Half Year Results
30 September 2021

British Land

Good financial and operational performance – delivering against strategy

17 November 2021

Simon Carter, CEO said: "We have delivered good financial and operational performance. Strong leasing activity, significantly improved rent collection and increasing values across our Campuses and Retail Parks have driven 6.1% total returns in the half.

Current market trends reinforce the conviction we have in our strategy, and we are already seeing the benefits of our decision to focus on our unique campus proposition, the value play in retail parks and urban logistics development in London. Innovative growth businesses are focused more than ever on the highest quality, most sustainable workspace which we deliver at our Campuses. We expect the value opportunity in retail parks to continue with rents stabilising and yields moving in. The fundamentals for urban logistics development to support last mile delivery in London remain excellent.

In the last six months we have made good progress recycling capital from mature assets into our 1.6m sq ft development programme and £501m of acquisitions. We look ahead with confidence in our ability to drive performance from our development, asset management and repositioning skills."

Performance summary

Delivering against our strategy – actively recycling capital into growth markets

- £814m total capital activity behind our strategy since 1 April 2021
- £102m of acquisitions in Cambridge and Guildford, building our exposure to innovation sectors
- £189m of acquisitions with potential for urban logistics in London, total GDV of urban logistics pipeline of c.£600m
- £210m investment into retail parks, leveraging the value play opportunity
- 718,000 sq ft of new Campus development commitments bringing total development on site to 1.6m sq ft
- £196m sales of dry or mature assets; 6.0% ahead of book value

Good operational performance with positive market trends supporting strategic activity

- Portfolio value up 2.9% with Campuses up 3.0% and Retail & Fulfilment up 2.7% driven by Retail Parks up 7.1%
- 15 bps yield contraction overall; 6 bps yield contraction in Campuses; 54 bps in Retail Parks; rate of yield expansion slowing in Shopping Centres
- 1.8m sq ft leasing activity across the portfolio
- Strong rent collection: 96% for the half, close to pre-pandemic levels in retail, with offices fully collected
- Footfall and sales on our Retail portfolio 89% and 98% (97% and 98% for Retail Parks) of pre pandemic levels respectively; footfall 879bps ahead of benchmark

Good financial performance and strong balance sheet driven by strategic and operational progress

- Underlying EPS up 22.9% reflecting a significant reduction in provisions in the half
- EPRA Net Tangible Assets (NTA) up 5.1% to 681p
- HY22 dividend of 10.32p per share, representing 80% of underlying EPS
- 6.1% Total Accounting Return for the half
- LTV at 33.4% with 43% headroom to Group debt covenants
- £1.5bn undrawn facilities and cash with no requirement to refinance until late 2024
- Fitch affirmed senior unsecured credit rating at 'A'

Further progress against 2030 sustainability strategy

- Delivered our second net zero carbon development at 1 Triton Square
- 100 Liverpool Street named Green Building Project of the Year by BusinessGreen
- Community Funds established in partnership with occupiers at Paddington Central and Broadgate, following the success of our Regent's Place Community Fund
- New Diorama Theatre launched at Broadgate following its success at Regent's Place
- First UK REIT to achieve the Disability Smart Standard from the Business Disability Forum
- Awarded GRESB 5* rating and AAA rating from MSCI

Progress against our priorities

Realising the potential of our Campuses

- Total lettings and renewals at 819,000 sq ft; including 315,000 sq ft to Facebook at 1 Triton Square and 129,000 sq ft pre-let to JLL at 1 Broadgate with a further 254,000 sq ft pre-let to Allen & Overy post period end
- Lettings and renewals over one year on the standing portfolio 6.1% ahead of ERV
- Under offer on a further 330,000 sq ft
- Recently completed and committed developments 41% pre-let or under offer generating £91m of rent when fully let; committed office space 46% pre-let or under offer
- Storey operational across 345,000 sq ft (c.5% of Campuses); occupancy on stabilised space increased to 81%
- Acquisition of £102m of assets in Cambridge and Guildford leveraging our Campus proposition and increasing our exposure to innovation sectors

Progressing value accretive development

- Delivered 1 Triton Square, our second net zero carbon development which is fully let to Facebook
- New development commitments of 718,000 sq ft across Canada Water and Aldgate Place, Phase 2
- Total committed development covering 1.6m sq ft
- 1 Broadgate offices space fully pre-let or under option (see note 1)

Targeting the opportunities in Retail & Fulfilment

- Total leasing activity of 1m sq ft; occupancy high at 95.9%
- 632,000 sq ft of deals over one year; in line with ERV, 18.5% below previous passing rent;
- 571,000 sq ft under offer, 6.6% above ERV
- Acquired £189m of assets with urban logistics potential, including Heritage House, Enfield; Finsbury Square car park and Thurrock Retail Park; total GDV of urban logistics pipeline of c.£600m
- Acquired £210m of other retail parks including Blackwater Shopping Park in Farnborough and the remaining interest in HUT, targeting the value opportunity in retail parks

Active capital recycling

- £196m assets sold, including £117m retail sales and £79m residential sales
- Reinvesting proceeds into value accretive acquisitions and development
- Total financing activity of £527m including £420m new 'Green Loan' and £107m bond redemption

Summary performance

	HY 2020/21	**HY 2021/22**	Change
Income statement			
Underlying Profit	£107m	**£120m**	12.1%
Underlying earnings per share[3]	10.5p	**12.9p**	22.9%
IFRS profit/(loss) after tax	£(730)m	**£370m**	
IFRS basic earnings per share	(78.7)p	**39.9p**	
Dividend per share	8.40p	**10.32p**	
Total accounting return[3]	(10.3)%	**6.1%**	
Balance sheet	31 March 2021	**30 Sep 2021**	
Portfolio at valuation (proportionally consolidated)	£9,132m	**£9,840m**	2.9%[2]
EPRA Net Tangible Assets per share[3]	648p	**681p**	5.1%
IFRS net assets	£5,983m	**£6,249m**	
Loan to value ratio (proportionally consolidated)	32.0%	**33.4%**	
Fitch senior unsecured rating	A	**A**	
Operational Statistics	HY 2020/21	**HY 2021/22**	
Lettings and renewals over 1 year	0.2m sq ft	**1.3m sq ft**	
Total lettings and renewals	0.6m sq ft	**1.8m sq ft**	
Gross investment activity	£0.6bn	**£0.8bn**	
Committed and recently completed development	1.2m sq ft	**2.0m sq ft**	
Sustainability Performance			
MSCI ESG	AAA rating	**AAA rating**	
GRESB	5* and Green Star	**5* and Green Star**	

1. 383,000 sq ft pre let and 114,000 sq ft space under option
2. Valuation movement during the period (after taking account of capex) of properties held at the balance sheet date, including developments (classified by end use), purchases and sales
3. See Note 2 to the condensed interim financial statements

Results Presentation and Investor Conference Call

A presentation of the results will take place at 8.30am on 17 November 2021 at Peel Hunt, 100 Liverpool Street, Broadgate and will be broadcast live via webcast (Britishland.com) and conference call. The details for the conference call and weblink are as follows:

UK Toll Free Number:	0800 640 6441
Access code:	867501
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:	636973

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

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Chief Executive's review

Good financial and operational performance – delivering against strategy

We have delivered good financial and operational performance. Strong leasing activity, significantly improved rent collection and increasing values across our Campuses and Retail Parks have driven 6.1% total returns in the half.

Operational performance

Campus leasing activity rebounded strongly with 819,000 sq ft of lettings and renewals, 6.1% ahead of ERV. Post period end, we let a further 254,000 sq ft to Allen & Overy at 1 Broadgate in addition to a previously announced pre-let of 129,000 sq ft to JLL, so the office space at that building is now fully pre-let or under option. We have a healthy pipeline of deals under offer, totalling 330,000 sq ft reflecting renewed optimism in London offices with occupiers more confident of committing to space as their employees return to the office. Demand is firmly focused on the very best space, with an emphasis on sustainability, wellness, shared and flexible space and excellent transport connections. In line with this, the value of our Campus business was up 3.0% and we saw some modest yield contraction. Offices rent collection was 100%.

In Retail & Fulfilment, we delivered more than 1m sq ft of leasing activity including 632,000 sq ft of long term deals. Encouragingly, we are letting ahead of ERV on Retail Parks (+1.8%) whilst on Shopping Centres, deals were 2.7% below ERV. The relative outperformance of Retail Parks was reflected in valuations which were up 7.1% in the half. Retail parks proved more resilient throughout the pandemic and their attractive long term fundamentals including occupier affordability, compatibility with online propositions and alternative use potential now underpin improving demand in the occupational market and strong investment markets. Shopping Centre values were down 4.2%, although the rate of decline moderated significantly in the half year. We have continued our proactive engagement with occupiers to drive progress on rent collection and with Covid-related restrictions now lifted, this is close to pre-pandemic levels at 93% in retail for the half year.

The Priorities for our business

A year ago, we identified four clear priorities for our business. We have delivered further clear progress in each area since the start of the financial year which is summarised below:

Priority	Progress since May
Realising the potential of our Campuses	– Commitment to Phase 1 at Canada Water covering 582,000 sq ft – Acquisition of £102m of assets outside of London aligned to growth and innovation including Peterhouse Technology Park in Cambridge, The Priestley Centre and Waterside House in Guildford – Attracting innovative and growing businesses to our Campuses including pre-lets of 129,000 sq ft to JLL and 254,000 sq ft to Allen & Overy post period end and 315,000 sq ft to Facebook
Progressing value accretive development	– Delivered 1 Triton Square, our second net zero development – Total development commitments in the half of 718,000 sq ft across Canada Water and Phase 2 at Aldgate Place – Costs fixed at Canada Water, Norton Folgate, Aldgate Place Phase 2 and well progressed to place contract at 1 Broadgate
Targeting the opportunities in Retail & Fulfilment	– Acquisition of £189m of assets with urban logistics potential, including Heritage House, Enfield, Finsbury Square car park and Thurrock Retail Park – Acquisition of the remaining 22% in HUT at £148m GAV taking our ownership to 100%, NIY of 8% – £62m other retail park acquisitions including Blackwater Shopping Park, Farnborough
Active capital recycling	– £196m of asset sales since April 2021, overall 6.0% ahead of book value – £399m of Retail & Fulfilment acquisitions – £102m additions to our Campuses portfolio – Investing in sustainable development; now on site with 1.6m sq ft of development commitments – £527m of financing activity in the period

Business model & strategy

Our strategy is to more actively focus our capital on our competitive strengths in development, active management and repositioning assets. We are investing behind two strategic themes which play to our skill set and where we currently see the most attractive opportunities to drive future returns:

- **Campuses** – Dynamic neighbourhoods focused on customers in growth and innovation sectors including technology, science, engineering and health; and
- **Retail & Fulfilment** – retail parks and urban logistics aligned to the growth of convenience, online and last mile fulfilment

Reflecting this approach, we have updated our reporting segments along these lines. Campuses comprises our London Campuses including Canada Water and campus assets outside of London. Retail & Fulfilment includes all our retail assets and assets acquired to deliver urban logistics or those with logistics potential on our portfolio.

Campuses

Our unique Campus proposition is well established and resonates strongly with occupiers. At Broadgate, Paddington Central and Regent's Place we provide modern, high quality and sustainable space in some of the most exciting parts of London. The buildings and the spaces between them support wellbeing and are aligned to the changing ways people work. They have excellent transport connections, an engaging public realm and offer an authentic sense of community. We provide additional flexibility through Storey, our flexible workspace offer.

We have a unique opportunity to replicate our Campus model at Canada Water, where we have committed to Phase 1 of our Masterplan which will provide 582,000 sq ft of mixed use space, including 265 homes. In the first half, we completed a modular campus for TEDI-London, an engineering higher education provider which welcomed its first students in September. We are exploring opportunities to roll out this modular approach to other growth and innovation sectors. The wider Masterplan is deliberately flexible. We can deliver between 2,000 and c.4,000 residential units and from 500,000 sq ft to 2.5m sq ft of workspace enabling us to adapt our offer as the market and demand evolves.

We also see an opportunity to take our Campus model outside London and made £102m of acquisitions in Cambridge and Guildford. Cambridge is an exciting market focused on technology, science, engineering and health – sectors where the ability to co-locate in clusters plays a key role in innovation. This leverages our skills in curating campuses and underpins our focus on innovation sectors which are a growing source of demand in our markets. Peterhouse Technology Park, Cambridge acquired for £75m in August 2021 is let to ARM, the UK's pre-eminent technology business and offers significant reversionary potential. In Guildford we made £27m of acquisitions at the Surrey Research Park, which is emerging as a centre of innovation. The Priestley Centre was acquired for £12m and our business plan is to refurbish the building to deliver lab enabled space. We also acquired the adjacent Waterside House for £15m post period end.

Retail & Fulfilment

We have a market leading position in retail parks which account for 59% of our Retail & Fulfilment portfolio. These are increasingly preferred by retailers, as they are affordable and support an online offer by facilitating click & collect, returns and ship from store and we see this as a long term structural trend. Retail parks are also preferred by online resilient businesses, including discount food and homeware retailers. In May, we identified a clear opportunity in this space to leverage our asset management expertise to deliver attractive returns as rents and values stabilise. This rationale underpinned the acquisition of the A1 Retail Park in Biggleswade, where we have seen values up 19%. We expect to make additional acquisitions given our competitive advantage in sourcing, underwriting and asset managing but we will maintain our discipline on returns.

We are complementing our Retail Park business with the development of new logistics warehouse space for last mile delivery inside the M25. This specific part of the market, where customer requirements are evolving rapidly and demand is strong but supply of the right kind of space is highly constrained, will require innovative solutions to increase density and repurpose space in Central London. This is a nascent market which plays well to our skill set in site assembly, planning and delivering complex developments in Central London. We have identified three key themes in urban logistics and have made good progress against each:

- **Retail park conversions**: we acquired Thurrock Shopping Park for £82m where we have the potential to deliver a double-height, urban logistics warehouse leveraging its location just off the M25
- **Densification opportunities**: we acquired Heritage House in Enfield for £87m, a well located, urban logistics warehouse where we intend to increase densification by adding an additional floor
- **Repurposing and mixed use in Central London**: we acquired the Finsbury Square car park for £20m which provides an excellent opportunity to deliver an urban logistics hub in the City of London, where supply is highly constrained

Including the opportunities identified above and those on our portfolio, the estimated gross development value of our urban logistics opportunities is c.£600m with a blended forecast IRR from acquisition of c.15%.

Capital allocation and balance sheet

We have sold £196m of assets since April 2021, 6.0% ahead of book value and expect to make further disposals this year. We maintain good long term relationships with debt providers across the markets and have completed £527m of financing activity in the half year. This included a five year 'Green Loan' facility in our Broadgate joint venture, secured on 100 Liverpool Street.

We are pleased to be announcing a half year dividend of 10.32p, in line with our policy of setting the dividend at 80% of Underlying EPS.

Our people

Like our occupiers, we have been pleased to welcome our people back to the office and our business is benefitting from face to face collaboration across all our teams. We continue to support individuals with more flexible working arrangements and our employee networks have done an excellent job of keeping us connected as we transition back to the office. This includes NextGen, our latest employee network, which launched in October to help junior professionals and those who are new to the Real Estate sector.

Bhavesh Mistry joined us as Chief Financial Officer in July 2021 and Mark Aedy joined the Board as a non-executive director in September 2021. Following Mark's appointment, we are changing our Board Committee memberships. Mark will join the

Corporate Social Responsibility Committee, replacing Irvinder Goodhew who joins the Remuneration Committee, both with effect from 17th November.

Outlook

Current market trends reinforce the conviction we have in our strategy. The trend towards more flexible working has clearly accelerated during Covid and office demand is more firmly polarising towards the highest quality most sustainable space. This is exactly what we deliver at all our Campuses, where we also benefit from strong demand from innovative growth sectors. Over the next 12 months, our central case is for rental growth on our Campuses of 0-3% with yield compression likely.

We expect the value play opportunity in retail parks to continue, driven by reducing yields and rent stabilisation including some rental growth for small, well located parks. In Shopping Centres, valuation decline has slowed, and we expect to see continued yield stabilisation with the rate of ERV decline also slowing. The market for urban logistics assets to support last mile delivery in London remains excellent and we expect continued strong rental growth with further yield compression possible.

The economy continues to recover but we recognise that uncertainties remain in the macro environment, particularly with respect to rising input costs. However, longer term trends including the demand for high quality workspace, omni-channel retail space and urban logistics in London positions us well for the future. We also benefit from an excellent team, with the experience and ability to deliver on our strategy.

Market backdrop

Macro-economic context

The UK economy continued to recover in the period, with the roll out of the vaccination programme enabling Covid-19 related restrictions to be eased. As a result, GDP rose sharply in the June quarter driven by retail and hospitality and the impact of new variants has become more muted, so far not requiring restrictions to be reintroduced. Unemployment has reduced quicker than expected, falling to 4.3% from a high of 5.2% and in August, consumer confidence improved to pre-Covid levels. However, rising fuel and food prices have affected confidence more recently increasing inflationary expectations and the potential for interest rate rises. Notwithstanding these uncertainties, most forecasters expect the recovery to continue and long term real interest rates remain close to historic lows.

London office market

The level of investment market activity was encouraging with nearly £7bn of transactions in the period despite continued travel restrictions and limited stock on the market. Investor demand pent up during the pandemic is starting to unfold and European investors who see London as the key diversification market post Brexit have been particularly active. It is estimated that more than £40bn of equity is currently targeting London real estate, reflecting its long term secure income stream and attractive yields compared to other global cities. With greater certainty on the role of London post Brexit and renewed confidence in physical offices, the outlook for the investment market is more positive now that travel restrictions have eased. Prime yields currently average 3.5% for West End offices and 3.75% for City offices. Prime yields are stable in the West End but have moved in 25bps in the City.

In the central London occupational market, take up remains below its long term average, but there are signs that confidence is building and the market has reached a turning point. Take up for the period was 4.3m sq ft, nearly double the previous 6 month period and nearly 40% came from the creative and consumer services sector. Demand is clearly polarising towards the very best space, with an emphasis on sustainability, wellness, shared and flexible space and excellent transport connections. This part of the market has commanded rents in excess of conventional prime and vacancy is estimated at 3.5% compared to 9.1% for the whole market. Supply is near record highs but is skewed towards smaller, poorer quality space, with secondhand space accounting for 75% of total, of which 41% is sublet. Encouragingly recent data points to a withdrawal of sublet space from the market as occupiers who felt they had too much space in the early stages of Covid-19 now expect to use it. Reflecting the strong preference for new and high quality refurbished space, 32% of development under construction is currently pre-let.

Retail market

Investment activity has been dominated by retail parks, which have seen volumes of £1.6bn in the period, up nearly 50% on the prior two quarters. Confidence in the sector continues to build, reflecting lower occupancy costs for retailers and the important role retail parks can play in online fulfilment. In particular, the market has focused on assets which are small-to-medium in lot size and offer secure, sustainable income streams. As a result, yields have moved in 100 bps over the six months to 6%. The investment market for shopping centres, where occupancy costs are typically higher, remains challenging in the context of a tough occupational market and demand for shopping centres was weaker with £333m transacted in the period. As a result, yields have drifted out a further 25 bps to 7.75%.

The occupational market for retail has endured a challenging few years reflecting the structural shift to online which has accelerated through Covid-19. In that time, many retailers have successfully adapted their operating models to incorporate an attractive online offer and are emerging from the pandemic in a stronger position. While the market remains challenging and rising input costs will be an issue for many occupiers, with restrictions now eased there are encouraging pockets of demand in food & beverage, leisure & entertainment, homewares, sports and athleisure. As in the investment market, activity has been skewed towards retail parks which are more affordable and where footfall and sales are approaching pre-pandemic levels.

Logistics market

In logistics, investment volumes were high at £7.5bn over the six months and the sector is on track to post its strongest ever year of investment activity. Robust occupier demand, underpinned by structural trends in e-commerce has led to attractive rental growth which continues to appeal to long income investors. In the occupational market, year to date take-up across the UK is already more than any previous full calendar year with take up in London reaching 4.5m sq ft for April to September. In London, the occupier base is increasingly broad with alternative uses such as quick commerce and dark kitchens an emerging source of demand. In these cases, central locations are critical to their business models and are commanding a rental premium as a result. Vacancy rates are declining across the UK but in London, where space is most constrained and demand is very strong, vacancy is around 2%.

Business review

Key metrics

As at	31 Mar 2021	30 Sep 2021
Portfolio valuation	£9,132m	**£9,840m**
Occupancy	94.1%	**94.5%**[1]
Weighted average lease length to first break	5.3 yrs	**6.0 yrs**
Total property return	(7.0)%	**5.1%**
– Yield shift	+33 bps	**(15) bps**
– ERV movement	(7.6)%	**(1.0)%**
– Valuation movement	(10.8)%	**2.9%**
6 months to	30 Sept 2020	30 Sept 2021
Lettings/renewals (sq ft) over 1 year	259,000	**1,300,500**
Lettings/renewals over 1 year vs ERV	(4.3)%	**+4.3%**
Gross investment activity	£565m	**£814m**
– Acquisitions	-	**£501m**
– Disposals	£(456)m	**£(196)m**
– Capital investment	£109m	**£117m**
Net investment/(divestment)	£(347)m	**£422m**

On a proportionally consolidated basis including the Group's share of joint ventures and funds

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 would reduce from 94.5% to 94.2%

Portfolio performance

At 30 September 2021	Valuation £m	Valuation movement %	ERV movement %	Yield shift bps	Total property return %
Campuses	6,903	3.0	(0.3)	(6)	4.5
Central London	6,245	2.8	(0.3)	(6)	4.3
Canada Water & other Campuses	600	6.9	(0.2)	+1	8.9
Retail & Fulfilment	2,937	2.7	(1.9)	(32)	6.5
Retail Parks	1,732	7.1	(1.1)	(54)	11.7
Shopping Centres	814	(4.2)	(3.8)	+8	(0.3)
Urban Logistics	118	(0.9)	-	(26)	(0.2)
Total	9,840	2.9	(1.0)	(15)	5.1

See supplementary tables for detailed breakdown

The value of the portfolio was up 2.9% with Campuses and Retail & Fulfilment overall delivering similar performances but with significant variation in Retail & Fulfilment at the sub-sector level. Retail Parks delivered their strongest performance in five years, up 7.1%, driven by inward yield shift of 54 bps underpinned by strong investment markets and as footfall and sales recover towards pre-pandemic levels. Shopping Centre values continue to decline, down 4.2%. Yields have continued to move outwards and ERVs to decline although the rate of change has slowed. Urban logistics was up 3.7% excluding the impact of purchasers' costs; including purchaser' costs values reduced by 0.9% in the half.

Campuses were up 3.0% driven by our actions with strong leasing and development activity at Regent's Place and Broadgate generating uplifts. Canada Water was up 10.9%, reflecting good progress on the Masterplan including our commitment to Phase 1. Developments overall were up 6.3% reflecting positive lettings at 1 Triton Square.

Campus offices outperformed the MSCI benchmark for All Offices and Central London Offices by 150 bps and 100 bps respectively on a total returns basis. Retail outperformed the MSCI All Retail benchmark on a total returns basis by 140 bps due to our weighting towards retail parks. Reflecting the continued strength of industrials, our portfolio overall underperformed the MSCI All Property total return index by 250 bps over the period.

Capital activity

From 1 April 2021	Campuses £m	Retail & Fulfilment £m	Total £m
Purchases[1]	102	399	501
Sales[2]	(79)	(117)	(196)
Development Spend	90	4	94
Capital Spend	13	10	23
Net Investment	**126**	**296**	**422**
Gross Capital Activity	**284**	**530**	**814**

On a proportionally consolidated basis including the Group's share of joint ventures and funds

1. Includes the purchase of Blackwater Shopping Park (£38m), Waterside House, Guildford (£15m) and B&Q, Cambridge (£24m) which exchanged and completed post period end
2. Includes Virgin Active, Brighton (£14m) and Debenhams, Plymouth (£4m) which exchanged post period end and St Anne's (£6m) which exchanged prior to 1 April 2021

The total gross value of our investment activity since 1 April 2021 was £814m. We have actively pursued acquisitions in retail parks, urban logistics and those aligned to innovation and growth sectors outside London, including technology, science, engineering and health, together totalling £501m.

We acquired £102m of assets aligned to innovation sectors including The Peterhouse Technology Park in Cambridge for £75m representing a NIY of 4.15%. This 8.25 acre site just outside the centre of Cambridge comprises four buildings covering 140,000 sq ft and is fully let to technology business ARM for its global headquarters. The buildings are held on a long leasehold with significant reversionary potential and benefit from their location in an emerging part of south Cambridge, close to the Cambridge Biomedical Campus. In addition, we purchased a B&Q for £24m, also in Cambridge, which has good longer term potential for conversion to innovation space (within the Retail & Fulfilment category above). We also acquired The Priestley Centre in Guildford on the Surrey Research Park for £12m and adjacent Waterside House for £15m giving us a combined footprint in Guildford of over 11 acres. This provides an opportunity to deploy our Campus proposition and development skills to deliver high quality space for the innovative industries in this affluent town.

In Urban Logistics, we acquired £189m of assets including Heritage House, a 216,000 sq ft urban logistics warehouse in Enfield for £87m. It is fully let to high quality occupiers Waitrose (for their North London customer fulfilment centre) and Crown Records Management and offers significant redevelopment potential given the opportunity to increase density. We have also made acquisitions of retail parks with the potential for urban logistics conversion. The Thurrock Shopping Park, acquired for £82m presents exactly this opportunity given its prime location just off the M25, east of London. It benefits from its elevated location, which will make delivering multi-storey logistics more straightforward as both floors will have ground floor access. Leveraging our skills in planning and complex development in London, we also acquired an underground car park in Finsbury Square for £20m where we plan to create a last mile logistics hub in the City of London.

Retail & Fulfilment acquisitions totalled £399m and included the purchase of the Blackwater Shopping Park in Farnborough and the outstanding units in the Hercules Unit Trust. These represent value opportunities where we expect to deliver attractive financial returns off stabilised rents utilising our asset management expertise.

We made £196m of asset disposals, overall 6.0% ahead of book value. Our £117m of Retail & Fulfilment sales included the part sale of the Woodfields Retail Park in Bury for £36m, 18% ahead of book value and the Virgin Active in Chiswick for £54m, in line with book value. The blended NIY for retail disposals was 6.4%. We sold Wardrobe Court, a standalone residential building in the City of London for £70m, 5.4% ahead of book value. Other residential sales included the remaining unit at Clarges for £3.1m and St Annes, our affordable housing development at Regent's Place for £6m.

Rent collection

Half year to September 2021[1]

As at 9 November, we have collected 96% of rent due between 25 March 2021 and 28 September 2021. Of the remainder, 1% has been forgiven and 3% is outstanding.

Rent due between 25 March 2021 and 28 September 2021	Offices	Retail[2]	Total
Received	100%	93%	96%
Rent forgiven	–	2%	1%
Outstanding	-	5%	3%
Total	**100%**	**100%**	**100%**
	£94m	**£137m**	**£231m**

September 2021 Quarter[1]
As at 9 November, we have collected 93% of rent due between 29 September and 9 November. Of the remainder, 2% is being paid monthly and 5% is outstanding.

Rent due between 29 September 2021 and 9 November 2021	Offices	Retail[2]	Total
Received	99%	87%	93%
Rent forgiven	–	-	-
Customer paid monthly	-	4%	2%
Outstanding	1%	9%	5%
Total	**100%**	**100%**	**100%**
	£48m	**£52m**	**£100m**

1. As at 9 November
2. Includes non-office customers located within our London Campuses

Sustainability

We continue to make good progress on our 2030 commitments and were delighted to retain our GRESB 5 star rating in their annual sustainability benchmark. We retained a 5 star rating for both Standing Investments and Development for the second year. We also achieved a AAA rating from MSCI. 100 Liverpool Street was recently named Green Building Project of the year in the BusinessGreen Leaders awards and 1 Triton Square was highly commended. In November, 100 Liverpool Street was also named Project of the Year at the Building Awards.

Net Zero

We are committed to achieving a net zero carbon portfolio by 2030 and completed our second net zero carbon development at 1 Triton Square in the half year following 100 Liverpool Street. Embodied carbon was low at 436 kg CO_2e per sqm, below our 2030 target of 500 kg CO_2e per sqm reflecting our focus on reusing existing materials which at 1 Triton Square, included virtually all of the superstructure of the building. Residual embodied carbon was fully offset through certified, nature-based solutions which remove carbon from the atmosphere – a teak afforestation project in Mexico and a community reforestation project in Ghana. We achieved a BREEAM Outstanding certification on this building.

We made further development commitments at Canada Water where we are committed to achieving BREEAM Outstanding on all commercial space, BREEAM Excellent on retail and Home Quality Mark Beta 3* for residential. For commercial space, we will be using the UK NABERS system to help achieve our target energy efficiency. Canada Water is a ground-up redevelopment, so our ability to re-use existing materials will be limited and makes meeting our embodied carbon targets more challenging. Therefore, our focus will be on using the most sustainable materials and processes we can and piloting more innovative techniques. One example of this is at building A1, where we were awarded an Applied Innovation Credit from BRE recognising an industry first for capturing waste heat from the office building and re-using to heat the residential homes. This strategy will be implemented where appropriate across the Masterplan. We were the first to use cement free, Earth Friendly Concrete in permanent piling works in the UK, saving 240 tonnes of carbon emissions, a saving of 45% compared to the embodied carbon of traditional piling concrete mix.

We are also on site at 1 Broadgate and Norton Folgate which are in line with the UKGBC's 2030-35 and 2020-25 energy performance targets respectively for whole building energy efficiency and 1 Broadgate is tracking the NABERS 4.5 to 5 star rating reflecting its excellent overall energy efficiency. Embodied carbon at 1 Broadgate is above our 2030 targets at 901 kg CO_2e per sqm but we are designing out as much carbon as possible and operational carbon intensity will be one-sixth of the previous building. In addition, residual carbon will be offset at practical completion in line with our commitment to deliver net zero carbon developments. At Norton Folgate embodied carbon is in line with our 2030 targets at 444kg CO_2e per sqm.

MEES Legislation and EPCs

Continuing to improve the energy efficiency of our standing portfolio also plays a key role in our net zero strategy and with regulations around this expected to tighten, this is a key area of focus. In offices, we are already fully compliant with 2023 MEES legislation which stipulates a minimum EPC rating of E, and 36% of our offices space is currently rated A or B (by ERV). For the whole portfolio, 29% is currently A or B rated. Over the coming eight years we will focus on raising our EPC ratings to be in line with expected legislation which will require our whole portfolio to be a minimum EPC B or with valid exemptions registered by 2030.

We have a clear plan to achieve this. We are progressing net zero carbon audits to identify energy saving interventions with 12 audits completed and a further 15 are on track for completion by the end of the year. These audits will identify interventions at assets accounting for over 90% of landlord procured energy. Typical interventions identified include LED lighting replacements, which are relatively low cost and replacement air or water source heat pumps. Some of these interventions and associated costs will be included within our redevelopment plans and initial findings suggest the retrofit cost for our standing assets to be in the region of £100m over the coming eight years, of which a significant proportion will be recovered through the service charge as we work with our occupiers to achieve our shared goals in this respect. Work will also be financed by our Transition Vehicle, which was specifically set up to fund the retrofitting of our portfolio. It is funded by our internal levy on embodied carbon in new developments of £60 per tonne and supplemented by an annual float of £5m.

Place Based approach

Our Place Based approach means understanding the most important issues and opportunities in the communities around our places and focusing our efforts collaboratively to deliver the biggest impact. We have worked with the Brixton Finishing School to support its AD-Cademy programme. AD-Cademy provides employability workshops which upskill participants in key aspects of marketing, creativity and digital, increasing their chances of gaining employment. Our Campuses provided financial support and used their local connections to encourage participation. Almost 600 18-25 year olds local to our Campuses registered for the programme. At Regent's Place we are providing 10,000 sq ft of affordable workspace at 1 Triton Square and donated space at the Triton Café for use by Camden Giving and the Diorama Theatre as meeting space. We have also created Community Funds at Paddington and Broadgate, following the success of our Regent's Place Community Fund, an occupier-led initiative which funds local community projects. At our retail places, we are working with our community partners to identify key local issues at priority assets. This has included working with the Capital City Partnership on a recruitment and upskilling programme at Fort Kinnaird. At Canada Water we have committed to a further three years of our secondary school education partnership with the Construction Youth Trust which aims to engage over 1,000 local students per year in careers in the built environment.

The impact of Covid-19 continues to play out on the many individuals who have lost their livelihoods because of the pandemic. We have therefore refocused our Bright Lights skills and employment programme to support some of those affected with training and employment support. We delivered virtual employment training at two of our London Campuses and three of our retail sites, with 62% of those supported moving into work thereafter. At Ealing Broadway, we engaged with occupiers to find available roles within their businesses, providing guaranteed interviews to participants in our scheme and helping our occupiers find local people to fill their vacancies.

To celebrate our ten year partnership with the National Literacy Trust we funded research into the link between reading for pleasure and life chances which found that if all children in the UK read for pleasure daily, the number achieving five good GCSE grades could increase by 1.1 million in 30 years, boosting average lifetime earnings by an estimated £57,500 and raise the UK's GDP by as much as £4.6bn per year within a generation.

Following its success at Regent's Place and in partnership with New Diorama Theatre, we launched the New Diorama Theatre at Broadgate. NDT Broadgate is one of the biggest rehearsal and development complexes in London, the 20,000 sq ft space is provided completely free of charge for independent and freelance artists to use. With a reach and engagement of over 600,000 people and a footfall of 80,000 creatives across the year the launch of NDT Broadgate marked one of the highest profile artist support projects in recent years. We also announced a partnership with The National Theatre to bring creative events and experiences to our Campuses. This will involve monthly workshops led by creative experts focusing on theatrical skills and exploring how these can be applied to enhance the working day. The launch of NDT Broadgate and our partnership with The National Theatre will help rebuild the sense of workplace community and supports the creative industry's recovery.

Reflecting our continued focus on diversity, we were pleased to become the first real estate organisation to achieve the Disability Smart Standard, which is awarded by the Business Disability Forum to organisations who can demonstrate a culture of inclusion for all abilities. Our Campuses also achieved Excellent in the Mayor's Good Work Standard accreditation.

Campuses

Key metrics

	31 Mar 2021	**30 Sep 2021**
Portfolio Valuation (BL share)	£6,538m	**£6,903m**
Occupancy	93.9%	**95.1%**
Weighted average lease length to first break	5.5 yrs	**7.1 yrs**
Six months to:	30 Sept 2020	**30 Sept 2021**
Total property return	(1.6)%	**4.5%**
– Yield shift	+8 bps	**(6) bps**
– ERV growth	+0.7%	**(0.3)%**
– Valuation movement	(3.1)%	**3.0%**
Total lettings/renewals (sq ft)	139,000	**819,000**
Lettings/renewals (sq ft) over 1 year	78,000	**668,000**
Lettings/renewals over 1 year vs ERV	+3.2%	**+6.1%**
Like-for-like income[1]	+4.5%	**+1.4%**

On a proportionally consolidated basis including the Group's share of joint ventures and funds

1. Like-for-like excludes the impact of surrender premia, CVAs & admins and provisions for debtors and tenant incentives

Campus operational and financial highlights

- Campus value of £6.9bn, up 3.0% driven by leasing activity and development performance. Similar performance from City and West End assets, up 2.6% and 2.8% respectively; strong performance from Canada Water up 10.9%
- 6 bps yield contraction, similar in City and West End
- ERVs marginally down, impacted by change in valuation assumptions at 10 Triton Street, excluding this LFL ERV growth of 0.3%
- Like-for-like income up 1.4%, driven primarily by letting activity at Broadgate and rent reviews at Regent's Place
- Strong rebound in leasing activity with 668,000 sq ft deals (greater than one year) driven by development lettings; further 254,000 sq ft pre-let to Allen & Overy post period end at 1 Broadgate
- Total lettings and renewals at 819,000 sq ft, including 87,000 sq ft Storey lettings
- Under offer on a further 330,000 sq ft
- Investment lettings and renewals over one year, 6.1% ahead of ERV
- 354,000 sq ft rent reviews agreed 9.1% ahead of passing rent adding £1.4m to rents
- Occupancy of 95.1%
- Rent collection 100% for HY22

Campus operational review

Following the reorganisation of our reporting segments, Campuses comprises our three London Campuses (Broadgate, Regent's Place and Paddington Central), as well as Canada Water, new Campuses in Cambridge and the Surrey Research Park, standalone offices and residential.

Our London Campuses are located in some of London's most exciting neighbourhoods. They provide best in class space which meets the highest standards of sustainability and wellbeing and benefit from excellent transport connections, an engaging public realm and wide range of amenities. As the nature of occupier demand evolves, these characteristics enable us to attract successful businesses to our space and is a model we can replicate outside London to continue to attract a wide range of innovative, growing businesses.

Occupancy is 95.1%, improving slightly since March 2021. We benefit from a diverse portfolio of high quality occupiers focused on financial, corporate and media & technology sectors. As a result, we have collected all our rent for the half year.

Broadgate

Total leasing activity covered 257,000 sq ft in the half year, of which 233,000 were long term deals, with short term deals focused on Storey or meanwhile use for space entering development. The pre-let of 129,000 sq ft to JLL at 1 Broadgate was the largest single deal and demonstrates JLL's continuing conviction in the importance of modern, high quality and sustainable space. We pre-let a minimum of 254,000 sq ft to Allen & Overy post period end, significantly de-risking this development. Including space under option to JLL and Allen & Overy totalling 114,000 sq ft, this building is now fully pre-let or under option. Allen & Overy will have a separate entrance to the building, known as 2 Broadgate. We have been encouraged by activity we are seeing on the retail and leisure side, including 2,900sq ft to Revolve, a new restaurant concept at 100 Liverpool Street which will feature a regular rotation of new and emerging chefs. We are under offer on a further 138,000 sq ft across the Campus.

We continue to invest in our buildings to modernise our space and are on site with asset management initiatives including the refurbishment of 155 Bishopsgate (our share £35m). Other projects include partial refurbishments of Exchange House and 10 Exchange Square. This investment ensures that existing as well as new space is well positioned to benefit as occupiers increasingly focus on the best space. Improving the energy efficiency of our buildings to target a minimum EPC B rating is integral to that approach and over the next eight years we will deliver energy efficient interventions identified through our net zero carbon audits. We are also on site improving the public realm at Exchange Square, which will deliver 1.5 acres of green space, including amphitheatre style seating and outside events space which will be open to all, and a range of tree and plant life to support biodiversity.

Eataly opened in April and has transformed the frontage onto Bishopsgate. This was followed by successful leasing of retail units at 155 Bishopsgate: Black Sheep Coffee are open and trading, with Neat Burger, Nest and Honi Poke all complete and due to open by the end of the year.

With the lifting of restrictions, we have relaunched our occupier engagement programme. We hosted the Brilliant Breakfast in collaboration with The Princes Trust's Women Supporting Women initiative and a series of events for Corporate Queer anchored by a photographic exhibition.

The Campus saw a valuation gain of 3.0% reflecting 7bps of inward yield shift and improvement in some headline ERVs. The improvement being delivered at Exchange House and 155 Bishopsgate were key drivers of the uplift. 100 Liverpool Street, which benefited from inward yield shift and the reducing of rent free periods, also saw a notable uptick in value. Broadgate occupancy is 95.3%.

Regent's Place

The key transaction in the half was the letting of the office space at 1 Triton Square to Facebook which accounted for 315,000 sq ft of the 335,000 sq ft of long term leasing activity. Facebook has expanded at Regent's Place and this deal is a testament to their commitment to the Campus where total occupation will be 635,000 sq ft. dentsu international who had previously committed to taking 1 Triton Square will now remain at 10 and 20 Triton Street (180,000 sq ft). Rent reviews totalled 190,000 sq ft overall, 10.8% ahead of previous passing rent adding £1.3m to rents.

Regent's Place is well located to attract innovative and growth businesses looking to cluster around the academic, scientific and research institutions in London's Knowledge Quarter. Reflecting this we have signed life sciences business Fabricnano who are taking 7,000 sq ft at Drummond Street.

We have completed phase 1 of our public realm improvement programme and have committed to further upgrades across the whole Campus over the next 12 months. As part of this, we are working with an ecologist to improve the biodiversity at Regent's Place.

The Campus was up 4.4% in value, benefitting from the leasing activity at 1 Triton Square and 10 and 20 Triton Street, driving yield compression of 17 bps. ERVs were down 1.9% reflecting the change in valuation assumptions at 10 Triton Street and occupancy is 96.1%.

Paddington Central

Reflecting its high occupancy, leasing activity at Paddington focused on short term deals through Storey (total activity of 31,000 sq ft). Footfall to the Campus has been encouraging and ahead of pre-pandemic levels driven by Pergola, the outdoor dining pop up on the site of 5 Kingdom Street and expansion of the canal-side food and beverage offer.

Future investment into the Campus, having successfully achieved planning, includes a comprehensive upgrade at 3 Sheldon Square making the building all-electric and targeting a BREEAM Excellent rating. This is estimated to reduce operational energy consumption and carbon emissions by over 40% per annum. We are planning an extensive upgrade to the public realm which will transform the landscaping and revitalise the amphitheatre with work due to commence in the coming months.

The Campus saw a valuation increase of 1.0%, benefitting from progress on planning at 5 Kingdom Street. ERVs saw growth of 1.4% with yields broadly flat. Occupancy is 99.7%.

Storey: our flexible workspace offer

Storey is operational across 345,000 sq ft (c.5% of Campuses) and occupancy on stabilised buildings (those two years' post fit out or fully let) has increased to 81%. This reflects rising customer demand with strong momentum building around the return to work, increased demand for flexible space and greater confidence in the economic outlook.

Since 1 April, we have agreed leases on 100,000 sq ft of space, with 87,000 sq ft in the half year period, focused on new additions to the portfolio. At 2 Kingdom Street all 30,000 sq ft is now fully let and 100 Liverpool Street is 48% let with 20,000 sq ft of deals, rising to 75% including space under offer. New occupiers across the portfolio include Featurespace, Genflow, BAI Communications, Here Technologies and Kyndryl. We have a further 23,000 sq ft under offer across the portfolio and viewings are back to pre-pandemic levels.

Bookings at Storey Club, which provides ad hoc meeting and events space at 100 Liverpool Street and 4 Kingdom Street, have increased after a subdued first quarter. Reflecting the strength of its customer base, with the majority of occupiers being UK

/ European headquarters, scale up businesses or large multinationals rent collection has been resilient throughout Covid and is 100% for the half year.

Canada Water

At Canada Water, our 53 acre redevelopment scheme, we are working with the London Borough of Southwark to deliver a new town centre for London. Our 5m sq ft Masterplan is flexible, with the ability to deliver between 2,000 and 4,000 new homes alongside a mix of commercial, retail and community space. The site is located on the Jubilee Line and the London Overground, making it easily accessible from London Bridge, the West End, Canary Wharf and Shoreditch.

Our ownership is consolidated into a single 500-year lease with Southwark Council as the lessor. The headlease allows for the comprehensive redevelopment and investment in the site with Southwark Council owning an initial 20% interest and the ability to participate in the development up to a maximum of 20% with returns pro-rated accordingly. This is a ten to twelve year programme for which we will target annual development returns in the low teens. In parallel, we are advancing plans to bring in partners to support the delivery of the wider scheme and are engaged in discussions to take this forward.

We have outline planning permission for the Masterplan and detailed planning consent for the first three buildings (A1, A2 and K1) which we committed to in October. These buildings cover 582,000 sq ft and include commercial, retail and leisure space as well as 265 homes. A1 and A2 together include 300,000 sq ft of workspace and will target rents of over £50 psf. A1 also includes 186 homes which we are building to sell and will commence marketing closer to practical completion. The 79 affordable homes in K1 have been pre sold to the London Borough of Southwark who will manage them upon completion and the 55,000 sq ft leisure centre in A2 has been part-funded by Southwark Council.

Sq ft	Workspace	Retail & leisure	Residential units	Total
A1	120,000	9,000	186	272,000
A2	180,000	65,000	-	248,000
K1	-	-	79	62,000
Total	**300,000**	**74,000**	**265**	**582,000**

We have completed the installation of a modular campus for TEDI-London, a global partnership with King's College London, Arizona State University and UNSW Sydney. Each module uses lightweight steel frame boxes clad with insulation and requires no deep piles or concrete. At the end of its life the building can be reused on-site, relocated in its entirety or stripped and the materials recycled. The 15,000 sq ft campus opened to the first cohort of students in September and we are working with TEDI to deliver a permanent home for around 1,000 students within the Canada Water Masterplan. We see scope to expand this modular approach which provides a quicker route to market for businesses looking to expand without the formal commitment of a long term lease. We are engaged in discussions to deliver a life sciences enabled modular campus and have interest from other higher education providers. We are exploring a range of alternative uses across the Campus, uses which align to our wider strategy to focus the business on growing sectors. Our permission is deliberately flexible so as we move forward, we can take account of changes in demand by amending our offices, residential and retail allocations as appropriate.

The valuation of the Campus was up 10.9% in the period reflecting progress on the Masterplan including our commitment to Phase 1.

Retail & Fulfilment

Key metrics

As at	31 Mar 2021	30 Sep 2021
Portfolio valuation (BL share)	£2,594m	**£2,937m**
– Of which Retail Parks	£1,408m	**£1,732m**
– Of which Shopping Centres	£856m	**£814m**
– Of which Urban Logistics	-	**£118m**
Occupancy[1]	94.4%	**95.9%**
Weighted average lease length to first break	5.1 yrs	**4.8 yrs**
Six months to	30 Sept 20	30 Sept 21
Total property return	(12.2)%	**6.5%**
– Yield shift	+33 bps	**(32) bps**
– ERV growth	(10.9)%	**(1.9)%**
– Valuation movement	(14.9)%	**2.7%**
Total lettings/renewals (sq ft)	430,000	**1,024,000**
Lettings/renewals (sq ft) over 1 year	181,000	**632,000**
Lettings/renewals over 1 year vs ERV	(8.8)%	**+0.2%**
Like-for-like income[2]	(6.4)%	**+1.5%**

On a proportionally consolidated basis including the Group's share of joint ventures and funds

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 95.9% to 93.1%
2. Like-for-like excludes the impact of surrender premia, CVAs & admins and provisions for debtors and tenant incentives

Retail operational and financial highlights

- Retail & Fulfilment portfolio value at £2.9bn, up 2.7%, with Retail Parks rebounding strongly (up 7.1%), more than offsetting decline in Shopping Centres (down 4.2%)
- Yield compression of 32bps overall, driven by Retail Parks down 54bps with yield expansion decelerating in Shopping Centres to +8bps compared to 143 bps for the year to March 2021
- ERVs down 1.9%; weighted towards Shopping Centres, which are down 3.8%; Retail Parks down 1.1%
- Like-for-like income up 1.5%. Including the impact of CVAs and administrations, like-for-like income was down 7.6%.
- Leasing activity ahead of last year with 632,000 sq ft deals greater than one year; in line with March 2021 ERV and 18.5% below previous passing rent
- Total lettings and renewals at 1,024,000 sq ft
- Strong pipeline with 571,000 sq ft under offer, 6.6% above March 2021 ERV and 25% below passing rent
- Further 381,000 sq ft of rent reviews agreed 0.3% below passing rent
- Good occupancy levels, improving to 95.9%
- Footfall since re-opening of indoor hospitality on 17 May 89% of same period in 2019; like-for-like sales 98% of the same period in 2019
- 93% of HY22 rent collected
- Limited impact of CVAs and administrations in the first half with none in the second quarter; ten units impacted of which six were unaffected

Retail & Fulfilment operational review

Operational performance

Despite continued challenges in retail, this has been one of our strongest six months for leasing activity in recent years, with total activity of more than 1m sq ft. Deals over one year totalled 632,000 sq ft and were in line with ERV. Retail Parks are performing significantly better, with long term deals 1.8% ahead of ERV while deals at Shopping Centres were 2.7% below.

Overall, transactions were 18.5% below previous passing rent in the half. This reflects our pragmatic and proactive approach focused on maintaining occupancy; accepting lower rents where appropriate and are more sustainable long term. Reflecting this, occupancy levels have improved to 95.9%. With all Covid-19 restrictions now relaxed the outlook is more encouraging and we have a strong pipeline of deals, with 571,000 sq ft under offer, of which 354,000 sq ft is at our Retail Parks.

Retail Parks, which account for 59% of the Retail & Fulfilment portfolio proved resilient throughout the pandemic. They are well connected and affordable to retailers meaning they play an important role in a successful online retail strategy facilitating click and collect, returns and ship from store. Their lower occupancy cost also makes them attractive to discount retailers whose business models are more resilient to online. For example, we have let space to discount operator The Range at Crown Point Shopping Park in Denton and Elk Mill Shopping Park in Oldham (15,000 sq ft each). We have also re-geared leases to M&S at Fort Kinnaird, Edinburgh (51,000 sq ft) and Asda at Glasgow Fort (18,000 sq ft) and Stafford Queens (19,000 sq ft). M&S is an example of an operator whose strategy includes relocating out of high street units and into retail parks reflecting their stronger performance.

Shopping Centres now account for 28% of our Retail & Fulfilment portfolio, with open air covered schemes comprising 8% and traditional covered centres 20%. Many of our open air schemes were deliberately acquired for their development potential, including Ealing Broadway which has campus potential. Our near term focus for our Shopping Centres will be on actively managing this space to drive occupancy and deliver more sustainable cash flows and once stabilised, we will decide whether to continue to hold or exit these centres based on expected returns.

Following the acquisition of Heritage House, Enfield and the Finsbury Square Car Park and including urban logistics opportunities on our existing portfolio, Urban Logistics now accounts for 4% of Retail & Fulfilment. Including opportunities on our portfolio, the estimated gross development value of our urban logistics opportunities is c.£600m with a blended forecast IRR from acquisition of c.15%.

Footfall and sales have recovered strongly since the reopening of indoor hospitality on 17 May 2021, and are close to pre-pandemic levels, as set out below:

	16 May 2021 – 30 October 2021	
	% of 2019[1]	Benchmark outperformance[2]
Footfall		
– Portfolio	89.0%	+879bps
– Retail parks	97.0%	+107bps
Sales		
– Portfolio	97.5%	n/a
– Retail parks	98.4%	n/a

1. Compared to the equivalent weeks in 2019
2. Footfall benchmark: Springboard

With most Covid-19 related restrictions lifted before or during the first quarter our occupiers have been able to operate as normal for most of the period. This is reflected in our improved rent collection. We have collected 93% of rent for the half year, with 92% collected in the March quarter and 95% collected in the June quarter (see Supplementary Tables for full disclosure).

CVAs and administrations

There have been relatively few new CVAs or administrations in the period with just ten units impacted, of which six were unaffected, three saw rent reductions and one store closed. This resulted in £2.2m in lost contracted rent of which £2m related to the Virgin Active restructuring in May 2021.

Developments

At 30 September 2021	Sq ft '000	Current Value £m	Cost to complete £m	ERV £m	ERV Let & under offer £m
Recently completed	369	514	–	24.3	23.9
Committed	1,597	351	831	66.4	13.7
Near term	1,125	140	393	34.6	–
Medium term	7,161				

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

Portfolio

Progressing value accretive development is one of the four priorities for our business and we have made excellent progress in the half with 718,000 sq ft of new commitments at Phase 1 of Canada Water and Phase 2 of Aldgate Place. Recently completed and committed developments now total 2.0m sq ft and are 41% pre let or under offer, securing £38m of future rent. Excluding build to sell residential and retail space which we will let closer to completion, we are 46% pre-let or under offer on committed office space. Total development exposure is now 8.9% of portfolio gross asset value with speculative exposure at 8.4% (which is based on ERV and includes space under offer), within our internal risk parameter of 12.5%.

The majority of space in our development pipeline is either income producing or held at low cost, enhancing our flexibility, so we have attractive options we can progress as and when appropriate.

The construction market has changed over the first half of 2021, with initial increases in raw material costs due to constrained supply and increased global demand. The primary causes were Covid-19 related with manufacturing closures, reduced production and shipping provision, combined with increased demand for raw materials, such as iron ore and timber, from China and the USA. Input cost increases were initially sheltered by contractors keen to secure pipeline; however, the levels of workload and magnitude of cost increases have inevitably pushed up tender pricing. Buoyant public sector spending and infrastructure projects, together with a strong bounce back from the private sector, has meant construction output is higher than pre Covid-19. Wholesale energy cost increases, shortage of labour, increased cost of materials, elongated supply programmes and an increase in construction activity has resulted in inevitable inflation.

Our inflation forecast (based on tender price inflation) for H2 2021 has increased to 4%, with 3% in 2022 and 3.5% for 2023 & 2024. This is frequently under review to ensure our contingencies and cost plans are robust to deal with the market fluctuations. Having maintained momentum on our development programme through Covid, we have been able to place contracts competitively. We have fixed 95% of costs on Phase 1 at Canada Water, Norton Folgate and Phase 2 at Aldgate Place and we are well progressed to place the contract at 1 Broadgate.

Completed developments

We reached practical completion of 1 Triton Square (369,000 sq ft) in May. Embodied carbon was low at 436 kg CO_2e per sqm and we offset residual embodied carbon through certified schemes making this our second net zero carbon development. The offices space is now fully let to Facebook.

Committed developments

Our committed pipeline now stands at 1.6m sq ft following recent commitments at Canada Water and Phase 2 at Aldgate Place. At Canada Water, we have committed to the first three buildings, altogether covering 582,000 sq ft. Demolition is underway and all three main build contracts have now been placed. A1 is the most significant with total costs to come of £186m; practical completion is targeted for Q3 2024. Total costs to come for A2 and K1 (affordable housing) are £101m and £29m respectively. The London Borough of Southwark are not participating in Phase 1 but will take ownership of the affordable housing on completion and have part-funded the leisure centre in A2. We also expect to sell the 186 residential units in A1 closer to practical completion.

Phase 2 at Aldgate Place is our first build to rent residential scheme. It comprises 159 premium apartments with 19,000 sq ft of best-in-class office space and 8,000 sq ft of retail and leisure space. It is well located, adjacent to Aldgate East and between the Crossrail stations at Liverpool Street and Whitechapel. Works have now started on site with completion expected in Q2 2024.

These additions follow existing commitments at Norton Folgate and 1 Broadgate. At 1 Broadgate (543,000 sq ft) we are fully pre-let or under option on the office space to JLL and Allen & Overy. Norton Folgate is a 336,000 sq ft scheme, comprising 302,000 sq ft of office space, alongside retail and leisure space creating a mixed use development in keeping with the historic fabric of the area. Benefitting from its location, close to Shoreditch High Street and Spitalfields market, this building is ideally suited to technology and creative firms and we are encouraged by the interest we are seeing.

Recently Completed and Committed Developments

As at 30 September 2021	Sector	BL Share %	100% sq ft '000	PC Calendar Year	ERV £m[1]	Forecast IRR %
1 Triton Square	Office	100	369	Q2 2021	24.3	12
Total Recently Completed			**369**		**24.3**	

Norton Folgate	Office	100	336	Q3 2023	23.1	12
1 Broadgate	Office	50	543	Q2 2025	20.2	10
Aldgate Place, Phase 2	Residential	100	136	Q2 2024	6.0	11
Canada Water, Plot A1[2]	Mixed Use	100	272	Q3 2024	6.7	
Canada Water, Plot A2[2]	Mixed use	100	248	Q3 2024	10.4	11 blended
Canada Water, Plot K1[2]	Residential	100	62	Q2 2023	-	
Total Committed			**1,597**		**66.4**	

1. Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)
2. The London Borough of Southwark has confirmed they will not be investing in Phase 1. The BL ownership share will change over time as costs are incurred and is expected to be c.98-99% by PC

Near Term pipeline

Our near term pipeline covers just over 1m sq ft. More than half of that is focused on logistics opportunities at Meadowhall, where we have existing outline planning permission on development plots separate from the shopping centre covering 571,000 sq ft and would expect to submit a reserved matters application this financial year. At 5 Kingdom Street we have consent for a 438,000 sq ft office-led scheme. We also have an attractive opportunity to substantially refurbish the Priestley Centre in Guildford, which we acquired for £12m in the half year. The existing lease to BOC expires in early 2022 and demand from emerging technology and innovation businesses including satellite technology, life sciences and digital technologies is strong.

Medium Term Pipeline

The further phases at Canada Water account for 4.5m sq ft of our 7.2m sq ft pipeline. We have two other significant campus developments in the pipeline – 2-3 Finsbury Avenue (718,000 sq ft) where we have consent for an office scheme and Euston Tower (574,000 sq ft) where we are working up plans for substantial redevelopment, targeting life sciences and other innovation business leveraging its location in London's Knowledge Quarter.

We have added two logistics opportunities to the pipeline. At Teesside, we have identified a 299,000 sq ft opportunity on land outside the retail park which we are working up primarily for logistics use and the Finsbury Square car park acquired in the period has the potential to deliver 47,000 sq ft of urban logistics space right in the centre of London.

Beyond the Medium Term Pipeline, we have opportunities to redevelop Heritage House in Enfield to deliver a multi-storey urban logistics warehouse and at Thurrock Retail Park, acquired in the half year, we are targeting a partial conversion to urban logistics, given its location just off the M25.

Finance review

Six months to	30 September 2020	30 September 2021
Underlying Profit[1,2]	£107m	**£120m**
Underling earning per share[1,2]	10.5p	**12.9p**
IFRS profit/(loss) after tax	£(730)m	**£370m**
Dividend per share	8.40p	**10.32p**
Total accounting return[1,3]	(10.3%)	**6.1%**
As at	31 March 2021	30 September 2021
EPRA Net Tangible Assets per share[1,2]	648p	**681p**
IFRS net assets	£5,983m	**£6,249m**
LTV[1,4,5]	32.0%	**33.4%**
Weighted average interest rate[5]	2.9%	**2.7%**

1. See Glossary on website for definitions.
2. See Table B within supplementary disclosure for reconciliations to IFRS metrics.
3. See Note 2 within condensed interim financial statements for calculation.
4. See Note 11 within condensed interim financial statements for calculation and reconciliation to IFRS metrics.
5. On a proportionally consolidated basis including the Group's share of joint ventures and funds.

Overview

Financial performance has improved significantly following the easing of Covid-19 restrictions. Underlying Profit is up 12.1% at £120m, while underlying earnings per share (EPS) is up 22.9% at 12.9p. Based on our policy of setting the dividend at 80% of Underlying EPS, the Board have proposed an interim dividend of 10.32p per share.

Underlying Profit

	£m
Underlying Profit for the six months ended 30 September 2020	**107**
Like-for-like net rent (incl. CVA and administrations)	(8)
Provisions for debtors and tenant incentives[1]	47
Net divestment	(14)
Developments	(6)
Administrative & finance costs	(6)
Underlying Profit for the six months ended 30 September 2021	**120**

1. The period on period impact of provisions for debtors and tenant incentives was £47m. This reflects the difference between the nil charge to the income statement in the six-month period to 30 September 2021 (as disclosed in Note 7 and 10 of condensed interim financial statements) and the £47m charge in the six-month period to 30 September 2020.

Underlying Profit increased by £13m, primarily due to the significant reduction in provisions for debtors and tenant incentives, following improved rent collection driven by proactive engagement with occupiers and the lifting of Covid-related restrictions. This was partially offset by a reduction in like-for-like rents and the impact of net divestment made over the last 18 months.

Net divestment decreased earnings by £14m in the period. Proceeds from sales have been deployed into our value accretive acquisitions and our development pipeline. The recently completed and committed schemes are expected to generate an ERV of £91m, of which 41% is already pre-let or under offer.

IFRS profit after tax for the period was £370m, compared with a loss after tax for the prior period of £730m. The significant movement period-on-period primarily reflects the upward valuation movement on the Group's properties and those of its joint ventures and funds.

Overall valuations have increased by 2.9% on a proportionally consolidated basis resulting in an overall EPRA NTA per share increase of 5.1%. Including the FY21 final dividend of 6.64p per share, we have delivered a total accounting return of 6.1%.

Financing activity included the refinance of 100 Liverpool Street, completed in June, with the Broadgate joint venture raising a new £420m 5 year 'Green Loan' secured by the property at an initial LTV of c.50%. As part of the refinance, this BREEAM Outstanding and net zero carbon development was released from the Broadgate securitisation alongside the redemption of £107m of bonds.

LTV has increased by 140bps during the period to 33.4%. The primary drivers of the movement were acquisitions net of disposals which added 140bps as well as development spend adding 100bps . This was partially offset by positive valuation movements reducing LTV by 100bps.

Our weighted average interest rate remains low at 2.7% a 20bps decrease from 31 March 2021.

Our financial position remains strong with £1.5bn of undrawn facilities and cash and no requirement to refinance until late 2024. We retain significant headroom to our debt covenants, meaning the Group could withstand a fall in asset values across the portfolio of 43% prior to taking any mitigating actions.

Fitch Ratings, as part of their annual review in August 2021, affirmed all our credit ratings with a Stable Outlook, including the senior unsecured rating at 'A'.

Presentation of financial information

The Group financial statements are prepared under IFRS where the Group's interests in joint ventures and funds 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 and funds 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 monitors Underlying Profit as this more accurately reflects the underlying recurring performance of our core property rental activity, as opposed to IFRS metrics which include the non-cash valuation movement on the property portfolio. 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 interim 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) is also monitored by management as a key measure of the level of debt employed by the Group to meet its strategic objectives, along with a measurement of risk. It also allows comparison to other property companies who similarly monitor and report this measure.

Income statement

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 period to 30 September 2021, a £29m surrender premium payment was excluded from the calculation of Underlying Profit (see Note 3 of the condensed interim financial statements). There was no tax effect of this Company adjusted item. No Company adjustments were made in the prior period to 30 September 2020.

Six months to	Section	30 Sep 2020 £m	**30 Sep 2021 £m**
Gross rental income		268	**241**
Property operating expenses		(77)	**(31)**
Net rental income	1.2	191	**210**
Net fees and other income		6	**5**
Administrative expenses	1.3	(38)	**(44)**
Net financing costs	1.4	(52)	**(51)**
Underlying Profit		107	**120**
Underlying tax charge		(9)	**-**
Non-controlling interests in Underlying Profit		3	**1**
EPRA and Company adjustments[1]		(831)	**249**
IFRS profit (loss) after tax	2	(730)	**370**
Underlying EPS	1.1	10.5p	**12.9p**
IFRS basic EPS	2	(78.7)p	**39.9p**
Dividend per share	3	8.40p	**10.32p**

1. 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 and associated close out costs. Company adjustments consist of items which are considered to be unusual and/or significant by virtue to their size or nature. These items are presented in the 'capital and other' column of the consolidated income statement.

1.1 Underlying EPS

Underlying EPS is 12.9p, up 22.9%. This reflects the Underlying Profit increase of 12.1% and an underlying tax charge of £9m recognised in the prior period. Following the resumption of the dividend in November 2020, our REIT property income distribution requirements have been satisfied and therefore no underlying tax charge has been recognised in the period.

1.2 Net rental income

	£m
Net rental income for the six months ended 30 September 2020	**191**
Disposals	(26)
Acquisitions	10
Developments	(4)
Like-for-like net rent	(1)
CVA and administrations	(7)
Provisions for debtors and tenant incentives[1]	47
Net rental income for the six months ended 30 September 2021	**210**

1. The period on period impact of provisions for debtors and tenant incentives was £47m. This reflects the difference between the nil charge to the income statement in the six months to 30 September 2021 (as disclosed in Note 7 and 10 of condensed interim financial statements) and the £47m charge in the six months to 30 September 2020.

Disposed of income producing assets over the last 18 months reduced net rents by £26m in the period, where the proceeds from sales are being reinvested into value accretive acquisitions and developments. Acquisitions have increased net rents by £10m, primarily this relates to the purchase of the remaining 22% interest of HUT and Retail Park acquisitions at Biggleswade and Thurrock. Developments have reduced net rents by 4m, driven by the vacant possession of Euston Tower as it moves into redevelopment. The completed and committed development pipeline is expected to deliver £91m of ERV in future years.

Campus like-for-like net rental growth was 1.4% in the period. This was driven by letting activity, including Monzo at Broadwalk House, and rent reviews with dentsu international at 20 Triton St. Excluding the impact of CVAs and Admins, like-for-like net rental growth for Retail & Fulfilment was 1.5%. This reflects the leasing performance in period, improved occupancy and is partially offset by deals transacting at lower passing rents. The impact of CVA and administrations primarily relates to various retail CVAs that occurred midway through 2020. When including the impact of CVAs and administrations, like-for-like net rents for Retail & Fulfilment decreased 7.6%.

Provisions made against debtors and tenant incentives decreased by £47m compared to the prior period, with a net nil charge recognised in the period, as prior period provision releases were offset by provisions on new debtors and tenant incentives . We've made good progress on prior period debtors; the £119m of tenant debtors and accrued income relating to the period ending 31 March 2021 now stands at £60m, primarily driven by cash collection and negotiations with occupiers. As of 30 September 2021, tenant debtors and accrued income totalled £107m of which £75m (or 70%) is provided for. This is a key judgement and area of estimation, and we are mindful of the ongoing risks, including potential Covid-19 variants, which could impact future recoverability (for further detail, see our risk management and principal risk disclosure).

1.3 Administrative expenses

Administrative expenses have increased by £6m in the period to £44m. This increase is primarily the result of the added lease depreciation on our offices at York House, following its partial sale in January 2021, as well as the recognition of a credit in the prior period following the closure of the Group's defined benefit pension scheme to future accrual.

The Group's EPRA operating cost ratio decreased to 26.2% (H1 2020/21: 38.7%) as a result of a significant decrease in property outgoing expenses due to provisions made in respect of debtors and tenant incentives. Excluding provisions made in respect of debtors and tenant incentives, the Group's operating cost ratio remains at 26.2% (H1 2020/21: 20.3%) and the increase from the prior period is a result of lower rental income following sales activity and the increase in administrative costs noted above.

1.4 Net financing costs

	£m
Net financing costs for the six months ended 30 September 2020	**(52)**
Financing activity	1
Lower market rates	1
Net divestment	2
Developments	(2)
Other	(1)
Net financing costs for the six months ended 30 September 2021	**(51)**

Financing activity undertaken in the period has reduced costs by £1m, including the impact of the 100 Liverpool Street refinance and associated securitisation bonds redemption.

The impacts of net divestment and developments have been offset, with proceeds from sales being used to repay revolving credit facilities, while expenditure on our value accretive developments were funded by redrawing these facilities.

We have a balanced approach to interest rate risk management. At 30 September 2021, the interest rate on our debt was fully hedged, with 51% fixed (including swaps) and the balance capped. On average over the next five years we have interest rate hedging on 67% of our projected debt including 45% fixed. Our finance costs are affected by market rates which apply to debt which is either unhedged or where the cap strike rates are above the current rate. Our use of interest rate caps as part of our hedging means we do not incur mark to market costs on any repayment of debt which is capped, or on a floating rate, and the cost of this debt benefits while market rates remain low. Compared to the prior period, we've seen a further £1m reduction in finance costs from the impact of lower market rates.

Our debt and interest rate management approach has resulted in a lower weighted average interest rate of 2.7%. The 20bps decrease from 31 March 2021 is due to the use of our lower cost revolving credit facilities to fund our developments and acquisitions, and the refinance of 100 Liverpool Street.

The transition across our debt and derivatives portfolio from LIBOR to replacement with SONIA as the reference rate for Sterling is in progress, in line with market practice. We expect no impact on our financing costs as a result of this change in reference rate.

2. IFRS profit after tax

The main differences between IFRS profit after tax and Underlying Profit are that IFRS includes the valuation movements on investment and trading properties, fair value movements on financial instruments, capital financing costs and any Company adjustments. In addition, the Group's investments in joint ventures and funds 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 period was £370m, compared with a period loss after tax for the prior period of £730m. IFRS basic EPS was 39.9p per share, compared to a (78.7)p per share in the prior period. The IFRS profit after tax for the period primarily reflects the upward valuation movement on the Group's properties of £219m, the capital and other income profit from joint ventures and funds of £47m and the Underlying profit of £120m. The Group valuation movement and capital and other income profit from joint ventures and funds was driven principally by inward yield shift of 15bps and ERV decline of 1.0% in the portfolio resulting in a valuation increase of 2.9%.

The basic weighted average number of shares in issue during the period was 927m (H1 2020/21: 927m).

3. Dividends

In October 2020, we announced our new dividend policy, setting the dividend as semi-annual and calculated at 80% of Underlying EPS based on the most recently completed six-month period. Applying this policy, the Board are proposing an interim dividend for the six-month period ended 30 September 2021 of 10.32p per share. Payment will be made on Friday 7 January 2022 to shareholders on the register at close of business on Friday 26 November 2021. The dividend will be a Property Income Distribution and no SCRIP alternative will be offered.

Balance sheet

As at	Section	31 Mar 2021 £m	**30 Sep 2021 £m**
Property assets		9,140	**9,850**
Other non-current assets		51	**68**
		9,191	**9,918**
Other net current liabilities		(203)	**(276)**
Adjusted net debt	6	(2,938)	**(3,296)**
Other non-current liabilities		–	**-**
EPRA Net Tangible Assets		6,050	**6,346**
EPRA NTA per share	4	648p	**681p**
Non-controlling interests		59	**15**
Other EPRA adjustments[1]		(126)	**(112)**
IFRS net assets	5	5,983	**6,249**

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, the mark-to-market on the convertible bonds, 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 B within the supplementary disclosures.

4. EPRA Net Tangible Assets per share

	pence
EPRA NTA per share at 31 March 2021	**648**
Valuation performance	30
Underlying Profit	13
Dividend	(7)
Finance liability management	(1)
Other	(2)
EPRA NTA per share at 30 September 2021	**681**

The 5.1% increase in EPRA NTA per share reflects a valuation increase of 2.9% compounded by the Group's gearing.

Campus valuations were up 3.0%, driven by our actions with strong leasing and development activity at Regent's Place and Broadgate in particular generating uplifts of more than 3%. Yields moved in 6bps and ERV was marginally down. Developments again outperformed the standing portfolio and saw a valuation gain of 6.3%.

Valuations in Retail & Fulfilment were up 2.7% overall, with inward yield shift of 32bps and ERV decline of 1.9%. There is a significant variance at a sub-sector level, with Retail Park valuations showing a strong performance of 7.1%, driven by inward yield shift of 54 bps underpinned by strong investment markets. Shopping Centres valuations were down 4.2% in the period with ERVs down 3.8%; yields have continued to move outwards although the rate of expansion is more muted than in previous periods with investment markets remaining relatively subdued.

Our external valuers have included an explanatory note in relation to Covid-19 in their valuation reports, recognising that it continues to affect real estate markets globally. However, their opinions are not subject to "material valuation uncertainty" (as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards), concluding that there was an adequate quantum of market evidence upon which to base their opinions of value.

5. IFRS net assets

IFRS net assets at 30 September 2021 were £6,249m, an increase of £266m from 31 March 2021. This was primarily due to IFRS profit after tax of £370m, offset by the interim dividend paid in the period of £62m and the purchase of the remaining 21.9% units in the Hercules Unit Trust from non-controlling interests of £38m.

Cash flow, net debt and financing

6. Adjusted net debt[1]

	£m
Adjusted net debt at 31 March 2021	**(2,938)**
Disposals	169
Acquisitions	(390)
Development and capex	(132)
Net cash from operations	107
Dividend	(64)
Other	(48)
Adjusted net debt at 30 September 2021	**(3,296)**

1. Adjusted net debt is a proportionally consolidated measure. It represents the Group net debt as disclosed in Note 11 to the condensed interim financial statements and the Group's share of joint venture and funds' net debt excluding the mark-to-market on derivatives, related debt adjustments and non-controlling interests. A reconciliation between the Group net debt and adjusted net debt is included in Table A within the supplementary disclosures.

Acquisitions net of disposals increased debt by £221m whilst development spend totalled £115m with a further £17m on capital expenditure related to asset management on the standing portfolio. The value of recently completed and committed developments is £865m, with £831m costs to come. Speculative development exposure is 8.4% of ERV (includes space under offer). There are 1.1m sq ft of developments in our near term pipeline with anticipated cost of £393m.

7. Financing

	Group		Proportionally consolidated	
	31 Mar 2021	**30 Sep 2021**	31 Mar 2021	**30 Sep 2021**
Net debt / adjusted net debt[1]	£2,249m	**£2,388m**	£2,938m	**£3,296m**
Principal amount of gross debt	£2,291m	**£2,361m**	£3,183m	**£3,457m**
Loan to value	25.1%	**26.0%**	32.0%	**33.4%**
Weighted average interest rate	2.2%	**2.1%**	2.9%	**2.7%**
Interest cover	4.3	**5.3**	3.0	**3.4**
Weighted average maturity of drawn debt	7.0 years	**6.5 years**	7.6 years	**7.0 years**

1. Group data as presented in Note 11 of the condensed interim financial statements. The proportionally consolidated figures include the Group's share of joint venture and funds' net debt and exclude the mark-to-market on derivatives and related debt adjustments and non-controlling interests.

At 30 September 2021, our proportionally consolidated LTV was 33.4%, up from 32.0% at 31 March 2021. The impact of positive valuation movements decreased LTV by 100 bps. This was offset by acquisitions net of disposals which added 140bps, as well as development spend which added 100 bps. Note 11 of the condensed interim financial statements sets out the calculation of the Group and proportionally consolidated LTV.

In June we completed the refinance of 100 Liverpool Street with the Broadgate joint venture raising a new £420m 5 year 'Green Loan' secured by the property. As part of the refinance, this BREEAM Outstanding and net zero carbon development was released from the Broadgate securitisation alongside the redemption of £107m of bonds. There was strong interest from lenders for the new loan, reflecting the quality of the property, at an initial LTV of c.50%.

In September our £138m US Private Placement matured and was repaid as planned, using committed bank facilities.

As a result of this activity, and the £1.6bn of financing completed during the previous year, at 30 September 2021, we had £1.5bn of undrawn facilities and cash. Based on our current committed and available facilities, the group has no requirement to refinance until late 2024.

Our debt and interest rate management approach has enabled us to maintain a low weighted average interest rate of 2.7%. A 20bps decrease from 31 March 2021 is due to the use of our lower cost revolving credit facilities to fund our developments and acquisitions, and the refinance of 100 Liverpool Street.

Fitch Ratings, as part of their annual review in August 2021 affirmed our ratings, with a Stable Outlook; senior unsecured credit rating 'A', long term IDR 'A-' and short term IDR 'F1'.

Our strong balance sheet enables us to deliver on our strategy.

Bhavesh Mistry
Chief Financial Officer

About British Land

Our portfolio of high quality UK commercial property is focused on London Campuses and Retail & Fulfilment assets throughout the UK. We own or manage a portfolio valued at £13.3bn (British Land share: £9.8bn) as at 30 September 2021 making us one of Europe's largest listed real estate investment companies.

We create Places People Prefer, delivering the best, most sustainable places for our customers and communities. Our strategy is to leverage our best in class platform and proven expertise in development, repositioning and active management, investing behind two key themes: Campuses and Retail & Fulfilment.

Our three Campuses at Broadgate, Paddington Central and Regent's Place are dynamic neighbourhoods, attracting growth customers and sectors, and offering some of the best connected, highest quality and most sustainable space in London. We are delivering our fourth Campus at Canada Water, where we have planning consent to deliver 5m sq ft of residential, commercial, retail and community space over 53 acres. Our Campuses account for 70% of our portfolio.

Retail & Fulfilment accounts for 30% of the portfolio and is focused on retail parks which are aligned to the growth of convenience, online and last mile fulfilment. We are complementing this with urban logistics primarily in London, focused on development-led opportunities.

Sustainability is embedded throughout our business. In 2020, we set out our sustainability strategy which focuses on two time-critical areas where British Land can create the most benefit: making our whole portfolio net zero carbon by 2030, and partnering to grow social value and wellbeing in the communities where we operate.

Further details can be found on the British Land website at www.britishland.com

Risk management and principal risks

At British Land, effective risk management is fundamental to how we do business and represents a cornerstone of executing strategy and positioning our business for growth, whilst delivering positive outcomes on a long term, sustainable basis. Our approach to risk management is centred on being risk-aware, clearly defining our risk appetite, responding to changes to our risk profile quickly and having a strong risk management culture among employees with clear roles and accountability. The Group's risk appetite, integrated approach to managing risk, and governance framework are unchanged from that set out in the Managing Risk section of the 2021 Annual Report on pages 78-81.

The adverse impact and challenges caused by the Covid-19 pandemic on the Group were a key factor when determining the heightened risk assessment of the majority of our principal risks at March 2021 (see Risk Heat Map on page 81 of the 2021 Annual Report). During the six months to 30 September 2021, the UK's successful vaccination programme enabled Covid-19 restrictions to be eased and has meant the overall external risk environment in which we operate has improved. However, we remain cognisant to the risks posed by the emergence of future Covid-19 variants and any associated restrictions which could be reintroduced. There are also several evolving macroeconomic headwinds such as supply chain disruption, material and labour shortages which increase inflationary pressures and may give rise to interest rate rises and in turn serve to dampen UK economic growth. The challenges of the last eighteen months have demonstrated the resilience of our business, our robust risk management and our ability to be flexible to adapt to changes in the external environment as they evolve.

The Board believes that since the publication of the Annual Report and Accounts published in May 2021 there has been no material change to the Group's principal risks and the existing mitigating factors and actions remain appropriate. However, our current assessment is that the risk of a Catastrophic Business Event has lessened reflecting the improved Covid-19 environment, whilst our Development Strategy risks have increased following our development commitments at Canada Water and Aldgate Place and emerging inflationary pressures. A summary of the Group's principal risks, including an update for changes during the period and expected impacts during the second half of the financial year, is provided below.

Principal External Risks

Economic outlook – The UK economic climate and future movements in interest rates present risks and opportunities in property and financing markets as well as in the businesses of our occupiers which can impact delivery of our strategy and financial performance.

Update: The UK economy strengthened significantly in the period following the reopening of the economy with consumer confidence improving over the summer, however, rising fuel and food prices have affected confidence more recently. Whilst the UK economic outlook remains uncertain reflecting the on-going Covid-19 risk and several macroeconomic headwinds including inflationary pressures, the recovery is expected to continue well into 2022. The Board and executive team will continue to actively monitor the economic and political outlook and help us navigate through these near term challenges.

Political and regulatory outlook – Significant political events and regulatory changes, including the UK's decision to leave the EU, or potential Government policy response to the pandemic, bring risks both in terms of uncertainty until the outcome is known, and the impact of policies introduced. This could impact the businesses of our occupiers as well as our own business.

Update: The political risk outlook remains high, dictated by the ongoing national and global response to Covid-19, potential tax rises for businesses, and Government intervention including the rent moratorium and the introduction of a binding arbitration scheme for certain arrears built up during lockdown.

Commercial property investor demand – Reduction in investor demand for UK real estate may result in falls in asset valuations and could arise from variations in the health of the UK economy, the attractiveness of investment in the UK, availability of finance and the relative attractiveness of other asset classes.

Update: Investment market activity was encouraging in the period for London Offices (within our Campus sector) and Retail Parks and Logistics (within our Retail & Fulfilment sector) driving yield compression, and the outlook is positive given travel restrictions have eased enabling assets to be inspected in person. In Retail, investment activity has been dominated by retail parks whilst shopping centre demand remains subdued.

Occupier demand and tenant default – Underlying income, rental growth and capital performance could be adversely affected by weakening occupier demand and occupier failures resulting from variations in the health of the UK economy and corresponding weakening of consumer confidence, business activity and investment. Changing consumer and business practices including the growth of online retailing, flexible working practices and demand for energy efficient buildings and new technologies may result in earlier than anticipated obsolescence of our buildings should evolving occupier and regulatory requirements not be met. Some or all of these trends could be accelerated by the pandemic.

Update: Whilst the occupational markets remain challenging with overall market take-up in both London Offices and Retail below the long term average, Covid-19 has accelerated both a focus on quality for Office space and a shift in demand by retailers towards retail parks which support an online offer. We have been encouraged by the strength of leasing activity across our portfolio in the period.

Availability and cost of finance – Reduced availability of finance may adversely impact British Land's ability to refinance debt and/or drive up cost. These factors may also result in weaker investor demand for real estate. Regulation and capital costs of lenders may increase cost of finance, as could increased risk in terms of the UK outlook.

Update: Market interest rates have remained relatively low over recent months and there remains good lender appetite for the right sponsor and property.

Catastrophic business event – An external event such as a civil emergency, including a large-scale terrorist attack, cyber crime, pandemic disease, extreme weather occurrence, environmental disaster or power shortage could severely disrupt global markets (including property and finance) and cause significant damage and disruption to British Land's portfolio, operations, customers and people.

Update: This risk has partially reduced since last year as the restrictions imposed by the pandemic were eased enabling the reopening of our assets and the return to the office of our people, whilst ensuring appropriate mitigating procedures are in place. We remain mindful of the risk of any reintroduction of restrictions should new Covid-19 variants emerge, or infections increase significantly. Also, we are continuing to monitor and are executing our plans to strengthen our cyber security and IT infrastructure and associated key controls.

Principal Internal Risks

Investment strategy – In order to meet our strategic objectives, we aim to invest in and exit from the right properties at the right time. Underperformance could result from changes in market sentiment as well as inappropriate determination and execution of our property investment strategy, including: sector selection and weighting; timing of investment and divestment decisions; exposure to developments; asset, tenant, region concentration; and co-investment arrangements.

Update: Whilst investment markets are increasingly competitive in certain subsectors, we continue to actively crystallise value from mature and off strategy assets into value accretive acquisitions and development.

Development strategy – Development provides an opportunity for outperformance but usually brings with it elevated risk. This is reflected in our decision-making process around which schemes to develop, the timing of the development, as well as the execution of these projects. Key development risks that could adversely impact underlying income and capital performance include: development letting exposure; construction timing and costs (including construction cost inflation); major contractor failure; and adverse planning judgements.

Update: This risk has increased slightly in the period reflecting our development commitments at Canada Water and Aldgate Place increasing our speculative development exposure from 6.6% to 8.4% (which includes space under offer), albeit within our internal risk parameters and we expect this to reduce following pre-lets. We have continued to work with our contractors to ensure Covid-19 compliant work practices are in place at all sites and ensure they are operating effectively and efficiently. During the period, there is a heightened concern of inflationary price increases in the construction supply chain for certain materials and labour, and whilst these have not yet caused undue delay or significant cost increases we will continue to proactively work alongside our contractors to manage such issues as they arise.

Capital structure – leverage – Our capital structure recognises the balance between performance, risk and flexibility. Leverage magnifies capital returns, both positive and negative. An increase in leverage increases the risk of a breach of covenants on borrowing facilities and may increase finance costs.

Update: We continue to actively manage our LTV and retain significant headroom to our Group debt covenants.

Finance strategy – Our finance strategy addresses risks both to solvency and ongoing profitability. Failure to manage refinancing requirements may result in a shortage of funds to sustain the operations of the business or repay facilities as they fall due.

Update: We continue to have good access to financial markets as seen by our funding activity in the half year leaving us in a strong financial position with £1.5bn of undrawn facilities and cash.

Environmental Sustainability – A failure to anticipate and prepare for (i) environmental risks and (ii) preventative steps taken by government and society represent a principal and emerging risk. This risk category includes the increased exposure of assets to environmental hazards driven by climate change; policy risk from the cost of complying with new climate regulations with specific performance and/or technology requirements; compliance requirements from existing and emerging environmental regulation and leasing risk as sustainable buildings become increasingly important to occupiers

Update: We continue to work towards full TCFD alignment in climate risk disclosures and have recently undertaken a portfolio-wide transitional risk assessment in the period. We are progressing our net zero audit programme that will enable us to identify initiatives and the retrofit costs to improve the energy efficiency and deliver A and B ratings by 2030 in line with expected MEES compliance.

People – A number of critical business processes and decisions lie in the hands of a few people. Failure to recruit, develop and retain staff and Directors with the right skills and experience may result in significant underperformance or impact the effectiveness of operations and decision making, in turn impacting business performance.

Update: Following the easing of lockdown restrictions we have successfully transitioned our people back to the office, whilst supporting individuals with more flexible working arrangements. Across the marketplace, there are general rising wage expectations and an increase in employee mobility. Our staff turnover remains low, and we have a well rounded employee proposition and a good employer brand, but we will continue to keep under review and in particular to actively monitor and promote wellbeing.

Income sustainability – We are mindful of maintaining sustainable income streams which could be adversely affected by non-payment of rent, occupier failures, inability to re-let space on equivalent terms and potential structural changes to lease obligations. We also consider income sustainability in the execution of our investment strategy.

Update: We work closely with our customers to maximise occupancy and rent collection and actively monitor covenant strength. We have been encouraged by the progress on year to date rent collection at 96%, and expect rent collection levels will normalise over time.

Directors' Responsibilities Statement

The directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of British Land plc are listed on the company website www.britishland.com

By order of the Board.

Bhavesh Mistry
Chief Financial Officer

16 November 2021

Independent review report to The British Land Company PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed The British Land Company PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Half year results for the six months ended 30 September 2021 of The British Land Company PLC for the 6 month period ended 30 September 2021 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 September 2021;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Statement of Cash Flows for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half year results for the six months ended 30 September 2021 of The British Land Company PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half year results for the six months ended 30 September 2021, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half year results for the six months ended 30 September 2021 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half year results for the six months ended 30 September 2021 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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

We have read the other information contained in the Half year results for the six months ended 30 September 2021 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
16 November 2021

Consolidated Income Statement

For the six months ended 30 September 2021

	Note	Six months ended 30 September 2021 Unaudited Underlying pre-tax[1] £m	Capital and other £m	Total £m	Six months ended 30 September 2020 Unaudited Underlying pre-tax[1] £m	Capital and other £m	Total £m
Revenue	3	211	(20)	191	255	–	255
Costs[2]	3	(64)	(9)	(73)	(105)	–	(105)
	3	147	(29)	118	150	–	150
Joint ventures and funds (see also below)	8	45	47	92	29	(250)	(221)
Administrative expenses		(43)	–	(43)	(38)	–	(38)
Valuation movement	4	–	219	219	–	(625)	(625)
Profit on disposal of investment properties and investments		–	3	3	–	19	19
Net financing costs							
financing income	5	–	17	17	–	–	–
financing charges	5	(28)	(5)	(33)	(31)	(11)	(42)
		(28)	12	(16)	(31)	(11)	(42)
Profit (loss) on ordinary activities before taxation		121	252	373	110	(867)	(757)
Taxation	6	–	(2)	(2)	(9)	3	(6)
Profit (loss) for the period after taxation		121	250	371	101	(864)	(763)
Attributable to non-controlling interests		1	–	1	3	(36)	(33)
Attributable to shareholders of the Company		120	250	370	98	(828)	(730)
Earnings per share:							
basic	2			39.9p			(78.7)p
diluted	2			39.8p			(78.7)p

All results derive from continuing operations.

	Note	Six months ended 30 September 2021 Unaudited Underlying pre-tax[1] £m	Capital and other £m	Total £m	Six months ended 30 September 2020 Unaudited Underlying pre-tax[1] £m	Capital and other £m	Total £m
Results of joint ventures and funds accounted for using the equity method							
Underlying Profit		45	–	45	29	–	29
Valuation movement	4	–	60	60	–	(250)	(250)
Capital financing costs		–	(13)	(13)	–	–	–
	8	45	47	92	29	(250)	(221)

1. See definition in Note 2 and a reconciliation between Underlying Profit and IFRS profit in Note 13.
2. Included within 'Costs' is a charge relating to the provisions for impairment of tenant debtors, accrued income, tenant incentives and guaranteed rent increases of £2m (Six months ended 30 September 2020: £40m). This is disclosed in further detail in Note 3, Note 7 and Note 10.

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2021

	Six months ended 30 September 2021 Unaudited £m	Six months ended 30 September 2020 Unaudited £m
Profit (loss) for the period after taxation	**371**	(763)
Other comprehensive income (expense):		
Items that will not be reclassified subsequently to profit or loss:		
Net actuarial loss on pension scheme	**–**	(12)
Valuation movements on owner-occupied properties	**–**	(2)
	–	(14)
Items that may be reclassified subsequently to profit or loss:		
Gains on cash flow hedges		
– Group	**–**	2
– Joint ventures and funds	**1**	–
	1	2
Deferred tax on items of other comprehensive income	**–**	(1)
Other comprehensive income (expense) for the period	**1**	(13)
Total comprehensive income (expense) for the period	**372**	(776)
Attributable to non-controlling interests	**1**	(33)
Attributable to shareholders of the Company	**371**	(743)

Consolidated Balance Sheet

As at 30 September 2021

	Note	30 September 2021 Unaudited £m	31 March 2021 Audited £m
ASSETS			
Non-current assets			
Investment and development properties	7	**6,809**	6,326
Owner-occupied property	7	**5**	2
		6,814	6,328
Other non-current assets			
Investments in joint ventures and funds	8	**2,079**	2,120
Other investments	9	**30**	20
Property, plant and equipment		**28**	30
Interest rate and currency derivative assets	11	**102**	135
Debtors		**–**	6
		9,053	8,639
Current assets			
Trading properties	7	**18**	26
Debtors	10	**58**	56
Cash and short term deposits	11	**72**	154
		148	236
Total assets		**9,201**	8,875
LIABILITIES			
Current liabilities			
Short term borrowings and overdrafts	11	**(2)**	(161)
Creditors		**(227)**	(219)
Corporation tax		**(7)**	(7)
		(236)	(387)
Non-current liabilities			
Debentures and loans	11	**(2,451)**	(2,249)
Other non-current liabilities[1]		**(156)**	(128)
Interest rate and currency derivative liabilities	11	**(109)**	(128)
		(2,716)	(2,505)
Total liabilities		**(2,952)**	(2,892)
Net assets		**6,249**	5,983
EQUITY			
Share capital		**234**	234
Share premium		**1,307**	1,307
Merger reserve		**213**	213
Other reserves		**17**	16
Retained earnings		**4,463**	4,154
Equity attributable to shareholders of the Company		**6,234**	5,924
Non-controlling interests		**15**	59
Total equity		**6,249**	5,983
EPRA Net Tangible Assets (NTA) per share[2]	2	**681p**	648p

1. See footnote 1 in Note 3.
2. See definition in Note 2.

Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Note	Six months ended 30 September 2021 Unaudited £m	Six months ended 30 September 2020 Unaudited £m
Rental income received from tenants		**175**	138
Fees and other income received		**13**	17
Operating expenses paid to suppliers and employees		**(81)**	(64)
Sale of trading properties		**9**	–
Cash generated from operations		**116**	91
Interest paid		**(31)**	(38)
Corporation tax payments		**(2)**	(1)
Distributions and other receivables from joint ventures and funds	8	**24**	10
Net cash inflow from operating activities		**107**	62
Cash flows from investing activities			
Development and other capital expenditure		**(120)**	(74)
Sale of investment properties		**169**	142
Purchase of investment properties		**(293)**	–
Sale of investments		**–**	108
Purchase of investments		**(4)**	(2)
Purchase of non-controlling interest in Hercules Unit Trust		**(38)**	–
Investment in and loans to joint ventures and funds		**(29)**	(52)
Loan repayments from joint ventures and funds		**133**	–
Capital distributions from joint ventures and funds		**–**	4
Indirect taxes paid in respect of investing activities		**(5)**	(4)
Net cash (outflow) inflow from investing activities		**(187)**	122
Cash flows from financing activities			
Dividends paid		**(64)**	(10)
Dividends paid to non-controlling interests		**(5)**	–
Decrease in lease liabilities		**(3)**	(3)
Capital payments in respect of interest rate derivatives		**–**	(1)
Decrease in bank and other borrowings		**(182)**	(475)
Drawdown on bank and other borrowings		**252**	308
Net cash outflow from financing activities		**(2)**	(181)
Net (decrease) increase in cash and cash equivalents		**(82)**	3
Cash and cash equivalents at 1 April		**154**	193
Cash and cash equivalents at 30 September		**72**	196
Cash and cash equivalents consists of:			
Cash and short-term deposits		**72**	196

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2021

Six month movements in equity (unaudited)

	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 2021	**234**	**1,307**	**14**	**2**	**213**	**4,154**	**5,924**	**59**	**5,983**
Total comprehensive income for the period	**–**	**–**	**–**	**1**	**–**	**370**	**371**	**1**	**372**
Fair value of share and share option awards	**–**	**–**	**–**	**–**	**–**	**(1)**	**(1)**	**–**	**(1)**
Purchase of units from non-controlling interests[1]	**–**	**–**	**–**	**–**	**–**	**2**	**2**	**(40)**	**(38)**
Dividends paid in period (6.64p per share)	**–**	**–**	**–**	**–**	**–**	**(62)**	**(62)**	**–**	**(62)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5)**	**(5)**
Balance at 30 September 2021	**234**	**1,307**	**14**	**3**	**213**	**4,463**	**6,234**	**15**	**6,249**
Balance at 1 April 2020	234	1,307	12	26	213	5,243	7,035	112	7,147
Total comprehensive income (expense) for the period	–	–	2	(3)	–	(742)	(743)	(33)	(776)
Fair value of share and share option awards	–	–	–	–	–	3	3	–	3
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(1)	(1)
Balance at 30 September 2020	234	1,307	14	23	213	4,504	6,295	78	6,373

Prior year movements in equity (audited)

	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 2020	234	1,307	12	26	213	5,243	7,035	112	7,147
Total comprehensive income (expense) for the year	–	–	2	(24)	–	(1,014)	(1,036)	(52)	(1,088)
Fair value of share and share option awards	–	–	–	–	–	3	3	–	3
Dividends payable in year (8.40p per share)	–	–	–	–	–	(78)	(78)	–	(78)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(1)	(1)
Balance at 31 March 2021	**234**	**1,307**	**14**	**2**	**213**	**4,154**	**5,924**	**59**	**5,983**

1. On 5 July 2021, the Group completed the acquisition of the remaining 21.9% units of Hercules Unit Trust that the Group did not already own for a consideration of £38m. Whilst the transaction was completed on 5 July 2021, the Group obtained the risks and rewards of ownership of the 21.9% of Hercules Unit Trust on 1 April 2021 and therefore the change in ownership percentage and resulting non-controlling interests were reflected at this date in the interim financial statements. The book value of the net assets purchased at 1 April 2021 were £40m and consequently £40m has been transferred from non-controlling interests to shareholders equity.

Notes to the Accounts

For the six months ended 30 September 2021

1 Basis of preparation

The financial information for the period ended 30 September 2021 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 March 2021 has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified, did not include a reference to matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial report for the half-year reporting period ended 30 September 2021, included in this announcement has been prepared on a going concern basis using accounting policies consistent with UK-adopted international accounting standards, in accordance with IAS 34 Interim Financial Reporting, and in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. On 31 December 2020 EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 April 2021. This change constitutes a change in accounting framework however, there is no impact on recognition, measurement or disclosure. The current period financial information presented in this document has been reviewed, not audited.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2021, which has been prepared in accordance with both International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and any public announcements made by the Group during the interim reporting period.

The same accounting policies are followed in the half year report as applied in the Group's latest annual audited financial statements. During the period, in line with the Group's accounting policies, a Company adjustment was made in the calculation of Underlying Profit in relation to a £29m surrender premium payment (see Note 2 for further details). Surrender premia payable relating to investment properties are recognised in the income statement, through the Underlying column, except where the surrender premia payable is deemed to be unusual or significant by virtue of their size or nature, where they are recognised through the capital and other column. Surrender premia payable relating to development properties are capitalised as a property addition providing they are a directly attributable and necessary development expense.

The Group has considered amendments to standards endorsed by the UK Endorsement Board effective for the current accounting period and determined that these do not have a material impact on the consolidated financial statements of the Group in the period ended 30 September 2021. These amendments are as follows: References to Conceptual Framework in IFRSs (amended); IFRS 16 (amended) – Covid-19 related Rent Concessions; IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amended) – Interest Rate Benchmark Reform – Phase 2.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. None of these are expected to have a material impact on the consolidated financial statements of the Group. The new standards and amendments are as follows:

IFRS 17 – Insurance Contracts; IAS 1 (amended) – Classification of liabilities as current or non-current; IAS 1 and IFRS Practice Statement 2 (amended) – Disclosure of Accounting Policy; IAS 8 (amended) – Definition of Accounting Estimate; and IAS 12 (amended) - exception to the Initial Recognition Exemption.

The general risk environment in which the Group operates has remained heightened in the period due to the continued level of uncertainty associated with the impact of Covid-19 and challenges in the UK retail market. That said it is considered to have improved during the period, with the lifting of lockdown restrictions resulting in improvement in activity across the Group's segments, rents stabilising, improved rental collection rates and footfall and sales in retail parks returning close to pre-pandemic levels, however a degree of future uncertainty remains due to the pandemic.

Significant judgements and sources of estimation uncertainty

The Group's key sources of estimation uncertainty are consistent with those disclosed in the Group's latest audited financial statements.

Provisions for impairment of tenant debtors (including accrued income) and lease incentives, which are presented within investment properties, continue to be an area of significant estimation. The ongoing impact of Covid-19 continues to give rise to an elevated level of lease debtors due from tenants along with associated higher loss rates. The Group continues to calculate provisions for impairment against these balances using the expected credit loss model under IFRS 9, with the same key assumptions as disclosed in the Group's latest audited financial statements, updated for market conditions as at 30 September 2021. This includes adjusting risk ratings for the current and potential impact of Covid-19 on each tenant's business and industry. Following these adjustments, the Group's exposure to credit risk has not changed significantly since the year end. Given the ongoing nature of this key source of estimation uncertainty, the table on the following page is provided to disclose further detail on the ageing and related provisions for impairment on the tenant debtors (including accrued income) as at the 30 September 2021.

1 Basis of preparation continued

Provisions for impairment against bad debts

Further detail on the provisions for impairment, including sensitivity disclosures, is provided relating to lease debtors in Note 10 and lease incentives in Note 7.

30 September 2021	Group					Proportionally consolidated	
	< 90 days past due £m	90 – 190 days past due £m	190 – 365 days past due £m	> 365 days past due £m	Total £m	Total £m	Percentage provided %
Lease debtors	23	11	15	22	71	95	
Provisions for impairment against lease debtors	(6)	(10)	(15)	(22)	(53)	(69)	
Net lease debtors	**17**	**1**	**–**	**–**	**18**	**26**	**73%**
Accrued income[1]	8	–	–	–	8	12	
Provisions for impairment against accrued income	(5)	–	–	–	(5)	(6)	
Net accrued income	**3**	**–**	**–**	**–**	**3**	**6**	**50%**

1. Accrued income relates to rental income which has not yet been invoiced and is recognised on an accruals basis in accordance with the underlying lease. Accrued income which relates to concessions offered to tenants in the form of the deferral of rental payments accounts for £5m of the Group £8m accrued income balance above, with an associated provision of £4m.

31 March 2021	Group					Proportionally consolidated	
	< 90 days past due £m	90 – 190 days past due £m	190 – 365 days past due £m	> 365 days past due £m	Total £m	Total £m	Percentage provided %
Lease debtors	33	17	24	8	82	109	
Provisions for impairment against lease debtors	(12)	(13)	(24)	(8)	(57)	(72)	
Net lease debtors	21	4	–	–	25	37	66%
Accrued income[1]	9	–	–	–	9	10	
Provisions for impairment against accrued income	(5)	–	–	–	(5)	(6)	
Net accrued income	4	–	–	–	4	4	60%

1. Accrued income relates to concessions offered to tenants in the form of the deferral of rental payments. Rental income which has not yet been invoiced, is recognised on an accruals basis in accordance with the underlying lease.

Going concern

The interim financial statements are prepared on a going concern basis. The balance sheet shows the Group is in a net current liability position, predominantly due to £70m of deferred income (related to quarterly rents paid in advance which will not result in cash outflows) and other current creditors which will result in cash outflows over the next 12 months in the ordinary course of business. Set against this, the Group has access to £1.5bn 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 also took into account the headroom on Group debt covenants, equivalent to a 43% fall in property values as at 30 September 2021, and the absence of interest cover covenants on the unsecured facilities. Before factoring in any income receivable, the undrawn facilities and cash would 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 the interim financial statements at 30 September 2021.

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 current 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 interim financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial statements.

The interim financial information was approved by the Board on 16 November 2021.

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 investing 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 (see Note 6). 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 period to 30 September 2021, a £29m surrender premium payment was excluded from the calculation of Underlying Profit (see Note 3 for further details). There was no tax effect of this Company adjusted item. No Company adjustments were made in the prior period to 30 September 2020.

	Six months ended 30 September 2021			Six months ended 30 September 2020		
	Relevant earnings £m	**Relevant number of shares million**	**Earnings per share pence**	Relevant earnings £m	Relevant number of shares million	Earnings per share pence
Underlying						
Underlying basic	**120**	**927**	**12.9**	98	927	10.6
Underlying diluted	**120**	**930**	**12.9**	98	930	10.5
EPRA						
EPRA basic	**91**	**927**	**9.8**	98	927	10.6
EPRA diluted	**91**	**930**	**9.8**	98	930	10.5
IFRS						
Basic	**370**	**927**	**39.9**	(730)	927	(78.7)
Diluted	**370**	**930**	**39.8**	(730)	927	(78.7)

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 is 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, the mark-to-market on the convertible bonds, 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.

	30 September 2021			31 March 2021		
	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
EPRA						
EPRA NTA	**6,346**	**932**	**681**	6,050	933	648
EPRA NRV	**6,942**	**932**	**745**	6,599	933	707
EPRA NDV	**5,959**	**932**	**639**	5,678	933	609
IFRS						
Basic	**6,249**	**927**	**674**	5,983	927	645
Diluted	**6,249**	**932**	**670**	5,983	933	641

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 period as a percentage of the EPRA NTA per share at the start of the period.

	Six months ended 30 September 2021			Six months ended 30 September 2020		
	Increase in NTA per share pence	Dividend per share paid pence	Total accounting return	Decrease in NTA per share pence	Dividend per share paid pence	Total accounting return
Total accounting return	**33**	**6.64**	**6.1%**	(80)	–	(10.3%)

3 Revenue and costs

	Six months ended 30 September 2021			Six months ended 30 September 2020		
	Underlying £m	Capital and other £m	Total £m	Underlying £m	Capital and other £m	Total £m
Rent receivable	**158**	**–**	**158**	200	–	200
Spreading of tenant incentives and guaranteed rent increases	**6**	**–**	**6**	1	–	1
Surrender premia[1]	**1**	**(29)**	**(28)**	1	–	1
Gross rental income	**165**	**(29)**	**136**	202	–	202
Trading property sales proceeds	**–**	**9**	**9**	–	–	–
Service charge income	**32**	**–**	**32**	40	–	40
Management and performance fees (from joint ventures and funds)	**3**	**–**	**3**	4	–	4
Other fees and commissions	**11**	**–**	**11**	9	–	9
Revenue	**211**	**(20)**	**191**	255	–	255
Trading property cost of sales	**–**	**(9)**	**(9)**	–	–	–
Service charge expenses	**(30)**	**–**	**(30)**	(38)	–	(38)
Property operating expenses	**(23)**	**–**	**(23)**	(20)	–	(20)
Provisions for impairment of trade debtors and accrued income	**–**	**–**	**–**	(38)	–	(38)
Provisions for impairment of tenant incentives and guaranteed rent increases	**(2)**	**–**	**(2)**	(2)	–	(2)
Other fees and commissions expenses	**(9)**	**–**	**(9)**	(7)	–	(7)
Costs	**(64)**	**(9)**	**(73)**	(105)	–	(105)
	147	**(29)**	**118**	150	–	150

1. On 31 August 2021, the Group undertook a leasing transaction with two unrelated parties in relation to one of its investment properties. The transaction was commercially beneficial and resulted in an overall increase in the net assets of the Group. It involved a £29m payment to one party for the surrender of an agreement for lease, with a subsequent premium of £29m received for the grant of a new agreement for lease for the same property with another party meaning the transaction was cash neutral. In line with the requirements of IFRS 16, and due to the two unrelated parties in the transaction, the Group is required to account for the elements of the transaction separately, and as such an associated £29m surrender premium payment was recognised in full through the income statement in the period. Owing to the unusual and significant size and nature of the payment and in line with the Group's accounting policies the payment has been included within the capital and other column of the income statement. The £29m premium received was recognised as deferred income on the balance sheet as at 30 September 2021 within other non-current liabilities.

Further detail on the provisions for impairment of trade debtors, accrued income, tenant incentives and guaranteed rent increases is disclosed in Note 7 and Note 10.

4 Valuation movements on property

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m
Consolidated income statement		
Revaluation of properties	**220**	(625)
Revaluation of owner-occupied property	**(1)**	–
Revaluation of properties held by joint ventures and funds accounted for using the equity method	**60**	(250)
	279	(875)
Consolidated statement of comprehensive income		
Revaluation of owner-occupied properties	**–**	(2)
	279	(877)

5 Net financing costs

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m
Underlying		
Financing charges		
Bank loans and overdrafts	**(9)**	(12)
Derivatives	**15**	17
Other loans	**(36)**	(38)
Obligations under head leases	**(1)**	(2)
	(31)	(35)
Development interest capitalised	**3**	4
	(28)	(31)
Financing income		
Deposits, securities and liquid investments	**–**	–
Net financing charges – Underlying	**(28)**	(31)
Capital and other		
Financing charges		
Valuation movement on fair value debt	**25**	19
Valuation movement on fair value derivatives	**(30)**	(18)
Close-out of derivatives	**–**	(1)
Fair value movement on convertible bonds	**–**	(3)
Fair value movement on non-hedge accounted derivatives	**–**	(8)
	(5)	(11)
Financing income		
Fair value movement on non-hedge accounted derivatives	**17**	–
	17	–
Net financing income – Capital and other	**12**	(11)
Total financing income	**17**	–
Total financing charges	**(33)**	(42)
Net financing costs	**(16)**	(42)

Interest on development expenditure is capitalised at the Group's weighted average interest rate of 2.1% (30 September 2020: 1.9%). The weighted average interest rate on a proportionately consolidated basis at 30 September 2021 was 2.7% (30 September 2020: 2.5%).

6 Taxation

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m
Taxation expense		
Current taxation		
Underlying Profit		
Current period UK corporation taxation (30 September 2021: 19%; 30 September 2020: 19%)	**(1)**	(5)
Underlying Profit adjustments in respect of prior periods	**1**	(4)
Total current Underlying Profit taxation expense	**–**	(9)
Capital and other profit:		
Current period UK corporation taxation (30 September 2021: 19%; 30 September 2020: 19%)	**–**	–
Capital profit adjustments in respect of prior periods	**(2)**	3
Total current Capital and other profit taxation (expense) income	**(2)**	3
Total current taxation expense	**(2)**	(6)
Deferred taxation on revaluations and derivatives	**–**	(1)
Group total taxation	**(2)**	(7)
Attributable to joint ventures and funds	**–**	–
Total taxation expense	**(2)**	(7)

Taxation expense attributable to Underlying Profit for the six months ended 30 September 2021 was £nil (Six months ended 30 September 2020: £9m). Taxation expense attributable to Capital and other profit was £2m (Six months ended 30 September 2020: income of £3m).

7 Property

Property reconciliation

	Six months ended 30 September 2021				Year ended 31 March 2021			
	Investment and development properties Level 3 £m	Trading properties £m	Owner-occupied Level 3 £m	Total £m	Investment and development properties Level 3 £m	Trading properties £m	Owner-occupied Level 3 £m	Total £m
Carrying value at the start of the period/year	**6,326**	**26**	**2**	**6,354**	8,188	20	68	8,276
Additions								
– property purchases	**291**	**–**	**–**	**291**	52	–	–	52
– development expenditure	**96**	**4**	**4**	**104**	101	–	3	104
– capitalised interest and staff costs	**6**	**–**	**–**	**6**	11	–	–	11
– capital expenditure on asset management initiatives	**10**	**–**	**–**	**10**	34	–	–	34
– right of use assets	**–**	**–**	**–**	**–**	2	–	–	2
	403	**4**	**4**	**411**	200	–	3	203
Disposals	**(155)**	**(9)**	**–**	**(164)**	(1,130)	–	(66)	(1,196)
Right-of-use asset disposals	**–**	**–**	**–**	**–**	(36)	–	–	(36)
Reclassifications	**–**	**–**	**–**	**–**	(6)	6	–	–
Revaluations included in income statement	**223**	**(3)**	**(1)**	**219**	(886)	–	(2)	(888)
Revaluations included in OCI	**–**	**–**	**–**	**–**	–	–	(1)	(1)
Movement in tenant incentives and contracted rent uplift balances	**12**	**–**	**–**	**12**	(4)	–	–	(4)
Carrying value at the end of the period/year	**6,809**	**18**	**5**	**6,832**	6,326	26	2	6,354
Lease liabilities				**(108)**				(108)
Less surplus on right of use assets[1]				**(10)**				(8)
Valuation surplus on trading properties				**9**				9
Group property portfolio valuation at the end of the period/year				**6,723**				6,247
Non-controlling interests				**(14)**				(137)
Group property portfolio valuation at the end of the period/year attributable to shareholders				**6,709**				6,110

1. Relates to the fair value of right of use assets in excess of their associated lease liabilities. The fair value of right-of-use assets is determined by calculating the present value of net rental cashflows over the term of the lease agreements. IFRS 16 right-of-use assets are not externally valued, their fair value is determined by management, and are therefore not included in the Group property portfolio valuation of £6,723m above.

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 2019, published by The Royal Institute 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 and the Chief Financial Officer. The valuers meet with the external auditors and also present directly to the Audit Committee on a half yearly basis.

Property valuations are inherently subjective as they are made on the basis of significant unobservable inputs, including 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. There were no transfers between levels in the period. Inputs to the valuation, including equivalent yields, rental values and costs to complete, are 'unobservable' as defined by IFRS 13 and these are analysed in a table on the following page.

The general risk environment in which the Group operates has remained heightened during the period due to the continued level of uncertainty associated with the impact of Covid-19 and challenges in the UK retail market. This environment has had, and may continue to have, a significant impact upon property valuations. That said the general risk environment is considered to have improved during the period, with the lifting of lockdown restrictions resulting in improvement in activity across the Group's segments, rents stabilising, improved rental collection rates and footfall and sales in retail parks returning close to pre-pandemic levels.

7 Property continued

The Covid-19 pandemic has continued to impact many aspects of daily life and the global economy, with some real estate markets having experienced lower levels of transactional activity and liquidity compared to pre Covid-19 levels. In some cases, 'lockdowns' have been applied – in varying degrees – to reflect further 'waves' of Covid-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. As at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence returning to levels which our valuers consider to be an adequate quantum of market evidence upon which to base their opinions of value. Accordingly, and for the avoidance of doubt, our valuers have not reported their valuations as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards 2019. Our valuers have, however, highlighted the market context under which their opinions have been prepared and, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of Covid-19, the importance of the valuation date.

In preparing their valuations, our valuers have considered the impact of concessions agreed with tenants at the balance sheet date, which mainly relate to rent deferrals and rent free periods, on valuations, primarily of retail assets. They have also given consideration to occupiers in higher risk sectors, and those assumed to be at risk of default, in determining the appropriate yields to apply.

In light of market conditions we include sensitivity tables, below, to illustrate the impact of changes in unobservable inputs on the fair value of the Group's property portfolio.

There has been no change in the valuation methodology used for investment property as a result of Covid-19.

Information about the impact of changes in unobservable inputs (Level 3) on the fair value of the Group's property portfolio including share of joint ventures and funds for the six months ended 30 September 2021

	Fair value at 30 September 2021 £m	Impact on valuations +5% ERV £m	Impact on valuations -5% ERV £m	Impact on valuations -25bps NEY £m	Impact on valuations +25bps NEY £m	Impact on valuations -5% costs £m	Impact on valuations +5% costs £m
Campuses[1]	**5,743**	**241**	**(238)**	**389**	**(352)**	**11**	**(11)**
Retail & Fulfilment	**2,921**	**114**	**(113)**	**115**	**(105)**	**2**	**(1)**
Developments	**1,176**	**151**	**(142)**	**194**	**(165)**	**114**	**(118)**
Group property portfolio valuation including share of joint ventures and funds	**9,840**	**506**	**(493)**	**698**	**(622)**	**127**	**(130)**

1. Includes trading properties at fair value.

Information about fair value measurements using unobservable inputs (Level 3) for the six months ended 30 September 2021

Investment	Fair value at 31 September 2021 £m	Valuation technique	ERV per sq ft Min £	ERV per sq ft Max £	ERV per sq ft Average £	Equivalent yield Min %	Equivalent yield Max %	Equivalent yield Average %	Costs to complete per sq ft Min £	Costs to complete per sq ft Max £	Costs to complete per sq ft Average £
Campuses	**3,353**	Investment methodology	**9**	**159**	**17**	**4**	**7**	**4**	**–**	**364**	**39**
Retail & Fulfilment	**2,280**	Investment methodology	**2**	**31**	**55**	**2**	**13**	**7**	**–**	**45**	**7**
Developments[1]	**1,063**	Residual methodology	**68**	**88**	**79**	**4**	**5**	**5**	**394**	**1,007**	**483**
Total	**6,696**										
Trading properties at fair value	**27**										
Group property portfolio valuation	**6.723**										

1. Includes owner-occupied.

All other factors being equal:

- a higher equivalent yield or discount rate would lead to a decrease in the valuation of an asset;
- an increase in the current or estimated future rental stream would have the effect of increasing the capital value; and
- an increase in the costs to complete would lead to a decrease in the valuation of an asset.

However, there are interrelationships between the unobservable inputs which are partially determined by market conditions, which would impact on these changes.

7 Property continued

Provisions for impairment of tenant incentives and guaranteed rent increases

A provision of £23m (31 March 2021: £23m) has been made for impairment of tenant incentives and contracted rent uplift balances (guaranteed rents). The charge to the income statement in relation to write-offs and provisions for impairment for tenant incentives and guaranteed rents was £2m (Six months ended 30 September 2020: £2m) (see Note 3). The Directors consider that the carrying amount of tenant incentives is approximate to their fair value.

A 10% increase/decrease in the loss rates assumed for each credit risk rating would result in a £2m increase/decrease to provisions for impairment of tenant incentives. This sensitivity analysis has been performed on medium and high risk tenants and tenants in CVA or Administration only, as the significant estimation uncertainty is wholly related to tenants with these risk ratings. A 10% increase/decrease in the percentage share of high and low risk Retail & Fulfilment tenants incentives only, i.e. assuming 10% of tenant incentives move from medium to high risk and 10% of tenant incentives move from low to medium risk and vice versa, would result in a £4m increase/decrease in provisions for impairment of tenant incentives. A movement in the share of Campuses tenant incentives within each credit risk rating has not been considered as management believes there is less uncertainty associated to the assumption on Campuses tenants' credit risk ratings. A 10% increase or decrease represents management's assessment of the reasonable possible change in loss rates and movement in the percentage share of tenant incentives within each credit risk rating.

The table below shows the movement in provisions for impairment of tenant incentives during the six months ended 30 September 2021 on a Group and on a proportionally consolidated basis.

Movement in provisions for impairment of tenant incentives	**Group £m**	**Proportionally consolidated £m**
Provisions for impairment of tenant incentives as at 31 March 2021[1]	23	26
Increase in provisions for impairment of tenant incentives due to acquisition on 1 April 2021[1]	–	5
Provisions for impairment of tenant incentives as at 1 April 2021[1]	23	31
Write-offs of tenant incentives	(2)	(2)
Movements in provisions for impairment of tenant incentives	2	3
Total provision charge recognised in income statement	2	3
Provisions for impairment of tenant incentives as at 30 September 2021	**23**	**32**

1. The provisions for impairment of tenant incentives as at 1 April 2021 on a proportionally consolidated basis is £5m higher than the proportionally consolidated provision recognised at 31 March 2021. This is as a result of the acquisition of the remaining 21.9% units of Hercules Unit Trust on 1 April 2021. See the Statement of Changes in Equity for further details.

Additional property covenant information

Properties valued at £1,181m (year ended 31 March 2021: £1,017m) were subject to a security interest and other properties of non-recourse companies amounted to £591m (year ended 31 March 2021: £575m), totalling £1,772m (year ended 31 March 2021: £1,592m).

8 Joint ventures and funds

Summary movement for the period of the investments in joint ventures and funds

	Joint ventures £m	Funds £m	**Total £m**	Equity £m	Loans £m	**Total £m**
At 1 April 2021	1,997	123	**2,120**	1,459	661	**2,120**
Additions	39	–	**39**	1	38	**39**
Disposals	(149)	–	**(149)**	(16)	(133)	**(149)**
Share of profit (loss) after taxation	83	9	**92**	93	(1)	**92**
Distributions and dividends:						
– Revenue	(19)	(5)	**(24)**	(24)	–	**(24)**
Hedging and exchange movements	1	–	**1**	1	–	**1**
At 30 September 2021	1,952	127	**2,079**	1,514	565	**2,079**

Summary income statement for the period of the investments in joint ventures and funds

	Six months ended 30 September 2021		Six months ended 30 September 2020	
	£m 100%	**£m BL Share**	£m 100%	£m BL Share
Revenue	**193**	**93**	191	94
Costs	**(52)**	**(24)**	(85)	(42)
	141	**69**	106	52
Administrative expenses	**(2)**	**(1)**	–	–
Net financing costs	**(46)**	**(23)**	(46)	(23)
Underlying Profit before taxation	**93**	**45**	60	29
Valuation movement	**117**	**60**	(515)	(250)
Capital financing costs	**(26)**	**(13)**	–	–
Profit (loss) on ordinary activities before taxation	**184**	**92**	(455)	(221)
Taxation	**–**	**–**	–	–
Profit (loss) on ordinary activities after taxation	**184**	**92**	(455)	(221)
Profit (loss) split between controlling and non-controlling interests				
Attributable to non-controlling interests		**–**		(4)
Attributable to shareholders of the Company		**92**		(217)

Operating cash flows of joint ventures and funds (Group share)

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m
Rental income received from tenants	**73**	52
Operating expenses paid to suppliers and employees	**(11)**	(13)
Cash generated from operations	**62**	39
Interest paid	**(23)**	(23)
UK corporation tax received (paid)	**1**	(1)
Cash inflow from operating activities	**40**	15
Cash inflow from operating activities deployed as:		
Cash surplus following revenue distributions	**16**	5
Revenue distributions per consolidated statement of cash flows	**24**	10
Revenue distributions split between controlling and non-controlling interests		
Attributable to non-controlling interests	**5**	–
Attributable to shareholders of the Company	**19**	10

9 Other investments

	30 September 2021 £m	31 March 2021 £m
Fair value through profit or loss	**15**	6
Amortised cost	**4**	2
Intangible assets	**11**	12
	30	20

The amount included in the fair value through profit or loss relates to private equity/venture capital investments of £15m (31 March 2021: £6m) which are categorised as Level 3 in the fair value hierarchy. The fair values of private equity/venture capital investments are determined by the Directors.

10 Debtors

	30 September 2021 £m	31 March 2021 £m
Trade and other debtors	**36**	38
Prepayments and accrued income	**18**	14
Rental deposits	**4**	4
	58	56

Trade and other debtors are shown after deducting a provision for impairment against tenant debtors of £53m (31 March 2021: £57m). Accrued income is shown after deducting a provision for impairment of £5m (31 March 2021: £5m). The provisions for impairment is calculated as an expected credit loss on trade and other debtors in accordance with IFRS 9, with the same key assumptions as disclosed in the Group's latest audited financial statements, updated for market conditions as at 30 September 2021.

The charge to the income statement in relation to provisions for impairment of trade receivables and accrued income for the six months ended 30 September 2021 was £nil (Six months ended 30 September 2020: £38m), as disclosed in Note 3. Within this charge, £4m (Six months ended 30 September 2020: £5m) represents provisions for impairment made against receivable balances related to billed rental income due on 29 September rent quarter day.

The decrease in provisions for impairment of trade debtors and accrued income of £4m (Six months ended 30 September 2020: £34m) is equal to the charge to the income statement of £nil (Six months ended 30 September 2020: £38m), less write-offs of trade debtors of £4m (Six months ended 30 September 2020: £4m).

The Directors consider that the carrying amount of trade and other debtors is approximate to their fair value.

A 10% increase/decrease in the loss rates assumed for each credit risk rating would result in a £2m increase and a £3m decrease to provisions for impairment of tenant debtors and accrued income. This sensitivity analysis has been performed on medium and high risk tenants and tenants in CVA or Administration only, as the significant estimation uncertainty is wholly related to tenants with these risk ratings. A 10% increase/decrease in the percentage share of high and low risk Retail & Fulfilment tenant debtors, i.e. assuming 10% of debtors move from medium to high risk and 10% of debtors move from low to medium risk and vice versa, would result in a £5m increase and a £4m decrease in provisions for impairment of tenant debtors and accrued income. A movement in the share of Campuses debtors and accrued income within each credit risk rating has not been considered as management believes there is less uncertainty associated to the assumption on Campuses tenants' credit risk ratings. A 10% increase or decrease represents management's assessment of the reasonable possible change in loss rates and movement in the percentage share of tenant incentives within each credit risk rating.

10 Debtors continued

The table below summarises the movement in provisions for impairment of tenant debtors and accrued income during the six months ended 30 September 2021.

Movement in provisions for impairment of tenant debtors and accrued income	Group £m	Proportionally consolidated £m
Provisions for impairment of tenant debtors and accrued income as at 31 March 2021[1]	62	78
Increase in provisions for impairment of tenant debtors and accrued income due to acquisition on 1 April 2021[1]	–	5
Provisions for impairment of tenant debtors and accrued income as at 1 April 2021[1]	62	83
Write-offs of tenant debtors	(4)	(5)
Movement in provisions for impairment of tenant debtors	–	(3)
Movement in provisions for impairment of accrued income	–	–
Total provision charge recognised in income statement	–	(3)
Provisions for impairment of tenant debtors and accrued income as at 30 September 2021	58	75

1. The provisions for impairment of tenant debtors and accrued income as at 1 April 2021 on a proportionally consolidated basis is £5m higher than the proportionally consolidated provision recognised at 31 March 2021. This is as a result of the acquisition of the remaining 21.9% units of Hercules Unit Trust on 1 April 2021. See the Statement of Changes in Equity for further details.

11 Net debt

11.1 Fair value and book value of net debt

	30 September 2021			31 March 2021		
	Fair value £m	Book value £m	Difference £m	Fair value £m	Book value £m	Difference £m
Debentures and unsecured bonds	1,838	1,705	133	1,978	1,871	107
Bank debt and other floating rate debt	754	748	6	546	539	7
Gross debt	2,592	2,453	139	2,524	2,410	114
Interest rate and currency derivative liabilities	109	109	–	128	128	–
Interest rate and currency derivative assets	(102)	(102)	–	(135)	(135)	–
Cash and short term deposits	(72)	(72)	–	(154)	(154)	–
Total net debt	2,527	2,388	139	2,363	2,249	114
Net debt attributable to non-controlling interests	1	1	–	(70)	(70)	–
Net debt attributable to shareholders of the Company	2,528	2,389	139	2,293	2,179	114
Total net debt	2,527	2,388	139	2,363	2,249	114
Amounts payable under leases	131	131	–	133	133	–
Net debt (including lease liabilities)	2,658	2,519	139	2,496	2,382	114
Net debt attributable to non-controlling interests (including lease liabilities)	1	1	–	(75)	(75)	–
Net debt attributable to shareholders of the Company (including lease liabilities)	2,659	2,520	139	2,421	2,307	114

The fair values of debentures and unsecured bonds have been established by obtaining quoted market prices from brokers. The bank debt and other floating rate debt has been valued assuming it could be renegotiated at contracted margins. The derivatives have been valued by calculating the present value of expected future cash flows, using appropriate market discount rates, by an independent treasury advisor. Short-term debtors and creditors and other investments (see note 9) have been excluded from the disclosures on the basis that the fair value is equivalent to the book value.

11 Net debt continued

11.2 Loan to value

Group loan to value (LTV)

	30 September 2021 £m	31 March 2021 £m
Group loan to value (LTV)	**26.0%**	25.1%
Principal value of gross debt	**2,361**	2,291
Less debt attributable to non-controlling interests	**–**	(79)
Less cash and short term deposits (balance sheet)	**(72)**	(154)
Plus cash attributable to non-controlling interests	**1**	8
Total net debt for LTV calculation	**2,290**	2,066
Group property portfolio valuation (Note 7)	**6,723**	6,247
Investments in joint ventures and funds (Note 8)	**2,079**	2,120
Other investments and property, plant and equipment (balance sheet) [1]	**35**	26
Less property and investments attributable to non-controlling interests	**(14)**	(163)
Total assets for LTV calculation	**8,823**	8,230

1. The £23m difference between other investments and plant, property and equipment per the balance sheet totalling £58m, 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.

Proportionally consolidated loan to value (LTV)

	30 September 2021 £m	31 March 2021 £m
Proportionally consolidated loan to value (LTV)	**33.4%**	32.0%
Principal value of gross debt	**3,457**	3,262
Less attributable to non-controlling interests	**–**	(79)
Less cash and short term deposits	**(162)**	(258)
Plus cash attributable to non-controlling interests	**1**	10
Total net debt for proportional LTV calculation	**3,296**	2,935
Group property portfolio valuation (Note 7)	**6,723**	6,247
Share of property of joint ventures and funds	**3,131**	3,048
Other investments and property, plant and equipment (balance sheet) [1]	**35**	26
Less property attributable to non-controlling interests	**(14)**	(163)
Total assets for proportional LTV calculation	**9,875**	9,158

1. The £23m difference between other investments and plant, property and equipment per the balance sheet totalling £58m, 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.

11 Net debt continued

11.3 British Land Unsecured Financial Covenants

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

	30 September 2021 £m	31 March 2021 £m
Net Borrowings not to exceed 175% of Adjusted Capital and Reserves	**35%**	33%
Principal amount of gross debt	**2,361**	2,291
Less the relevant proportion of borrowings of the partly-owned subsidiary/non-controlling interests	**–**	(79)
Less cash and deposits (balance sheet)	**(72)**	(154)
Plus the relevant proportion of cash and deposits of the partly-owned subsidiary/non-controlling interests	**1**	8
Net Borrowings	**2,290**	2,066
Share capital and reserves (balance sheet)	**6,249**	5,983
EPRA deferred tax adjustment (EPRA Table A)	**–**	–
Trading property surpluses (EPRA Table A)	**9**	9
Exceptional refinancing charges (see below)	**182**	188
Fair value adjustments of financial instruments (EPRA Table A)	**103**	115
Less reserves attributable to non-controlling interests (balance sheet)	**(15)**	(59)
Adjusted Capital and Reserves	**6,528**	6,236

In calculating Adjusted Capital and Reserves for the purpose of the unsecured debt financial covenants, there is an adjustment of £182m (31 March 2021: £188m) to reflect the cumulative net amortised exceptional items relating to the refinancings in the years ended 31 March 2005, 2006 and 2007.

	30 September 2021 £m	31 March 2021 £m
Net Unsecured Borrowings not to exceed 70% of Unencumbered Assets	**26%**	25%
Principal amount of gross debt	**2,361**	2,291
Less cash and deposits not subject to a security interest (being £72m less cash subject to a security interest of £10m)	**(62)**	(139)
Less principal amount of secured and non-recourse borrowings	**(985)**	(998)
Net Unsecured Borrowings	**1,314**	1,154
Group property portfolio valuation (Note 7)	**6,723**	6,247
Investments in joint ventures and funds (Note 8)	**2,079**	2,120
Other investments and property, plant and equipment (balance sheet) [1]	**35**	26
Less investments in joint ventures (Note 8)	**(2,079)**	(2,120)
Less encumbered assets (Note 7)	**(1,772)**	(1,592)
Unencumbered Assets	**4,986**	4,681

1. The £23m difference between other investments and plant, property and equipment per the balance sheet totalling £58m, 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.

11 Net debt continued

11.4 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by the valuation method. The different levels are defined as follows:

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).

The fair value of interest rate and currency derivatives are determined using the present value of estimated future cash flows and discounted based on the applicable yield curves derived from quoted interest rates and the appropriate exchange rate at the balance sheet date.

	30 September 2021				31 March 2021			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Interest rate and currency derivative assets	–	(102)	–	(102)	–	(135)	–	(135)
Other investments – fair value through profit and loss	–	–	(15)	(15)	–	–	(6)	(6)
Assets	–	(102)	(15)	(117)	–	(135)	(6)	(141)
Interest rate and currency derivative liabilities	–	109	–	109	–	128	–	128
Liabilities	–	109	–	109	–	128	–	128
Total	–	7	(15)	(8)	–	(7)	(6)	(13)

There have been no transfers between levels in the period. Further disclosures in relation to the valuation of the other investments are included within note 9.

12 Dividend

The Interim dividend payment for the six months ended 30 September 2021 will be 10.32p. Payment will be made on 7 January 2022 to shareholders on the register at close of business on 26 November 2021. The Interim dividend will be a Property Income Distribution and no SCRIP alternative will be offered.

The 2021 Final dividend of 6.64 pence per share, totalling £62m was paid on 6 August 2021. The whole of the 2021 Final dividend was a PID and no scrip alternative was offered. £53m was paid to shareholders, and £9m of withholding tax was retained.

13 Segment information

Operating segments

The Group allocates resources to investment and asset management according to the sectors it expects to perform over the medium term. The Group previously reported under three principal sectors, being Offices, Retail and Canada Water. As noted in the Group's Annual Report and Accounts for the year ended 31 March 2021, from 1 April 2021, the Group changed its reporting, to report under two principal sectors, Campuses and Retail & Fulfilment. The Campuses sector includes residential properties. These changes are in line with our revised strategy and how management now reviews the performance of the business. Due to the changes in the segments, the comparative figures have been restated in the below segmental disclosures.

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, are set out below. Management reviews the performance of the business principally on a proportionally consolidated basis, which includes the Group's share of joint ventures and funds 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 period.

Segment result

	Six months ended 30 September							
	Campuses		Retail & Fulfilment		Unallocated		Total	
	2021 £m	Restated 2020 £m	2021 £m	Restated 2020 £m	2021 £m	Restated 2020 £m	2021 £m	Restated 2020 £m
Gross rental income								
British Land Group	66	89	97	105	–	–	163	194
Share of joint ventures and funds	46	40	28	32	–	–	74	72
Total	112	129	125	137	–	–	237	266
Net rental income								
British Land Group	56	75	81	62	–	–	137	137
Share of joint ventures and funds	37	32	32	20	–	–	69	52
Total	93	107	113	82	–	–	206	189
Operating result								
British Land Group	54	71	77	62	(28)	(24)	103	109
Share of joint ventures and funds	37	32	31	18	–	–	68	50
Total	91	103	108	80	(28)	(24)	171	159

Reconciliation to Underlying Profit before taxation	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m
Operating result	171	159
Net financing costs	(51)	(52)
Underlying Profit	120	107
Reconciliation to profit on ordinary activities before taxation		
Underlying Profit	120	107
Capital and other	252	(867)
Underlying Profit attributable to non-controlling interests	1	3
Total profit (loss) on ordinary activities before taxation	373	(757)

Of the operating result above, £171m (six months ended 30 September 2020: £159m) was derived from within the UK.

13 Segment information continued

Segment assets

	Campuses		Retail & Fulfilment		Unallocated		Total	
	30 September 2021 £m	Restated 31 March 2021 £m	**30 September 2021 £m**	Restated 31 March 2021 £m	**30 September 2021 £m**	Restated 31 March 2021 £m	**30 September 2021 £m**	Restated 31 March 2021 £m
Property assets								
British Land Group	**4,446**	4,130	**2,273**	1,988	**–**	–	**6,719**	6,118
Share of funds and joint ventures	**2,467**	2,418	**664**	604	**–**	–	**3,131**	3,022
Total	**6,913**	6,548	**2,937**	2,592	**–**	–	**9,850**	9,140

Reconciliation to net assets

British Land Group	**30 September 2021 £m**	31 March 2021 £m
Property assets	**9,850**	9,140
Other non-current assets	**68**	51
Non-current assets	**9,918**	9,191
Other net current liabilities	**(276)**	(203)
Adjusted net debt	**(3,296)**	(2,938)
EPRA NTA	**6,346**	6,050
Non-controlling interests	**15**	59
EPRA adjustments	**(112)**	(126)
Net assets	**6,249**	5,983

14 Related party transactions

There have been no material changes in the related party transactions described in the last annual report.

15 Contingent liabilities

The Group, joint ventures and funds have contingent liabilities in respect of legal claims, guarantees and warranties arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from contingent liabilities.

16 Share capital and reserves

	£m	Ordinary shares of 25p each
Issued, called and fully paid		
At 1 April 2021	**234**	937,938,097
Issues	**–**	28,947
At 30 September 2021	**234**	937,967,044

At 30 September 2021, of the issued 25p ordinary shares, 7,376 shares were held in the ESOP trust (31 March 2021: 7,376), 11,266,245 shares were held as treasury shares (31 March 2021: 11,266,245) and 926,693,423 shares were in free issue (31 March 2021: 926,708,371). No treasury shares were acquired by the ESOP trust during the year. All issued shares are fully paid.

17 Subsequent events

There have been no significant events since the period end.

Supplementary Disclosures

Unaudited

Table A: Summary income statement and balance sheet

Summary income statement based on proportional consolidation for the six months ended 30 September 2021

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

	Six months ended 30 September 2021				Six months ended 30 September 2020			
	Group £m	**Joint ventures and funds £m**	**Less non-controlling interests £m**	**Proportionally consolidated £m**	Group £m	Joint ventures and funds £m	Less non-controlling interests £m	Proportionally consolidated £m
Gross rental income[1]	**169**	**74**	**(2)**	**241**	204	72	(8)	268
Property operating expenses	**(27)**	**(5)**	**1**	**(31)**	(60)	(20)	3	(77)
Net rental income	**142**	**69**	**(1)**	**210**	144	52	(5)	191
Administrative expenses	**(43)**	**(1)**	**–**	**(44)**	(38)	–	–	(38)
Net fees and other income	**5**	**–**	**–**	**5**	6	–	–	6
Ungeared Income Return	**104**	**68**	**(1)**	**171**	112	52	(5)	159
Net financing costs	**(28)**	**(23)**	**–**	**(51)**	(31)	(23)	2	(52)
Underlying Profit	**76**	**45**	**(1)**	**120**	81	29	(3)	107
Underlying taxation	**–**	**–**	**–**	**–**	(9)	–	–	(9)
Underlying Profit after taxation	**76**	**45**	**(1)**	**120**	72	29	(3)	98
Valuation movement				**279**				(875)
Other capital and taxation (net)[2]				**(29)**				145
Result attributable to shareholders of the Company				**370**				(730)

1. Group gross rental income includes £4m of all inclusive rents relating to service charge income and excludes the £29m surrender premium payable within the Capital and other column of the income statement.
2. Includes other comprehensive income, movement in dilution of share options and the movement in items excluded for EPRA NTA.

Summary balance sheet based on proportional consolidation as at 30 September 2021

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

	Group £m	Share of joint ventures & funds £m	Less non-controlling interests £m	Share options £m	Mark-to-market on derivatives and related debt adjustments £m	Head leases £m	Valuation surplus on trading properties £m	Intangibles £m	**EPRA NTA 30 September 2021 £m**	EPRA NTA 31 March 2021 £m
Retail & Fulfilment properties	2,346	680	(14)	–	–	(75)	–	–	**2,937**	2,592
Campuses properties	4,012	2,470	–	–	–	(52)	9	–	**6,439**	6,161
Canada Water properties	474	–	–	–	–	–	–	–	**474**	387
Total properties[1]	6,832	3,150	(14)	–	–	(127)	9	–	**9,850**	9,140
Investments in joint ventures and funds	2,079	(2,079)	–	–	–	–	–	–	**–**	–
Other investments	30	–	–	–	–	–	–	(11)	**19**	38
Other net (liabilities) assets	(304)	(61)	–	11	–	127	–	–	**(227)**	(190)
Net debt	(2,388)	(1,010)	(1)	–	103	–	–	–	**(3,296)**	(2,938)
Net assets	6,249	–	(15)	11	103	–	9	(11)	**6,346**	6,050
EPRA NTA per share (Note 2)									**681p**	648p

1. Included within the total property value of £9,850m (31 March 2021: £9,140m) are right-of-use assets net of lease liabilities of £10m (31 March 2021: £8m), which in substance, relates to properties held under leasing agreements. The fair value of the right-of-use asset is determined by calculating the present value of net rental cashflows over the term of the lease agreements.

Table A continued

	30 September 2021 £m	30 September 2021 Pence per share	31 March 2021 £m	31 March 2021 Pence per share
Opening EPRA NTA	**6,050**	**648**	7,202	773
Income return	**120**	**13**	175	19
Capital return	**238**	**27**	(1,249)	(136)
Dividend paid	**(62)**	**(7)**	(78)	(8)
Closing EPRA NTA	**6,346**	**681**	6,050	648

Table B: EPRA Performance measures

EPRA Performance measures summary table

	Six months ended 30 September 2021 £m	Six months ended 30 September 2021 Pence per share	Six months ended 30 September 2020 £m	Six months ended 30 September 2020 Pence per share
EPRA Earnings – basic	**91**	**9.8**	98	10.6
– diluted	**91**	**9.8**	98	10.5
EPRA Net Initial Yield		**4.4%**		4.5%
EPRA 'topped-up' Net Initial Yield		**5.0%**		5.0%
EPRA Vacancy Rate		**7.9%**		8.0%

	30 September 2021 Net assets £m	30 September 2021 Net assets per share pence	31 March 2021 Net assets £m	31 March 2021 Net assets per share pence
EPRA NTA	**6,346**	**681**	6,050	648
EPRA NRV	**6,942**	**745**	6,599	707
EPRA NDV	**5,959**	**639**	5,678	609

Calculation and reconciliation of Underlying/EPRA/IFRS Earnings and Underlying/EPRA/IFRS Earnings per share

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m
Profit (loss) attributable to the shareholders of the Company	**370**	(730)
Exclude:		
Group – non-underlying taxation	**2**	(3)
Group – valuation movement	**(219)**	625
Group – profit on disposal of investment properties and investments	**(3)**	(19)
Group – capital and other surrender premia payable (see Note 3)	**29**	–
Joint ventures and funds – valuation movement (including result on disposals)	**(60)**	250
Joint ventures and funds – capital financing costs	**13**	–
Changes in fair value of financial instruments and associated close-out costs	**(12)**	11
Non-controlling interests in respect of the above	**–**	(36)
Underlying Earnings – basic and diluted	**120**	98
Group – capital and other surrender premia payable (see Note 3)	**(29)**	–
EPRA Earnings – basic and diluted	**91**	98
Profit (loss) attributable to the shareholders of the Company	**370**	(730)
IFRS Earnings – basic and diluted	**370**	(730)

Table B continued

	Six months ended 30 September 2021 Number million	Six months ended 30 September 2020 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	**3**	3
EPRA/Underlying weighted average number of shares (diluted)	**930**	930
Remove anti-dilutive effect	**–**	(3)
IFRS weighted average number of shares (diluted)	**930**	927

Net assets per share

	30 September 2021		31 March 2021	
	£m	Pence per share	£m	Pence per share
Balance sheet net assets	**6,249**		5,983	
Mark-to-market on derivatives and related debt adjustments	**103**		115	
Dilution effect of share options	**11**		14	
Surplus on trading properties	**9**		9	
Intangible assets	**(11)**		(12)	
Less non-controlling interests	**(15)**		(59)	
EPRA NTA	**6,346**	**681**	6,050	648
Intangible assets	**11**		12	
Purchasers' costs	**585**		537	
EPRA NRV	**6,942**	**745**	6,599	707
Deferred tax arising on revaluation movements	**(2)**		(1)	
Purchasers' costs	**(585)**		(537)	
Mark-to-market on derivatives and related debt adjustments	**(103)**		(115)	
Mark-to-market on debt	**(293)**		(268)	
EPRA NDV	**5,959**	**639**	5,678	609

EPRA NTA is the Group's primary measure of net assets and 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.

	30 September 2021 Number million	31 March 2021 Number million
Number of shares at period/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	**2**	2
IFRS/EPRA number of shares (diluted)	**932**	932

Table B continued

EPRA Net Initial Yield and 'topped-up' Net Initial Yield

	30 September 2021 £m	30 September 2020 £m
Investment property – wholly-owned	**6,719**	6,791
Investment property – share of joint ventures and funds	**3,131**	3,524
Less developments, residential and land	**(1,181)**	(801)
Completed property portfolio	**8,669**	9,514
Allowance for estimated purchasers' costs	**649**	684
Gross up completed property portfolio valuation (A)	**9,318**	10,198
Annualised cash passing rental income	**448**	485
Property outgoings	**(39)**	(27)
Annualised net rents (B)	**409**	458
Rent expiration of rent-free periods and fixed uplifts[1]	**58**	50
'Topped-up' net annualised rent (C)	**467**	508
EPRA Net Initial Yield (B/A)	**4.4%**	4.5%
EPRA 'topped-up' Net Initial Yield (C/A)	**5.0%**	5.0%
Including fixed/minimum uplifts received in lieu of rental growth	**6**	8
Total 'topped-up' net rents (D)	**473**	516
Overall 'topped-up' Net Initial Yield (D/A)	**5.1%**	5.1%
'Topped-up' net annualised rent	**467**	508
ERV vacant space	**41**	47
Reversions	**7**	24
Total Estimated Rental Value (E)	**515**	579
Net Reversionary Yield (E/A)	**5.5%**	5.7%

1. The weighted average period over which rent-free periods expire is 1 year (30 September 2020: 1 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 30 September 2021, plus an allowance for estimated purchaser's costs. Estimated purchaser's 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 un-rented, lettable space as a proportion of the total rental value of the completed property portfolio.

EPRA Vacancy Rate

	30 September 2021 £m	30 September 2020 £m
Annualised potential rental value of vacant premises	**41**	47
Annualised potential rental value for the completed property portfolio	**519**	586
EPRA Vacancy Rate	**7.9%**	8.0%

Table B continued

EPRA Cost Ratios

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m
Property operating expenses	**26**	57
Administrative expenses	**44**	38
Share of joint ventures and funds expenses	**5**	20
Less: Performance & management fees (from joint ventures and funds)	**(3)**	(4)
Net other fees and commissions	**(2)**	(2)
Ground rent costs and operating expenses de facto included in rents	**(10)**	(10)
EPRA Costs (including direct vacancy costs) (A)	**60**	99
Direct vacancy costs	**(18)**	(17)
EPRA Costs (excluding direct vacancy costs) (B)	**42**	82
Gross rental income less ground rent costs and operating expenses de facto included in rents	**155**	184
Share of joint ventures and funds (Gross Rental Income less ground rent costs)	**74**	72
Total Gross rental income (C)	**229**	256
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**26.2%**	38.7%
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**18.3%**	32.0%
Impairment of tenant debtors, tenant incentives and accrued income (D)	**–**	47
Adjusted Cost Ratio (including direct vacancy costs and excluding impairment of tenant debtors, tenant incentives and accrued income) (A-D)/C	**26.2%**	20.3%
Adjusted Cost Ratio (excluding direct vacancy costs and excluding impairment of tenant debtors, tenant incentives and accrued income) (B-D)/C	**18.3%**	13.7%
Overhead and operating expenses capitalised (including share of joint ventures and funds)	**3**	3

In the current and prior periods employee costs in relation to staff time on development projects are capitalised into the base cost of relevant development assets. In addition to the standard EPRA Cost Ratios (both including and excluding direct vacancy costs), adjusted versions of these ratios have also been presented which remove the impact of the impairment of tenant debtors, tenant incentives and accrued income which are exceptional items in the prior year, to show the impact of these items on the ratios.

Table C: Gross rental income

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m
Rent receivable	**230**	262
Spreading of tenant incentives and guaranteed rent increases	**10**	2
Surrender premia	**1**	4
Gross rental income[1]	**241**	268

1. Gross rental income excludes the £29m surrender premium payable that has been included within the Capital and other column of the income statement.

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

Table D: Property related capital expenditure

	Six months ended 30 September 2021			Year ended 31 March 2021		
	Group	**Joint ventures and funds**	**Total**	Group	Joint ventures and funds	Total
Acquisitions	**291**	**–**	**291**	52	–	52
Development	**88**	**6**	**94**	104	25	129
Investment properties						
Incremental lettable space	**1**	**–**	**1**	1	–	1
No incremental lettable space	**9**	**13**	**22**	31	28	59
Tenant incentives	**16**	**2**	**18**	2	5	7
Other material non-allocated types of expenditure	**3**	**–**	**3**	5	1	6
Capitalised interest	**3**	**–**	**3**	6	2	8
Total property related capex	**411**	**21**	**432**	201	61	262
Conversion from accrual to cash basis	**2**	**5**	**7**	34	14	48
Total property related capex on cash basis	**413**	**26**	**439**	235	75	310

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 £3m (31 March 2021: £6m).

Supplementary Tables

Data includes Group's share of Joint Ventures and Funds

HY22 rent collection[1]

Rent due between 25 March and 28 September	Offices	Retail[2]	Total
Received	100%	93%	96%
Rent forgiven	–	2%	1%
Outstanding	-	5%	3%
Total	**100%**	**100%**	**100%**
	£94m	**£137m**	**£231m**

September quarter 2021 rent collection[1]

Rent due between 29 September and 9 November	Offices	Retail[2]	Total
Received	99%	87%	93%
Rent forgiven	–	-	-
Customer paid monthly	-	4%	2%
Outstanding	1%	9%	5%
Total	**100%**	**100%**	**100%**
	£48m	**£52m**	**£100m**

1. As at 9 November
2. Includes non-office customers located within our London campuses

Purchases

Since 1 April 2021 Purchases	Sector	Price (100%) £m	Price (BL Share) £m	Annual Passing Rent £m[1]
Completed				
Hercules Unit Trust units	Retail	148	148	12
Thurrock Retail Park	Retail	82	82	5
Blackwater Shopping Park[2]	Retail	38	38	2
B&Q, Cambridge[2]	Retail	24	24	1
Heritage House, Enfield	Logistics	87	87	2
Finsbury Square Carpark	Logistics	20	20	1
Peterhouse Technology Park, Cambridge	Campuses	75	75	3
Waterside House, Guildford[2]	Campuses	15	15	1
The Priestley Centre, Guildford	Campuses	12	12	-
Total		**501**	**501**	**27**

1. BL share of annualised rent topped up for rent frees
2. Exchanged and completed post period end

Sales

Since 1 April 2021 Sales	Sector	Price (100%) £m	Price (BL Share) £m	Annual Passing Rent £m[1]
Completed				
Virgin Active, Chiswick	Retail	54	54	2
Woodfields Retail Park, Bury (part-sale)	Retail	36	36	2
Beaumont Leys (Fletcher Mall)	Retail	9	9	1
Wardrobe Court	Residential	70	70	-
St Anne's, Regents Place[3]	Residential	6	6	-
Clarges, Mayfair	Residential	3	3	-
Exchanged				
Virgin Active, Brighton[2]	Retail	14	14	2
Debenhams, Plymouth[2]	Retail	4	4	-
Total		**196**	**196**	**7**

1. BL share of annualised rent topped up for rent frees
2. Exchanged post period end
3. Exchanged prior to 1 April 2021

Portfolio Valuation by Sector

At 30 September 2021	Group £m	JVs & Funds £m	Total £m	H1 Change[1] %	H1 Change[1] £m
West End	3,409	128	3,537	2.8	98
City	369	2,339	2,708	2.6	70
Canada Water & other Campuses	600	-	600	6.9	38
Residential[2]	58	-	58	(0.8)	(1)
Campuses	**4,436**	**2,467**	**6,903**	**3.0**	**205**
Retail Parks	1,461	271	1,732	7.1	117
Shopping Centre	341	473	814	(4.2)	(36)
Other Retail	257	16	273	(0.4)	(1)
Urban Logistics	114	4	118	(0.9)	(1)
Retail & Fulfilment	**2,173**	**764**	**2,937**	**2.7**	**79**
Total	**6,609**	**3,231**	**9,840**	**2.9**	**284**
Standing Investments	**5,546**	**3,118**	**8,664**	**2.2**	**183**
Developments	**1,063**	**113**	**1,176**	**6.3**	**101**

1. Valuation movement during the period (after taking account of capital expenditure) of properties held at the balance sheet date, including developments (classified by end use), purchases and sales
2. Stand-alone residential

Gross Rental Income[1]

	6 months to 30 September 2021			Annualised as at 30 September 2021		
Accounting Basis £m	Group	JVs & Funds	Total	Group	JVs & Funds	Total
West End	57	3	60	122	5	127
City	6	42	48	6	74	80
Canada Water & other Campuses	5	-	5	7	-	7
Residential[2]	1	-	1	1	-	1
Campuses	**69**	**45**	**114**	**136**	**79**	**215**
Retail Parks	40	32	72	74	63	137
Shopping Centre	21	20	41	37	39	76
Other Retail	13	-	13	17	1	18
Urban Logistics	1	-	1	3	-	3
Retail & Fulfilment	**75**	**52**	**127**	**131**	**103**	**234**
Total	**144**	**97**	**241**	**267**	**182**	**449**

1. Gross rental income will differ from annualised valuation rents due to accounting adjustments for fixed & minimum contracted rental uplifts and lease incentives
2. Stand-alone residential

Portfolio Net Yields[1,2]

As at 30 September 2021	EPRA net initial yield %	EPRA topped up net initial yield %[3]	Overall topped up net initial yield %[4]	Net equivalent yield %	Net equivalent yield movement bps	Net reversionary yield %	ERV Growth %[5]
West End	3.2	4.0	4.0	4.4	(6)	4.7	(0.4)
City	2.9	3.7	3.7	4.4	(7)	4.8	(0.1)
Other Campuses	2.7	2.9	2.9	5.3	1	7.0	(0.2)
Residential	3.8	3.8	3.8	4.0	-	3.1	(11.7)
Campuses	**3.1**	**3.8**	**3.9**	**4.4**	**(6)**	**4.8**	**(0.3)**
Retail Parks	7.2	7.6	7.8	6.9	(54)	6.8	(1.1)
Shopping Centre	7.4	7.9	8.1	7.6	8	7.9	(3.8)
Other Retail	5.0	5.4	5.7	6.6	(15)	6.8	0.5
Urban Logistics	2.6	2.6	2.6	3.2	(26)	3.3	-
Retail & Fulfilment	**6.9**	**7.3**	**7.4**	**6.9**	**(32)**	**7.0**	(1.9)
Total	**4.4**	**5.0**	**5.1**	**5.2**	**(15)**	**5.5**	**(1.0)**

On a proportionally consolidated basis including the Group's share of joint ventures and funds

Canada Water is excluded from the standing investment analysis as it is valued as a development asset on a residualised basis

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. As calculated by MSCI

Total Property Return (as calculated by MSCI)

6 months to 30 September 2021	Offices		Retail		Total	
%	British Land	MSCI	British Land	MSCI	British Land	MSCI
Capital Return	3.3	1.2	2.9	2.4	3.1	5.4
– ERV Growth	(0.3)	0.5	(1.9)	(1.6)	(1.0)	0.8
– Yield Movement[1]	(6) bps	(14) bps	(32) bps	(33) bps	(15) bps	(32) bps
Income Return	1.3	1.9	3.8	2.9	2.0	2.1
Total Property Return	**4.6**	**3.1**	**6.8**	**5.4**	**5.1**	**7.6**

On a proportionally consolidated basis including the Group's share of joint ventures and funds

1. Net equivalent yield movement

Top 20 Tenants by Sector

As at 30 September 2021 Retail & Fulfilment	% of Retail & Fulfilment rent
Next	5.4
Walgreens (Boots)	4.9
M&S	4.3
JD Sports	3.2
J Sainsbury	3.0
Frasers Group	2.8
TJX (TK Maxx)	2.7
Dixons Carphone	2.6
Asda Group	2.3
Tesco	2.1
DFS Furniture	1.9
Hutchison Whampoa	1.9
TGI Fridays	1.8
River Island	1.6
Homebase	1.5
Primark	1.5
H&M	1.4
Wilkinson	1.3
Kingfisher	1.3
Pets at Home	1.3

Campuses	% of Campuses rent
Meta (Facebook)	17.6
dentsu international	4.5
Visa	4.1
Herbert Smith Freehills	3.4
Gazprom	2.7
Microsoft Corp	2.5
SMBC	2.3
Vodafone	2.0
Deutsche Bank	1.9
Henderson	1.8
Reed Smith	1.7
TP ICAP	1.6
The Interpublic Group (McCann)	1.6
Mayer Brown	1.5
Softbank Group	1.5
Ctrip.com (Skyscanner)	1.3
Mimecast Ltd	1.3
Credit Agricole	1.2
Kingfisher	1.2
Milbank LLP	1.1

Major Holdings

As at 30 September 2021	BL Share %	Sq ft '000	Rent (100%) £m pa[1,4]	Occupancy rate %[2,4]	Lease length yrs[3,4]
Broadgate	50	4,468	180	95.3	6.8
Regent's Place	100	1,740	86	96.1	9.0
Paddington Central	100	958	47	99.7	4.7
Meadowhall, Sheffield	50	1,500	70	97.0	4.1
Glasgow Fort	100	510	17	94.3	5.3
Teesside, Stockton	100	569	14	94.2	3.0
Ealing Broadway	100	540	11	93.6	3.8
Drake's Circus, Plymouth	100	1,190	17	90.7	5.1
New Mersey, Speke	88	502	13	96.1	4.6
Fort Kinnaird, Edinburgh	50	560	17	93.9	5.4

1. Annualised EPRA contracted rent including 100% of Joint Ventures & Funds
2. Includes accommodation under offer or subject to asset management
3. Weighted average to first break
4. Excludes committed and near term developments

Lease Length & Occupancy

	Average lease length yrs		Occupancy rate %	
As at 30 September 2021	To expiry	To break	EPRA Occupancy	Occupancy[1,2,3]
West End	7.9	7.3	96.7	97.1
City	8.0	6.9	85.1	93.8
Other Campuses	6.9	5.5	82.0	82.6
Residential	17.0	16.7	100.0	100.0
Campuses	**7.9**	**7.1**	**91.3**	**95.1**
Retail Parks	6.3	4.7	92.8	96.5
Shopping Centre	5.5	4.3	93.1	94.7
Other Retail	8.5	8.2	93.5	95.2
Urban Logistics	6.3	6.2	99.6	99.6
Retail & Fulfilment	**6.2**	**4.8**	**93.1**	**95.9**
Total	**7.1**	**6.0**	**92.1**	**95.5**

Canada Water is excluded from the standing investment analysis as it is valued as a development asset on a residualised basis

1. Space allocated to Storey is shown as occupied where there is a Storey tenant in place otherwise it is shown as vacant. Total occupancy would rise from 95.1% to 96.3% if Storey space were assumed to be fully let
2. Includes accommodation under offer or subject to asset management
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 & Fulfilment would reduce from 95.9% to 93.1%, and total occupancy would reduce from 95.5% to 94.2%

Portfolio Weighting

As at 30 September	2020 %	2021 %	2021 £m
West End	39.5	35.9	3,537
City	24.6	27.5	2,708
Canada Water & other Campuses	3.5	6.1	600
Residential[1]	1.3	0.6	58
Campuses	**68.9**	**70.1**	**6,903**
Retail Parks	14.7	17.6	1,732
Shopping Centre	12.2	8.3	814
Other Retail	4.1	2.8	273
Urban Logistics	0.1	1.2	118
Retail & Fulfilment	**31.1**	**29.9**	**2,937**
Total	**100.0**	**100.0**	**9,840**
London Weighting	**74%**	**74%**	**7,319**

1. Stand-alone residential

Annualised Rent & Estimated Rental Value (ERV)

	Annualised rent (valuation basis) £m[1]			ERV £m	Average rent £psf	
As at 30 September 2021	Group	JVs & Funds	Total	Total	Contracted[2]	ERV
West End[3]	114	5	119	160	64.5	68.8
City[3]	6	71	77	124	54.0	56.8
Canada Water & other Campuses	7	-	7	12	20.1	36.6
Residential[4]	1	-	1	1	41.7	30.9
Campuses	**128**	**76**	**204**	**297**	**51.7**	**56.6**
Retail Parks	117	27	144	131	22.5	19.4
Shopping Centre	39	41	80	77	24.6	22.8
Other Retail	17	-	17	20	9.3	10.4
Urban Logistics	3	-	3	5	11.2	15.0
Retail & Fulfilment	**176**	**68**	**244**	**233**	**20.7**	**18.8**
Total	**304**	**144**	**448**	**530**	**29.4**	**30.0**

Canada Water is excluded from the standing investment analysis as it is valued as a development asset on a residualised basis

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
4. Stand-alone residential

Rent Subject to Open Market Rent Review

For period to 31 March As at 30 September 2021	2022 £m	2023 £m	2024 £m	2025 £m	2026 £m	2022-24 £m	2022-26 £m
West End	5	22	5	14	9	32	55
City	-	2	15	8	27	17	52
Canada Water & other Campuses	-	-	-	1	-	-	1
Residential	1	-	-	-	-	1	1
Campuses	**6**	**24**	**20**	**23**	**36**	**50**	**109**
Retail Parks	5	9	8	9	7	22	38
Shopping Centre	3	7	3	3	1	13	17
Other Retail	-	1	1	1	1	2	4
Urban Logistics	-	-	-	1	-	-	1
Retail & Fulfilment	**8**	**17**	**12**	**14**	**9**	**37**	**60**
Total	**14**	**41**	**32**	**37**	**45**	**87**	**169**

On a proportionally consolidated basis including the Group's share of joint ventures and funds

Reflects standing investment only

Rent Subject to Lease Break or Expiry

For period to 31 March As at 30 September 2021	2022 £m	2023 £m	2024 £m	2025 £m	2026 £m	2022-24 £m	2022-26 £m
West End	9	16	13	10	14	38	62
City	4	2	15	4	16	21	41
Other Campuses	2	1	2	-	-	5	5
Residential	-	-	-	-	-	-	-
Campuses	**15**	**19**	**30**	**14**	**30**	**64**	**108**
Retail Parks	10	20	27	15	19	57	91
Shopping Centre	10	14	10	8	13	34	55
Other Retail	1	3	1	1	1	5	7
Urban Logistics	-	-	1	-	2	1	3
Retail & Fulfilment	**21**	**37**	**39**	**24**	**35**	**97**	**156**
Total	**36**	**56**	**69**	**38**	**65**	**161**	**264**
% of contracted rent	**7.1**	**11.2**	**13.5**	**7.5**	**12.9**	**31.8**	**52.2**

On a proportionally consolidated basis including the Group's share of joint ventures and funds

Canada Water is excluded from the standing investment analysis as it is valued as a development asset on a residualised basis

Reflects standing investment only

Recently Completed and Committed Developments

As at 30 September 2021	Sector	BL Share %	100% sq ft '000	PC Calendar Year	Current Value £m	Cost to come £m[1]	ERV £m[2]	Pre-let & under offer £m	Forecast IRR %
1 Triton Square	Office	100	369	Q2 2021	514	–	24.3	23.9	12
Total Recently Completed			**369**		**514**	**–**	**24.3**	**23.9**	
Norton Folgate	Office	100	336	Q3 2023	171	201	23.1	–	12
1 Broadgate	Office	50	543	Q2 2025	104	220	20.2	13.7	10
Aldgate Place, Phase 2	Residential	100	136	Q2 2024	30	94	6.0	-	11
Canada Water, Plot A1[3]	Mixed Use	100	272	Q3 2024	25	186	6.7	-	11 Blended
Canada Water, Plot A2[3]	Mixed use	100	248	Q3 2024	16	101	10.4	-	
Canada Water, Plot K1[3]	Residential	100	62	Q2 2023	5	29	-	-	
Total Committed			**1,597**		**351**	**831**	**66.4**	**13.7**	
Other Capital Expenditure[4]						55			

1. From 1 October 2021. Cost to come excludes notional interest as interest is capitalised individually on each development at our capitalisation rate
2. Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)
3. The London Borough of Southwark has confirmed they will not be investing in Phase 1. The BL ownership share will change over time as costs are incurred and is expected to be c.98-99% by PC
4. Capex committed and underway within our investment portfolio relating to leasing, infrastructure and asset management

Near Term Development Pipeline

As at 30 September 2021	Sector	BL Share %	100% sq ft '000	Earliest Start on Site	Current Value £m	Cost to come £m[1]	ERV £m[2]	Let & Under Offer £m	Planning Status
5 Kingdom Street	Office	100	438	Q4 2022	122	350	30.0	–	Consented
Meadowhall, Logistics	Logistics	50	571	Q4 2022	6	27	2.0	–	Consented
The Priestley Centre	Office	100	116	Q2 2022	12	16	2.6	–	Pre-submission
Total Near Term			**1,125**		**140**	**393**	**34.6**	**–**	
Other Capital Expenditure[3]						97			

1. From 1 October 2021. Cost to come excludes notional interest as interest is capitalised individually on each development at our capitalisation rate
2. Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)
3. Forecast capital commitments within our investment portfolio over the next 12 months relating to leasing and asset enhancement

Medium Term Development Pipeline

As at 30 September 2021	Sector	BL Share %	100% Sq ft '000	Planning Status
2-3 Finsbury Avenue	Office	50	718	Consented
Eden Walk Retail & Residential	Mixed Use	50	452	Consented
Ealing – 10-40 The Broadway	Mixed Use	100	303	Pre-submission
Ealing – International House	Office	100	165	Consented
Gateway Building	Leisure	100	105	Consented
Finsbury Square Carpark	Urban Logistics	100	47	Pre-submission
Teesside, Logistics	Urban Logistics	100	299	Pre-submission
Euston Tower	Office	100	574	Pre-submission
Canada Water – Future phases[1]	Mixed Use	100	4,498	Consented
Total Medium Term			**7,161**	

1. The London Borough of Southwark has the right to invest in up to 20% of the completed development. The BL ownership share 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. 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', '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, or plans or objectives, 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 or results expressed or implied by such forward-looking statements include, among other things: (a) general business and political, social and economic conditions globally, (b) the consequences of the United Kingdom's withdrawal from 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, 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 and work stoppages, (i) natural disasters and adverse weather conditions, (j) terrorism and 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) reliable and secure 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 finance and (r) the consequences of the covid-19 pandemic . The Company's principal risks are described in greater detail in the section of this Press Release headed "Risk Management and Principal Risks" and in the Company's latest annual report and accounts (which can be found at www.britishland.com). Forward-looking statements in this Press Release, or the British Land website or made subsequently, which are attributable to British Land or persons acting on its behalf, should therefore be construed in light of all such factors.

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.

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