recognised in full through the income statement at the point of completion. Also at the point of modification, the lease had an associated deferred lease premium balance of £25m, which in line with the surrender premium received, was recognised in full through the income statement at the point of completion. Owing to the unusual and significant size and nature of this transaction, and in line with the Group's accounting policies, all elements of the transaction have been included within the Capital and other column of the income statement.

The cash element of net rental income (gross rental income less property operating expenses) recognised during the year ended 31 March 2024 from properties which were not subject to a security interest was £222m (2022/23: £238m). Property operating expenses relating to investment properties that did not generate any rental income were £2m (2022/23: £nil). Contingent rents of £9m (2022/23: £9m) that contain a variable lease payment were recognised in the year.

4 Valuation movements on property

	2024 £m	2023 £m
Consolidated income statement		
Revaluation of properties	(131)	(798)
Revaluation of properties held by joint ventures accounted for using the equity method	(179)	(567)
	(310)	(1,365)

5 Net financing charges

	2024 £m	2023 £m
Underlying		
Financing charges		
Facilities and overdrafts	(46)	(28)
Derivatives	51	28
Other loans	(83)	(72)
Obligations under head leases	(3)	(3)
	(81)	(75)
Development interest capitalised	25	13
	(56)	(62)
Financing income		
Deposits, securities and liquid investments	1	2
	1	2
Net financing charges – Underlying	(55)	(60)
Capital and other		
Financing charges		
Capital financing costs	(1)	–
Valuation movement on fair value hedge accounted derivatives ¹	12	–
Valuation movement on fair value hedge accounted debt ¹	(14)	–
Valuation movement on non-hedge accounted derivatives	(38)	–
	(41)	–
Financing income		
Valuation movements on translation of foreign currency debt and investments	–	1
Valuation movement on fair value hedge accounted derivatives ¹	–	(27)
Valuation movement on fair value hedge accounted debt ¹	–	33
Valuation movement on non-hedge accounted derivatives	–	81
	–	88
Net financing (charges) income – Capital and other	(41)	88
Net financing (charges) income		
Total financing income	1	90
Total financing charges	(97)	(62)
Net financing (charges) income	(96)	28

1. The difference between valuation movement on designated fair value hedge accounted derivatives (hedging instruments) and the valuation movement on fair value hedge accounted debt (hedged item) represents hedge ineffectiveness for the year of a debit of £2m (2022/23: a credit of £6m).

Interest payable on unsecured bank loans and related interest rate derivatives was £25m (2022/23: £16m). The Group's weighted average interest rate was 2.6% (2022/23: 2.9%), and on a proportionally consolidated basis was 3.4% (2022/23: 3.5%).

6 Property

Property reconciliation for the year ended 31 March 2024

	Campuses Level 3 £m	Retail & London Urban Logistics Level 3 £m	Developments Level 3 £m	Investment and development properties Level 3 £m	Trading properties £m	Total £m
Carrying value at 1 April 2023	2,233	2,611	833	5,677	22	5,699
Additions						
– property purchases	–	58	–	58	–	58
– development expenditure	16	4	124	144	–	144
– capitalised interest and staff costs	7	1	12	20	–	20
– capital expenditure on asset management initiatives	15	31	2	48	–	48
– head lease assets and right-of-use assets ¹	54	–	–	54	–	54
	92	94	138	324	–	324
Disposals	(579)	(83)	–	(662)	–	(662)
Reclassifications ¹	346	–	(346)	–	–	–
Revaluations included in income statement	(115)	61	(77)	(131)	–	(131)
Movement in tenant incentives and contracted rent uplift balances	18	3	–	21	–	21
Carrying value at 31 March 2024	1,995	2,686	548	5,229	22	5,251
Lease liabilities ²						(123)
Less valuation surplus on right-of-use assets ³						(4)
Valuation surplus on trading properties						6
Group property portfolio valuation at 31 March 2024						5,130
Non-controlling interests						(14)
Group property portfolio valuation at 31 March 2024 attributable to shareholders						5,116

- The £54m head lease assets addition and £346m reclassification from Developments to Campuses relates to the Norton Folgate development which completed in the year ended 31 March 2024.
- The £4m difference between lease liabilities of £123m and £127m relates to a lease liability where the right-of-use asset is classified as property, plant and equipment and premiums associated with the Norton Folgate head lease.
- Relates to properties held under leasing agreements. The fair value of right-of-use assets is determined by calculating the present value of net rental cash flows over the term of the lease agreements. IFRS 16 right-of-use assets are not externally valued, their fair values are determined by management, and are therefore not included in the Group property portfolio valuation of £5,130m above.

From 1 April 2023, the Group has changed the name of the Retail & Fulfilment operating segment to Retail & London Urban Logistics in line with our evolving strategy. There has been no changes in the allocation of the segment assets, meaning there are no restatements of the prior year comparative figures as a result of this change. See Note 11 for further information.

On 15 March 2024, the Group entered into a new 50:50 joint venture agreement with Royal London Mutual Insurance Society Limited in relation to 1 Triton Square, resulting in the disposal of £450m of investment property with a resulting loss in the Capital and other column of the consolidated income statement of £68m for the year ended 31 March 2024. The £54m of tenant incentives impairment arising from the surrender transaction of 1 Triton Square forms part of the £68m loss on disposal (see Note 3 for further information). The remaining £14m loss on disposal has been accounted for within the loss on disposal of investment property line within the Capital and other column of the consolidated income statement. As at 30 September 2023, the fair value of the related investment property was £353m, with a corresponding revaluation loss recognised within the valuation movement of £43m in the Capital and other column of the consolidated income statement.

6 Property (continued)

Property valuation

The different valuation method levels are defined below:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

These levels are specified in accordance with IFRS 13 'Fair Value Measurement'. Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For these reasons, and consistent with EPRA's guidance, we have classified the valuations of our property portfolio as Level 3 as defined by IFRS 13. The inputs to the valuations are defined as 'unobservable' by IFRS 13. These key unobservable inputs are net equivalent yield and estimated rental values for investment properties, and costs to complete for development properties. Further analysis of these key unobservable inputs have been included later in this note. There were no transfers between levels in the year.

The Group's total property portfolio was valued by external valuers on the basis of fair value, in accordance with the RICS Valuation – Global Standards 2022, published by The Royal Institution of Chartered Surveyors.

The information provided to the valuers, and the assumptions and valuation models used by the valuers, are reviewed by the property portfolio team, the Head of Real Estate, the Chief Financial Officer and the Chief Executive Officer. The valuers meet with the external auditor and also present directly to the Audit Committee at the interim and year-end review of results.

Investment properties, excluding properties held for development, are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

In the case of ongoing developments, the approach applied is the 'residual method' of valuation, which is the investment method of valuation as described above, with a deduction for all costs necessary to complete the development, including a notional finance cost, together with a further allowance for remaining risk. Properties held for development are generally valued by adopting the higher of the residual method of valuation, allowing for all associated risks, or the investment method of valuation for the existing asset.

The valuers of the Group's property portfolio have a working knowledge of the various ways that sustainability and Environmental, Social and Governance factors can impact value and have considered these, and how market participants are reflecting these in their pricing, in arriving at their Opinion of Value and resulting valuations as at the balance sheet date. These may be:

- physical risks;
- transition risks related to policy or legislation to achieve sustainability and Environmental, Social and Governance targets; and
- risks reflecting the views and needs of market participants.

Where available, the Group has shared physical climate and transitional risk assessments with the valuers which they have reviewed and taken into consideration to the extent that current market participants would.

Valuers observe, assess and monitor evidence from market activities, including market (investor) sentiment on issues such as longer term obsolescence and, where known, future Environmental, Social and Governance related risks and issues which may include, for example, the market's approach to capital expenditure required to maintain the utility of the asset. In the absence of reliable benchmarking data and indices for estimating costs, specialist advice on cost management may be required which is usually agreed with the valuer in the terms of engagement and without which reasonable estimates/assumptions may be needed to properly reflect market expectations in arriving at the Opinion of Value.

6 Property (continued)

A breakdown of valuations split between the Group and its share of joint ventures is shown below:

	2024			2023		
	Group £m	Joint ventures £m	Total £m	Group £m	Joint ventures £m	Total £m
Knight Frank LLP	682	58	740	801	217	1,018
CBRE	1,580	821	2,401	1,492	471	1,963
Jones Lang LaSalle	2,612	613	3,225	2,972	556	3,528
Cushman & Wakefield	256	2,076	2,332	330	2,072	2,402
Total property portfolio valuation	5,130	3,568	8,698	5,595	3,316	8,911
Non-controlling interests	(14)	–	(14)	(13)	–	(13)
Total property portfolio valuation attributable to shareholders¹	5,116	3,568	8,684	5,582	3,316	8,898

1. The £25m difference between the total property portfolio valuation for joint ventures of £3,568m (2022/23: £3,316m) and the total investment and trading properties of £3,593m (2022/23: £3,334m) disclosed in Note 7 relates to £18m (2022/23: £18m) of headleases and a £7m (2022/23: £nil) trading property deficit, both at Group share.

Information about fair value measurements using unobservable inputs (Level 3) for the year ended 31 March 2024

Investment	Fair value at 31 March 2024 £m	Valuation technique	ERV per sq ft			Equivalent yield			Costs to complete per sq ft		
			Min £	Max £	Average £	Min %	Max %	Average %	Min £	Max £	Average £
Campuses	1,892	Investment methodology	23	136	68	5	8	6	–	158	39
Retail & London Urban Logistics	2,662	Investment methodology	2	38	20	4	22	7	–	24	4
Developments	548	Residual methodology	33	107	67	4	7	5	33	628	171
Total	5,102										
Trading properties at fair value	28										
Group property portfolio valuation	5,130										

7 Joint ventures

Summary movement for the year of the investments in joint ventures

	Equity £m	Loans £m	Total £m
At 1 April 2023	1,419	787	2,206
Additions	167	291	458
Disposals	(41)	(37)	(78)
Share of loss after taxation ¹	(105)	26	(79)
Distributions and dividends:			
– Capital	–	–	–
– Revenue	(77)	–	(77)
Hedging and exchange movements	(1)	–	(1)
At 31 March 2024	1,362	1,067	2,429

1. The share of losses after taxation includes equity accounted losses of £121m (2022/23: £230m) and a credit relating to the movement of provision for impairment of equity investments and loans of £42m (2022/23: £237m debit).

On 15 March 2024, the Group entered into a new 50:50 joint venture arrangement with Royal London Mutual Insurance Society Limited in relation to a wholly-owned investment property, 1 Triton Square. The transaction value of the assets transferred by the Group on the formation of the joint venture at 100% was £385m of investment property with a resulting loss on disposal of £68m in the year ended 31 March 2024. The £54m of tenant incentives impairment arising from the surrender transaction of 1 Triton Square, forms part of the £68m loss on disposal (see Note 3 for further information). The remaining £14m loss on disposal has been accounted for within the loss on disposal of investment property line within the Capital and other column of the consolidated income statement.

The Group has recognised a share of the joint venture's loss of £2m and share of net assets less shareholder loans of £79m in relation to this new joint venture for the year ended 31 March 2024. The Group received £190m of cash consideration in relation to the sale of the investment and development properties to the joint venture (net of transaction costs of £3m).

In the prior year, on 19 July 2022, the Group entered into a new Joint Venture Agreement with GIC in relation to the majority of the Paddington Central Campus. The transaction value of the assets transferred by the Group on the formation of the joint venture at 100% was £934m of investment and development properties and £2m of property, plant and equipment with a resulting loss in the Capital and other column of the consolidated income statement of £19m for the prior year ended 31 March 2023. The Group owns 25% of this new joint venture while GIC owns the remaining 75% stake. The Group has recognised a share of the joint venture's loss of £19m and share of net assets less shareholder loans of £107m in relation to this new joint venture for the prior year ended 31 March 2023. A critical accounting judgement has been exercised in relation to the joint control assessment of the Paddington Central Joint Venture as further outlined in Note 1. The Group received £686m of cash consideration in relation to the sale of the investment and development properties to the joint venture (net of transaction costs of £9m), and subsequently a further £125m through a loan repayment from the newly formed joint venture, as a result of the joint venture obtaining external debt financing. The Group's investment into the Paddington Central Joint Venture is principally through a shareholder loan from the Group to the new joint venture.

7 Joint ventures (continued)

The summarised income statements and balance sheets below show 100% of the results, assets and liabilities of joint ventures to the nearest million.

Joint ventures' summary financial statements for the year ended 31 March 2024

	Broadgate REIT Ltd	MSC Property Intermediate Holdings Ltd ²	WOSC Partners Limited Partnership	BL West End Offices Limited
Partners				
	Euro Bluebell LLP (GIC)	Norges Bank Investment Management	Norges Bank Investment Management	Pimco Prime
Name and property sector	Broadgate City Offices	Meadowhall Shopping Centres	WOSC West End Offices	BL West End West End Offices
Group share	50%	50%	25%	25%
Summarised income statements				
Revenue ¹	254	86	8	28
Costs	(88)	(16)	(2)	(8)
	166	70	6	20
Administrative expenses	(1)	–	–	–
Net interest payable	(68)	(23)	–	(6)
Underlying Profit	97	47	6	14
Net valuation movement	(258)	24	(14)	(19)
Capital financing (charges) income	(9)	–	–	–
(Loss) profit on disposal of investment and trading properties	(1)	12	–	–
(Loss) profit before taxation	(171)	83	(8)	(5)
Taxation	–	–	–	(2)
(Loss) profit after taxation	(171)	83	(8)	(7)
Other comprehensive income	3	(2)	–	(3)
Total comprehensive (expense) income	(168)	81	(8)	(10)
British Land share of total comprehensive (expense) income	(84)	41	(2)	(3)
British Land share of distributions payable	46	5	1	3
Summarised balance sheets				
Investment and trading properties	4,151	729	123	446
Other non-current assets	24	–	–	17
Current assets	32	22	2	2
Cash and cash equivalents	184	59	5	13
Gross assets	4,391	810	130	478
Current liabilities	(142)	(52)	(5)	(13)
Bank and securitised debt	(1,565)	(443)	–	(159)
Loans from joint venture partners	(1,268)	(638)	(58)	(15)
Other non-current liabilities	–	(3)	(4)	(15)
Gross liabilities	(2,975)	(1,136)	(67)	(202)
Net assets (liabilities)	1,416	(326)	63	276
British Land share of net assets less shareholder loans	708	–	16	69

1. Revenue includes gross rental income at 100% share of £375m (2022/23: £359m).

2. In accordance with the Group's accounting policies, the Group recognises a nil equity investment in joint ventures in a net liability position at year end.

3. Hercules Unit Trust joint ventures includes 50% of the results of Fort Kinnaird Limited Partnership and 41.25% of Birstall Co-Ownership Trust. The balance sheet shows 50% of the assets of these joint ventures.

4. Included in the column headed 'Other joint ventures' are contributions from the following: BL Goodman Limited Partnership, Bluebutton Property Management UK Limited, City of London Office Unit Trust, Reading Gate Retail Park Co-Ownership, Eden Walk Shopping Centre Unit Trust and the Fareham Property Partnership.

7 Joint ventures (continued)

BL CW Upper Limited Partnership	Paddington Property Investment Limited Partnership ²	One Triton Holding Limited	The SouthGate Limited Partnership	Hercules Unit Trust joint ventures ³	Other joint Ventures ⁴	Total 2024	Total Group share 2024
Australian Super	Euro Emerald Private Limited (GIC)	The Royal London Mutual Insurance Society Limited	Aviva Investors				
Canada Water Campuses	Paddington Central Campuses	1 Triton Square Campuses	Southgate Shopping Centres	Hercules Unit Trust JV Retail Parks			
50%	25%	50%	50%	Various			
9	51	1	16	18	18	489	222
(7)	(13)	(1)	(5)	(2)	(4)	(146)	(67)
2	38	–	11	16	14	343	155
(1)	(1)	–	–	(1)	(1)	(5)	(2)
1	(26)	–	(1)	–	–	(123)	(53)
2	11	–	10	15	13	215	100
(89)	(36)	(4)	–	8	(2)	(390)	(179)
1	(2)	–	–	–	–	(10)	(5)
–	–	–	–	–	–	11	5
(86)	(27)	(4)	10	23	11	(174)	(79)
–	–	–	–	–	–	(2)	–
(86)	(27)	(4)	10	23	11	(176)	(79)
–	–	–	–	–	–	(2)	(1)
(86)	(27)	(4)	10	23	11	(178)	(80)
(43)	(7)	(2)	5	12	3	(80)	
–	–	–	5	8	9	77	
677	861	381	140	196	198	7,902	3,593
-	21	–	–	–	–	62	21
5	6	4	1	–	5	79	34
10	27	8	4	11	6	327	152
692	915	393	145	207	209	8,370	3,800
(40)	(30)	(3)	(7)	(4)	(9)	(305)	(138)
(85)	(511)	–	–	–	–	(2,763)	(1,214)
–	(455)	(232)	–	–	(101)	(2,767)	(1,252)
–	(1)	–	(28)	–	–	(51)	(19)
(125)	(997)	(235)	(35)	(4)	(110)	(5,886)	(2,623)
567	(82)	158	110	203	99	2,484	1,177
283	–	79	55	102	50	1,362	

The borrowings of joint ventures and their subsidiaries are non-recourse to the Group. All joint ventures are incorporated in the United Kingdom, with the exception of Broadgate REIT Limited, the Eden Walk Shopping Centre Unit Trust and the Hercules Unit Trust joint ventures which are incorporated in Jersey.

These financial statements include the results and financial position of the Group's interest in the Fareham Property Partnership, the BL Goodman Limited Partnership and the Gibraltar Limited Partnership. Accordingly, advantage has been taken of the exemptions provided by Regulation 7 of the Partnership (Accounts) Regulations 2008 not to attach the partnership accounts to these financial statements.

8 Net debt

	Footnote	2024 £m	2023 £m
Secured on the assets of the Group			
5.264% First Mortgage Debenture Bonds 2035		321	325
5.0055% First Mortgage Amortising Debentures 2035		85	86
5.357% First Mortgage Debenture Bonds 2028		217	218
Bank loans	1	–	298
		623	927
Unsecured			
4.766% Senior US Dollar Notes 2023	2	–	105
5.003% Senior US Dollar Notes 2026	2	63	65
3.81% Senior Notes 2026		98	97
3.97% Senior Notes 2026		97	97
2.375% Sterling Unsecured Bond 2029		299	299
4.16% Senior US Dollar Notes 2025	2	76	78
2.67% Senior Notes 2025		37	38
2.75% Senior Notes 2026		37	38
Floating Rate Senior Notes 2028		80	80
Floating Rate Senior Notes 2034		101	101
Facilities and overdrafts		701	342
		1,589	1,340
Gross debt	3	2,212	2,267
Interest rate and currency derivative liabilities		56	67
Interest rate and currency derivative assets	4	(99)	(144)
Cash and cash equivalents	5,6	(88)	(125)
Total net debt		2,081	2,065
Net debt attributable to non-controlling interests		1	1
Net debt attributable to shareholders of the Company		2,082	2,066
Total net debt			
		2,081	2,065
Amounts payable under leases		127	126
Total net debt (including lease liabilities)		2,208	2,191
Net debt attributable to non-controlling interests (including lease liabilities)		1	1
Net debt attributable to shareholders of the Company (including lease liabilities)		2,209	2,192

1. These are non-recourse borrowings with no recourse for repayment to other companies or assets in the Group.

	2024 £m	2023 £m
Hercules Unit Trust	–	298
	–	298

- Principal and interest on these borrowings were fully hedged into Sterling at a floating rate at the time of issue.
- The principal amount of gross debt at 31 March 2024 was £2,225m (2022/23: £2,250m). Included in this is the principal amount of secured borrowings and other borrowings of non-recourse companies of £633m (2022/23: £933m).
- Interest rate and currency derivative assets includes non-current interest rate and currency derivative assets of £79m (2022/23: £144m) and current interest rate and currency derivative assets of £20m (2022/23: £nil).
- Cash and short term deposits not subject to a security interest amount to £58m (2022/23: £86m).
- Cash and cash equivalents includes tenant deposits of £30m (2022/23: £26m).

8 Net debt (continued)

Loan to Value (LTV)

LTV is the ratio of principal amount of gross debt less cash, short term deposits and liquid investments to the aggregate value of properties and investments, excluding non-controlling interests. EPRA LTV has been disclosed in Table E.

Group LTV

	2024 £m	2023 £m
Group LTV	28.5%	27.4%
Principal amount of gross debt	2,225	2,250
Less debt attributable to non-controlling interests	–	–
Less cash and short term deposits (consolidated statement of cash flows) ¹	(58)	(99)
Plus cash attributable to non-controlling interests	1	1
Total net debt for LTV calculation	2,168	2,152
Group property portfolio valuation (Note 6)	5,130	5,595
Investments in joint ventures (Note 7)	2,429	2,206
Other investments and property, plant and equipment (consolidated balance sheet) ²	56	61
Less property and investments attributable to non-controlling interests	(14)	(13)
Total assets for LTV calculation	7,601	7,849

Proportionally consolidated LTV

	2024 £m	2023 £m
Proportionally consolidated LTV	37.3%	36.0%
Principal amount of gross debt	3,443	3,448
Less debt attributable to non-controlling interests	–	–
Less cash and short term deposits ³	(183)	(228)
Plus cash attributable to non-controlling interests	1	1
Total net debt for proportional LTV calculation	3,261	3,221
Group property portfolio valuation (Note 6)	5,130	5,595
Share of property of joint ventures (Note 6)	3,568	3,316
Other investments and property, plant and equipment (consolidated balance sheet) ²	56	61
Less property attributable to non-controlling interests	(14)	(13)
Total assets for proportional LTV calculation	8,740	8,959

1. Cash and short term deposits exclude tenant deposits of £30m (2022/23: £26m).
2. The £17m (2022/23: £19m) difference between other investments and plant, property and equipment per the consolidated balance sheet totalling £73m (2022/23: £80m) relates to a right-of-use asset recognised under a lease which is classified as property, plant and equipment which is not included within total assets for the purposes of the LTV calculation.
3. Cash and short term deposits exclude tenant deposits of £57m (2022/23: £49m).

8 Net debt (continued)

Net Debt to EBITDA

Net Debt to EBITDA is the ratio of principal amount of gross debt less cash, short term deposits and liquid investments to earnings before interest, tax, depreciation and amortisation (EBITDA).

The Group ratio excludes non-recourse and joint venture borrowings and includes distributions and other receivables from non-recourse companies and joint ventures.

Group Net Debt to EBITDA

	2024 £m	2023 £m
Group Net Debt to EBITDA	6.8x	6.4x
Principal amount of gross debt	2,225	2,250
Less non-recourse borrowings	–	(298)
Less cash and short term deposits (consolidated statement of cash flows) ¹	(58)	(99)
Plus cash attributable to non-controlling interests	1	1
Plus cash attributable to non-recourse companies	–	36
Total net debt for group Net Debt to EBITDA calculation	2,168	1,890
Underlying Profit (Table A)	268	264
Plus Net financing charges (Note 6)	55	60
Less Underlying Profit due to joint ventures and non-recourse companies ²	(100)	(144)
Plus distributions and other receivables from joint ventures and non-recourse companies ³	88	107
Plus depreciation and amortisation (Table A)	8	7
Total EBITDA for group Net Debt to EBITDA calculation	319	294

Proportionally consolidated Net Debt to EBITDA

	2024 £m	2023 £m
Proportionally consolidated Net Debt to EBITDA	8.5x	8.4x
Principal amount of gross debt	3,443	3,448
Less cash and short term deposits ⁴	(183)	(228)
Plus cash attributable to non-controlling interests	1	1
Total net debt for proportional Net Debt to EBITDA calculation	3,261	3,221
Underlying Profit (Table A)	268	264
Plus Net financing charges (Table A)	108	111
Plus depreciation and amortisation (Table A)	8	7
Total EBITDA for proportional Net Debt to EBITDA calculation	384	382

- Cash and short term deposits exclude tenant deposits of £30m (2022/23: £26m).
- Underlying Profit due to joint ventures £100m (2022/23: £92m) (consolidated income statement). Underlying Profit due to non-recourse companies £nil (2022/23: £52m).
- Distributions and other receivables from joint ventures £77m (2022/23: £73m) (consolidated statement of cash flows). Fees and other income received from joint ventures, and distributions and other receivables from non-recourse companies £11m (2022/23: £34m).
- Cash and short term deposits exclude tenant deposits of £57m (2022/23: £49m).

8 Net debt (continued)

British Land Unsecured Financial Covenants

The two financial covenants applicable to the Group unsecured debt are shown below:

	2024 £m	2023 £m
Net Borrowings not to exceed 175% of Adjusted Capital and Reserves	40%	38%
Principal amount of gross debt	2,225	2,250
Less the relevant proportion of borrowings of the partly owned subsidiary/non-controlling interests	–	–
Less cash and short term deposits (consolidated statement of cash flows) ¹	(58)	(99)
Plus the relevant proportion of cash and deposits of the partly owned subsidiary/non-controlling interests	1	1
Net Borrowings	2,168	2,152
Share capital and reserves (consolidated balance sheet)	5,312	5,525
Deferred tax liabilities (Table A)	6	6
Trading property (deficit) surplus (Table A)	(1)	7
Exceptional refinancing charges (see below)	147	161
Fair value adjustments of financial instruments (Table A)	(55)	(44)
Less reserves attributable to non-controlling interests (consolidated balance sheet)	(13)	(13)
Adjusted Capital and Reserves	5,396	5,642

In calculating Adjusted Capital and Reserves for the purpose of the unsecured debt financial covenants, there is an adjustment of £147m (2022/23: £161m) to reflect the cumulative net amortised exceptional items relating to the refinancings in the years ended 31 March 2005, 2006 and 2007.

	2024 £m	2023 £m
Net Unsecured Borrowings not to exceed 70% of Unencumbered Assets	38%	32%
Principal amount of gross debt	2,225	2,250
Less cash and short term deposits not subject to a security interest	(58)	(87)
Plus cash attributable to non-controlling interests	1	1
Less principal amount of secured and non-recourse borrowings	(633)	(933)
Net Unsecured Borrowings	1,535	1,231
Group property portfolio valuation (Note 6)	5,130	5,595
Investments in joint ventures (Note 7)	2,429	2,206
Other investments and property, plant and equipment (consolidated balance sheet) ²	56	61
Less investments in joint ventures	(2,429)	(2,206)
Less encumbered assets	(1,137)	(1,747)
Unencumbered Assets	4,049	3,909

1. Cash and short term deposits exclude tenant deposits of £30m (2022/23: £26m).

2. The £17m (2022/23: £19m) difference between other investments and plant, property and equipment per the balance sheet totalling £73m (2022/23: £80m), relates to a right-of-use asset recognised under a lease which is classified as property, plant and equipment which is not included within unencumbered assets for the purposes of the covenant calculation.

9 Dividends

The final dividend payment for the six-month period ended 31 March 2024 will be 10.64p. Payment will be made on 26 July 2024 to shareholders on the register at close of business on 21 June 2024. The final dividend will be a Property Income Distribution and no SCRIP alternative will be offered.

PID dividends are paid, as required by REIT legislation, after deduction of withholding tax at the basic rate (currently 20%), where appropriate. Certain classes of shareholders may be able to elect to receive dividends gross. Please refer to our website britishland.com/dividends for details.

Payment date	Dividend	Pence per share	2024 £m	2023 £m
Current year dividends				
26.07.2024	2024 Final	10.64		
05.01.2024	2024 Interim	12.16	113	
		<u>22.80</u>		
Prior year dividends				
28.07.2023	2023 Final	11.04	102	
06.01.2023	2023 Interim	11.60		107
		<u>22.64</u>		
29.07.2022	2022 Final	11.60		108
Dividends disclosed in consolidated statement of changes in equity			215	215
Dividends settled in shares			–	–
Dividends settled in cash			215	215
Timing difference relating to payment of withholding tax			(2)	(2)
Dividends disclosed in consolidated statement of cash flows			213	213

10 Share capital and reserves

	2024	2023
Number of ordinary shares in issue at 1 April	938,334,977	938,109,433
Share issues	429,046	225,544
At 31 March	938,764,023	938,334,977

Of the issued 25p ordinary shares, 7,376 shares were held in the ESOP trust (2022/23: 7,376), 11,266,245 shares were held as treasury shares (2022/23: 11,266,245) and 927,490,402 shares were in free issue (2022/23: 927,061,356). No treasury shares were acquired by the ESOP trust during the year. All issued shares are fully paid.

11 Segment information

The Group allocates resources to investment and asset management according to the sectors it expects to perform over the medium term, and reports under two operating segments, being Campuses and Retail & London Urban Logistics.

From 1 April 2023, the Group changed the name of the Retail & Fulfilment operating segment to Retail & London Urban Logistics in line with our evolving strategy. There have been no changes in the allocation of the segment assets, meaning there are no restatements of the prior year comparative figures as a result of this change.

The relevant gross rental income, net rental income, operating result and property assets, being the measures of segment revenue, segment result and segment assets used by the management of the business. Management reviews the performance of the business principally on a proportionally consolidated basis, which includes the Group's share of joint ventures on a line-by-line basis and excludes non-controlling interests in the Group's subsidiaries. The chief operating decision maker for the purpose of segment information is the Executive Committee.

Gross rental income is derived from the rental of buildings. Operating result is the net of net rental income, fee income and administrative expenses. No customer exceeded 10% of the Group's revenues in either year.

11 Segment information (continued)

Segment result

	Campuses		Retail & London Urban Logistics		Unallocated		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Gross rental income								
British Land Group	85	115	210	205	–	–	295	320
Share of joint ventures	111	107	59	57	–	–	170	164
Total	196	222	269	262	–	–	465	484
Net rental income								
British Land Group	71	108	207	189	–	–	278	297
Share of joint ventures	95	89	56	51	–	–	151	140
Total	166	197	263	240	–	–	429	437
Operating result								
British Land Group	89	115	206	186	(56)	(55)	239	246
Share of joint ventures	85	82	54	49	(2)	(2)	137	129
Total	174	197	260	235	(58)	(57)	376	375

	2024 £m	2023 £m
Reconciliation to Underlying Profit		
Operating result	376	375
Net financing charges	(108)	(111)
Underlying Profit	268	264

Reconciliation to profit (loss) before taxation

Underlying Profit	268	264
Capital and other	(254)	(1,299)
Underlying Profit attributable to non-controlling interests	1	1
Total profit (loss) before taxation	15	(1,034)

A reconciliation between net financing charges in the consolidated income statement and net financing charges of £108m (2022/23: £111m) in the segmental disclosures above can be found within Table A in the supplementary disclosures. Of the total revenues above, £nil (2022/23: £nil) was derived from outside the UK.

11 Segment information (continued)

Segment assets

	Campuses		Retail & London Urban Logistics		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Property assets						
British Land Group	2,360	2,972	2,760	2,619	5,120	5,591
Share of joint ventures	2,922	2,687	646	629	3,568	3,316
Total	5,282	5,659	3,406	3,248	8,688	8,907

Reconciliation to net assets

	2024 £m	2023 £m
British Land Group		
Property assets	8,688	8,907
Other non-current assets	73	141
Non-current assets	8,761	9,048
Other net current liabilities	(331)	(384)
EPRA net debt	(3,178)	(3,127)
Other non-current liabilities	–	(50)
EPRA NTA (diluted)	5,252	5,487
Non-controlling interests	13	13
EPRA adjustments	47	25
Net assets	5,312	5,525

12 Subsequent events

In May 2024, post year end, the Group exchanged contracts on the sale of its 50% interest in the Meadowhall joint venture. Completion is unconditional and scheduled to occur in July 2024. The transaction values the investment properties of the joint venture at £720m (£360m at the Group's 50% share). The cash consideration to be received by the Group, taking into account net debt and other customary transaction adjustments, totals £156m and is materially in line with the carrying value of the joint venture as at 31 March 2024.

SUPPLEMENTARY DISCLOSURES

Unaudited unless otherwise stated

Table A: Summary income statement and balance sheet (Unaudited)

Summary income statement based on proportional consolidation for the year ended 31 March 2024

The following pro forma information is unaudited and does not form part of the consolidated financial statements or the notes thereto. It presents the results of the Group, with its share of the results of joint ventures included on a line-by-line basis and excluding non-controlling interests.

	Year ended 31 March 2024				Year ended 31 March 2023			
	Group £m	Share of joint ventures £m	Less non- controlling interests £m	Proportionally consolidated £m	Group £m	Share of joint ventures £m	Less non- controlling interests £m	Proportionally consolidated £m
Gross rental income¹	308	170	(2)	476	331	164	(2)	493
Property operating expenses ²	(22)	(15)	1	(36)	(28)	(20)	1	(47)
Net rental income	286	155	(1)	440	303	144	(1)	446
Administrative expenses ³	(85)	(2)	–	(87)	(88)	(1)	–	(89)
Net fees and other income	23	–	–	23	18	–	–	18
Ungeared income return	224	153	(1)	376	233	143	(1)	375
Net financing charges	(55)	(53)	–	(108)	(60)	(51)	–	(111)
Underlying Profit	169	100	(1)	268	173	92	(1)	264
Underlying taxation	(3)	–	–	(3)	(1)	–	–	(1)
Underlying Profit after taxation	166	100	(1)	265	172	92	(1)	263
Valuation movement (see Note 4)				(310)				(1,365)
Other capital and taxation (net) ⁴				42				74
Result attributable to shareholders of the Company				(3)				(1,028)

1. Group gross rental income includes £11m (2022/23: £9m) of all-inclusive rents relating to service charge income and excludes the £25m (2022/23: £nil) of rent receivable and £149m (2022/23: £nil) of surrender premia received within the Capital and other column of the income statement (see Note 3).
2. Group property operating expenses excludes £54m (2022/23: £nil) of provisions for impairment of tenant incentives and contracted rent increases within the Capital and other column of the income statement (see Note 3).
3. Administrative expenses includes £8m (2022/23: £7m) of depreciation and amortisation.
4. Includes other comprehensive income.

Table A: Summary income statement and balance sheet (continued)

Summary balance sheet based on proportional consolidation as at 31 March 2024

The following pro forma information is unaudited and does not form part of the consolidated primary statements or the notes thereto. It presents the composition of the EPRA NTA of the Group, with its share of the net assets of the joint ventures included on a line-by-line basis, and excluding non-controlling interests, and assuming full dilution.

	Group £m	Share of joint ventures £m	Less non- controlling interests £m	Share options £m	Mark-to- market on derivatives and related debt adjustment £m	Lease liabilities £m	Valuation surplus on trading properties £m	Intangibles and Deferred tax £m	EPRA NTA 31 March 2024 £m	EPRA NTA 31 March 2023 £m
Campuses properties	2,474	2,932	–	–	–	(123)	(1)	–	5,282	5,659
Retail & London Urban Logistics properties	2,777	661	(14)	–	–	(18)	–	–	3,406	3,248
Total properties ¹	5,251	3,593	(14)	–	–	(141)	(1)	–	8,688	8,907
Investments in joint ventures	2,429	(2,429)	–	–	–	–	–	–	–	–
Other investments	54	–	–	–	–	–	–	(8)	46	50
Other net (liabilities) assets	(336)	(122)	2	11	–	141	–	–	(304)	(343)
Deferred tax liability	(5)	(1)	–	–	–	–	–	6	–	–
Net debt ²	(2,081)	(1,041)	(1)	–	(55)	–	–	–	(3,178)	(3,127)
Net assets	5,312	–	(13)	11	(55)	–	(1)	(2)	5,252	5,487
EPRA NTA per share (Note 2)									562p	588p

1. Included within the total property value of £8,688m (2022/23: £8,907m) are right-of-use assets net of lease liabilities of £4m (2022/23: £9m), which in substance, relate to properties held under leasing agreements. The fair values of right-of-use assets are determined by calculating the present value of net rental cash flows over the term of the lease agreements.

2. EPRA net debt of £3,178m represents adjusted net debt used in Proportionally consolidated LTV and Net Debt to EBITDA calculations of £3,261m (see Note 8), less tenant deposits of £57m and issue costs and fair value hedge adjustments of £26m.

EPRA Net Tangible Assets movement

	Year ended 31 March 2024		Year ended 31 March 2023	
	£m	Pence per share	£m	Pence per share
Opening EPRA NTA	5,487	588	6,806	730
Income return	265	28	263	28
Capital return	(285)	(31)	(1,367)	(147)
Dividend paid	(215)	(23)	(215)	(23)
Closing EPRA NTA	5,252	562	5,487	588

Table B: EPRA Performance measures

EPRA Performance measures summary table

	2024		2023	
	£m	Pence per share	£m	Pence per share
EPRA Earnings – basic	385	41.5	263	28.4
– diluted	385	41.4	263	28.3
	Percentage		Percentage	
EPRA Net Initial Yield		5.1%		5.1%
EPRA ‘topped-up’ Net Initial Yield		5.8%		5.7%
EPRA Vacancy Rate		10.0%		6.3%
EPRA Cost Ratio (including direct vacancy costs)		16.4%		19.5%
EPRA Cost Ratio (excluding direct vacancy costs)		9.2%		12.6%

	2024		2023	
	Net assets £m	Net asset value per share (pence)	Net assets £m	Net asset value per share (pence)
EPRA NTA	5,252	562	5,487	588
EPRA NRV	5,782	619	6,029	646
EPRA NDV	5,389	577	5,658	606
	Percentage		Percentage	
EPRA LTV		40.5%		39.5%

Calculation and reconciliation of Underlying/EPRA/IFRS Earnings and Underlying/EPRA/IFRS Earnings per share (Audited)

	2024 £m	2023 £m
Loss attributable to the shareholders of the Company	(1)	(1,038)
Exclude:		
Group – Underlying taxation	3	1
Group – Capital and other taxation	11	4
Group – valuation movement	131	798
Group – loss on disposal of investment properties and revaluation of investments	23	30
Group – Capital and other revenue and costs (see Note 3)	(120)	–
Joint ventures – valuation movement (see Note 4)	179	567
Joint ventures – Capital financing charges (income)	5	(8)
Joint ventures – profit on disposal of investment and trading properties	(5)	–
Joint ventures – deferred taxation	–	–
Changes in fair value of financial instruments and associated close-out costs	41	(88)
Non-controlling interests in respect of the above	1	(2)
Underlying Profit	268	264
Group – Underlying current taxation	(3)	(1)
Underlying Earnings – basic and diluted	265	263
Group – Capital and other revenue and costs (see Note 3)	120	–
EPRA Earnings – basic and diluted	385	263
Loss attributable to the shareholders of the Company	(1)	(1,038)
IFRS Earnings – basic and diluted	(1)	(1,038)

Table B: EPRA Performance measures (continued)

	2024 Number million	2023 Number million
Weighted average number of shares	938	938
Adjustment for treasury shares	(11)	(11)
IFRS/EPRA/Underlying Weighted average number of shares (basic)	927	927
Dilutive effect of share options	–	–
Dilutive effect of ESOP shares	2	3
EPRA/Underlying Weighted average number of shares (diluted)	929	930
Remove anti-dilutive effect	(2)	(3)
IFRS Weighted average number of shares (diluted)	927	927

Net assets per share (Audited)

	2024		2023	
	£m	Pence per share	£m	Pence per share
IFRS net assets	5,312		5,525	
Deferred tax arising on revaluation movements	6		6	
Mark-to-market on derivatives and related debt adjustments	(55)		(44)	
Dilution effect of share options	11		14	
(Deficit) surplus on trading properties	(1)		7	
Intangible assets	(8)		(8)	
Less non-controlling interests	(13)		(13)	
EPRA NTA	5,252	562	5,487	588
Intangible assets	8		8	
Purchasers' costs	522		534	
EPRA NRV	5,782	619	6,029	646
Deferred tax arising on revaluation movements	(6)		(7)	
Purchasers' costs	(522)		(534)	
Mark-to-market on derivatives and related debt adjustments	55		44	
Mark-to-market on debt	80		126	
EPRA NDV	5,389	577	5,658	606

EPRA NTA is considered to be the most relevant measure for the Group and is now the primary measure of net assets. EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Due to the Group's REIT status, deferred tax is only provided at each balance sheet date on properties outside the REIT regime. As a result, deferred taxes are excluded from EPRA NTA for properties within the REIT regime. For properties outside of the REIT regime, deferred tax is included to the extent that it is expected to crystallise, based on the Group's track record and tax structuring. EPRA NRV reflects what would be needed to recreate the Group through the investment markets based on its current capital and financing structure. EPRA NDV reflects shareholders' value which would be recoverable under a disposal scenario, with deferred tax and financial instruments recognised at the full extent of their liability.

	2024 Number million	2023 Number million
Number of shares at year end	938	938
Adjustment for treasury shares	(11)	(11)
IFRS/EPRA number of shares (basic)	927	927
Dilutive effect of share options	3	3
Dilutive effect of ESOP shares	4	3
IFRS/EPRA number of shares (diluted)	934	933

Table B: EPRA Performance measures (continued)
EPRA Net Initial Yield and 'topped-up' Net Initial Yield (Unaudited)

	2024 £m	2023 £m
Investment property – wholly-owned	5,116	5,582
Investment property – share of joint ventures	3,568	3,316
Less developments, residential and land	(1,861)	(1,363)
Completed property portfolio	6,823	7,535
Allowance for estimated purchasers' costs	885	525
Gross up completed property portfolio valuation (A)	7,708	8,060
Annualised cash passing rental income	423	443
Property outgoings	(32)	(34)
Annualised net rents (B)	391	409
Rent expiration of rent-free periods and fixed uplifts ¹	55	54
'Topped-up' net annualised rent (C)	446	463
EPRA Net Initial Yield (B/A)	5.1%	5.1%
EPRA 'topped-up' Net Initial Yield (C/A)	5.8%	5.7%
Including fixed/minimum uplifts received in lieu of rental growth	4	6
Total 'topped-up' net rents (D)	450	469
Overall 'topped-up' Net Initial Yield (D/A)	5.8%	5.8%
'Topped-up' net annualised rent	446	463
ERV vacant space	51	31
Reversions	7	(7)
Total ERV (E)	504	487
Net Reversionary Yield (E/A)	6.5%	6.0%

1. The weighted average period over which rent-free periods expire is one year (2022/23: one year).

EPRA Net Initial Yield (NIY) basis of calculation

EPRA NIY is calculated as the annualised net rent (on a cash flow basis), divided by the gross value of the completed property portfolio. The valuation of our completed property portfolio is determined by our external valuers as at 31 March 2024, plus an allowance for estimated purchasers' costs. Estimated purchasers' costs are determined by the relevant stamp duty liability, plus an estimate by our valuers of agent and legal fees on notional acquisition. The net rent deduction allowed for property outgoings is based on our valuers' assumptions on future recurring non-recoverable revenue expenditure.

In calculating the EPRA 'topped-up' NIY, the annualised net rent is increased by the total contracted rent from expiry of rent-free periods and future contracted rental uplifts where defined as not in lieu of growth. Overall 'topped-up' NIY is calculated by adding any other contracted future uplift to the 'topped-up' net annualised rent.

The net reversionary yield is calculated by dividing the total estimated rental value (ERV) for the completed property portfolio, as determined by our external valuers, by the gross completed property portfolio valuation.

The EPRA Vacancy Rate is calculated as the ERV of the unrented, lettable space as a proportion of the total rental value of the completed property portfolio.

EPRA Vacancy Rate (Unaudited)

	31 March 2024 £m	31 March 2023 £m
Annualised potential rental value of vacant premises	51	31
Annualised potential rental value for the completed property portfolio	512	496
EPRA Vacancy Rate	10.0%	6.3%

Table B: EPRA Performance measures (continued)**EPRA Cost Ratios (Unaudited)**

	2024 £m	2023 £m
Property operating expenses	21	27
Administrative expenses	85	88
Share of joint ventures expenses	17	21
Less: Performance and management fees (from joint ventures)	(17)	(13)
Net other fees and commissions	(6)	(5)
Ground rent costs and operating expenses de facto included in rents	(27)	(28)
EPRA Costs (including direct vacancy costs) (A)	73	90
Direct vacancy costs	(32)	(32)
EPRA Costs (excluding direct vacancy costs) (B)	41	58
Gross Rental Income less ground rent costs and operating expenses de facto included in rents	277	294
Share of joint ventures (GRI less ground rent costs)	168	168
Total Gross rental income less ground rent costs (C)	445	462
EPRA Cost Ratio (including direct vacancy costs) (A/C)	16.4%	19.5%
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	9.2%	12.6%
Overhead and operating expenses capitalised (including share of joint ventures)	6	10

In the current year, employee costs in relation to staff time on development projects have been capitalised into the base cost of relevant development assets.

Table C: Gross rental income (Audited)

	2024 £m	2023 £m
Rent receivable ¹	463	463
Spreading of tenant incentives and contracted rent increases	7	27
Surrender premia	6	3
Gross rental income	476	493

1. Group gross rental income includes £11m (2022/23: £9m) of all-inclusive rents relating to service charge income.

The current and prior year information is presented on a proportionally consolidated basis, excluding non-controlling interests.

Table D: Property related capital expenditure (Unaudited)

	Year ended 31 March 2024			Year ended 31 March 2023			
	Group £m	Share of joint ventures		Group £m	Share of joint ventures		Total £m
		£m	£m		£m	£m	
Acquisitions	58	–	58	158	–	158	
Development	144	210	354	156	106	262	
Investment properties							
Incremental lettable space	1	–	1	–	–	–	
No incremental lettable space	23	26	49	60	26	86	
Tenant incentives	24	7	31	2	1	3	
Other material non-allocated types of expenditure	3	3	6	3	3	6	
Capitalised interest	17	8	25	10	3	13	
Total property related capital expenditure	270	254	524	389	139	528	
Conversion from accrual to cash basis	40	(11)	29	(50)	(6)	(56)	
Total property related capital expenditure on cash basis	310	243	553	339	133	472	

The above is presented on a proportionally consolidated basis, excluding non-controlling interests and business combinations. The ‘Other material non-allocated types of expenditure’ category contains capitalised staff costs of £6m (2022/23: £6m).

Table E: EPRA LTV (Unaudited)

	Year ended 31 March 2024				Year ended 31 March 2023				
	Group £m	Proportionally consolidated			Group £m	Proportionally consolidated			Total £m
		Share of joint ventures £m	Non- controlling interests £m	Total £m		Share of joint ventures £m	Non- controlling interests £m	Total £m	
Include:									
Gross debt	2,225	1,218	–	3,443	2,250	1,198	–	3,448	
Net payables	227	104	–	331	271	93	–	364	
Exclude:									
Cash and cash equivalents	(88)	(152)	1	(239)	(125)	(152)	1	(276)	
EPRA Net Debt (A)	2,364	1,170	1	3,535	2,396	1,139	1	3,536	
Include:									
Property portfolio valuation	5,130	3,568	(14)	8,684	5,595	3,316	(13)	8,898	
Other financial assets	46	–	–	46	50	–	–	50	
Intangibles	8	–	–	8	8	–	–	8	
EPRA Total Property Value (B)	5,184	3,568	(14)	8,738	5,653	3,316	(13)	8,956	
EPRA LTV (A/B)	45.6%			40.5%	42.4%			39.5%	

SUPPLEMENTARY TABLES

Data includes Group's share of Joint Ventures

FY24 RENT COLLECTION

Rent due between 25 March 2023 and 24 March 2024	Offices	Retail	Total
Received	99.8%	99.3%	99.5%
Outstanding	0.2%	0.7%	0.5%
	100%	100%	100%
Total	£181m	£258m	£439m

MARCH QUARTER 2024 RENT COLLECTION

Rent due between 25 March 2024 and 16 May 2024	Offices	Retail	Total
Received	98.8%	95.7%	97.1%
Outstanding	1.2%	4.3%	2.9%
	100%	100%	100%
Total	£42m	£50m	£92m

PURCHASES

Since 1 April 2023	Sector	Price (100%) £m	Price (BL Share) £m	Annualised Net Rents £m ¹
Completed				
Westwood Retail Park, Thanet	Retail Park	55	55	4
Total		55	55	4

SALES

Since 1 April 2023	Sector	Price (100%) £m	Price (BL Share) £m	Annualised Net Rents £m ¹
Completed				
Riverside Retail Park, Coleraine	Retail Park	10	10	1
126-134 Baker Street	Office	17	17	1
Office & Data Centre Portfolio	Office	125	125	6
1 Triton Square (50% sale)	Office	385	193	-
Meadowhall RDD land	Logistics	15	7	-
Other	Other	64	56	3
Exchanged				
New Century Park Lane	Other	5	2	-
Total		621	410	11

1. British Land share of annualised rent topped up for rent frees

PORTFOLIO VALUATION BY SECTOR

As at 31 March 2024	Group £m	Joint ventures £m	Total ¹ £m	% Change ²		
				H1	H2	FY
West End	1,570	515	2,085	(2.5)	0.0	(2.5)
City	453	2,075	2,528	(4.6)	(2.7)	(6.9)
Canada Water & other Campuses	184	330	514	(9.2)	(5.5)	(13.1)
Residential ³	149	2	151	0.8	14.4	15.3
Campuses	2,356	2,922	5,278	(4.0)	(1.5)	(5.3)
Retail Parks	1,944	184	2,128	0.2	2.5	2.7
Shopping Centre	307	446	753	0.0	0.8	0.8
London Urban Logistics	307	6	313	0.6	3.1	3.7
Other Retail	202	10	212	(0.8)	0.1	(0.7)
Retail & London Urban Logistics	2,760	646	3,406	0.1	2.0	2.1
Total	5,116	3,568	8,684	(2.5)	(0.2)	(2.6)
Standing Investments	4,562	2,674	7,236	(2.5)	(0.3)	(2.6)
Developments	554	894	1,448	(2.6)	0.5	(2.4)

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Property valuation as at 31 March 2024, including capital expenditure in the period
2. Valuation movement during the year (after taking account of capital expenditure) of properties held at the balance sheet date, including developments (classified by end use), purchases and sales
3. Standalone Residential

ACCOUNTING BASIS: ANNUALISED GROSS RENTAL INCOME

Accounting Basis £m	Annualised as at 31 March 2024		
	Group	Joint ventures	Total
West End	63	16	79
City	23	87	110
Other Campuses	9	4	13
Campuses	95	107	202
Retail Parks	143	13	156
Shopping Centre	36	42	78
London Urban Logistics	8	-	8
Other Retail	16	1	17
Retail & London Urban Logistics	203	56	259
Total¹	298	163	461

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests
Residential consists of only developments and ground rents, thereby excluded from gross rental income analysis

1. Annualised accounting rent as at 31 March 2024, which differs from the gross rental income seen in the year as a result of leasing activity, capital activity, properties moving from and to development and other movements

PORTFOLIO NET YIELDS^{1,2}

	EPRA net initial yield	EPRA topped up net initial yield	Overall topped up net initial yield	Net equivalent yield	Net equivalent yield movement vs Mar-23	Net reversionary yield	ERV Growth
As at 31 March 2024	%	% ³	% ⁴	%	bps	% ⁵	% ⁶
West End	3.7	4.7	4.7	5.6	52	6.2	7.1
City	3.6	4.4	4.4	5.4	48	6.1	4.2
Other Campuses	4.5	4.5	5.0	6.0	46	6.8	(0.2)
Campuses	3.7	4.5	4.6	5.5	50	6.1	5.4
Retail Parks	6.6	7.1	7.2	6.7	12	6.8	7.2
Shopping Centre	8.1	8.6	8.8	8.1	19	8.2	5.2
London Urban Logistics	3.1	3.1	3.2	4.9	24	5.2	10.0
Other Retail	7.1	7.5	7.6	7.5	17	6.5	1.5
Retail & London Urban Logistics	6.7	7.2	7.3	7.0	15	7.0	6.3
Total	5.1	5.8	5.8	6.2	33	6.5	5.9

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests
Residential consists of only developments and ground rents, thereby excluded from yield analysis

1. Including notional purchaser's costs
2. Excluding committed developments, assets held for development and residential assets
3. Including rent contracted from expiry of rent-free periods and fixed uplifts not in lieu of rental growth
4. Including fixed/minimum uplifts (excluded from EPRA definition)
5. Net reversionary yield is the anticipated yield to which the initially yield will rise (or fall) once the rent reaches the estimated rental value, assuming 100% occupancy
6. As calculated by MSCI

TOTAL PROPERTY RETURN (AS CALCULATED BY MSCI)

12 months to 31 March 2024	Offices		Retail		Total	
	British Land ²	MSCI	British Land ²	MSCI	British Land	MSCI
Capital Return	(4.9)	(12.8)	2.3	(5.9)	(2.3)	(5.4)
ERV Growth	5.4	2.7	6.3	0.8	5.9	3.3
Yield Movement ¹	50 bps	88 bps	15 bps	24 bps	33 bps	41 bps
Income Return	2.8	4.1	7.1	6.0	4.4	4.7
Total Property Return	(2.3)	(9.3)	9.6	(0.3)	2.0	(1.0)

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Net equivalent yield movement
2. British Land Offices reflects Campuses; British Land Retail reflects Retail & London Urban Logistics

TOP 20 OCCUPIERS BY SECTOR

As at 31 March 2024	% of Retail & London Urban Logistics rent	As at 31 March 2024	% of Campuses rent
Retail & London Urban Logistics		Campuses	
Next	4.6	Meta	12.6
Walgreens (Boots)	4.3	Reed Smith	6.5
M&S	3.8	dentsu	6.1
TJX (TK Maxx)	2.8	Herbert Smith Freehills	3.7
JD Sports	2.7	SEFE Energy	3.4
Currys PLC	2.6	Sumitomo Mitsui	2.9
Frasers Group	2.5	Janus Henderson	2.2
DFS Furniture	2.1	Softbank Group	2.1
TGI Friday's	2.0	TP ICAP Plc	2.0
Kingfisher	1.9	The Interpublic Group	2.0
Hutchison Whampoa	1.7	Bank of Montreal	1.8
Homebase	1.7	Mayer Brown	1.8
Primark	1.7	Mimecast Plc	1.6
Asda Group	1.6	Milbank LLP	1.6
Tesco Plc	1.5	Credit Agricole	1.5
River Island	1.4	Accor	1.5
Sainsbury	1.4	Visa International	1.4
Pets at Home	1.3	The Guinness Trust	1.3
Smyths Toys	1.2	Dimensional Fund Advisors	1.1
New Look	1.2	Elxon	1.0
Total top 20	44.0	Total top 20	58.1

LEASE LENGTH & OCCUPANCY

As at 31 March 2024	Average lease length yrs		Occupancy rate %	
	To expiry	To break	EPRA Occupancy	Occupancy ^{1,2,3}
West End	5.5	4.7	89.6	95.0
City	8.2	6.7	79.3	97.2
Other Campuses	9.9	7.4	86.2	86.2
Residential ⁴	12.3	12.3	100.0	100.0
Campuses	7.0	5.8	83.9	95.8
Retail Parks	6.2	4.7	96.9	98.9
Shopping Centre	5.3	4.2	93.5	97.5
London Urban Logistics	3.2	1.9	99.8	99.8
Other Retail	8.4	7.7	96.2	97.2
Retail & London Urban Logistics	6.0	4.7	96.1	98.5
Total	6.4	5.2	90.0	97.2

1. EPRA Occupancy vs Occupancy: Occupancy excludes space under offer or subject to asset management and recently completed developments of Norton Folgate in the City and 3 Sheldon Square in the West End
2. Space allocated to Storey is shown as occupied where there is a Storey tenant in place otherwise it is shown as vacant. Total occupancy for Campuses would rise from 95.8% to 97.1% if Storey space was assumed to be fully let
3. Where occupiers have entered administration or CVA but are still liable for rates, these are treated as occupied. If units in administration are treated as vacant, then the occupancy rate for Retail & London Urban Logistics would reduce from 98.5% to 97.7%, and total occupancy would reduce from 97.2% to 96.8%
4. Standalone residential

PORTFOLIO WEIGHTING

As at 31 March 2024	2024 %	2024 £m	2023 %
West End	24.0	2,085	28.5
City	29.1	2,528	28.9
Canada Water & other Campuses	5.9	514	5.1
Residential ¹	1.8	151	1.0
Campuses	60.8	5,278	63.5
<i>Of which London</i>	<i>98</i>	<i>5,154</i>	<i>97</i>
Retail Parks	24.5	2,128	22.2
Shopping Centre	8.7	753	8.4
London Urban Logistics	3.6	313	3.0
Other Retail	2.4	212	2.9
Retail & London Urban Logistics	39.2	3,406	36.5
Total	100	8,684	100
<i>Of which London</i>	<i>67</i>	<i>5,800</i>	<i>69</i>

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Standalone residential

VALUATION BASIS: ANNUALISED RENT & ESTIMATED RENTAL VALUE (ERV)

As at 31 March 2024	Annualised rent (valuation basis) £m ¹			ERV £m	Average rent £psf	
	Group	Joint ventures	Total	Total	Contracted ²	ERV
West End ³	56	15	71	110	68.0	80.7
City ³	4	83	87	140	57.5	65.6
Other Campuses	5	-	5	8	24.8	35.0
Campuses	65	98	163	258	58.9	66.1
Retail Parks	143	13	156	159	22.9	21.4
Shopping Centre	36	43	79	78	27.6	25.3
London Urban Logistics	7	-	7	13	13.6	22.7
Other Retail	17	1	18	16	15.8	13.7
Retail & London Urban Logistics	203	57	260	266	23.0	21.7
Total	268	155	423	524	30.8	32.5

On a proportionally consolidated basis including the Group's share of joint ventures and funds and excluding non-controlling interests, and excluding committed, near term and assets held for development

Residential consists of only developments and ground rents, thereby excluded from rent analysis

1. Gross rents plus, where rent reviews are outstanding, any increases to ERV (as determined by the Group's external valuers), less any ground rents payable under head leases, excludes contracted rent subject to rent free and future uplift
2. Annualised rent, plus rent subject to rent free
3. £psf metrics shown for office space only

RENT SUBJECT TO OPEN MARKET RENT REVIEW

For year to 31 March As at 31 March 2024	2025 £m	2026 £m	2027 £m	2028 £m	2029 £m	2025-27 £m	2025-29 £m
West End	16	9	-	1	1	25	27
City	10	26	4	1	14	40	55
Other Campuses	1	-	-	-	-	1	1
Campuses	27	35	4	2	15	66	83
Retail Parks	13	10	11	6	5	34	45
Shopping Centre	4	2	2	2	1	8	11
London Urban Logistics	1	-	-	-	-	1	1
Other Retail	1	1	1	1	-	3	4
Retail & London Urban Logistics	19	13	14	9	6	46	61
Total	46	48	18	11	21	112	144

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests, and excluding committed, near term and assets held for development

Residential consists of only developments and ground rents, thereby excluded from open market rent analysis

RENT SUBJECT TO LEASE BREAK OR EXPIRY

For year to 31 March As at 31 March 2024	2025 £m	2026 £m	2027 £m	2028 £m	2029 £m	2025-27 £m	2025-29 £m
West End	10	14	4	7	10	28	45
City	10	8	6	4	20	24	48
Other Campuses	-	-	1	1	1	1	3
Campuses	20	22	11	12	31	53	96
Retail Parks	25	25	23	14	22	73	109
Shopping Centre	14	14	10	14	8	38	60
London Urban Logistics	1	4	-	2	-	5	7
Other Retail	2	2	1	1	-	5	6
Retail & London Urban Logistics	42	45	34	31	30	121	182
Total	62	67	45	43	61	174	278
% of contracted rent	13	14	9	9	13	36	58

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests excluding committed and near term, and assets held for development

Residential consists of only developments and ground rents, thereby excluded from lease break or expiry analysis

COMPLETED & COMMITTED DEVELOPMENTS

As at 31 March 2024	Sector	BL Share %	100% sq ft '000	PC Calendar Year	Current Value £m	Cost to come £m ¹	ERV £m ²	Let & under offer £m ⁴	Gross Yield on Cost ⁵ %
Norton Folgate	Office	100	335	Q4 2023	364	40	25.7	10.9	5.5
3 Sheldon Square	Office	25	140	Q1 2024	45	2	2.6	2.2	6.4
Robert's Close, K1 ³	Residential	50	62	Q1 2024	-	1	-	-	N/A
Total Recently Completed			537		409	43	28.3	13.1	5.6
The Priestley Centre	Science & Technology	100	84	Q2 2024	38	4	3.3	2.0	8.0
Aldgate Place, Phase 2	Residential	100	138	Q2 2024	145	16	6.9	0.2	5.0
The Optic (Peterhouse Exp.)	Science & Technology	100	96	Q1 2025	29	32	4.7	-	6.2
1 Broadgate ⁴	Office	50	545	Q2 2025	208	123	20.1	13.7	5.8
Mandela Way	London Urban logistics	100	144	Q3 2025	21	49	4.7	-	6.2
2 Finsbury Avenue ⁶	Office	50	750	Q2 2027	109	350	38.6	12.5	7.7
<i>Canada Water</i>									
The Dock Shed, A2 ³	Mixed Use	50	246	Q4 2024	32	19	5.5	-	Blended
1-3 Deal Porters Way, A1 ³	Mixed Use	50	270	Q4 2024	66	46	3.6	-	7.1
Total Committed			2,273		648	639	87.4	28.4	6.7

On a proportionally consolidated basis including the Group's share of joint ventures (except area which is shown at 100%)

- From 31 March 2024. Cost to come excludes notional interest as interest is capitalised individually on each development at our capitalisation rate
- Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)
- The London Borough of Southwark has confirmed they will not be investing in Phase 1, but retain the right to participate in the development of subsequent plots up to a maximum of 20% with their returns pro-rated accordingly
- Pre-let & under offer excludes 242,000 sq ft of office space under option
- Gross yield on cost is the estimated annual rent of a completed development divided by the total cost of development including the site value at the point of commitment and any actual or estimated capitalisation of interest, expressed as a percentage return
- Committed post period end

NEAR TERM DEVELOPMENT PIPELINE

As at 31 March 2024	Sector	BL Share%	100% sq ft '000	Earliest Start on Site	Current Value £m	Cost to come £m ¹	ERV £m ²	Planning Status	
1 Triton Square	Science & Technology	50	311	Q2 2024	190	51	16.7	Submitted	
The Box, Paddington	London Urban Logistics	100	152	Q3 2024	34	46	6.5	Consented	
Verney Road, Southwark	London Urban Logistics	100	202	Q2 2025	29	80	7.6	Submitted	
<i>Canda Water</i>									
Printworks, H1 & H2	Mixed Use	50	311	Q4 2024	-	109	9.0	Submitted	
Total Near Term			976		253	286	39.8		

On a proportionally consolidated basis including the Group's share of joint ventures (except area which is shown at 100%)

- From 31 March 2024. Cost to come excludes notional interest as interest is capitalised individually on each development at our capitalisation rate
- Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)

MEDIUM TERM DEVELOPMENT PIPELINE

As at 31 March 2024	Sector	BL Share %	100% Sq ft '000	Planning Status
Broadgate Tower	Office	50	405	Submitted
1 Appold Street	Office	50	397	Consented
Euston Tower	Office	100	529	Submitted
5 Kingdom Street	Office	100	214	Consented
Finsbury Square	London Urban Logistics	100	81	Pre-submission
Thurrock	London Urban Logistics	100	644	Consented
Enfield, Heritage House	London Urban Logistics	100	437	Consented
Hannah Close, Wembley	London Urban Logistics	100	668	Pre-submission
West One Development	Mixed Use	25	72	Consented
<i>Canada Water</i>				
Plot H3	Mixed Use	50	313	Outline Consented
Zone L	Residential	50	130	Consented
Plot F2	Mixed Use	50	448	Consented
Future phases ¹	Mixed Use	50	3,385	Outline Consented
Total Medium Term			7,723	

On a proportionally consolidated basis including the Group's share of joint ventures (except area which is shown at 100%)

1. The London Borough of Southwark has the right to invest in up to 20% of the completed development. The ownership share of the joint venture between British Land and AustralianSuper will change over time depending on the level of contributions made, but will be no less than 80%

FORWARD-LOOKING STATEMENTS

This Press Release contains certain (and we may make other verbal or written) 'forward-looking' statements. These forward-looking statements include all matters that are not historical fact. Such statements reflect current views, intentions, expectations, forecasts and beliefs of British Land concerning, among other things, our markets, activities, projections, strategy, plans, initiatives, objectives, performance, financial condition, liquidity, growth and prospects, as well as assumptions about future events and developments. Such 'forward-looking' statements can sometimes, but not always, be identified by their reference to a date or point in the future, the future tense, or the use of 'forward-looking' terminology, including terms such as 'believes', 'considers', 'estimates', 'anticipates', 'expects', 'forecasts', 'intends', 'continues', 'due', 'potential', 'possible', 'plans', 'seeks', 'projects', 'budget', 'goal', 'ambition', 'mission', 'objective', 'guidance', 'trends', 'future', 'outlook', 'schedule', 'target', 'aim', 'may', 'likely to', 'will', 'would', 'could', 'should' or similar expressions or in each case their negative or other variations or comparable terminology. By their nature, forward-looking statements involve inherent known and unknown risks, assumptions and uncertainties because they relate to future events and circumstances and depend on circumstances which may or may not occur and may be beyond our ability to control, predict or estimate. Forward-looking statements should be regarded with caution as actual outcomes or results may differ materially from those expressed in or implied by such statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements.

Important factors that could cause actual results (including the payment of dividends), performance or achievements of British Land to differ materially from any outcomes and results expressed or implied by such forward-looking statements include, among other things, changes and/or developments as regards: (a) general business and political, social and economic conditions globally, (b) the United Kingdom's withdrawal from, and evolving relationship with, the European Union, (c) industry and market trends (including demand in the property investment market and property price volatility), (d) competition, (e) the behaviour of other market participants, (f) changes in government and other regulation including in relation to the environment, landlord and tenant law, health and safety and taxation (in particular, in respect of British Land's status as a Real Estate Investment Trust), (g) inflation and consumer confidence, (h) labour relations, work stoppages and increased costs for, or shortages of, talent, (i) climate change, natural disasters and adverse weather conditions, (j) terrorism, conflicts or acts of war, (k) British Land's overall business strategy, risk appetite and investment choices in its portfolio management, (l) legal or other proceedings against or affecting British Land, (m) cyber-attacks and other disruptions and reliability and security of IT infrastructure, (n) changes in occupier demand and tenant default, (o) changes in financial and equity markets including interest and exchange rate fluctuations, (p) changes in accounting practices and the interpretation of accounting standards, (q) the availability and cost of finances, including prolonged higher interest rates, (r) changes in construction supplies and labour availability or cost inflation and (s) global conflicts and their impact on supply chains and the macroeconomic outlook, (t) public health crises. Information contained in this Press Release relating to British Land or its share price or the yield on its shares are not guarantees of, and should not be relied upon as an indicator of, future performance, and nothing in this Press Release should be construed as a profit forecast or profit estimate, or be taken as implying that the earnings of British Land for the current year or future years will necessarily match or exceed the historical or published earnings of British Land. Any forward-looking statements made by or on behalf of British Land speak only as of the date they are made. Such forward-looking statements are expressly qualified in their entirety by the factors referred to above and no representation, assurance, guarantee or warranty is given in relation to them (whether by British Land or any of its associates, directors, officers, employees or advisers), including as to their completeness, accuracy, fairness, reliability, the basis on which they were prepared, or their achievement or reasonableness.

Other than in accordance with our legal and regulatory obligations (including under the UK Financial Conduct Authority's Listing Rules, Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation, and the requirements of the Financial Conduct Authority and the London Stock Exchange), British Land does not intend or undertake any obligation to update or revise publicly forward-looking statements to reflect any changes in British Land's expectations with regard thereto or any changes in information, events, conditions or circumstances on which any such statement is based. This document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of British Land since the date of this document or that the information contained herein is correct as at any time subsequent to this date.

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