Annual Report and Accounts
2024

Positioned for GROWTH

HIGHLIGHTS

Underlying funds from operations (UFFO)

£24.4m[1]

FY23: £25.8m
FY22: £20.5m[2]

UFFO per share

7.8p

FY23: 8.3p
FY22: 6.7p[2]

IFRS profit / (loss)

£3.0m

FY23: £(16.8)m
FY22: £(26.6)m

Dividend per share

6.6p

FY23: 6.7p
FY22: 7.4p

Portfolio valuation performance

-2.3%

FY23: -5.9%
FY22: -0.9%

EPRA NTA per share

115p

FY23: 121p
FY22: 134p

Loan to value

30.8%[1]

FY23: 33.9%
FY22: 34.1%

Total accounting return

+0.5%

FY23: -4.6%
FY22: -6.6%

Net-Zero Pathway Progress

Reductions of -31% in Scope 1 and -16% in Scope 2 emissions in FY24 vs FY23

GRESB score improved to 72 from 70

Gold Level maintained for EPRA Sustainability Best Practice Recommendations

1. UFFO and LTV reduced due to disposals completed in the last 24 months and Covid related credits recognised in FY23
2. Retail only number, excluding Hawthorn pub business which was sold in August 2021

High-quality portfolio

Occupancy

98.0%

FY23: 96.7%
FY22: 95.6%

Core Portfolio

93%

of Total Portfolio
FY23: 88%
FY22: 85%

Total Property Return: MSCI Outperformance

+4.8%

FY23: +2.3%
FY22: +7.5%

In-store sales growth (Lloyds Bank Data)

+9.7%

year-on-year

Good leasing performance

Area

785,100

sq ft

FY23: 979,200 sq ft
FY22: 1,039,800 sq ft

Long-term transactions

+3.6%

vs ERV

FY23: +1.1%
FY22: +7.4%

Attractive, affordable space

Tenant retention rate

94%

FY23: 92%
FY22: 90%

Average rent

£11.82

per sq ft

FY23: £11.98
FY22: £11.74

Expanding Capital Partnerships

Underway to secure a new partner for UK retail park joint venture to enable growth through co-investment, income generation and asset management fees.

Fee Income:

£2.5m

FY23: £1.5m
FY22: £1.9m

Major regeneration planning application submitted for Grays in November 2023

Real Retail Moments

Throughout the pages of this Annual Report, we are proud to share snapshots of real moments of real shoppers and employees of our operators, giving a glimpse of the people who use and rely upon our community assets, day in and day out.

Find out more about our business on our website at www.nrr.co.uk

Strategic Report

A LEADING SPECIALIST RETAIL REAL ESTATE INVESTMENT TRUST

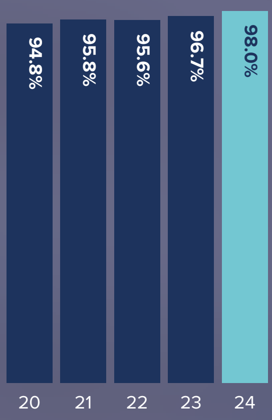
Strongest operational and financial position for 5 years

Our purpose is to own, manage and develop a portfolio of retail assets across the UK that provide essential goods and services to local people, help support thriving communities and deliver long-term premium returns for our shareholders.

Our portfolio is full, affordable and in demand

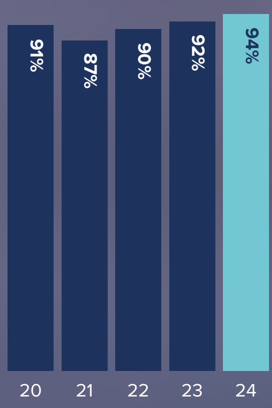
Occupancy rate

98%



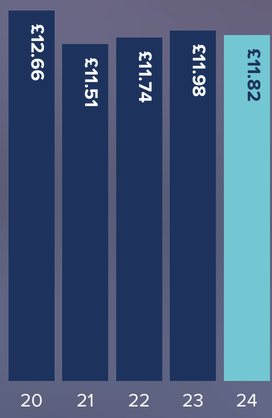
Retention Rate

94%



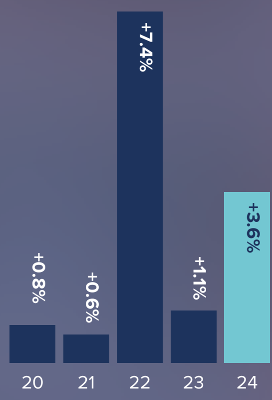
Affordable average rent psqf

£11.82



Leasing activity vs ERV

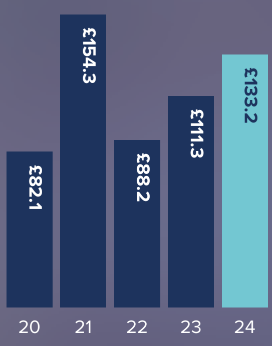
+3.6%



We are well-positioned for growth

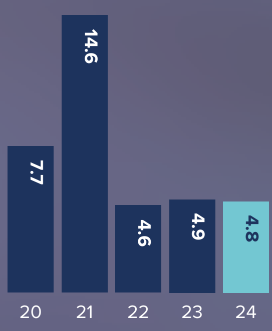
Cash

£133.2m



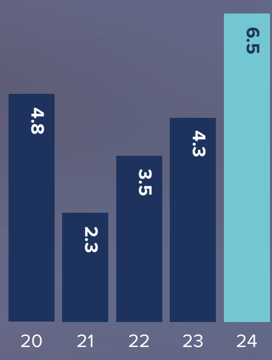
Net Debt : EBITDA

4.8x



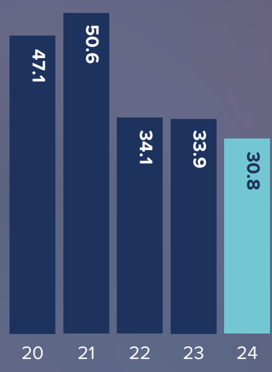
Interest Cover

6.5x



Loan to value

30.8%



Drawn debt cost fixed at 3.5%

No maturity on drawn debt until 2028

RCF extended to Nov 2026+

Unsecured balance sheet

OUR MARKETPLACE IS IN ITS BEST POSITION FOR FIVE YEARS

- Consumers are still spending and confidence continues to rise
- The retail occupational market is in its best position for at least five years
- Sentiment towards retail in the capital markets is improving

Our market place

Consumers

Consumers are increasingly confident across all metrics especially their view on their own personal finances over the next 12 months, resulting in continued spending. This is underpinned by low unemployment, stable house prices, excess saving and wage growth outstripping inflation leading to growth in real disposable incomes.

Consumer Personal Finance Outlook
GFK Consumer Confidence Index
(12 months to March 2024)

+20 points

Lloyds Bank Data on Customer Spend
(12 months to 31 March 2024)

+2.1%
Y-O-Y Retail Sales Value Growth

+7.7%
Y-O-Y Supermarket Sales Value Growth

Occupiers

The retail occupational market is in its best position for at least five years due to a number of factors. Retailers are benefitting from robust spending by the resilient consumer and there has been limited retailer distress as much of the corporate restructuring and portfolio repositioning has already taken place. Additionally, the true value of the physical store has been demonstrated with omnichannel retailers continuing to win online market share from the pureplay operators.

Rental Growth (Savills, Q4 2023)
(12 months to December 2023)

+13.7%
Shopping Centres

+4.5%
Retail Parks

Capital Markets

Investor demand for retail parks remains strong given the highly favourable supply/demand imbalance which will lead to consistent rental growth. Demand for shopping centres has also recently improved, with multiple bids being received for recently available shopping centres, attracted by the high income return.

See pages 24 to 31 for more detail

A DYNAMIC BUSINESS MODEL WITH GROWTH AT ITS CORE

Underpinned by a committed ESG strategy

1 Disciplined capital allocation

We assess the long-term resilience of our assets, with capital allocation decisions made by comparing risk adjusted returns on our assets to those available from other uses of capital. Capital allocation options include investing into our portfolio, acquiring assets in the direct real estate market and share buybacks. Assets can be acquired either on our balance sheet or in capital partnerships.

2 Leveraging our platform

We leverage our market leading platform to enhance and protect income returns through active asset management across our assets and on behalf of our capital partnerships; the latter also provide enhanced returns through asset management fee income and the opportunity to receive promote fees.

3 Flexible Balance Sheet

Our operating platform is underpinned by a conservative, unsecured balance sheet. We are focused on maintaining our prudent covenant headroom position and have access to significant cash reserves which provide us with the flexibility to pursue opportunities which support our strategy for growth.

People, Portfolio & Partnerships together with Environment and Data & Systems

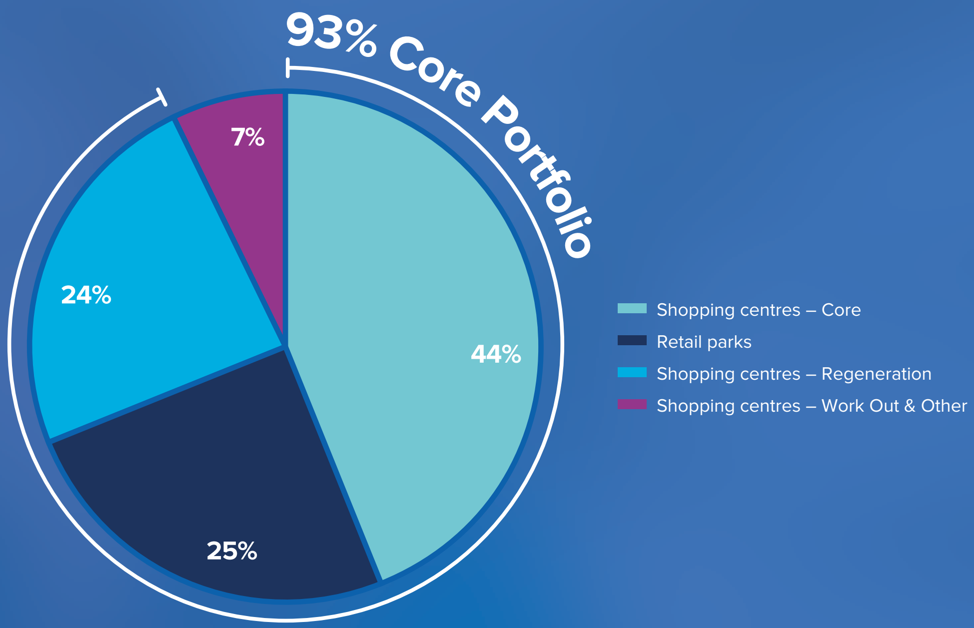
Our business model is delivered by an expert team, a resilient portfolio, strong working relationships, data-driven insight and systems and a commitment to sustainability.

Our portfolio

OUR FOCUSED RETAIL PORTFOLIO IS OCCUPIED BY SUCCESSFUL OPERATORS WHO RELY ON A PHYSICAL STORE NETWORK

Our retail portfolio, focused on providing essential goods and services to local communities, continues to deliver a strong operational performance reflecting the active occupational demand for affordable space at our assets and demonstrating the underlying strength of our portfolio and our platform.

Portfolio segmentation



£1.3bn*	**1,700**	**28***	**29***	**£120m**
Assets Under Management	Occupiers	Community Shopping Centres	Conveniently located retail parks	Annual rent

* Our Assets Under Management includes assets on NewRiver's balance sheet (100% value) and those within our three capital partnerships

Our Top 20 Retailers (by rental income)

OUR PEOPLE, PARTNERSHIPS AND PORTFOLIO TOGETHER WITH OUR DATA & SYSTEMS PROVIDE A MARKET-LEADING PLATFORM UNRIVALLED IN THE SECTOR

We have an expert team, empowered by data-driven decision-making and performance-enhancing systems

Our People: Expert and motivated team, recognised for the second year running on the Sunday Times Best Places to Work List 2024, achieving Excellent in all criteria

Our Portfolio: Well-positioned, geographically diverse portfolio with record occupancy, high retention rate and affordable space for our occupiers

Our Partnerships: We have excellent working relationships with our key stakeholders including our occupiers, capital partners and investors

Our Data: Access to high quality data provides deep insight and market intelligence, including powerful customer spend data, helping our decision-making across capital deployment, leasing, tenant mix, marketing, development and risk assessment

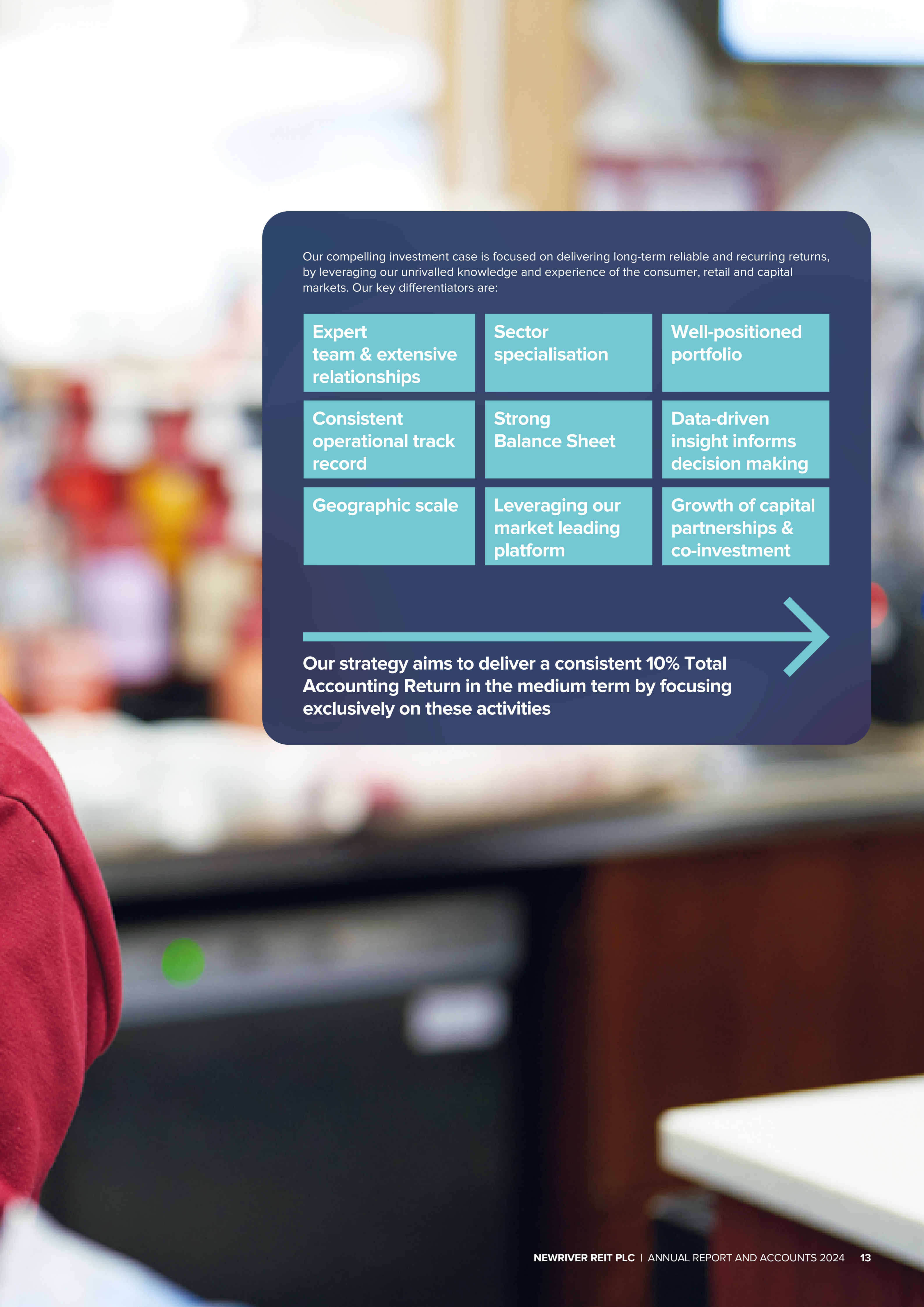
Our Systems: Robust systems, technology and security allows for real-time asset and occupier analysis, helping improve asset business plans

Our Environment: Our committed ESG programme, aligned with industry best practice, allows us to manage the impact of our assets on the natural environment, and the impact of environmental changes on our assets, underpinned by sector-leading Governance

We manage assets on our own balance sheet as well as leveraging our platform to manage assets on behalf of our three capital partnerships:

Institutional Sector:	Private Equity:	Local Authorities:
M&G	BRAVO	Canterbury City Council

DELIVERING ATTRACTIVE LONG-TERM RETURNS



Our compelling investment case is focused on delivering long-term reliable and recurring returns, by leveraging our unrivalled knowledge and experience of the consumer, retail and capital markets. Our key differentiators are:

Expert team & extensive relationships	**Sector specialisation**	**Well-positioned portfolio**
Consistent operational track record	**Strong Balance Sheet**	**Data-driven insight informs decision making**
Geographic scale	**Leveraging our market leading platform**	**Growth of capital partnerships & co-investment**

Our strategy aims to deliver a consistent 10% Total Accounting Return in the medium term by focusing exclusively on these activities

Well positioned with an exceptional team

Lynn Fordham
Chair

I am delighted to share my first statement as Chair of NewRiver having joined the Board as Chair Designate on 21 March 2024, before succeeding Baroness Ford OBE as Chair with effect from 30 May 2024.

NewRiver has a very high-quality portfolio and operating platform, a very strong balance sheet and most importantly an excellent team. All of these factors, combined with the potential to increase shareholder value over the coming years, attracted me to the Chair role. The business has shown tremendous resilience over recent years and, we believe, is now positioned to grow, as evidenced by this year's financial results.

We are pleased to announce a final dividend of 3.2 pence per share, so confirming a total dividend for the year of 6.6 pence per share, comfortably covered by Underlying Funds From Operations. Given that the majority of our cash holdings are on deposit, earning a blended return in excess of 5%, we have taken the decision to increase our dividend payout this year, so that our shareholders receive benefit as we wait to deploy our cash. Therefore, the dividend for the year includes a total top-up of 0.4 pence per share.

We have made good progress in our aim to improve the overall quality of our portfolio, predominantly by selling or repositioning the Work Out portfolio. At the year end, the Work Out portfolio included five assets, accounting for just 6% of our total portfolio valuation. We intend to have fully exited our Work Out portfolio during the next financial year and already have made progress by completing one further Work Out disposal post the year end.

The inherent value of our platform and the expertise of the team extends beyond our own balance sheet and ably equips us to manage assets on behalf of institutional, private equity and public sector partners who seek to capitalise on our asset management capabilities. During the year we expanded the Capital Partnership we established with M&G Real Estate last year so that we now manage a portfolio of 17 Retail Parks and two Shopping Centres on its behalf. Capital Partnerships remain a key strategic focus for NewRiver, and we are currently seeking a new long-term joint venture partner to co-invest in a portfolio of Retail Parks, from which NewRiver will receive a share of rental income and importantly an asset management fee.

“I have been very impressed with NewRiver’s focus on people, culture, data and systems, notably the commitment to empowering the team and investing in data and technology to inform decision making.”

NewRiver’s Governance and disclosure has been recognised as market-leading, retaining 1st place in the GRESB Management Module and improving our GRESB score to 72/100. Minimising our environmental impact requires a collegiate effort across corporate, asset and community operations, and the business continues to make great headway in this regard, notably reducing Scope 1 and Scope 2 Emissions year on year. We are committed to ensuring we are responsible investors in the communities in which we operate, striving to provide an affordable range of goods and services for local people, whilst protecting the environment around us.

I have been very impressed with NewRiver’s focus on people, culture, data and systems, notably the commitment to empowering the team and investing in data and technology to inform decision making. The inclusive, professional culture and significant expertise of the NewRiver team is a clear strength and I am encouraged to report that many of the team have worked at NewRiver for between 5 and 10 years. This distinctive culture has been lauded for the second year running by The Sunday Times, who included NewRiver in their 2024 Best Places to Work list.

On behalf of my Board colleagues, I would like to take this opportunity to express our heartfelt appreciation to Baroness Ford OBE for her tremendous contribution to NewRiver since joining the Board in 2017 and in particular, for her role as Chair since 2018. Under Margaret’s stewardship and near-seven-year tenure on the Board, NewRiver has successfully navigated the considerable headwinds of the pandemic, demonstrated its resilience and emerged as a focused and specialist retail REIT positioned for growth.

I would like to thank our shareholders for their ongoing support, and I look forward to meeting key stakeholders in the coming weeks and months.

Lynn Fordham
Chair

20 June 2024

Chief Executive's review

From resilience to Growth

Allan Lockhart
Chief Executive

NewRiver is well positioned to deliver future earnings growth, underpinned by the strongest operational and financial position the business has been in for several years.

This position is supported by the fact that our underlying occupational market has been steadily improving over the last few years, our portfolio continues to perform well, and our balance sheet is in excellent shape, providing future optionality for growth.

The implementation of key strategic decisions made over the last four years has allowed us to reshape our business, progressing from resilience to sustainable growth. We ended our financial year in a strong position having delivered another solid set of financial results, supported by an excellent operating performance, whilst continuing to execute our strategy of expanding our Capital Partnerships, delivering on our core business activity of market leading asset management and improving the quality of our portfolio through selective disposals.

Active demand for space in our portfolio has remained strong, supported by a broadly resilient consumer, and demonstrating that the physical store network is essential for successful retailers, including those operators with an omnichannel strategy. This is reflected in another good year of leasing performance both in terms of volume and pricing, leading to an occupancy rate of 98% (FY23: 97%), the highest level we have recorded since NewRiver was founded in 2009.

Our portfolio is well positioned for a consumer that is increasingly seeking value and convenience, and that, together with the quality of our asset management platform, has resulted in Underlying Funds From Operations (UFFO) of £24.4 million, equating to 7.8 pence on a per share basis. We have declared a final dividend of 3.2 pence per share bringing the total fully covered dividend for FY24 to 6.6 pence per share, representing a payout of 85%, compared to our usual payout of 80%. Dividends are an important contributor to total shareholder returns and for FY24, NewRiver's total shareholder return was 11%.

Our strong operational performance resulted in excellent cash generation as we ended the financial year with £133.2 million of cash up from £111.3 million in March 2023. Together with our most modest decline in valuation for several years, this resulted in Loan to Value ('LTV') of 30.8%, an improvement on the March 2023 position of 33.9% and well within our guidance. As a result, our EPRA Net Tangible Assets (NTA) per share at the full year was 115 pence, compared to 117 pence in September 2023 and 121 pence in March 2023. We delivered a total accounting return of +0.5% during FY24, compared to -4.6% in the prior year.

For the second consecutive year, our portfolio delivered a capital return outperformance relative to both the MSCI All Property and All Retail indices reflective of the strength of our well-positioned portfolio focused on essential goods and services. During the year ended 31 March 2024, our portfolio delivered a capital return of –3%, the majority of which was incurred in H1 and concentrated in our regeneration portfolio. Pleasingly, our core shopping centres, and retail parks delivered positive capital returns in FY24 and whilst our Regeneration portfolio capital return was impacted in H1, we saw a marked improvement in H2.

An Improving Market Place

Looking back over the financial year, the UK consumer has been more resilient than financial markets were expecting and is now experiencing wage growth in real terms. According to high-quality customer spending data provided by Lloyds Bank, both retail and supermarket spending delivered year-on-year sales value growth of 2.1% and 7.7% respectively for the year ended March 2024. This is a solid result given that retail accounts for 25% of Lloyds Bank's 26 million customers' annual spend and supermarkets account for a further 17%. This growth is despite consumers having to spend more on mortgages +9.6%, council tax +7.8%, motor insurance +12.3% and energy +10.8%. Other sectors that recorded strong spending growth included travel +13.4% and restaurants +7.6%, albeit these categories only account for 7% and 8% respectively of Lloyds Bank's annual customer spend.

UK consumers have so far been able to absorb the increased costs due to higher inflation and interest rates through increased wages which are now in excess of the rate of inflation, and seeking out value when they shop. Additionally, job security, as measured by low levels of unemployment, and the fact that consumers have excess savings, have underpinned confidence levels.

The retail sector over the last seven years or so has had to navigate significant challenges but in our opinion is arguably in its best position for several years, this is for three reasons.

- Firstly, much of the corporate restructuring in the retail sector has already taken place, as evidenced by the significant number of CVAs and tenant administrations occurring between 2020 and 2022. As a result, many of the weaker retailers have been removed and, with that, the excess competition benefitting the rest of the market.
- Secondly, most national retailers have applied a laser focus on margin growth over the last ten years, not just volume growth, by delivering improved operational efficiency, including portfolio repositioning. This has led to improved financial results, and a great example of this is Marks & Spencer.

Our strategy

Our strategy aims to deliver a reliable and recurring income led 10% Total Accounting Return and create value for our stakeholders.

Our Stakeholders

Our strategic progress this year:

- Maintaining a resilient retail portfolio
- Consistently strong operational performance
- Robust financial position
- Leveraging our platform
- Expanding Capital Partnerships
- Work Out exit progress
- Creating value through Regeneration
- Portfolio valuation outperformance
- Commitment to ESG

Underpinned by clear pillars of execution:

- Highly collaborative working relationships with our key partners and stakeholders
- A clear plan to help create thriving communities in the towns where we are invested
- A committed sustainability strategy to minimise our impact on the environment
- An expert team with opportunity to develop their careers
- Operational efficiency and excellence
- High-quality data and systems
- Maintaining a strong balance sheet
- Delivering consistent and attractive risk-adjusted returns

Our business model

- Thirdly, omnichannel retailers are gaining market share from pure play online retailers. Omnichannel retailers have invested in fully integrating their physical store network with their online channel, and their digital capability in communicating and transacting with their customers. This is positive for our sector as the physical store is at the centre of omnichannel retailing, reflecting that physical stores are the genuine last mile fulfilment and a business critical channel for retail today and into the future.

Last year the capital markets continued to be influenced by the elevated risk-free rate, increasing debt costs and the de-risking of defined benefit pension schemes, all of which contributed to a subdued transactional market and capital raising. This has persisted in the first half of 2024, as investors wait for more evidence of pricing adjustment before they deploy more capital. Recent positive news on inflation and the corresponding impact for the future direction of interest rates may lead to a pickup in investor sentiment in the second half of 2024.

In line with the wider real estate market, transactional volumes were down for both retail parks and shopping centres. That said, we have recently seen an increase in investor demand for retail parks driven by the highly favourable supply demand imbalance which will lead to consistent rental growth. Investor demand for shopping centres has also recently improved, with multiple bids being received for recently available shopping centres, attracted by the high cash-on-cash returns on offer.

Our Core Shopping Centres and Retail Parks Delivering For Our Stakeholders

Our retail parks and shopping centres are performing well as evidenced by high occupancy, high tenant retention rate and another period of good leasing performance. The active demand for space we have seen for our Core Portfolio, which is broad based, supports our operating metrics and this is reflective of our portfolio positioning towards essential based retail and services, which is the right place to be in a high interest and inflation environment.

This year, we have started working with Lloyds Bank, combining high-quality consumer spending data with our retail market expertise. NewRiver's analysis, informed by Lloyds Bank data, has provided greater insight into the profile of our shoppers and performance of our assets. To date, we have detailed customer spending insights on assets representing 67% of our portfolio by value, with the remaining analysis due to be carried out during the remainder of 2024. Our analysis shows that for the year ending 31 March 2024, in-store retail sales increased by 10% relative to the prior year outperforming the wider market, demonstrating that our portfolio is proving consistently popular with our consumers. Based on the sales performance of our tenants within our portfolio over the reporting period, our current occupational cost ratio is 8.8% which is highly affordable and which partly explains our excellent leasing performance.

Marks and Spencer, Broadway Square, Bexleyheath

The success that our assets have had over the year in attracting increased customer spend is clearly good for our tenants and this has translated into another year of strong leasing performance. Over the year we completed 259,600 sq ft of leasing transactions within our Core Shopping Centres on average +6.2% above valuers ERV, which was the fourth consecutive financial year of positive leasing spreads. We have also seen a steady improvement over the last three financial years of leasing transactions versus previous passing rent, and aggregating those total leasing transactions, the compound annual growth rate over the last three years was -0.5% on a 10.0 year previous lease length which given the substantial disruption the market has seen, is an excellent result.

The stability that we have in our Core Shopping Centres is also reflected in the vacancy rate which at only 1.6% is the lowest level for four years. Tenant retention at 92% and gross to net ratio at 93% remain high and have consistently exceeded 90% over the same period.

Our Retail Parks are also delivering excellent operational performance, whether that is vacancy at only 2.6%, tenant retention rate at 100% and a gross to net ratio at 98%. Leasing transactions in FY24 were positive versus valuer ERV and previous passing rent. The compound annual growth rate for all aggregated leasing transactions over the last three years versus previous passing rent was 2.2% on a 11.7 year previous lease length.

Regeneration Set to Deliver Positive Change

Ultimately, we are an investor in communities and through our Regeneration portfolio, we are able to deliver significant improvements to ensure the communities that we are invested in are able to thrive whether that is through new housing, job creation or providing a great choice and experience. What is good for our communities is also good for our shareholders as we are able to deliver attractive returns from our regeneration activities.

In Burgess Hill, we are in discussions to form a joint venture to deliver our regeneration project. Furthermore, terms have been agreed with a major food discounter to pre-let the retail anchor store, with a budget hotel operator for the proposed 89 bedroom hotel and with a residential developer to sell part of the site. We are targeting to commence project works at the end of 2024. We expect to deliver an IRR in excess of 15% and a yield on cost of 10%.

At Grays, we have submitted our planning application for a comprehensive redevelopment of the 1970s shopping centre, principally for residential, and we expect to receive a planning consent by the end of 2024. Our asset management team has been successfully negotiating with many of our tenants to provide flexibility to deliver future vacant possession. With a planning consent and the ability to secure vacant possession, we will be well-positioned to sell the asset to a specialist residential developer, and we are aiming to achieve a successful sale in 2025. This will then allow us to recycle the capital to deliver future earnings, and given that we currently do not receive material rental income from our asset in Grays, a successful completion of our project and the recycling of our capital will deliver strong future earnings growth.

At Bexleyheath, which comprises a shopping centre anchored by Marks & Spencer and an adjacent retail park anchored by Sainsbury's, we have decided subsequent to the financial year end, to defer our plans to deliver new residential homes to beyond 2029. Our decision was principally driven by the strong underlying performance of the asset, with both the shopping centre and retail park being fully let and trading exceptionally well. Our analysis, informed by Lloyds Bank data on customer spend, shows a marked increase in customer spending year-on-year. This means our occupational cost ratio is highly favourable at 9.1%, and we believe deferring our development plans at this time in the cycle will protect this significant income stream.

Moving forward, and given our updated position on Bexleyheath, we will move Bexleyheath out of our Regeneration Portfolio and into our Core Shopping Centre and Retail Park portfolios. On that basis, Regeneration will represent 5% of our total portfolio moving forward.

Work Out is Reducing

We completed two asset sales from our Work Out portfolio during the year, with a third asset sale completing post year end. Regarding the turnaround strategies within our Work Out portfolio, we also completed two of these during the year, at our shopping centres in Paisley and Wallsend, both of which have successfully moved to our Core Shopping Centre portfolio and which we expect will deliver high and sustainable income returns going forward.

Good progress was made in relation to the remaining two assets subject to ongoing turnaround strategies. In Wisbech, we have made progress in agreeing terms to re-anchor the centre which will be further enhanced by demolishing a two-deck car park to provide an attractive open surface car park which will offer free car parking for up to three hours to support the existing retail offer.

In Cardiff, a detailed planning application was submitted post year end to repurpose this predominately vacant shopping centre for an 80,000 square foot multi-entertainment centre that will include numerous social competitive offers as well as a range of food and beverage provisions. Once we have secured planning consent and finalised the leasing terms to the proposed operator, we expect to be in a position to commence the project works by the end of 2024, and upon completion will deliver a significant net operating income increase and the capital expenditure investment we will be making is estimated to deliver a long-term IRR of +10%.

Whilst we have made significant progress in working through our Work Out portfolio, which today accounts for only 6% of our total portfolio, down from 11% in March 2023, we now anticipate to have fully exited our work out portfolio in FY25 instead of FY24, and are planning two further sales with a combined value of £6 million, and the completion of the projects in Cardiff and Wisbech.

Scaling Up Capital Partnerships

Today, NewRiver owns and/or manages a portfolio of £1.3 billion, of which 60% is owned by our capital partners. We are collecting in excess of £120 million per annum of rent from over 1,700 tenants across 28 shopping centres and 29 retail parks. We believe that our geographical representation, together with our customer, retailer and capital market insights, is unrivalled.

Commercial real estate in the UK is becoming more operational which has been the case for retail real estate for several years. To ensure that we have been able to deliver the best performance from our own balance sheet assets over the years, we have invested in our infrastructure, including people, data and systems. Our strategy to expand our Capital Partnerships business is no different to Amazon's strategy in opening up their logistics network, which they have built up to ensure the best service to Amazon's customers, to third party merchants in return for fee income.

Ultimately, we are a specialist asset backed operating platform, with limited competition that can credibly match the high-quality asset management services that we offer and the ability to co-invest. With this in mind, we believe that today our Capital Partnership business, with recurring annualised earnings of £2.5 million is scalable, and are very confident of our long-term growth potential to deliver significant earnings growth in a capital light way.

We are seeking a new partner to form a long-term joint venture to build up a high-quality retail park portfolio for which we believe the investment case is compelling and the scale of the opportunity is significant. We are targeting a raise of £200 million of private capital from 'core plus' investors, and meetings with potential partners commenced earlier this year. Initial engagement with investors has been positive and we are encouraged by the feedback to date, which endorses NewRiver as a high quality asset manager and demonstrates that many 'core plus' investors recognise that they are underweight in retail and are increasingly deploying capital into the commercial real estate markets via specialist asset backed operating platforms. This is significant given that circa 90% of global real estate is invested through the private capital markets, and we are positioning ourselves well to capitalise on this opportunity.

Regeneration is a growing area of the market reflecting that it is a key priority of the main political parties in the UK, and thus significant public capital is being made available. In response to this, we are currently working on creating a public/private partnership model that will have all the sector-specific experience and expertise to successfully deliver real estate regeneration projects. We have made good progress, and once in place, this will be a key delivery vehicle for Local Authorities to joint venture with to deliver regeneration projects in their own town centres. NewRiver would provide some modest co-investment and high-quality asset and development management services.

We are genuinely excited about and confident in our capital partnership growth prospects, and we believe that in the medium term we have the potential to double the annualised fee income that we are currently generating and deliver attractive returns on the modest capital that we will invest. Beyond the medium term, we see no reason why we cannot continue to deliver significant earnings growth from capital partnerships.

Great People, Great Data and Great Systems

Retail is a fast moving and dynamic market and as such has become highly operational for both owners and occupiers of retail real estate. For several years now, we have continued to invest in our people, data and systems which we believe allows us to make better decisions, improves our operational efficiency and delivers market leading performance.

We have a fantastic culture at NewRiver with a passionate team of people with considerable experience and expertise in real estate and finance. We do not take our carefully nurtured culture for granted as we continuously invest to ensure that we have the most talented, agile and happy team we possibly can.

We are strong believers that access to high quality data allows us to make better decisions whether that relates to capital deployment, leasing, tenant mix, marketing, car parking pricing or overall risk assessment of assets. We know that many of our occupiers are also using data to enhance their customer experience and we believe that it is important that we also have a great insight into the millions of customers that visit our assets.

The most important data, in our opinion, is customer spending which is why we have started working with Lloyds Bank to combine high-quality consumer spending data with our retail market expertise. So far, we now have access to quarterly spending data on 67% of our portfolio by value. This data provides us with a store-by-store sales turnover, including the online contribution from that store, where customers are coming from and where they are not, frequency of visits, average transaction values, a demographic profile of customers and interestingly, on average where customers tend to make their first purchase, their second purchase and beyond. The application and analysis of this data touches almost every asset management decision that we make and therefore will significantly enhance our capabilities to make the right decisions in the future to further enhance our asset business plans.

Handling a greater volume of data to inform decision-making processes requires highly organised and increasingly automated systems. Several years ago, we invested in a fully integrated property management and accounting system which is our single source of truth and we continue to invest in the phased enhancement of this. One such stage was the creation of an interactive dashboard for our real estate and finance teams through a system called Data Freedom. Our teams are able to access a highly user-friendly dashboard that contains comprehensive asset information including live rent collection and arrears which is recalibrated every 15 minutes, via both mobile phone and laptop, allowing our teams to make real-time decisions. We will continue to invest in our systems to carefully manage the increasing data volume that we are accessing whilst also ensuring that we maintain strong cyber security.

ESG – Progress to Net Zero

During the nine years since the inception of our formal ESG journey, we have seen an unprecedented evolution in what it means to be a responsible real estate investor. We recognise that this evolution is ongoing and remain committed to aligning with industry best practice approaches to managing both the impact of our assets on the natural environment, and the impact of environmental changes on our assets. We are pleased to report that our ESG programme has continued to deliver on this objective in FY24, as evidenced by our achievements during the year.

We have continued to make headway on our path to net-zero, progressing against our emissions reduction targets, to achieve a –31% reduction in scope 1 and –16% reduction in scope 2 emissions in FY24 vs FY23. We are encouraged that our occupiers share this ambition, with 60% of our portfolio floor area occupied by retailers who have set emissions reductions targets; most in alignment with the ambitious British Retail Consortium commitment to bring the sector's emissions to net-zero by 2040.

FY24 marked the fifth year anniversary of our partnership with the Trussell Trust, during which we surpassed £500,000 of cumulative donations to their ambitious goal, to end hunger in the UK. Our support provides time, space and funds, and this year that included the donation of a fully fitted kitchen to a local Trussell Trust initiative in Carmarthen, known as "The Table", which is run from one of the units at our Merlin's Walk shopping centre.

The success of our business comes from the people within our team and our working partnerships, and so we are delighted to have been recently recognised for the second year running in the Sunday Times' Best Places to Work 2024. The Sunday Times survey questions are designed to gain insights into employee opinion and identify actions in respect of NewRiver's policies, procedures and culture in the areas of: reward & recognition, information sharing, empowerment, wellbeing, instilling pride, and job satisfaction. We were rated "excellent" in all six of the survey's focus areas. Separately, our occupier satisfaction & sustainability survey also provided positive insight, with over two thirds of our occupiers rating their overall satisfaction with NewRiver as 8/10 or higher and almost one third providing a 10/10 rating.

The quality of the governance of our business was once again recognised as we retained our first place ranking in the GRESB "Management" module out of over 1,000 participants across Europe and increased our score to 72/100, improved from 70/100 in the previous year. We also retained our 'B' CDP rating for our management of climate-related issues, as well as our Gold Award in EPRA's Sustainability Best Practice Recommendations Awards for excellence in transparency and comparability of annual performance disclosures.

Our achievements across people, place, partnership, environment and governance testify how our ESG commitment is embedded throughout our business and contributing to our success and growth as a responsible real estate investor.

What Next

Whilst we are reassured with our operational and financial performance, we are acutely aware that our share price is trading at a material discount to our net asset value. Despite our consistent income, capital and total return outperformance versus our benchmarks, the recognition that NewRiver is one of the UK's leading owners and managers of retail real estate and that we have one of the strongest balance sheets in the UK listed real estate sector, the material discount is, in our opinion, more reflective of our size, share liquidity constraints and wider equity market conditions for listed REITs and investment trusts. This is a challenge that we will seek to overcome through earnings growth and pursuing a number of growth avenues.

For the rest of this decade, we believe that it will be cash earnings that will drive returns to shareholders rather than just NTA growth which was largely driven by the secular decline in central bank interest rates over the last decade. Furthermore, we believe that specialist asset backed operating platforms like NewRiver will become more important as the main conduit for private capital investing into the real estate markets which are increasingly becoming more operational. As such we believe that leading specialist asset backed operating platforms will become more valuable.

In respect of those two trends, we are very well positioned given the earnings growth potential that we have in our portfolio and from capital deployment and that our Capital Partnership business is highly scalable. For the year ahead, we will be investing in our portfolio and Capital Partnerships to deliver future earnings growth whilst being alert to other opportunities that will deliver earnings growth, increased scale and share liquidity. Whilst we have demonstrated our resilience over the last four years, we are confident that over the next few years we will deliver growth.

Finally, on behalf of our entire team, I would like to express our deepest gratitude to Baroness Ford OBE who formally stepped down as NewRiver's Chair at the end of May. Margaret, in many ways, has been the perfect Chair for NewRiver during a challenging period, and today we are in a stronger position with Margaret having played a critical role in our repositioning. We wish Margaret all the best for the future and in doing so we also welcome our new Chair Lynn Fordham who I am sure will be an equally excellent Chair as Margaret was.

Allan Lockhart
Chief Executive Officer

20 June 2024

Key performance indicators

Consistent progress

The Group financial statements are prepared under IFRS, where the Group's interests in joint ventures are shown as a single line item on the income statement and balance sheet. Management reviews the performance of the business principally on a proportionally consolidated basis which includes the Group's share of joint ventures on a line-by-line basis. The Group's financial key performance indicators are presented on this basis.

Key

How our KPIs align with our business model, strategic objectives, ESG strategy and Executive remuneration

- 1 Disciplined capital allocation
- 2 Leveraging our platform
- 3 Flexible Balance Sheet
- £ Remuneration
- ESG Environmental, Social and Governance

Read about our strategy and business model on pages 6 and 17

Read about our Executive remuneration on pages 129 to 145

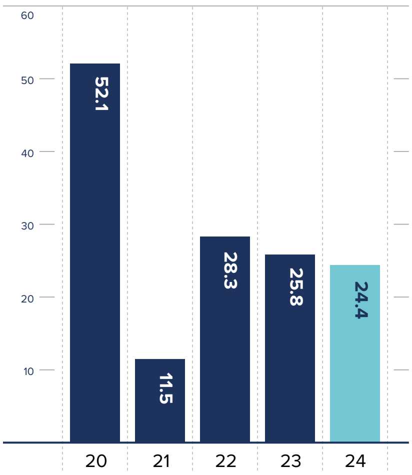
Read about our ESG strategy and performance on pages 68 to 83

Underlying Funds From Operations

Underlying Funds From Operations ('UFFO') measures underlying operational profits and excludes one-off or non-cash adjustments. We consider this to be the most appropriate measure of the underlying performance of the business, as it reflects our generation of operating profits.

Our performance

£24.4m



Total UFFO for FY24 was £24.4 million down from a total UFFO of £25.8 million in FY23, due to planned disposals and Covid related credits recognised in FY23.

Link to strategy, ESG and Remuneration

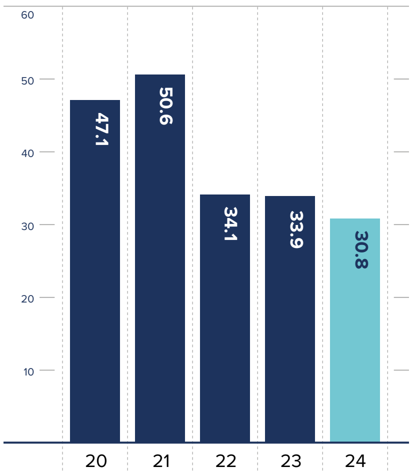
1 2 3 £

Loan To Value

Loan to Value ('LTV') is the proportion of our properties that are funded by borrowings. The measure is presented on a proportionally consolidated basis. Maintaining an LTV of less than 50% is one of our five key Financial Policies and in addition our medium-term guidance is to maintain an LTV of less than 40%.

Our performance

30.8%



LTV has reduced further to 30.8% as at 31 March 2024, comfortably below our guidance of <40%, due to planned asset disposals completed during the year.

Link to strategy, ESG and Remuneration

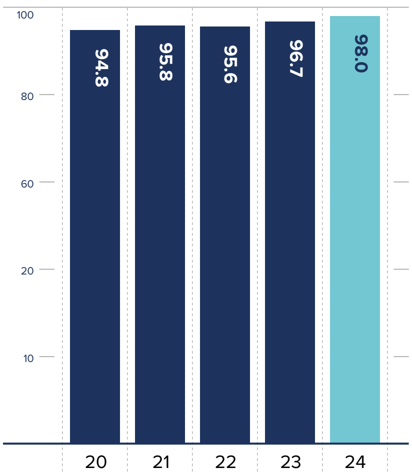
1 2 3 £

Occupancy

Retail occupancy is the estimated rental value of occupied retail units expressed as a percentage of the total estimated rental value of the retail portfolio, excluding development activities.

Our performance

98.0%



We achieved our highest occupancy level since inception (and in the five years presented), with a high, stable retail occupancy of 98.0%, up further from 96.7% in FY23, demonstrating the resilience of our essential spend led portfolio and its continued attraction and suitability to occupiers.

Link to strategy, ESG and Remuneration

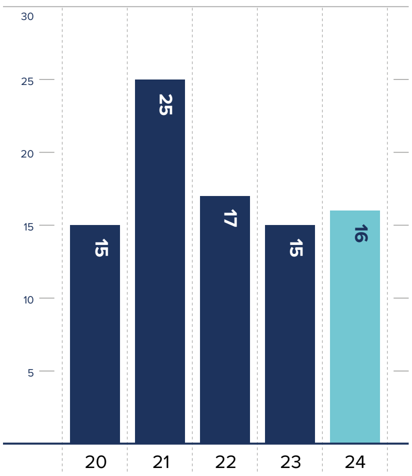
1 2 3 ESG

Admin Cost Ratio

The admin cost ratio is total administrative expenses as a proportion of gross revenue on a proportionally consolidated basis, including our share of administrative expenses and gross revenue from joint ventures and associates. It is a measure of our operational efficiency.

Our performance

15.7%



Our Admin cost ratio has increased slightly during the year, from 15.2% to 15.7%, because although we have achieved a modest reduction in admin costs, we have sold assets, thereby reducing income which is pending redeployment.

Link to strategy, ESG and Remuneration

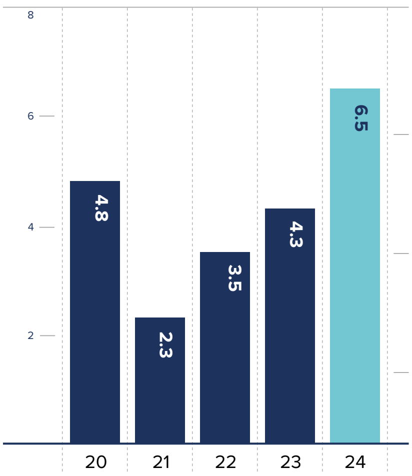
1 2 3 £

Interest Cover

Interest cover is the ratio of our operating profit to our net financing costs, on a proportionally consolidated basis, including our share of operating profit and net financing costs from joint ventures and associates. Maintaining interest cover of more than 2.0x is one of our five key Financial Policies.

Our performance

6.5x



Interest cover increased to 6.5x in FY24 from 4.3x in FY23 due to a reduction in net finance costs due to interest income generated on surplus cash balances.

Link to strategy, ESG and Remuneration

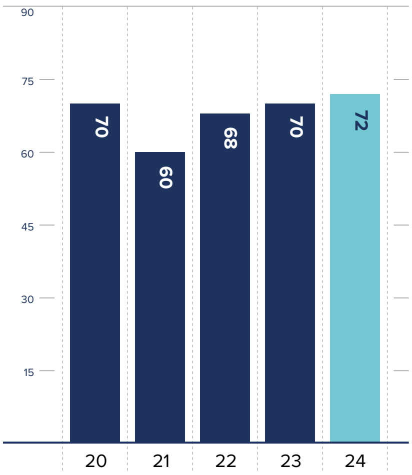
1 2 3 £

GRESB score

GRESB is the leading sustainability benchmark for the global real estate sector. Assessments are guided by factors that investors and the industry consider to be material in the sustainability performance of real estate asset investments, resulting in an overall score marked out of 100. Improvements in our GRESB score can be used to measure the effectiveness of our ESG programme.

Our performance

72



We improved our GRESB score further to 72 in FY24 from 70 in FY23, and again achieved a perfect score in the Management module (30/30), ranking first place out of over 1,000 participants across Europe. We also achieved full marks in the Social (18/18) and Governance (20/20) aspects of the GRESB assessment. We maintained our CDP 'B' score, continuing to be recognised for "taking coordinated action on climate issues". We continue to progress our pathway to net zero, reducing our emissions to achieve a –31% reduction in Scope 1 and –16% reduction in Scope 2 emissions in FY24 vs FY23.

Link to strategy, ESG and Remuneration

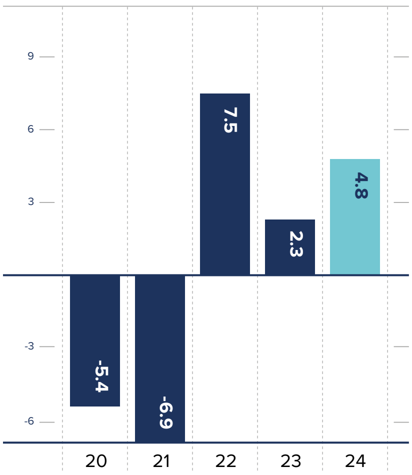
1 2 3 £ ESG

Total Property Return

Total Property Return is a measure of the income and capital growth generated across our portfolio. It is calculated by MSCI Real Estate on our behalf, using independent valuers. We assess our performance against the market by comparing our returns to the MSCI All Retail benchmark.

Our performance

+4.8%



Our portfolio delivered a Total Return of +4.8% in FY24 outperforming the MSCI All Retail benchmark of -0.2%.

During the 12 months to 31 March 2024, our Shopping Centres and Retail Parks delivered total returns of +4.4% and +7.5% respectively vs the MSCI Benchmarks of +1.4% and +1.6%.

Link to strategy, ESG and Remuneration

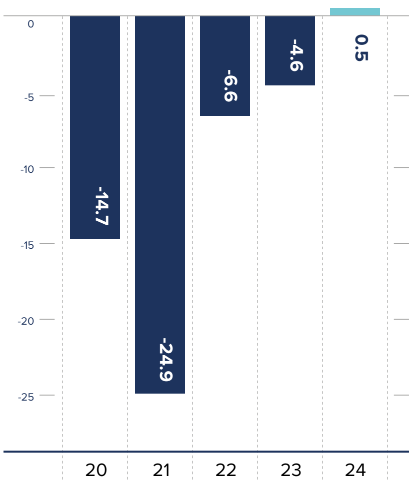
1 2 3 £

Total Accounting Return

Total Accounting Return ('TAR') is the change in EPRA Net Tangible Assets ('NTA') per share over the year, plus dividends paid, as a percentage of the EPRA NTA at the start of the year. TAR performance relative to UK-listed Real Estate Investment Trusts is a key metric used in setting the long-term incentive plan.

Our performance

+0.5%



We delivered a total accounting return of +0.5%, compared to -4.6% in the prior year due to improved valuation performance versus the prior year.

Link to strategy, ESG and Remuneration

1 2 3 ESG

INCREASED CONSUMER CONFIDENCE & A ROBUST OCCUPATIONAL MARKET UNDERPINNED BY SUCCESSFUL OMNICHANNEL RETAILERS


Sainsbury's
SUNFLOWER
VIDEO & AUDIO
Hard of Hearing

Market review

Consumers

Cost of living turning point

The key indicators that influence consumer spending are heading in the right direction, with inflationary pressures continuing to ease albeit slowly, and interest rates having peaked, with the expectation of rate cuts over the course of the next year. The most recent CPI of 2.3% in the 12 months to April is at its lowest rate since September 2021 and a significant improvement on the most recent peak of 11.1% in October 2022. Inflation is now at levels much more comfortable for business and households, close to the Bank of England's target of 2%, with further disinflation expected as the impact of lower energy bill comparatives come through.

Tight labour market and rising living standards

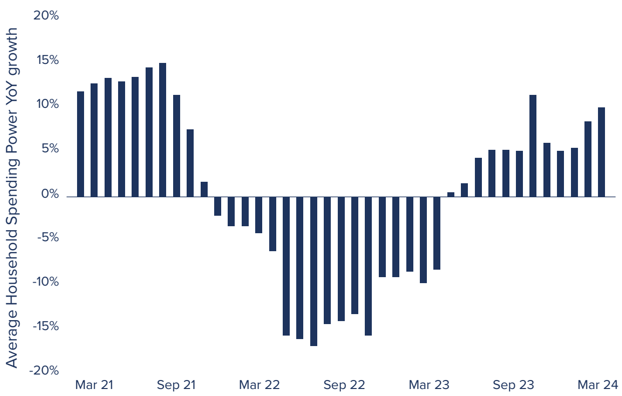
The labour market has remained strong, although softening, and despite the quarter increase to 4.3% in March 2024, unemployment remains at near historic lows. Wage growth has persisted robustly, at 6% annual growth in regular pay to March 2024 and with inflation continuing its downwards trajectory, we have seen real wage growth since June 2023. The increased spending power is demonstrated in the Asda Income Tracker which showed a 10.1% year-on-year increase in household disposable income in March 2024, marking 12 consecutive months of growth.

Stability in the housing market

Despite the sharp rise in interest rates since 2022, house prices have shown resilience in the face of significantly higher borrowing costs, with an annual growth rate of +1.1% in April 2024 according to the Halifax House Price Index and minimal change compared to April 2022. The average UK House Price currently stands at £288,949, approximately +£50,000 higher than pre-pandemic levels. However, the affordability of new mortgages means many potential buyers have delayed their plans, especially for first time buyers, putting further pressure on rental costs already impacted by a significant supply/demand imbalance.

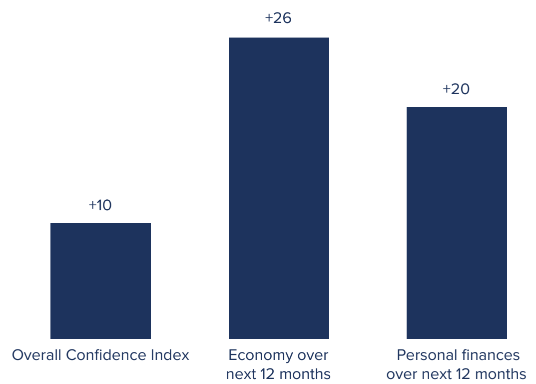
Disposable Income Growing

Asda Disposable Income Tracker



Consumer Confidence on Upward Trajectory

GFK Consumer Confidence Index – 12 month movement to March 2024



The result....

Consumers still spending and confidence is rising

Over the past 12 months, the UK consumer has been more resilient than financial markets were expecting. According to high-quality customer spending data provided by Lloyds Bank, both retail and supermarket spending delivered year-on-year sales value growth of 2.1% and 7.7%. This is a solid result given that retail accounts for 25% of Lloyds Bank's 26 million customers' annual spend and supermarkets account for a further 17%. This growth is despite consumers having to spend more on mortgages +9.6%, council tax +7.8%, motor insurance +12.3% and energy +10.8%. Other sectors that recorded strong spending growth included travel +13.4% and restaurants +7.6%, albeit these categories only account for 7% and 8% respectively of Lloyds Bank's annual customer spend.

Despite the narrative around the consumer squeeze, this is not reflected in retailer trading updates or the data with consumers also still sitting on excess savings built up during the pandemic.

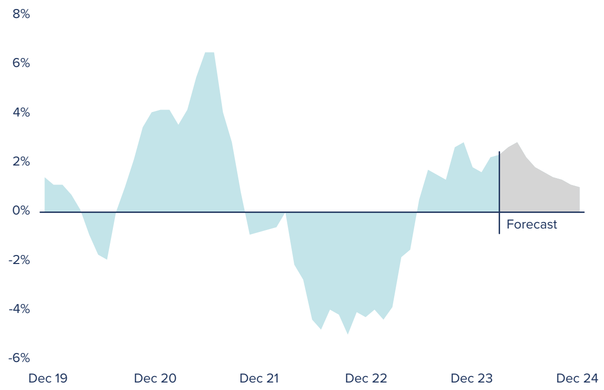
The GfK consumer confidence index shows that confidence is at its highest level for almost two years with the overall index up 10 points compared to 12 months ago. Consumers' view on their personal finances outlook is up 20 points since this time last year, to show a positive rating of +2, its highest level since December 2021.

NewRiver's response:

- Retail spending has been upheld, and encouragingly volumes have recovered as the rate of inflation continued its downward trajectory and consumer confidence levels significantly increased. Positive consumer spending has led to improved sentiment among retailers and this is reflected within NewRiver's retention rate of 94% and increased occupancy of 98%.
- Consumer positivity is also reflected in our analysis of like-for-like consumer spend within the NewRiver portfolio, informed by the Lloyds Bank spending data, which shows in-store spend is up +10% year-on-year. This is an outperformance relative to the UK average growth in retail spend of +2.1%.
- The NewRiver portfolio is in part sheltered from the variability in consumer demand as our occupier base has limited exposure to discretionary spend with 78% by rent from within essential sub-sectors.
- Household spending power is expected to see a boost throughout 2024 due to several factors including real wage growth and a second cut in National Insurance Contributions (NIC), uplifts in pensions and benefits by c. 8.5%, a 10% increase in the National Living Wage, the fall in the Ofgem energy price cap and cuts in the Bank of England's base rate. All will be welcome relief to household budgets and we expect spending levels and mix to improve as a result.

Real Living Standards Improved Since June 2023

ONS/Shore Capital Real Wage Growth YoY% (CPI Vs Regular Pay)



Retailers

The retail occupational market is in its best position for at least five years for the following reasons:

1. A resilient consumer

Consumers have proven to be resilient, leading to good spending levels which retailers benefit from.

2. Limited retailer distress

Significant corporate restructuring in retail has already taken place, removing the weakest retailers and excess competition from the market place. The Centre for Retail Research reported a -58% decrease year-on-year in the number of stores affected by insolvency in 2023 and was at its lowest number since 2015. Almost half the stores impacted in 2023 were Wilkos, a large proportion of which were taken by The Range, B&M and Poundland. There are of course brands leaving the market, but this is inevitable, and the overall number is limited.

3. Most profitable retailers remain

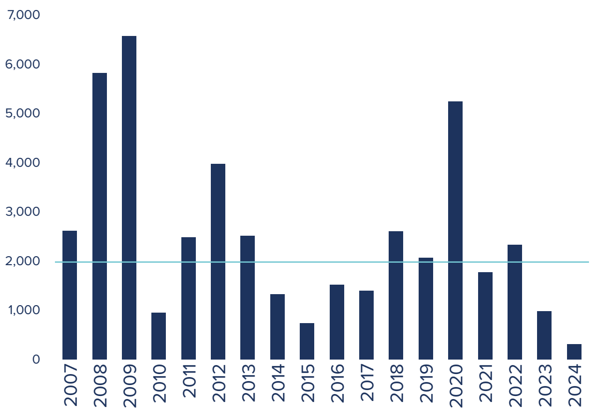
Over the last 10 years most retailers have focused on profit and delivering operational efficiencies not just volume growth. The INCANS Projected Probability of Failure model shows that the average projected failure rate for the Retail companies over a five year period is 2.3%, this aligns with both the Industrial and Logistics sector averages. Weakness within the retail sector remains primarily with the online pure-players who are struggling to drive sales, market share and EBITDA in a higher interest rate environment. The past 10 years have also seen retailers complete extensive work in portfolio re-positioning and we are now seeing these retailers again actively seeking space in the market with a breadth of demand across both Shopping Centre and Retail Parks.

4. The true value of the physical store has been demonstrated

For the consumer, the omnichannel experience means the freedom and flexibility to browse online, visit local stores and place orders when and where they want. For retailers, it is focusing on a customer-centric supply chain strategy, but there is a trade-off between agility, service levels and distribution costs. A key solution to lower costs and improving customer experience includes leveraging the pre-existing physical store network. Omnichannel operators account for +50% of online sales and they continue to win market share year on year, although it is important to note that c.75% of retail sales still occur in-store. Retailers have achieved this fully integrating their online channel with their last mile store network e.g. click and collect which is increasingly popular for both consumers and retailers.

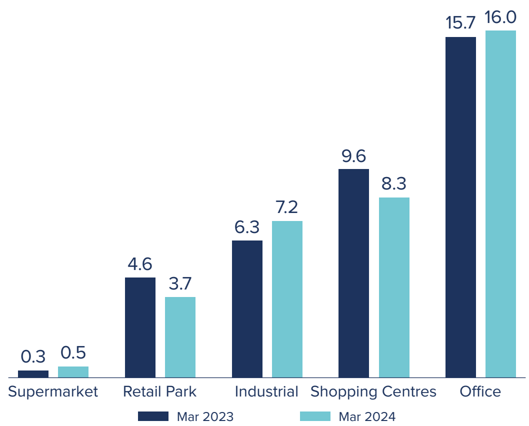
Limited Retailer Distress

Centre for Retail Research Number of Stores Impacted by Business Failure



Retail Vacancy Levels Continue to Decline

MSCI Vacancy Rate March 2023 vs March 2024



The result...

Vacancy across shopping centres and retail warehousing is falling

The importance of the physical store and the positive momentum within the occupational market is shown in the downward trajectory within the vacancy rates. Over the past 12 months, Shopping centre vacancy rates have declined -130bps and Retail Warehouses -100bps. This compares favourably to other core commercial real estate sectors such as Industrial and Offices which have seen their vacancy levels increase by +100bps and +30bps respectively.

Rental growth is coming through

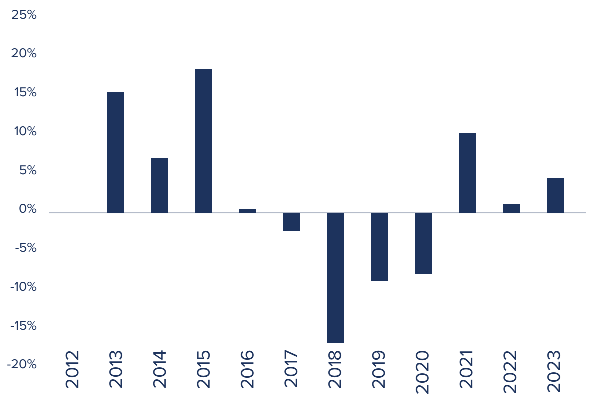
Within Shopping Centres and Retail Warehousing, competitive tension is building as a number of operators look to expand strategically. Since late 2021, Savills have reported consistent year-on-year growth on achieved net effective rents within Shopping Centres and as at Q4 2023 reported +13.7% growth. Within Retail Warehouses, 2023 showed net effective growth at 4.5%, and given a vacancy rate across the market of only 3.7%, we expect this growth rate to accelerate.

NewRiver's response:

- The strength and ongoing momentum in retail occupational market is reflected in our leasing statistics. We have completed 785,100 sq ft of new lettings and renewals in FY24 with long-term transactions on average +3.6% ahead of ERV, 1.8% ahead of previous rent and with a Weighted Average Lease Expiry of 7.5 years
- Our retail portfolio is deliberately focused on essential retailers which serve the local community, and has minimal exposure to the structurally challenged sub-sectors. To assess the risk associated with our tenant base and future cashflows, we have worked with Income Analytics to quantify the probability and impact of tenant failure. The tenant risk of failure analysis projects a probability of failure in the next five years of only 2.2%
- The resilience of NewRiver's rental cashflows is underpinned by affordable rents and a low occupational cost ratio of 8.8%
- Retail parks are a key investment area for NewRiver given their prominent role within omnichannel retail for both consumers and retailers. They have click-and-collect-friendly characteristics such as free, surface-level parking and good access; being conveniently located on key arterial routes and having large units suitable for holding stock at low occupational costs mean retailers can use stores as fulfilment centres much closer to their consumer than distribution centres.

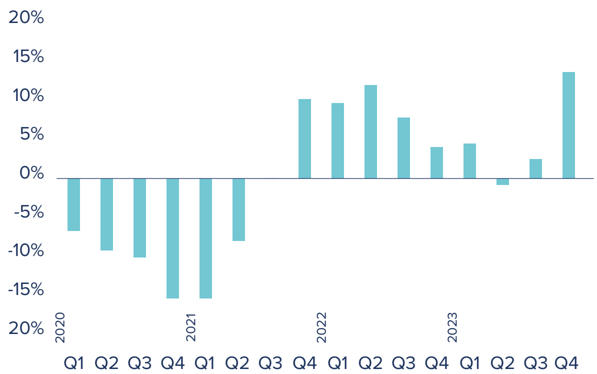
Rental Growth in Retail Parks

Savills net effective rents achieved – YoY% growth



Rental Growth in Shopping Centres

Savills net effective rents achieved – rolling 4-qtr rolling average YoY% growth



Capital Markets

Transactional volumes across the commercial real estate investment market were low throughout 2023 as a 15-year high in interest rates and persistent inflation led to declining asset values and increased borrowing costs. The MSCI March 2024 Quarterly Index shows re-pricing in the 12 months to March 2024 with All Property recording a decline of -5.5%, Offices at -13.1%, Supermarkets at -8.3%, Shopping Centres at -5.4% and Retail Warehouses at -4.4%. Industrial values were flat for the year although saw a -1.2% decline in the past six months. These declines are primarily due to outward yield shift as the market adjusts to the "new normal" of interest rates, however, such movements are materially smaller when compared to the prior 12 months, and over the most recent three months to March, we have seen yields stabilise. With the prospect of rates reductions in the second half of 2024, we expect this will stimulate activity in the investment market and support values, whilst income returns will continue to be a key component of driving total returns.

Retail Warehouse Market – breadth of liquidity

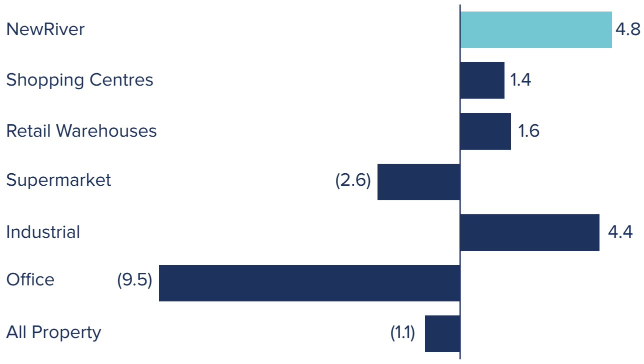
Investors remain attracted by the favourable supply/demand imbalance and increasing recognition that retail parks are highly compatible with online fulfilment which is driving the prospects of significant rental growth. This is in addition to the attractive day one entry yield and high quality income versus other sectors relative to the risk profile. In 2023, £1.9 billion transacted, down -27% which aligns with wider real estate market and follows two years of the highest activity since 2015 with £3.7 billion and £2.6 billion transacting in 2021 and 2022 respectively. Key buyers throughout this period have included UK funds and international investors and at the smaller lot size of sub £20 million, private investors and small propcos have remained active.

Shopping Centre Market – attractive risk premium

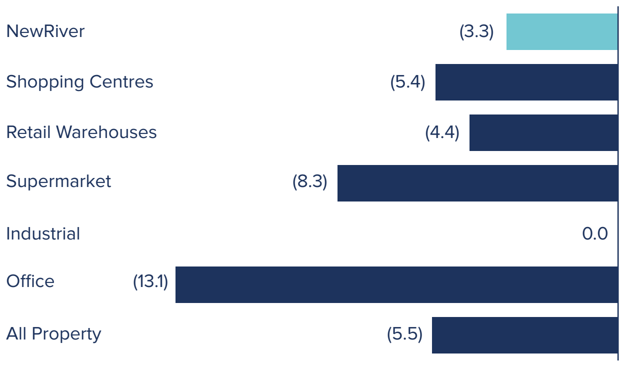
In 2023, transaction volumes were £1.03 billion across 47 deals, down -33% compared to 2022 and 2021 which saw £1.5 billion traded. Whilst volumes have been relatively low compared to historical levels, sentiment has remained positive in the sector due to the falling vacancy rates, pricing stability and high income returns compared to other sectors. This has resulted in renewed interest from both private equity and institutional funds again reviewing opportunities in the sector. The shopping centre market is highly segmented ranging from prime assets serving the destinational shopping journey and locally dominant schemes satisfying convenience-led trips to challenged retail centres and redevelopment opportunities. As such there are a range of buyers within each segment of the market and we expect this to continue into 2024. In 2023, local authorities remained active buying within their jurisdiction, focused on income and social returns, accounting for 6% of purchases, and retailers also a significant buyer in the market accounting for 23% of transactions.

MSCI UK Sector 12 Months Returns (%)

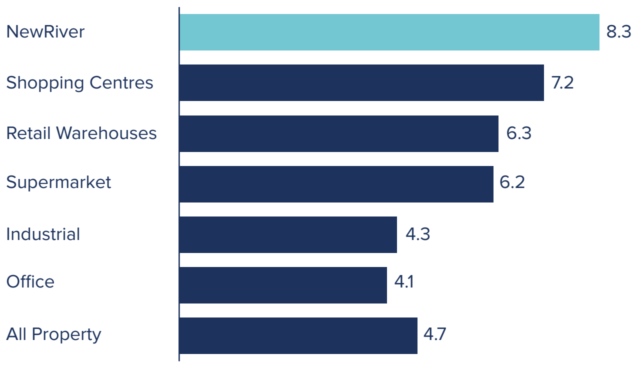
Total Return



Capital Growth



Income Returns

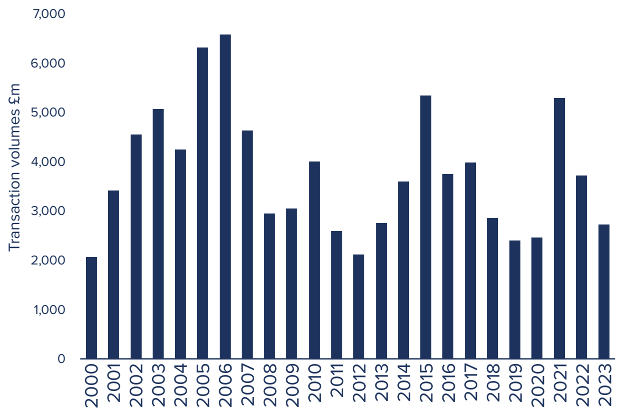


NewRiver Response:

- NewRiver's portfolio like-for-like valuation decline of -0.4% in the second half of the year represents a significant outperformance versus the MSCI All Retail Index which experienced a capital decline of -3.4%. Our Core Shopping Centres and Retail Parks, which account for 69% of the total portfolio, recorded a like-for-like valuation movement of +0.3% and +0.7% respectively, meaning we have now seen stable or growing valuations in five of the last six reporting periods within these segments
- Our Core Shopping Centre portfolio Net Initial Yield at 9.5% and Retail Park portfolio Net Initial Yield at 6.7% is premium of +220bps and +30bps compared to their respective MSCI benchmarks, and provides an attractive risk premium compared to the wider real estate market. This already high yield, the low and liquid average lot sizes of £17.9 million and £15.1 million, combined with the strong operational performance throughout the year, has in part insulated valuations from the overall market movements
- The NewRiver portfolio has significantly outperformed its MSCI Benchmark due to its strong income component and more stable valuations. This has resulted in a Total Return outperformance of +500bps, with an outperformance in Capital Return of +270bps and Income Return of +220bps
- Both Shopping Centres and Retail Warehouses provide an attractive risk premium and investor conviction is being reinforced through the continued resilience of the consumer, and physical retail locations demonstrating their true value.

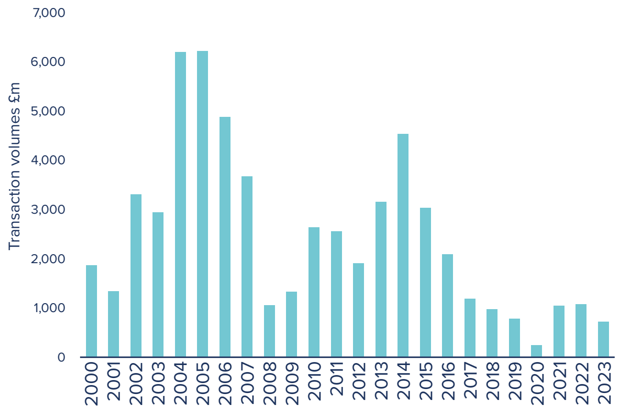
Retail Warehouse Transaction volumes

Savills



Shopping Centre transaction volumes

Savills



OUR WELL-POSITIONED RETAIL PORTFOLIO IS FOCUSED ON PROVIDING ESSENTIAL GOODS AND SERVICES TO LOCAL COMMUNITIES

Our retail-focused portfolio provides essential goods and services on a daily basis to local communities across the UK. We own and manage a retail portfolio focused on UK retail parks, core shopping centres and regeneration opportunities in order to deliver long term attractive recurring income returns and capital growth for our shareholders.

We manage a total of
£1.3 billion
of assets across
9 million sq ft
including
28
Shopping Centres and
29
Retail Parks and collect in excess of
£120 million
per annum of rent across
1,700
tenants

This is split between the assets we own on our own balance sheet as well as on behalf of our capital partners by leveraging our market leading asset management platform.

The NewRiver owned portfolio totals
£0.54 billion
across
6 million sq ft
and comprises
24
community shopping centres and
12
conveniently located retail parks

We manage
18
retail parks and
5
shopping centres on behalf of Capital Partners


JD

Our focused and well-positioned portfolio

Portfolio Metrics as at 31 March 2024

Occupancy:
98.0%
(FY23: 96.7%)

Retention Rate:
94%
(FY23: 92%)

Rent Collection:
99%
(FY23: 98%)

Affordable Average Rent:
£11.82 per sq ft
(FY23: £11.98 per sq ft)

Gross to Net Rent Ratio:
88%
(FY23: 88%)

Leasing Volume:
785,100 sq ft
(FY23: 979,200 sq ft)

Leasing Activity:
+3.6%
ahead of valuer's ERV
(FY23 +1.1%)

Average CAGR FY22-FY24:
-0.3%
on 9.9 year average previous lease period

Total Return of
4.8%
outperforming the MSCI All Retail by +500bps over 12 months

Portfolio NIY of
7.6%
+160bps
versus the MSCI All Retail at 6.0%

Occupational Cost Ratio:
8.8%

In-store sales growth:
9.7%
year-on-year

Expanding Capital Partnerships across public, private equity and institutional sectors

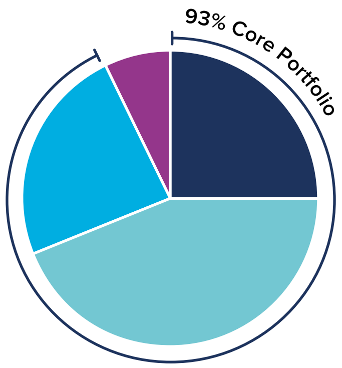
Our portfolio continues to deliver on its strong operational metrics, supported by positive momentum in the retail occupational markets and sustained consumer spending. Occupancy has improved by 1.3%, now standing at 98.0%, and overall, we have completed 785,100 sq ft of leasing transactions securing £7.2 million of annualised income. Long term leasing transactions, which account for 73% of total rent secured, were completed at rents +3.6% above valuer's ERV and +1.8% against the previous passing rent.

Long-term leasing continues to outperform ERV's across our Core Portfolio. Activity for the period across the total portfolio was concentrated within the Core Shopping Centre and Retail Park Portfolios, accounting for 79% of long-term rent secured, transacting at +6.2% and +0.4% above valuer's ERVs respectively. The Regeneration Portfolio, accounting for 17% of activity, has also experienced positive leasing especially at Bexleyheath, with deals completed +1.0% above valuer's ERV. We continue to experience excellent occupational demand across these assets given their convenient locations at the heart of their local communities.

Our long-term leasing transactions had a weighted average lease expiry (WALE) of 7.5 years, slightly reduced on FY23 at 8.2 years but a significant improvement over the 6.4 years in FY22. In terms of tenant incentives, due to the continued competitive tension in the occupational market, for long-term leasing transactions the average rent free period is just 2.1 months, reduced levels compared to FY23 at 2.8 months, with many occupiers receiving no rent free period.

For total portfolio lease events in FY24, the rents achieved had a positive CAGR versus the previous passing rent of +0.2% over the average previous lease period of 9.4 years. Over the past three years, this is only -0.3% based on an average previous lease period of 9.9 years, illustrating the limited annualised rental decline. For Retail Parks, the CAGR is positive at +2.2% and given our Retail Parks have limited availability of space, with occupancy at 97.4%, this should deliver further rental growth going forward.

Portfolio segmentation



Key

	FY23	FY24
Retail Parks	28%	25%
Shopping Centres – Core	37%	44%
Shopping Centres – Regeneration	23%	24%
Shopping Centres – Work Out & other	12%	7%

As at 31 March 2024	Occupancy	Retention Rate	Rent Collection	Affordable Average Rent		Gross to Net Rent Ratio	Leasing Volume	Leasing Activity	Average CAGR FY22-FY24	
	(%)	(%)	(%)	(£ psf)	(Ave. pa)	(%)	(sq ft)	% vs valuer ERV	(%)	(Average Lease Length)
Retail Parks	97.4%	100%	100%	£12.00	£124,000	98%	127,400	+0.4%	+2.2%	11.7
Shopping Centres – Core	98.4%	92%	99%	£12.81	£32,000	93%	259,600	+6.2%	-0.5%	10.0
Shopping Centres– Regen	99.5%	100%	100%	£12.47	£68,000	86%	204,300	+1.0%	-0.5%	8.7
Shopping Centres – Work Out	95.9%	92%	97%	£7.93	£18,000	40%	167,300	-3.6%	-2.4%	6.8
Total[1]	**98.0%**	**94%**	**99%**	**£11.82**	**£43,000**	**88%**	**785,100**	**+3.6%**	**-0.3%**	**9.9**

1. Total includes Other representing 1% of total portfolio by value

The demand for space that we saw in our portfolio during the period was broadly based with 69% of the space leased to Discount, Value Fashion, Grocery, Home, Books & Stationery, Health & Beauty, Jewellery and F&B.

The focus on the Regeneration Portfolio is to realise capital receipts in the short term. In Burgess Hill, we are in discussions to form a new joint venture to deliver a mixed-use scheme. At Grays, a planning application has been submitted with the significant residential opportunity to be marketed for sale on receipt of the decision later in the year. At Bexleyheath, which comprises a shopping centre anchored by Marks & Spencer and an adjacent retail park anchored by Sainsbury's, we have decided to defer our plans to deliver new residential homes to beyond 2029. Our decision was principally driven by the strong underlying performance of the asset and moving forward, it is appropriate to move Bexleyheath out of our Regeneration Portfolio and into our Core Shopping Centre and Retail Park portfolios. This will reduce the Regeneration Portfolio to 5% of our total portfolio.

The Work Out Portfolio now only accounts for 6% of the total portfolio, down from 11% as at March 2023, with two assets sold within the period and turnaround strategies completed at Paisley and Wallsend, therefore moving into the Core Shopping Centre Portfolio. Of the five remaining assets within the portfolio, three are planned sales totalling £9.2 million, one of which completed post year end. The two remaining turnaround projects are at the Capitol Centre, Cardiff where we have just submitted planning for work to transform the asset into a family entertainment centre and at Wisbech, where we have progressed terms to re-anchor the centre.

Our portfolio valuation at £543.8 million, represents a broadly stable like-for-like valuation movement of -0.4% for the six months to March 2024 and capital return outperformance against the MSCI All Property and All Retail indices which recorded declines of -2.9% and -3.4% respectively over the same period. Over the 12 months to March 2024, this is a like-for-like valuation movement of -2.3% and capital return outperformance against the MSCI All Property and All Retail indices which recorded declines of -5.5% and -5.9% respectively over the 12 month period.

We experienced valuation growth within both the Core Shopping Centre and Retail Park Portfolios meaning we have now seen stable or growing valuations in five of the last six reporting periods within these segments. Valuation movement within our Regeneration Portfolio has now stabilised, showing a valuation movement of -0.8% in H2, having been the most impacted in the first half of the year where the movement accounted for c.80% of the total portfolio full year movement. The majority of assets within the portfolio experienced minimal movement. Out of the 41 assets within the portfolio, only one asset had a valuation movement of greater than £1 million in H2, illustrating the underlying resilience of our portfolio.

We continue to have success in growing our Capital Partnerships and now NewRiver owns and or manages a portfolio of assets valued at £1.3 billion. Over the past 12 months, we have expanded our high calibre mandate with M&G Real Estate which now comprises 17 retail parks and two shopping centres and in Canterbury where we asset manage two shopping centres, we have also been appointed as development manager on the Council's relocation to the shopping centre. Within our BRAVO joint venture, we have completed the final disposals within the Napier Joint Venture with the total sale receipt from Napier 26% higher than the price paid, crystallising the returns contributing to the financial promote.

Our key partnerships across the public, private equity and institutional sectors illustrate the importance of specialist retail partners in a highly operational sector and represent endorsement of the quality of our asset management platform. We believe that our geographical representation, together with our customer, retailer and capital market insights, is unrivalled.

Our specialist asset backed operating platform makes us well placed to ramp up our Capital Partnerships activities, supported by our strong cash and liquidity position, and we have launched a search for a new Capital Partner to target UK retail parks in which we will co-invest to generate rental income and asset management fees. We are targeting a minimum raise of £200 million of private capital from 'core plus' investors, meetings with potential partners commenced in February 2024 and engagement has been positive. Regeneration is a growing area of the market and, in response to this, we are currently working on creating a public/private partnership with the support of a key central Government agency. This will be a key delivery vehicle with which Local Authorities can form joint ventures to deliver regeneration projects in their town centres.

Valuation

As at 31 March 2024, our portfolio was valued at £543.8 million (31 March 2023: £593.6 million). Movements from the previous year were the disposal of two Work Out assets and two Retail Parks within the BRAVO JV (£38.3 million) and a like-for-like valuation movement of -2.3% for the year. The valuations were broadly stable in the second half of the year at -0.4%, driven by stabilised ERVs and yield profiles. This shows an outperformance relative to the MSCI All Retail Index which recorded a -3.4% and -5.9% decrease of the past 6 and 12 months respectively.

The portfolio Net Initial Yield now stands at 7.6%, and has a Net Equivalent Yield of 8.6%, providing an attractive risk premium compared to the wider real estate sector. The yield premium is c.160bps higher than the MSCI All Retail benchmark at 6.0% and 6.8% respectively and represents significant headroom above the 10 year Government Gilt rate. As a result, valuation performance has been far more insulated from the impact of rising interest rates over the past 12 months.

The Core Shopping Centre Portfolio, which accounts for 44% of the portfolio, delivered capital growth of 0.3% in the 6 months to March 2024 driven by the completion of asset management initiatives resulting in modest yield compression. Over a like-for-like period the MSCI Shopping Centres Index recorded negative capital growth of -3.0%.

The Retail Park Portfolio, which represents 25% of the portfolio, also saw capital growth at 0.7% in the past 6 months, driven by ERV growth of +2.2% which totalled +3.9% across the full year with yields stable. The MSCI Retail Warehouse benchmark recorded a negative growth of -2.8% over the past 6 months.

The Regeneration Portfolio experienced a modest decline in the second half of the year at -0.8%, a significant improvement on H1 where the valuation movement accounts for c.80% of the full year portfolio movements. The stabilisation reflects progress on the projects throughout this period and continued strong retail performance within Bexleyheath. Moving forward, it is appropriate to move Bexleyheath out of our Regeneration Portfolio and into our Core Shopping Centre and Retail Park portfolios.

The Work Out portfolio, which now only accounts for 6% of the portfolio experienced a valuation decline of -6.5% over the past 6 months.

As a 31 March 2024	(£m)	Portfolio Weighting (%)	Valuation Movement H1 (%)	Valuation Movement H2 (%)	Valuation Movement FY (%)	Topped-up NIY (%)	NEY (%)	LFL EY Movement (%)	LFL ERV Movement (%)
Shopping Centres - Core	239.6	44%	0.7%	0.3%	1.1%	9.5%	9.6%	-0.1%	-0.7%
Retail Parks	137.7	25%	0.2%	0.7%	0.9%	6.7%	7.0%	0.0%	3.9%
Shopping Centres - Regen	128.9	24%	-7.9%	-0.8%	-8.7%	6.3%	7.4%	0.6%	-0.5%
Total exc Work Out / Other	**506.2**	**93%**	**-1.9%**	**0.1%**	**-1.5%**	**7.9%**	**8.4%**	**0.1%**	**0.3%**
Shopping Centres - Work Out and Other[1]	37.6	7%	-2.8%	-7.5%	-10.7%	3.5%	11.9%	0.2%	1.3%
Total[1]	**543.8**	**100%**	**-2.0%**	**-0.4%**	**-2.3%**	**7.6%**	**8.6%**	**0.1%**	**0.7%**

1. Total includes Other representing a value of £3.2 million

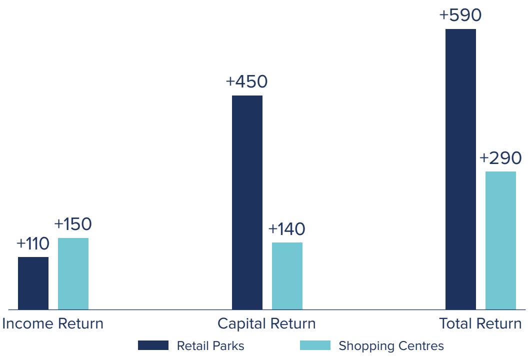
As set out in the table below, our portfolio continues to outperform the MSCI All Retail, Shopping Centre and Retail Warehouse benchmarks on a Total, Income and Capital Return for the 12 month period. Over 6 month, 12 month, 3 and 5 year periods Shopping Centres and Retail Parks have continued to outperform their respective MSCI Total Return benchmark.

12 months to 31 March 2024	Total Return	Capital Growth	Income Return
NRR Portfolio	4.8%	-3.3%	8.3%
MSCI All Retail Benchmark	-0.2%	-5.9%	6.0%
Relative performance	+500bps	+270bps	+220bps

	Shopping Centres	Retail Parks
Total Return: 6 months to 31 March 2024		
NewRiver	2.8%	4.5%
MSCI Benchmark	0.3%	0.3%
Relative Performance	+250bps	+420bps
Total Return: 12 months to 31 March 2024		
NewRiver	4.4%	7.5%
MSCI Benchmark	1.4%	1.6%
Relative Performance	+290bps	+590bps
Total Return: Annualised 3 years to 31 March 2024		
NewRiver	3.1%	11.2%
MSCI Benchmark	-0.8%	7.2%
Relative Performance	+390bps	+400bps
Total Return: Annualised 5 years to 31 March 2024		
NewRiver	-2.2%	6.1%
MSCI Benchmark	-9.4%	0.8%
Relative Performance	+730bps	+530bps

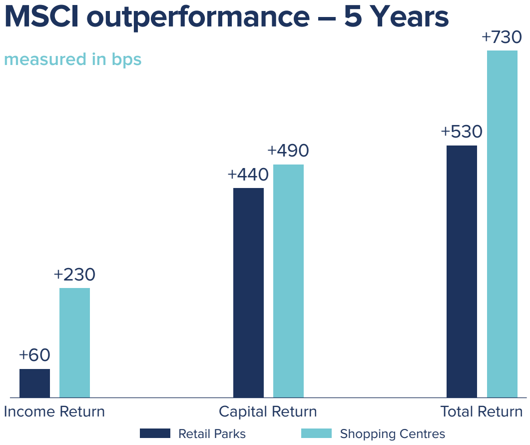
MSCI outperformance – 12 Months

measured in bps



MSCI outperformance – 5 Years

measured in bps



MSCI outperformance – 3 Years

measured in bps

Customer Spend Data
(Analysis of Lloyds Bank Data)

This year we have started working with Lloyds Bank, combining high-quality consumer spending data with our retail market expertise. NewRiver's analysis, informed by Lloyds Bank data, has provided greater insight into the profile of our shoppers and performance of our assets. To date, we have detailed customer spending insights on assets representing 67% of our portfolio by value, with the remaining analysis due to be carried out during the remainder of 2024.

The headline Portfolio findings are:

Our assets are local and accessible to our consumers; in-store spend is increasing, like-for-like sales are up and our space is affordable and profitable for our occupiers.

NewRiver Analysis and Key Findings

- Overall, the portfolio has an OCR of 8.8%, with the lowest being within the Retail Parks segmentation at 7.6%
- Total in store like-for-like spend for the NewRiver portfolio grew by 10% year-on-year. In store and online spend growth (In Store + Online With Store Visit) also grew by 10%. These represent an outperformance relative to UK average growth in retail spend of 2.1%
- The NewRiver Average Transaction Value (ATV) has grown by 8% year-on-year, this is an outperformance relative to the UK benchmark of -1.0%
- The average OCR for the Top 40 Tenants in the portfolio by rental income is sub 8%. This suggests that the Top 40 Tenants, on average, generate a healthy turnover, and the rents and occupational costs are at sustainable levels.

Occupational Cost Ratio (OCR)

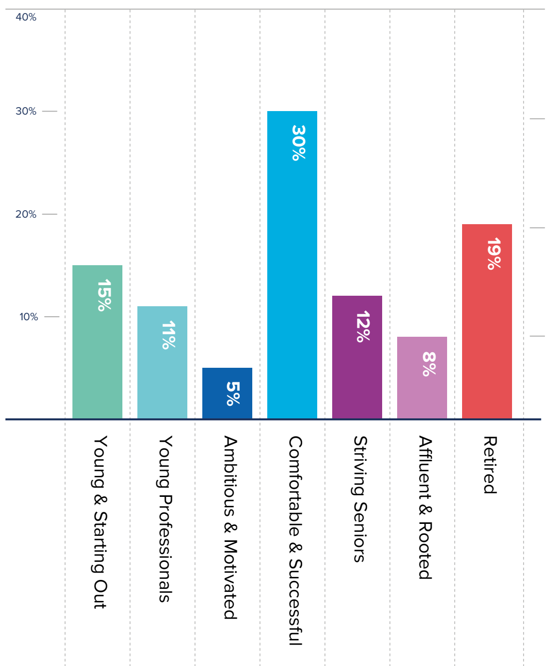
OCR is calculated as: Occupational Costs (Rent + Rates Payable + Service Charge + Insurance) divided by Store Turnover.

Occupational Costs (Rent + Rates Payable + Service Charge + Insurance) ÷ **Store Turnover** = **Occupational Cost Ratio**

NewRiver Portfolio Demographic Definitions

	Average age	Average net income
Young & Starting Out Younger individuals, careful with finances and modest savings	24	£20K
Young Professionals Young urban professionals and typically renters	30	£24K
Ambitious & Motivated Driven professionals with substantial income and savings	34	£44K
Comfortable & Successful Homeowners with established careers and families	46	£42K
Striving Seniors Commuters nearing the end of their careers, careful with finances and typically renters	56	£32K
Affluent & Rooted High-net-worth individuals preparing for retirement	63	£69K
Retired Retirees with ample savings but modest spending habits	73	£37K

NewRiver Portfolio Demographic Profile



The data analysis has also provided us with insight into our customer behaviour and the headline findings are as follows:

- Our assets are local and accessible with 68% of consumers travelling 0-5 miles to visit our centres
- 79% of spend is from consumers of working age (defined as being between 25 and 69)
- The top 4 most affluent segments (Affluent & Rooted, Comfortable & Successful, Ambitious & Motivated and Retired) account for 62% of spend within the portfolio

Segmentations

The analysis shows that across each of our segments, our tenants are exhibiting strong trading performance, both reflected in the OCRs and also in the healthy year-on-year spend growth.

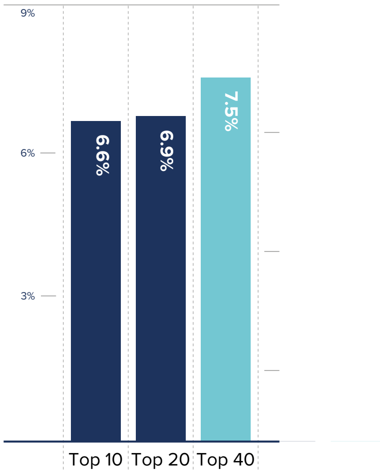
	Shopping Centres	Retail Parks
OCR %	9.6%	7.6%
Spend Growth % (In Store)	+6.1%	+16.2%
Spend Growth % (In Store + Online With Store Visit)	+6.7%	+15.6%
ATV growth %	+3.0%	+15.5%

OCR (%)

OCR

7.5%

Our Top 40 retailers have a low OCR of 7.5%

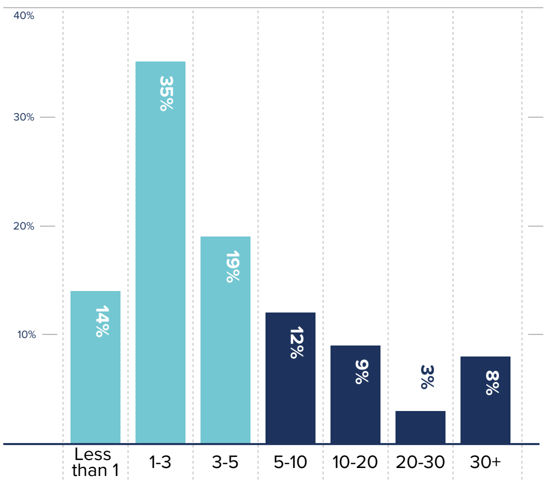


Distance Travelled (miles)

Distance Travelled

68%

of our shoppers travel less than 5 miles

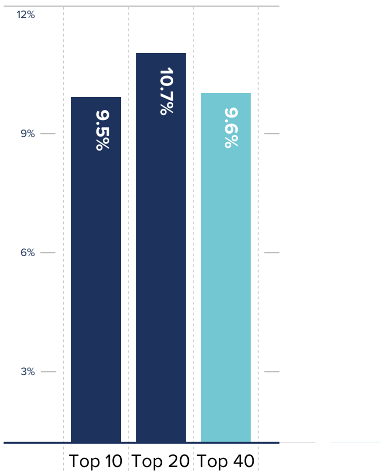


In Store Spend Growth (% Like-for-Like)

In Store Spend Growth %

9.6%

Strong growth in physical stores with our Top 40 retailers achieving 9.6% in-store sales growth



Retail Parks

As at 31 March 2024, Retail Parks accounted for 25% of the total portfolio, totalling 12 assets. There were 2 assets sold within the past 12 months being the final sales within the Napier Joint Venture. At 97.4% occupancy and a retention rate of 100% the portfolio continues to outperform it's MSCI benchmark with several asset management initiatives completed over the past 12 months driving a like-for-like valuation movement of +0.9% and ERV growth of +3.9%.

At a glance

Portfolio weighting: **25%**	No. assets: **12**
NIY: **6.7%** versus MSCI Retail Warehouse NIY of 6.4%	Average value: **£15.1 million**
Occupancy: **97.4%**	Retention rate: **100%**
Rent collection: **100%**	Affordable average rent: **£12.00** per sq ft/£124,000 per annum
Gross to Net Rent Ratio: **98%**	Leasing volume: **127,400 sq ft**
Leasing activity: **+0.4%** ahead of valuer's ERV	Average CAGR FY22-FY24: **2.2%** 11.7 year average previous lease period
Total Return: **7.5%** outperforming the MSCI Retail Warehouse by +590 basis points	

Key occupiers

B&M, TK Maxx, ALDI, halfords

Selected highlights include:

- **Barrow-in-Furness, Hollywood Retail & Leisure Park:** is the key retail and leisure offer to the town opposite Tesco Extra, benefiting from a line-up including Aldi, TK Maxx, Curry's, Dunelm, McDonald's and KFC. We have strengthened this offer, with new lettings in line with valuer's ERV, through the introduction of CVS Vets on a 10 year term on a former Pizza Hut restaurant and having exercised the landlord break on a Bingo operator, completed a new letting to Smyths Toys on a 15 year term.
- **Cardiff, Valegate Retail Park:** this 94,000 sq ft discount-led park, adjacent to high performing M&S and Tesco Extra stores, has shown the continued demand for supermarket anchored retail parks to a variety of occupiers. The park is 100% let following long-term lettings to Poundland and Boulders, an indoor climbing centre in the previous year, and a new letting to Card Factory on a 5 year term at +3% above valuer's ERV.
- **Dewsbury, Rishworth Centre:** at our 99,000 sq ft retail park anchored by Sainsbury's and Aldi, we exercised the landlord break on the Poundstretcher unit and completed a new letting with Pure Gym on terms substantially above the previous passing rent following a competitive bid process. The park is now fully let with Pure Gym joining Aldi, Shoezone, Iceland, Halfords, Matalan and Pets at Home.
- **Dumfries, Cuckoo Bridge Retail Park:** demand from new occupiers at this supermarket, DIY and discount anchored park remains strong with the last remaining vacancy under offer. In the past 12 months, we have completed a new letting to Food Warehouse and renewed the lease with Dunelm on a 20,000 sq ft store for a term of 10 years.
- **Lisburn, Sprucefield Retail Park:** we successfully received planning permission for three new drive-thru/restaurant units on surplus land adjacent to the retail park and exchanged agreements for lease with Nando's, Starbucks and Slim Chickens. Works have started on site with completion due in Summer 2024. This park benefits from its accessibility, located just off the M1 connecting Belfast to Dublin, and broad tenant mix with anchors Sainsbury's and B&Q situated alongside The Range and B&M.


Value-creating asset management: 3 x new drive-thru's/restaurants on surplus land at Sprucefield Retail Park, Lisburn, Northern Ireland

Core Shopping Centres

As at 31 March 2024, our Core Shopping Centre portfolio represented 44% of our total portfolio, and comprised 16 core community shopping centres with an occupancy of 98.4%. Our Core Shopping Centres are located in the heart of their local communities, providing a range of essential goods and services to local people.

At a glance

Portfolio weighting: **44%**	No. assets: **16**
NIY: **9.5%** versus MSCI Shopping Centre NIY of 7.3%	Average value: **£17.9 million**
Occupancy: **98.4%**	Retention rate: **92%**
Rent collection: **99%**	Affordable average rent: **£12.81** per sq ft/£32,000 per annum
Gross to Net Rent Ratio: **93%**	Leasing volume: **259,600 sq ft**
Leasing activity: **+6.2%** ahead of valuer's ERV	Average CAGR FY22-FY24: **-0.5%** on 10.0 year average previous lease period
Total Return: **11.4%** outperforming the MSCI Shopping Centres by +1,000 basis points	

Key occupiers

Superdrug, Poundland, M&S, Boots, Primark, next

Following the completion of two turnaround strategies within the Workout Portfolio, the centres in Paisley and Wallsend have been stabilised, and are now considered long-term sustainable retail centres and as such, have been transferred into the Core Shopping Centre portfolio.

Selected highlights include:

- **Newtownabbey, Abbey Centre:** at our centre in Belfast, totalling 320,000 sq ft and anchored by Primark, Next and Dunnes, we recently completed the upsize of Danske Bank to a new flagship store on a 10 year term increasing the rent payable by +59%. In addition, we completed works to create a new external unit for Greggs and as part of the works refurbished the entrance to improve the access from the surface level car park. The new lettings will produce an additional annualised net income of +£110,000 with total capex incurred of £820,000. It has been an active 12 months, securing £730,000 of annualised rent including renewals with a range of occupiers including Pavers, Card Factory, Clarks and Ernest Jones.
- **Hastings, Priory Meadow:** at our south-east Shopping Centre in the heart of Hastings, anchored by Primark and M&S, Black Sheep Coffee has taken one of the last remaining vacancies on a new 20 year lease at £60,000 per annum, aligned with valuer's ERV. Occupiers continue to benefit from a strong trading performance at the scheme as reflected at lease renewal with H&M renewing on terms +11.4% above valuer's ERV and +23.1% above the previous passing rent. Within the period, we have also completed renewals with EE, F Hinds, HMV, Schuh and Boots at rents aligned with valuer's ERV.
- **The Avenue, Newton Mearns:** our community centre is situated within an affluent catchment in the suburbs of Glasgow, anchored by Marks & Spencer and Asda, and provides a range of national and independent retailers. We have recently re-geared Marks & Spencer on a new 15 year lease with the retailer investing in their store fit out and let the former M&Co to Bonmarche on a new 5 year lease +13% above valuer's ERV.
- **Paisley, The Piazza:** has been revitalised by active asset management capitalising on renewed occupier interest. Over the past 12 months, we have introduced JD Sports to the tenant line-up and completed a new letting to Bonmarche in the former M&Co unit. The planned redevelopment of the neighbouring shopping centre in the catchment has removed surplus retail supply, reinforcing the long-term sustainability of this retail centre within its local catchment.
- **Wallsend, The Forum:** the opening of a new medical centre on surplus car park space which now sits alongside Aldi and Burger King, which we developed in 2016, in conjunction with the improved retail occupancy and rental tension has completed the turnaround strategy on this asset. In the past 12 months, we have completed long-term lettings totalling +8% above valuer's ERV and +17% above the previous passing rent.

Regeneration

We have three regeneration assets, representing 24% of the total portfolio value where the strategy is to deliver capital growth through redeveloping surplus retail space predominantly for residential.

At a glance

Portfolio weighting: **24%**	No. assets: **3**
NIY: **6.3%** versus MSCI Shopping Centre NIY of 7.3%	Average value: **£43.0 million**
Occupancy: **99.5%**	Retention rate: **100%**
Rent collection: **100%**	Affordable average rent: **£12.47** per sq ft/£68,000 per annum
Gross to Net Rent Ratio: **86%**	Leasing volume: **204,300 sq ft**
Leasing activity: **+1.0%** ahead of valuer's ERV	Average CAGR FY22-FY24: **-0.5%** on 8.7 year average previous lease period
Total Return: **-3.3%** underperforming the MSCI Shopping Centres by -470 basis points	

Key occupiers

H&M, Boots, Sainsbury's, WH Smith, B&M, M&S

Selected highlights include:

- **Grays, Grays Shopping Centre:** is located just 35 minutes from central London by train and we have submitted a planning application to redevelop the shopping centre into a high-density residential-led redevelopment of up to 850+ homes. A positive planning decision is anticipated later in the year, at which point the asset will be sold and capital recycled into income accretive opportunities.
- **Burgess Hill, The Martlets:** is located in a prominent and affluent south-east location and currently benefits from a planning consent for a mixed-use development. We are in discussions to form a new joint venture to deliver our regeneration project. Terms have been agreed with a major food discounter to pre-let the retail anchor store, with a budget hotel operator for the proposed 89 bedroom hotel and with a residential developer to sell part of the site. We are targeting to commence project works at the end of 2024. We expect the project to deliver an IRR in excess of 15% and a yield on cost of 10%.
- **Bexleyheath, Broadway Shopping Centre:** this Greater London asset across 11 acres comprises a shopping centre and retail park, anchored by M&S and Sainsbury's. We have completed several new lettings and lease renewals over the period, securing £1,270,000 of annualised income +1.3% above the valuer's ERV, within the existing dominant retail core. This includes new lettings and renewals to Greggs, Deichmann and B&M replacing Wilko on a new 10 year lease. Given the strong underlying retail performance, moving forward it is appropriate to move Bexleyheath out of our Regeneration Portfolio and into our Core Shopping Centre and Retail Park portfolios. This will reduce the Regeneration Portfolio to 5% of our total portfolio.

Work Out

Our Work Out portfolio makes up only 6% of our portfolio and comprises five assets. Within the period, two sales were completed and two turnaround strategies finalised, therefore these assets have moved into the Core Shopping Centre Portfolio. There are three planned sales remaining totalling £9.2 million, of which one has completed post year end.

At a glance

Portfolio weighting: **6%**	No. assets: **5**
NIY: **4.0%** versus MSCI Shopping Centre NIY of 7.3%	Average value: **£6.9 million**
Occupancy: **95.9%**	Retention rate: **92%**
Rent collection: **97%**	Affordable average rent: **£7.93** per sq ft/£18,000 per annum
Gross to Net Rent Ratio: **40%**	Leasing volume **167,300 sq ft**
Leasing activity **-3.6%** below valuer ERV	Average CAGR FY22-FY24: **-2.4%** on 6.8 year average previous lease period
Total Return **-8.2%** underperforming the MSCI Shopping Centres by -960 basis points	

Key occupiers

Poundland
Boots
TESCO
home bargains

The final two turnaround strategies are the following:

- **Cardiff, The Capitol:** we have made significant progress in transforming this asset which sits at the gateway to Cardiff City Council's new canal quarter and accounts for 56% of the total Work Out portfolio. Planning has been submitted for the required works to create an 80,000 sq ft family entertainment centre, with the new letting set to boost the annualised net income by more than £1 million per annum and act as the catalyst for Food & Beverage lettings on the remainder of the centre.
- **Wisbech, Horsefair:** we are moving forward with our small-scale repositioning of the asset. A 35,000 sq ft anchor unit is under offer to a leading discount operator which will front a new surface level car park and drive-thru, also under offer. On completion, this will boost footfall across the centre which has seen ongoing commitments from several existing occupiers with renewals completed with Vodafone, EE and Boots in line with valuer's ERV.

The Capitol Centre, Cardiff

Horsefair Shopping Centre, Wisbech

Capital Partnerships

NewRiver currently manages £1.3 billion of assets across 28 Shopping Centres and 29 Retail Parks, collecting in excess of £120 million per annum of rent across 1,700 tenants. This is split between the assets we own on our own balance sheet as well as on behalf of our capital partners by leveraging our market leading asset management platform.

Capital Partnerships are an important part of our business, delivering earnings growth in a capital light way through asset management fees, a share of rent and the potential to receive financial promotes. We are now well placed to grow our Capital Partnerships activities further, supported by our strong cash and liquidity position and have launched a search for a new Capital Partner to target UK retail parks in which we will co-invest. We are targeting a minimum raise of £200 million of private capital from 'core plus' investors, meetings with potential partners commenced in February 2024 and engagement has been positive. Regeneration is a growing area of the market and in response to this, we are currently working on creating a public/private partnership with the support of a key central Government agency. This will be a key delivery vehicle for Local Authorities to joint venture with to deliver regeneration projects in their town centres.

The expansion and breadth of our Capital Partnerships is a clear indication of the need for specialist retail partners to enhance performance in the highly operational retail sector. We believe that our geographical representation, together with our customer, retailer and capital market insights, is unrivalled.

At a glance

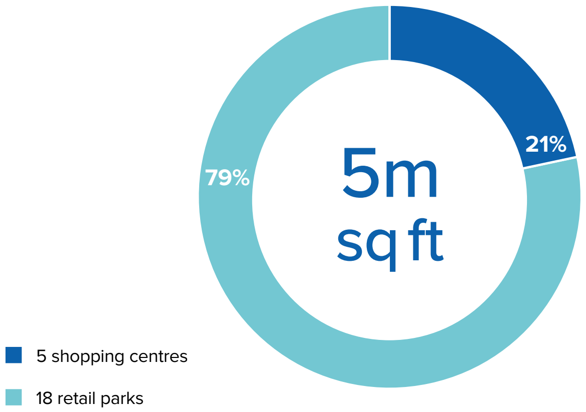
Total Assets Under Management
£1.3 billion
(NewRiver assets and assets managed on behalf of our capital partners)

Assets
28
Shopping centres
29
Retail parks

Occupiers
1,700

Total Rent
£120 million pa

Our Capital Partnerships by area and number



Our three current Capital Partnerships are:

Whitefriars Shopping Centre, Canterbury

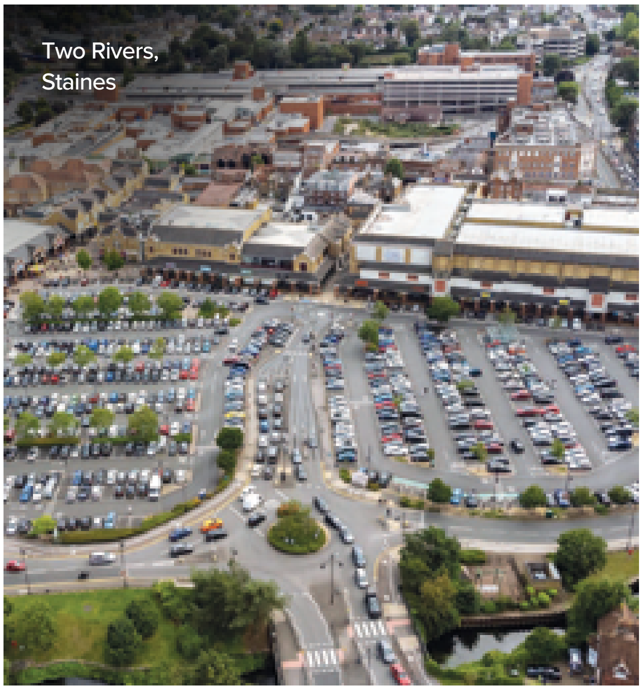
Local Authorities:

With Canterbury City Council across two shopping centres in Canterbury.

Key highlights include:

- We have completed 21 long-term leasing transactions across 105,000 sq ft, securing £2.1 million of annualised rent
- In our role as development manager, we have started on site with Canterbury City Council's new office headquarters. The new offices are being re-purposed from surplus retail accommodation within Whitefriars Shopping Centre, and we expect to hand over the completed offices in July 2024.

2
shopping centres



Private Equity Sector:

With BRAVO on one retail park and one shopping centre in Sheffield.

Key highlights:

- At The Moor, Sheffield, we have grown the net income by 28% since acquisition, with strong interest on the last remaining vacancies on the newly furbished leisure deck. We have also generated £16.2 million of capital receipts on non-core elements of the retail estate with advanced discussions on the sale of a further two prime residential sites
- At Sprucefield Retail Park, Northern Ireland we have recently regeared the Sainsbury's on a new long term deal and we are developing three drive-thru units across 9,800 sq ft pre-let to Nando's, Slim Chickens and Starbucks.

1
retail park

1
shopping centre

Institutional Sector:

With M&G Real Estate across 17 retail parks and two shopping centres.

Key highlights:

- Following our appointment in Q4 FY23, the mandate was expanded to include an additional South-East shopping centre and a retail park
- Over the past 12 months, we have completed 24 leasing transactions across 260,000 sq ft, securing £4.6 million of rent

17
retail parks

2
shopping centres

Balance sheet positioned for growth

Will Hobman
Chief Financial Officer

During the year, we have been successful in further improving our already strong financial position, and we ended the period with £133.2 million of cash holdings, Net debt to EBITDA reduced to 4.8x, LTV reduced to 30.8% and Interest Cover increased to 6.5x. Demonstrating the strong support we have from our key banking relationships, we were delighted that during the second half of the year we extended the maturity of our undrawn £100 million Revolving Credit Facility to November 2026, with two one-year extension options (subject to lender consent) taking maturity to November 2028 at a lower annual cost.

Given that the majority of our cash holdings are on deposit earning a blended return in excess of 5%, we took the decision to increase our dividend payout in the first half so that our shareholders received benefit as we waited to deploy. We did this by distributing 100% of the interest income we received in the first half as dividend, resulting in a fully covered first half dividend of 3.4 pence per share. This represented a payout of 85%, compared to our usual payout of 80%, and was comfortably 118% covered by Underlying Funds From Operations (‘UFFO’). We said at the time that our intention would be to top up the dividend at the full year too, subject to deployment progress in the second half, and given we have continued to hold back on deployment we have again topped-up the dividend at the full year, using the same mechanism. This has resulted in a final dividend of 3.2 pence per share and a total dividend for FY24 of 6.6 pence, representing a payout of 85% and 118% covered by UFFO.

UFFO for the year ended 31 March 2024 was £24.4 million, which compares to £25.8 million for the year ended 31 March 2023, with the reduction due to £61.3 million of completed disposals over the last 24 months and one-off Covid related credits received in the prior year. Importantly, UFFO for the year ended 31 March 2024 includes £2.5 million of asset management fee income, an increase of £1.0 million when compared to the prior year, reflecting the progress we have made during the year in our key strategic priority to grow our Capital Partnerships.

Taking account of £38.3 million of disposals completed during the year and the modest valuation movement of -2.3%, our portfolio was valued on a proportionally consolidated basis at £543.8 million as at 31 March 2024, compared to £593.6 million as at 31 March 2023. The modest portfolio valuation decline is reflected in the reduction in EPRA Net Tangible Assets per share from 121 pence at 31 March 2023 to 115 pence at 31 March 2024. We delivered a total accounting return of +0.5%, compared to -4.6% in the prior year.

Key performance measures

The Group financial statements are prepared under IFRS, where the Group's interests in joint ventures and associates are shown as a single line item on the income statement and balance sheet. Management reviews the performance of the business principally on a proportionally consolidated basis which includes the Group's share of joint ventures and associates on a line-by-line basis. The Group's financial key performance indicators are presented on this basis.

In addition to information contained in the Group financial statements, Alternative Performance Measures ('APMs'), being financial measures that are not specified under IFRS, are also used by management to assess the Group's performance. These APMs include a number of European Public Real Estate Association ('EPRA') measures, prepared in accordance with the EPRA Best Practice Recommendations reporting framework, which are summarised in the 'Alternative Performance Measures' section at the end of this document. We report these measures because management considers them to improve the transparency and relevance of our published results as well as the comparability with other listed European real estate companies. Definitions for APMs are included in the glossary and the most directly comparable IFRS measure is also identified. The measures used in the review below are all APMs presented on a proportionally consolidated basis unless otherwise stated.

The APM on which management places most focus, reflecting the Company's commitment to driving income returns, is UFFO. UFFO measures the Company's operational profits, which includes other income and excludes one off or non-cash adjustments, such as portfolio valuation movements, profits or losses on the disposal of investment properties, fair value movements on derivatives and share-based payment expense. We consider this metric to be the most appropriate for measuring the underlying performance of the business as it is familiar to non-property investors, and better reflects the Company's generation of profits. It is for this reason that UFFO is used to measure dividend cover.

The relevant sections of this Finance Review contain supporting information, including reconciliations to the financial statements and IFRS measures. The 'Alternative Performance Measures' section also provides references to where reconciliations can be found between APMs and IFRS measures.

Our stable underlying financials and strong balance sheet position us well for growth

Financial Highlights

Measure	Value	FY23
Underlying Funds From Operations	£24.4m[1]	FY23: £25.8m
LTV	30.8%[1]	FY23: 33.9%
UFFO Per Share	7.8p	FY23: 8.3p
Ordinary Dividend Per Share	6.6p	FY23: 6.7p
IFRS Profit / (Loss) After Tax	£3.0m	FY23: £(16.8)m
Admin cost ratio	15.7%	FY23: 15.2%
Total Accounting Return	+0.5%	FY23: -4.6%
Net finance costs	£10.6m	FY23: £14.9m
Net debt	£167.3m	FY23: £201.3m
Interest cover	6.5x	FY23: 4.3x
Weighted average debt maturity[2]	3.9yrs	FY23: 4.7 yrs
Net debt: EBITDA	4.8x	FY23: 4.9x

1. UFFO and LTV reduced due to disposals completed in the last 24 months and Covid related credits recognised in FY23
2. Drawn debt only

Underlying Funds From Operations

The following table reconciles IFRS profit / (loss) after taxation to UFFO, which is the Company's measure of underlying operational profits.

Reconciliation of profit / (loss) after taxation to UFFO

	31 March 2024 £m	31 March 2023 £m
Profit / (loss) for the year after taxation	**3.0**	(16.8)
Adjustments		
Revaluation of property	**13.9**	38.2
Revaluation of joint ventures' and associates' investment properties	**–**	(0.8)
Loss on disposal of investment properties	**3.8**	3.8
Changes in fair value of financial instruments	**(0.1)**	(0.2)
Loss on disposal of joint venture	**2.3**	–
Deferred tax	**–**	0.2
EPRA Earnings	**22.9**	24.4
Forward looking element of IFRS 9	**–**	(0.2)
Head office relocation costs	**–**	0.5
Share-based payments charge	**1.5**	1.1
Underlying Funds From Operations	**24.4**	25.8

Underlying Funds From Operations is presented on a proportionally consolidated basis in the following table.

Underlying Funds From Operations

	31 March 2024				31 March 2023
	Group £m	JVs & Associates £m	Adjustments[1] £m	Proportionally consolidated £m	Proportionally consolidated £m
Revenue	**65.0**	**1.5**	**–**	**66.5**	76.2
Property operating expenses	**(20.9)**	**–**	**–**	**(20.9)**	(25.7)
Net property income	**44.1**	**1.5**	**–**	**45.6**	50.5
Administrative expenses	**(12.4)**	**(0.1)**	**1.5**	**(11.0)**	(11.1)
Other income	**0.4**	**–**	**–**	**0.4**	1.4
Operating profit	**32.1**	**1.4**	**1.5**	**35.0**	40.8
Net finance costs	**(9.9)**	**(0.6)**	**(0.1)**	**(10.6)**	(14.9)
Taxation	**–**	**–**	**–**	**–**	(0.1)
Underlying Funds From Operations	**22.2**	**0.8**	**1.4**	**24.4**	25.8
UFFO per share (pence)				**7.8**	8.3
Ordinary dividend per share (pence)				**6.6**	6.7
Ordinary dividend cover				**118%**	125%
Admin cost ratio				**15.7%**	15.2%
Weighted average # shares (m)				**311.4**	309.7

1. Adjustments to Group and JV & Associates figures to remove non-cash and non-recurring items, principally share-based payment charge £(1.5) million and revaluation of derivatives £0.1 million

Net property income

Analysis of net property income (£m)		
Net property income for the year ended 31 March 2023		**50.5**
Net disposals		(4.3)
Net property income re-based		**46.2**
Rent and service charge provisions		(0.4)
NRI Core, Retail Parks & Other	(0.1)	
NRI Regeneration	(0.4)	
NRI Work Out	(0.9)	
Like-for-like net rental income (including Work Out)		(1.4)
Asset management fees		1.2
Net property income for the year ended 31 March 2024		**45.6**

On a proportionally consolidated basis, net property income was £45.6 million in FY24, compared to £50.5 million in FY23. This was predominantly due to the impact of £23.0 million of disposals completed in FY23, the disposal of the Napier Joint Venture during Q1 FY24 and the disposal of two Work Out assets in the second half of the year which collectively reduced net property income by £4.3 million.

The benefit received from rent and service charge provisions reduced by £0.4 million, largely due to the collection of historical rental arrears during FY23. Over the previous two years, we have benefitted from the collection of rent arrears from the Covid era which had been provided for during the pandemic. This benefit has drawn to a close as these historical collections are now finalised and rental and service charge provisions have stabilised, with rent collection for FY24 remaining strong at 99%.

Like-for-like net rental income reduced by £1.4 million during FY24, the majority of which was attributed to the Work Out portfolio which contributed £0.9 million of the decline. The Work Out portfolio, which represented 11% of portfolio valuation at the start of FY24, contains assets we do not want to hold in their current configuration in the long-term, and therefore we have a target to either sell or reposition this portfolio. At the start of FY24 the portfolio contained nine assets, four of which we earmarked for disposal and five of which we planned to turnaround by investing capital to reposition. During FY24 we sold two and repositioned two assets meaning the Work Out portfolio represented just 6% of total portfolio valuation at the end of FY24.

Like-for-like net rental income within our Regeneration portfolio declined slightly by £0.4 million as we continue to prepare assets for vacant possession but pleasingly, our Core Shopping Centres and Retail Parks have remained stable contributing only a modest decline in net rental income of £0.1 million in the year.

Asset management fees generated from our Capital Partnerships increased by £1.2 million in the year on a like-for-like basis, predominantly due to the asset management mandate signed with M&G Real Estate during Q4 FY23. The scope of this mandate has already expanded twice, with an additional shopping centre added in April 2023 and an additional retail park in November 2023, increasing the number of assets managed to 17 retail parks and two shopping centres. As previously noted, we believe that we have a significant opportunity to deliver further earnings growth through our Capital Partnerships activity and we are currently actively seeking a new long-term partner to operate in the retail park sector, to enable us to co-invest to generate rental income and asset management fees.

Administrative expenses

We have continued to focus on cost efficiencies and, despite inflationary pressures, we have again reduced administrative expenses, to £11.0 million in FY24 compared to £11.1 million in FY23. It is also worth noting that in FY21, immediately prior to the launch of our cost reduction initiatives, administrative expenses were £12.0 million and so the current year figure of £11.0 million represents over an 8% reduction versus this baseline.

As we look forward to the financial years ahead, we have identified further cost saving initiatives that we are looking to implement to keep our administrative expenses at a stable level and where possible to unlock further reductions.

Other income

Other income recognised during FY24 of £0.4 million compared to £1.4 million recognised during FY23. The income in the prior year related to the settlement of an income disruption insurance claim relating to our car park income during the first Covid lockdown between March and June 2020. We stated in our FY23 results that a more modest claim relating to our commercialisation and turnover rent income during the same Covid period remained ongoing, and during the first half of FY24 we settled the commercialisation element of the claim, which contributed the entire £0.4 million of Other income recognised during the year.

Net finance costs

Net finance costs reduced by £4.3 million during FY24, falling from £14.9 million in FY23 to £10.6 million in FY24, primarily due to interest income received on our cash reserves. We are currently holding cash reserves of £133.2 million, the majority of which are on deposit generating a return of over 5%, which contributed £5.4 million of income during the year, compared to £1.1 million in the year ended 31 March 2023 due to an increase in cash holdings and deposit rates, reflective of our pro-active treasury management.

Taxation

As a REIT we are exempt from UK corporation tax in respect of our qualifying UK property rental income and gains arising from direct and indirect disposals of exempt property assets. The majority of the Group's income is therefore tax free as a result of its REIT status, albeit this exemption does not extend to other sources of income such as interest or asset management fees.

Dividends

Under our dividend policy, we declare dividends equivalent to 80% of UFFO twice annually at the Company's half and full year results, calculated with reference to the most recently completed six-month period.

The Company is a member of the REIT regime whereby profits from its UK property rental business are tax exempt. The REIT regime only applies to certain property-related profits and has several criteria which have to be met, including that at least 90% of our profit from the property rental business must be paid as dividends. We intend to continue as a REIT for the foreseeable future, and therefore our policy allows the final dividend to be "topped-up", including where required to ensure REIT compliance, such that the payout in any financial year may be higher than our base policy position of 80% of UFFO.

When we announced our half year results in November 2023, we explained that we would top-up our half year dividend pending deployment of the significant cash holdings available at that time, by paying out 100% rather than 80% of the interest income earned on our cash holdings during the first half. This increased the first half dividend by 0.2 pence per share meaning that the dividend in respect of the six months ended 30 September 2023 was 3.4 pence per share, which represented an 85% payout / 118% cover of UFFO of 4.0 pence per share. We also noted that our intention would be to top-up the full year dividend too, subject to capital deployment in H2.

The Board has today declared a final dividend, in respect of the second half of FY24, of 3.2 pence per share. This dividend includes a 0.2 pence per share top-up consistent with the approach adopted in the half year and reflecting that we have deployed limited capital in the second half. This takes the total FY24 dividend declared to 6.6 pence, equivalent to 85% of UFFO per share of 7.8 pence. The final dividend of 3.2 pence per share in respect of the year ended 31 March 2024 will, subject to shareholder approval at the 2024 AGM, be paid on 16 August 2024. The ex-dividend date will be 4 July 2024 with an associated record date of 5 July 2024. The dividend will be payable as a REIT Property Income Distribution (PID).

Balance sheet

EPRA net tangible assets ('EPRA NTA') include a number of adjustments to the IFRS reported net assets and both measures are presented below on a proportionally consolidated basis.

	As at 31 March 2024			As at 31 March 2023
	Group £m	JVs & Associates £m	Proportionally consolidated £m	Proportionally consolidated £m
Properties at valuation[1]	533.8	10.0	543.8	593.6
Right of use asset	75.6	–	75.6	76.7
Investment in JVs & associates	5.7	(5.7)	–	–
Other non-current assets	0.3	–	0.3	1.9
Cash	132.8	0.4	133.2	111.3
Other current assets	11.4	0.4	11.8	15.9
Total assets	759.6	5.1	764.7	799.4
Other current liabilities	(26.3)	(0.4)	(26.7)	(30.6)
Lease liability	(75.6)	–	(75.6)	(76.7)
Borrowings[2]	(296.6)	(3.9)	(300.5)	(312.6)
Other non-current liabilities	–	(0.8)	(0.8)	(0.9)
Total liabilities	(398.5)	(5.1)	(403.6)	(420.8)
IFRS net assets	361.1	–	361.1	378.6
EPRA adjustments:				
Deferred tax			0.8	0.9
Fair value financial instruments			(0.1)	(0.6)
EPRA NTA			361.8	378.9
EPRA NTA per share			115p	121p
IFRS net assets per share			116p	122p
LTV			30.8%	33.9%

1. See Note 14 for a reconciliation between Properties at valuation and categorisation per Consolidated balance sheet
2. Principal value of gross debt, less unamortised fees

Net assets

As at 31 March 2024, IFRS net assets were £361.1 million, reducing from £378.6 million at 31 March 2023 primarily due to the 2.3% like-for-like decrease in our portfolio valuation, the majority of which (2.0%) occurred in the first half of the year. Encouragingly, in the second half, valuations were broadly stable reducing by a modest 0.4%, driven by stabilised ERVs and yield profiles. This reflected an outperformance versus both the MSCI All Property (-2.9%) and All Retail (-3.4%) indices.

EPRA NTA is calculated by adjusting net assets to reflect the potential impact of dilutive ordinary shares, and to remove the fair value of any derivatives, deferred tax and goodwill held on the balance sheet. These adjustments are made with the aim of improving comparability with other European real estate companies. For the same reason noted above when discussing IFRS net assets, EPRA NTA decreased by 4.5% to £361.8 million from £378.9 million at 31 March 2023 and EPRA NTA per share decreased by 5.0% to 115 pence from 121 pence at 31 March 2023.

Properties at valuation

Properties at valuation decreased by £49.8 million from £593.6 million as at 31 March 2023 to £543.8 million as at 31 March 2024. The principal reason for the decrease was the £31.3 million disposal of our Napier Joint Venture with BRAVO and £7.0 million of disposals in our Work Out portfolio. The remainder of the decrease reflects the modest portfolio valuation decline explained above of 2.3%.

Debt & financing

	Proportionally consolidated		
	31 March 2024	30 September 2023	31 March 2023
Weighted average cost of debt – drawn only[1]	**3.5%**	3.5%	3.5%
Weighted average debt maturity – drawn only[1]	**3.9 yrs**	4.4 yrs	4.7 yrs
Weighted average debt maturity – total[2]	**3.6 yrs**	4.1 yrs	3.8 yrs

1. Weighted average cost of debt and weighted average debt maturity on drawn debt only
2. Weighted average debt maturity on total debt. Figure at 31 March 2023 includes £125 million undrawn RCF. Figures at 30 September 2023 and 31 March 2024 include the new £100 million undrawn RCF which was agreed in the second half of FY24. Average debt maturity excludes two one-year extension options on the RCF. Assuming these options are exercised and bank approved, weighted average debt maturity on total debt at 31 March 2024 increases to 4.1 years

Proportionally consolidated	**31 March 2024 £m**	30 September 2023 £m	31 March 2023 £m
Cash	**133.2**	138.0	111.3
Principal value of gross debt	**(304.0)**	(304.0)	(316.0)
Net debt[1]	**(167.3)**	(163.1)	(201.3)
Drawn RCF	**–**	–	–
Total liquidity[2]	**233.2**	238.0	236.3
Gross debt repaid / (drawn) in the year / period	**12.0**	12.0	(2.0)
Loan to Value	**30.8%**	29.5%	33.9%

1. Including unamortised arrangement fees
2. Cash and undrawn RCF. Position at 31 March 2023 includes £125 million undrawn RCF. Position at 30 September 2023 and 31 March 2024 includes the new £100 million undrawn RCF which was agreed in the second half of FY24

Our weighted average cost of debt has remained stable throughout the financial year at 3.5% and our weighted average debt maturity has reduced from 4.7 years as at 31 March 2023 to 3.9 years as at 31 March 2024. Both cost of debt and weighted average debt maturity are now closely aligned to our unsecured corporate bond because this now accounts for £300 million of our £304 million of drawn debt following the repayment of our share (£12 million) of the secured bilateral facility in the Napier Joint Venture on its disposal during the first half of the year.

In November 2023 we successfully refinanced the Revolving Credit Facility ('RCF') with all four banks involved in the previous facility (Barclays Bank PLC, HSBC UK Bank plc, National Westminster Bank plc and Santander UK plc) demonstrating their continued support for NewRiver through the refinanced facility. The new facility is for £100 million, with a £50 million accordion available subject to lender approval (previous facility £125 million with a £50 million accordion), and the maturity has been extended from August 2024 to November 2026 with options to extend the facility by two additional one-year terms (subject to lender approval) to November 2028. In addition, the annual cost of holding the RCF has also reduced, as a result of a reduction in both the headline margin and quantum. Although the RCF is currently undrawn, maintaining the RCF ensures we continue to benefit from access to valuable additional liquidity and at the same time by reducing the size and margin of the RCF, we have been able to do so at a reduced overall cost.

Financial policies

We have five financial policies in total, including LTV and Interest cover which also appear as debt covenants on our unsecured RCF and our bond. These form a key component of our financial risk management strategy which remains as important as ever given the macro-economic climate. For the year ended 31 March 2024, we were in compliance with all of our financial policies.

Measure	Financial policy	Proportionally consolidated		
		31 March 2024	30 September 2023	31 March 2023
Loan to value	Guidance <40%	**30.8%**	29.5%	33.9%
	Policy <50%			
		Group		
		31 March 2024	30 September 2023	31 March 2023
Balance sheet gearing	<100%	**45.4%**	43.5%	49.7%
		Proportionally consolidated		
		FY24	HY24	FY23
Net debt: EBITDA	<10x	**4.8x**	4.4x	4.9x
Interest cover[1]	>2.0x	**6.5x**	5.2x	4.3x
Ordinary dividend cover[2]	>100%	**118%**	118%	125%

1. 12 month look-back calculation, consistent with debt covenant
2. Calculated with reference to UFFO

We have seen improvements across all four of our debt related financial policies during the year ended 31 March 2024.

LTV has reduced over the financial year from 33.9% at 31 March 2023 to 30.8% at 31 March 2024 and continues to be well within our guidance of <40%, primarily due to the disposal of our Napier Joint Venture with BRAVO and two of our Work Out assets. LTV increased slightly in the second half of the financial year from 29.5% at 30 September 2023 due to the EBT Share Purchase Programme in Q3 and the payment of the annual interest on the £300 million unsecured corporate bond in March 2024. Balance sheet gearing followed the same pattern for the same reasons, reducing from 49.7% at 31 March 2023 to 43.5% at 30 September 2023, before increasing slightly to 45.4% at 31 March 2024, well within our guidance.

Net debt: EBITDA, has improved marginally from the position at 31 March 2023, reducing by 0.1x to 4.8x, with an increase in H2 from the position at 30 September 2023 due to payment of bond interest.

Our interest cover, which is calculated using the net of cash interest paid and cash interest received, has improved significantly throughout the year, from 4.3x at 31 March 2023 to 5.2x at 30 September 2023 to 6.5x at 31 March 2024 as we continued to hold significant cash reserves pending deployment.

The Board has declared a final dividend of 3.2 pence per share, bringing the total dividend declared for the year to 6.6 pence per share, which represents 85% of UFFO and so is comfortably fully covered, in-line with our financial policy.

Additional guidelines

Alongside our financial policies we have a number of additional guidelines used by management to analyse operational and financial risk, which we disclose in the following table:

	Guideline	31 March 2024
Single retailer concentration	<5% of gross income	3.3% (Poundland)
Development expenditure	<10% of GAV	<1%
Risk-controlled development	>70% pre-let or pre-sold on committed	N/A, no developments on site

Conclusion

We have produced a strong set of financial results, underpinned by the consistency of our portfolio's underlying cashflows, continued improvement across all of our key financial metrics and growth from our Capital Partnerships, which we have earmarked for further growth given we are now in a position to deploy capital selectively and decisively when the right opportunities arise.

Looking forward, we remain confident in our ability to deliver our medium-term target of a consistent 10% total accounting return.

Will Hobman
Chief Financial Officer

20 June 2024

THE SUCCESS OF OUR BUSINESS IS UNDERPINNED BY OUR BEST IN CLASS TEAM AND STRONG RELATIONSHIPS WITH MULTIPLE STAKEHOLDERS

Stakeholder engagement

Our Stakeholders

Our people are what make the success of NewRiver possible. We are delighted that the culture and expertise of the NewRiver team were recognised for the second consecutive year by the Sunday Times Best Places to Work 2024 (post-period end).

We continuously invest in our team and culture, and in turn our highly committed and experienced team continuously invest in our relationships and partnerships.

We are proud of our highly motivated, collegiate and well-balanced team, with a 50:50 gender split. Our team continue to focus on helping drive the business forward whilst also advancing their own career development. We foster strong working relationships with our wider stakeholders who collectively help us deliver on our strategy, business model and ongoing success. We recognise that our stakeholders have a range of varying priorities and concerns and we endeavour to incorporate these into our own strategic decision-making.

Board engagement

Critical to effective Corporate Governance is how the Board aligns strategic decisions with the Company's purpose, values, strategy and stakeholders. The NewRiver Board has a clear stakeholder engagement plan, regularly consulting with the NewRiver team, who in turn manage and foster the relationships with core stakeholders.

Our Stakeholders include:

Sunday Times Best Places to Work 2023 & 2024

During the period (May 2023) we were recognised in the Sunday Times Best Places to Work 2023 awards for the first time, and are delighted to be recognised again, post-period, in the 2024 awards (May 2024). Included in the 'small organisation' category (10-49 employees), the awards acknowledged our wide-ranging benefits package and ongoing commitment to supporting our team and their career development through a collaborative, diverse and inclusive culture.

In May 2023 we received positive survey results including strong approval and engagement ratings of 82%, with a "confidence in management" score of 80% and achieved "Excellent" across all areas. In the most recent May 2024 survey our average engagement score improved further to 84%, and 87% of NewRiver employees who participated said they felt empowered, while job satisfaction, happiness and well-being also scored highly at 86%, 84% and 83% respectively.

The Sunday Times recognised our flexible working environment, as well as important policies including full private medical cover, 'gender-agnostic' shared parental leave and a fully paid six-week sabbatical after 10 years of service.

We were also recognised for our commitment to learning and career progression, providing practical support for development and empowerment.

"We are delighted to be recognised by The Sunday Times as one of the best companies to work for in the UK for two years running.

We are proud of our excellent culture at NewRiver which we continuously invest in to ensure we have the happiest, most talented and energised team.

The fact that 75% of the NewRiver team have been at the company for more than five years is testament to the positive working environment and culture that we have established.

We are driven, collaborative and well-balanced with a 50:50 gender split, and 23% ethnicity. It is the team themselves who enhance and protect our positive culture. I would like to thank everyone at NewRiver for their hard work and dedication as champions of our culture."

Edith Monfries

Chief Operating and People Officer at NewRiver REIT

Section 172(1) Statement

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2024.

Details of our key stakeholders and how the Board engages with them can be found here in our Stakeholder Report. Further details of the Board activities and principal decisions are set out on page 113 providing insight into how the Board makes decisions and their link to strategy. Other disclosures relating to our consideration of the matters set out in s172(1)(a-f) of Act can be found as follows:

S172 factor	Our approach
the likely consequence of any decision in the long term	As a Board of a REIT owning assets which also include a risk-controlled development pipeline, the Board is always conscious of the long term. Looking to the future the Board and Executive Committee regularly assess the overall corporate strategy and acquisition, asset management and disposal decisions in the context of current and future long-term trends and markets. We closely assess the latest trends reported by our research providers, to ensure we are aligned with evolving trends. These insights and the Board's own extensive experience steer the long-term strategic direction.
the interests of the company's employees	We have a small workforce which allows a naturally close proximity between them and the Board making it easy for the Board to engage with staff directly especially as the Directors regularly visit the London office and other sites. This year Directors have visited assets, spent time in the London office and attended social events with staff.
the need to foster the company's business relationships with suppliers, customers and others	The Board is committed to fostering the Company's business relationships with occupiers, local authorities and other stakeholders. These stakeholders are key to our business model and therefore members of the Exco (including Board members) have direct responsibilities for managing and developing these relationships. Board site visits during the year have helped in developing these relationships and understanding the needs of these stakeholders.
the impact of the company's operations on the community and the environment	The Board is committed to our communities and our assets are integral to the communities they serve. We aim to enhance the lives of consumers and minimise our impact on the environment. These matters are therefore considered in all strategic decisions and embedded into the business model.
the desirability of the company maintaining a reputation for high standards of business conduct	Our values mirror our culture and as a team our values are to be trusted and respected and this is entrenched into Board decisions. Staff receive regular training on our anti-corruption policies to ensure that they are entrenched in all staff decisions and conduct. Again the size and proximity of the workforce allows our values to be communicated, embedded and monitored easily and less formally.
the need to act fairly as between members of the company	The Board recognises the importance of treating all members fairly and monitors the views of the Company's shareholders through reports on investor and analyst communications so that their views and opinions can be considered when setting strategy.

Our Team

At NewRiver we know that the success of the Company comes from the people within our team.

Our people strategy ensures a collaborative, inclusive and flexible working environment. We are proud to say this has been recognised for the second consecutive year, post period, in May 2024, having been named one of the best places to work in the UK by The Sunday Times Best Places to Work List 2024, scoring “Excellent” across all six criteria.

Communication, collaboration and respect continue to sit at the heart of our people strategy which harnesses the power of the team to drive our business forward.

We provide support for every member of the team, with a wide range of well-being initiatives to ensure an effective work/life balance. Training and Development is key to empowering our loyal team and ensuring that everyone has a chance to unlock their full potential.

Our flexible working policy fosters a positive working environment to suit the different lifestyles of our team. As well as flexible working, we offer an attractive and wide-ranging benefits package including full private medical cover and ‘gender-agnostic’ shared parental leave together with training and career development in a collegiate, diverse and inclusive culture. Long-serving team members are also rewarded with a fully paid six-week sabbatical following 10 years of service; and we also offer an opt-in salary sacrifice for electric cars and a policy enabling staff to take time off to volunteer. Our high staff retention testifies the team satisfaction with over 75% of our staff having worked at NewRiver for 5 years’ or more.

Recruitment and talent

This year, our total head count across the Group at the close of the period was 48. Our approach to recruitment and development is aligned with both the needs of the business today and our aspirations for the future, whilst remaining committed to maintaining the unique corporate culture that is one of NewRiver’s key and distinguishing strengths.

48
Employees

75%
Of our team have worked at NewRiver for 5+ years

46
Hours of training per employee this year

2,431
Total hours of training this year

71%
Of our team undertook professional training during the year

63%
Of our team have professional qualifications

102
Hours of volunteer support dedicated to the Trussell Trust

We are continuously working to develop the skills, capability and performance of all employees. Our support ranges from funding professional qualifications including RICS and ACCA to informal training sessions and a bi-weekly team meeting to empower the team with research and knowledge to help enhance their day-to-day role.

We continue to support the UK Government’s Apprenticeships Scheme. During the year 71% of our staff undertook professional training and employees across the business spent a total of 2,431 hours on training, including Continuing Professional Development.

We appraise our team annually, undertaking a tailored performance review which includes a professional development plan which allows our team to set objectives, track progress and fulfil their potential.

Health and Well-being

We recognise that our people are our greatest asset and we are committed to improving the quality of our employees’ working lives by providing a safe and healthy working environment. Our aim is to create a positive working environment by integrating well-being in all work activities and by empowering our people to make positive choices regarding their health and well-being.

Gender & Ethnicity

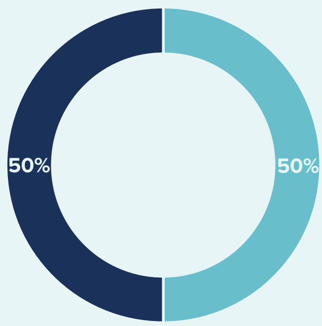
We are proud to say that we have a very even gender balance across the business with a 50:50 gender split; and a 23% ethnicity representation across the business.

Read more information about our
Diversity & Inclusion on pages 59, 82 and 121 to 122

Gender & Ethnicity representation across the business

We are proud to say that we have a very even gender balance across the business:

Group



23%
Ethnicity Representation

Male
Female

Diversity

As a Company, we are committed to a culture of diversity and inclusion in which everyone is given equal opportunities to progress regardless of gender, race, ethnic origin, nationality, age, religion, sexual orientation or disability. Our ethnicity representation is 23%. We also have a Diversity and Representation committee who meet regularly to promote inclusion across the business. We believe there is a broad composition of diversity across the business, and this was once again recognised post period by the Sunday Times Best Places to Work 2024 survey where we scored "Excellent" in our Diversity and Inclusion measures.

Details of Board and Executive Committee composition can be found in the Nomination Committee Report on pages 121 and 122.

Reward and Recognition

We have an expert and passionate team who are dedicated to achieving the results that we deliver year on year and the Board is committed to rewarding this hard work through our remuneration policies; this includes bonus entitlements to reward excellent performance, and also through our Long Term Incentive Plan to help secure retention of our talented team.

The Company offers a range of benefits to our team, some particular highlights include:

- flexible hybrid working with 3:2 days split in the office/on site: at home
- full private medical cover for all staff
- 'gender-agnostic' shared parental leave
- training and career development
- an electric car scheme
- six week paid sabbatical to employees who have been with the business for 10+ years
- mental and physical health resources and training
- staff volunteering policy enabling staff to take time off to volunteer for our charitable partner The Trussell Trust or a charity of their choice

The team also have the opportunity to discuss the benefits available with specialist advisers to ensure that they suit their needs. We review the benefits each year to ensure they meet employee expectations and industry benchmarks.

Physical Environment and Flexible Working

During the previous financial year, we relocated to our new office space on Whitfield Street in Fitzrovia. The office is within one of the greenest office buildings in London, with access to an attractive communal shared office space and extensive fitness and well-being facilities including bike lockers and a variety of hosted well-being classes and branded pop-ups. The London office space is open plan with hot-desks which has helped our team become more digitally-centric and print less paper. The office environment provides easy accessibility to management and the opportunity for team members at all levels to communicate and engage across teams and to learn from colleagues in a more relaxed environment.

We offer all staff the ability to work from home two days a week, with three days in the office or at assets, and we work around core hours to enable staff to travel and organise their days to best suit them, be it time with family or to undertake fitness or hobbies.

We believe our working policies are effective in how it translates through to our low absentee rates of less than 2%.

Our dedicated Diversity and Representation Committee meet regularly and implement initiatives to engage and motivate the wider team.

Mental Health

We have continued our partnership with mental health charity, Chasing The Stigma, to ensure that mental health is normalised in both the workplace and our wider communities. During the previous financial year we provided important mental health training via Chasing The Stigma's dedicated mental health programme called 'Ambassadors of Hope'. Training was delivered for the NewRiver shopping centre on-site teams as well as to the NewRiver Head Office team including members of our Executive Committee. We continued the training this year and we now have a total of 156 'Ambassadors of Hope' across our business since our partnership began in March 2023. This training enables the team to support the work of the charity and signpost to mental health support resources available locally and nationally. This year we have also worked with the charity at an asset level to help locate mental health services for our local community to access. We also have trained mental health first aiders at Head Office.

Find out more here: www.chasingthestigma.co.uk

Board Engagement during the year

Our Board have a comprehensive engagement strategy working to engage the wider team, including an active outreach programme with Board Directors visiting assets to meet the centre management teams, our occupiers and local authorities.

A regular staff forum ensures that there is effective communication and interaction between the Board, Senior Management and the wider Team. We regularly provide the opportunity for our Non-Executive Directors to meet the team both formally and informally, both in confidence or in wider forum.

Alastair Miller, our designated Non-Executive Director responsible for engaging with the NewRiver team, holds an annual team engagement session in person and online to listen to perspectives from across the team as well as allowing staff the opportunity to hear from Alastair around the work of the Remuneration Committee. This year's themes also included the succession planning and recruitment process for our new Chair, as well as macro-economic themes, strategic growth priorities for the business and flexible working patterns.

We also participated in the Sunday Times Best Places to Work 2023 survey, which showed engagement scores (82%) above industry averages of 72% and we scored 80% for "confidence in management" versus the benchmark of 68%. We were also recognised for the second consecutive year, post period end in May 2024, in the UK Sunday Times Best Places to Work 2024. More information can be found on page 56.

We hold regular staff meetings which cover a range of topics to keep the team updated about the business and promote wider sector knowledge, with external speakers and team-driven agendas. Our Senior Leadership Team meet quarterly to discuss strategy, processes and culture to help drive business efficiencies and growth, reporting into ExCo.

Read more information on our Section 172(1) Statement on page 57

How did we engage?

- Staff Forum and bi-weekly all staff briefing meetings
- Sunday Times Best Places to Work Survey 2023; and post-period Sunday Times Best Places to Work Survey 2024
- Regular Non-Executive Director office visits to allow the Board to interact with and listen to the wider team
- Our comprehensive appraisal process with individual performance reviews and development discussions
- Continued Chasing The Stigma "Ambassador of Hope" mental health partnership
- Alastair Miller, our designated Non-Executive Director responsible for engaging with employees, held team engagement session
- Board Directors visited assets across the portfolio to better understand the assets and spend time with the property team and local on-site teams

Topics raised

- Leadership and Strategy
- Opportunities for personal and career development
- Knowledge-sharing across the Company
- Well-being and flexible working
- Rewards and benefits
- Fostering a diverse and inclusive culture
- Succession and recruitment for the Company's new Chair
- Our ESG strategy

How did we respond?

- Findings from the employee survey 2023 demonstrated that our team are fulfilled and happy, but we continue to invest in culture, knowledge-sharing, well-being and training to ensure we manage and address Company level engagement priorities
- Continued to provide a range of physical and mental well-being services
- Continued to encourage employee shared ownership in the Company's success through the award of all-employee share schemes
- Training and information sessions conducted on key topics raised
- Expanded our Diversity Policies
- Leadership Skills Training

Our Communities

Our assets are located in the heart of communities throughout the UK and play an integral role in the lives of our customers.

In many locations we are one of the largest real estate owners and we take this responsibility very seriously and Board Directors visit assets regularly with the asset teams to see the assets in action and understand how they provide for the local community and wider town. We aim to strengthen the communities we operate in providing for the everyday needs of locals through our shops and services and supporting the causes that matter to them.

Read more about our community engagement initiatives on pages 69, 70, 77, 79, and 81

Board Engagement during the year

How did we engage?

- Regular reporting to the Board through the quarterly CEO report and quarterly ESG reporting
- Received presentations from Asset and Development team on Community Investment Plans and Asset Business Plans
- Directors volunteered at Trussell Trust food banks
- Board Directors visited assets across the portfolio meeting with local teams alongside the asset and development managers
- The Board considers potential impacts to local residential areas where Regeneration and broader developments are under discussion, including during the planning process relating to key developments across our portfolio
- Requests for capital expenditure approval require consideration of how the projects could benefit the local community including improvement of the retail and services offer, creation of new jobs and homes, public realm enhancement and environmental impact.
- Regular consultation with local community groups, through our regeneration work, to enable us to understand their requirements and establish our priorities as a result – resulting in the planning application submission for Grays and progress of our existing planning consent in Burgess Hill
- NewRiver representatives sit on the Board of several Town Funds to help steer the direction of local economic and social growth
- Our Shopping Centre Managers organise regular events and fundraising activities which bring people together, encourage dialogue and support the development of thriving communities
- TARA: We continue our partnership with The Academy of Real Assets, a charity whose mission is to engage students from under-served UK state schools and introduce them to a career in the world of real estate by providing them with insight into, and contacts within, the industry. This year one of our centre managers, for Bexleyheath, helped facilitate training for students seeking to undertake work experience via TARA.

Topics raised

- Town centre regeneration
- Creating long-term social and economic prosperity Training for students seeking to gain work experience
- Responsible planning, development and design
- Community well-being and social value
- Environmental protection

How did we respond?

- This year marked out fifth year of partnership with The Trussell Trust, and we have now raised over £500,000 during that time, as well as continuing to provide time and space by providing physical space at our assets and volunteering time from our team
- Our centre teams undertake regular training to equip them with appropriate skills and qualifications to help ensure the smooth running of on-site teams, our occupiers and the centre in general
- Enhanced social media use for community engagement.

£500,000+

Raised since June 2019

Stopping UK Hunger: Our 5-year partnership with the Trussell Trust

Since the inception of our partnership with the Trussell Trust in June 2019, we have raised over £500,000 in support of their mission to stop UK hunger. This year, non-monetary support included 3.2 tonnes of food donations; digital advertising; over 102 volunteering hours; and support for their Essentials Guarantee campaign.

Our Occupiers

When our occupiers are successful, so too are we.

We continuously nurture our working relationships with our occupiers, so we can better understand their needs and potential challenges or opportunities. We have hand-picked our portfolio to focus on occupiers that provide essential goods and services and to support the development of thriving communities across the UK, while deliberately avoiding structurally challenged sub-sectors such as department stores and mid-market fashion.

We are proud that our portfolio offers excellent affordability of rents with low occupational costs, demonstrated through our consistently strong retailer retention rate of 94% this year and an affordable average rent of £11.82. Our on-site teams work hard to ensure that our assets are clean, safe and welcoming environments for all ages.

Board Engagement during the year

How did we engage?

- Regular retailer engagement underpins our asset management strategy including regular meetings between Board Directors, Executive Directors and our asset teams with our key occupiers, listening to challenges and opportunities arising from the shop floor to retailer head offices which is fed into our planning and informs our strategy
- Part of these conversations with our retailers include our environmental and sustainability strategies, including green leases, enhanced data collection and on-site energy consumption
- The Board receives regular reports on occupier activity through Exco reports and ESG reporting to inform future strategy
- The asset management team attend the annual Completely Retail Marketplace in London where the retail real estate industry come together to discuss new opportunities as well as expand and consolidate existing leasing plans and asset management initiatives
- Non-Executive Directors have attended industry conferences alongside Executive Directors

Topics raised

- Topics raised via retailer and occupier meetings include understanding the future needs of occupiers including sentiment, performance, growth/contraction plans, sustainability initiatives and potential opportunities and risks within our occupier base, green leases and MEES compliance.

How did we respond?

- Continuing to collect energy data from our occupiers and assets
- Engagement with our occupiers regarding our Pathway to Net Zero to help align with the occupiers' net zero ambitions
- Assisting with Business Rate reductions for our occupiers
- Board Directors sit on various industry committees helping shape policy and strategy. NewRiver team members sit on The British Property Federation's (BPF) various committees including the Finance Committee where our CFO sits, the Development and Sustainability committees, and our CEO chairs the BPF Retail Committee, recently helping shape the BPF Retail Election Manifesto for the Government, designed to help campaign for the key issues facing the retail sector and unlock investment into the sector
- One of our Asset Directors is Vice Chair of the Leisure Property Forum, actively participating in engaging with retail and leisure operators and sharing this industry insight with the wider team through presentations and events
- This year we have begun working with Lloyds Bank to access high-quality consumer spending data that will provide detailed insight into the performance and profile of our assets and occupiers.

Our Shareholders

Our shareholders are the ultimate owners of our business. In order to deliver on all our ambitions for the communities we are invested in, it is critical that our shareholders continue to understand and support the Company's strategy, business model, investment case and progress.

We have an active engagement strategy, supported by our corporate brokers, providing our shareholders with frequent business updates, regular meetings, both in person and online, and on-site visits.

Where appropriate, our Board and members of the Executive Committee will engage with shareholders.

The comprehensive calendar of investor engagement includes the AGM, regulatory announcements and non-regulatory news flow, conference calls and shareholders roadshows, as well as regular contact with financial analysts, financial media, investors, private client fund managers, retail investors and equity sales teams. Regular and targeted engagement ensures that our strategy, business model and investment case are well understood by shareholders and the wider market.

Board Engagement during the year

How did we engage?

- Programme of virtual and face-to-face investor meetings with the CEO and CFO
- Engagement includes the AGM, regulatory announcements, conference calls and investor roadshows, as well as regular contact with financial analysts, financial media, investors, private client fund managers, retail investors and equity sales teams
- As well as institutional investors, we engage with retail investors via direct communications, our website, media, Annual General Meetings (AGM) and platforms including Investor Meet, hosting a dedicated retail investor presentation at our half year results
- Our relaunched corporate website contains comprehensive information about our business, regulatory news and press releases alongside information about our approach to Environmental, Social and Governance (ESG) issues
- Management engaged with 84 investors during the year, including shareholders and non-holders, and institutional and retail investors
- We hosted an in-person results presentation to analysts in November 2023 for our HY24 Results – a live audio webcast was also available our website with a replay function
- The 2023 AGM was again held as a physical meeting and was attended by all of the Board. Recognising that some shareholders may not have been comfortable attending in person, we provided opportunities for shareholders to submit questions via email and to attend via conference call
- This year we undertook a Shareholder Perception Audit to better understand the views of investors and sell side analysts in relation to our business, strategy and management team
- The Board reviews and approves material and communications with investors, namely trading updates, results announcements, the Annual Report and Accounts, and significant business events and transactions.
- The respective Committee Chairs engage with shareholders on significant matters related to their specific areas of responsibility
- The Board receives regular updates on market sentiment, investor relations activity and share price performance

Topics raised

- Continued delivery of the Company's strategy
- Financial performance
- Operational performance
- Capital allocation
- Portfolio valuation performance
- Progress on the disposal of our Work Out portfolio
- Progress across our Regeneration portfolio
- Growth of Capital Partnerships
- Sustainability
- Retailer challenges and opportunities
- Macro-economic themes including how inflation and rising energy costs impact our retailer

How did we respond?

- Ongoing Investor engagement programme, including virtual meetings, allowing management to engage with international and regionally based investors, and helping reduce associated carbon emissions
- Ongoing investor feedback helps enhance our disclosures and the supplementary information provided in results materials.

Our Lenders

We have strong working relationships with our bank lenders, bondholders and rating agency who in turn help provide funding to facilitate our strategy.

As part of this, we are in regular dialogue to ensure our banks and bondholders understand the Company's strategy and targets. These relationships have helped ensure that the business remains in a strong and flexible financial position with a fully unsecured balance sheet. This structure is highly efficient and covenant-light, affording us significant operational flexibility.

Board Engagement during the year

How did we engage?

- The CFO and finance team held regular meetings with our relationship banks, bondholders and rating agency to ensure that they are kept up to date with business strategy, developments and performance
- Held meetings with our bondholders as part of our FY23 and HY24 results roadshow
- Debt structure and current and future debt requirements are considered by the Board on a regular basis as part of the CFO's review

Topics raised

- Performance of retail operations including occupier trading, rent collection, leasing, and occupancy
- Retail property valuations
- Progress of the disposal of our Work Out portfolio
- Progress of our Regeneration projects
- Broader activity within the retail investment market
- Interest rate environment

How did we respond?

- In November 2023 we successfully refinanced the Revolving Credit Facility ('RCF') with all four banks involved in the previous facility, demonstrating the continued support from existing bank lenders for NewRiver through the refinanced facility. The new facility is for £100 million, with a £50 million accordion available (subject to lender approval), and the maturity has been extended from August 2024 to November 2026 with options to extend the facility by two additional one-year terms (subject to lender approval) to November 2028
- No maturity on drawn debt until March 2028 and no exposure to interest rate rises on our drawn Group debt facility
- In December 2023 Fitch Ratings once again affirmed NewRiver's Long-Term Issuer Default Rating (IDR) at 'BBB' with Stable Outlook, our senior unsecured rating at 'BBB+' and Short-Term IDR at 'F2'

Fitch Affirmed NewRiver's Investment Grade Credit Ratings

In December 2023 Fitch Ratings affirmed our Long-Term Issuer Default Rating (IDR) at 'BBB' with a Stable Outlook, senior unsecured rating at 'BBB+' and Short-Term IDR at 'F2'. The senior unsecured rating applies to NewRiver's £300 million unsecured bond dated 2028.

"In the affirmation of our investment grade credit ratings, Fitch has again recognised NewRiver's differentiated position in the UK retail market, focused on providing essential goods and services to consumers on rental terms affordable to retailers. This focus on retail, alongside our best in class operating platform and the strength of our balance sheet, means we feel well positioned despite the challenging backdrop."

Will Hobman
Chief Financial Officer

Our Local Authorities

We are proud to work in partnership with circa 60 different local authorities across the UK to help regenerate and protect the towns we are invested in to create long-term social and economic growth.

Board Engagement during the year

How did we engage?

- Non-Executive and Executive Directors attended various senior-level meetings with local authorities and public sector focused organisations, alongside the asset and development team, meeting all levels including Chief Executives and the wider cabinet, Planning Officers, Regeneration Officers and also local Councillors, to steer the regional strategy that will impact the social and economic long-term viability of a town which has a direct impact on our own assets

Topics raised

- Appreciation of Council priorities across the borough and the significance of private sector-led regeneration
- Allocation of resources to the local authority planning team
- Local authority support for marginal regeneration projects that bring a positive Benefit:Cost Ratio (BCR)

How did we respond?

- Our ongoing engagement with local authorities also extends to our Capital Partnerships for which we manage two assets in Canterbury on behalf of Canterbury City Council. We are pleased to report the ongoing success of this partnership with the renewal of the contract to manage the Council's new leisure development, Riverside. This is in addition to our existing mandate to manage Whitefriars Shopping Centre for the Council, which also includes a development management mandate to relocate the Council offices to a central location within the shopping centre and re-activate formerly dormant space; this relocation is due to complete in FY25.

Our Capital Partnerships

Capital Partnerships are an important part of our business and future growth, with the objective of delivering increased earnings in a capital light way through asset management fees, a share of rent and the potential to receive financial promotes.

Our Capital Partnerships include:

1. Institutional: M&G
2. Private Equity: BRAVO II
3. Local Authorities: Canterbury City Council

Board Engagement during the year

How did we engage?

- Executive Directors, ExCo Directors and the respective asset managers for each asset within our capital partnerships provide weekly, monthly and quarterly reports to the senior teams of our capital partners to share updates on the strategic progress of each asset managed within the partnership through in-person and online meetings.

Topics raised

- Business plan setting and progress tracking
- Budget and Capex planning together with project delivery
- Trends within the capital markets and occupational markets
- Valuation performance
- ESG
- Marketing
- Resourcing and IT

How did we respond?

- The Board receives regular reports on the progress, opportunities and challenges within our capital partnerships to consider the performance and longer-term growth potential for our capital partnerships.

Our Environment

Please read our comprehensive ESG Strategic Report to find out about our about commitment and progress.

Please refer to pages 66 to 83


MR. JELLY

Growing Sustainably

We have had another successful year in delivering our ESG strategy, which continues to evolve with industry priorities whilst remaining focused on our core objectives and the unique potential we have at NewRiver to make a positive impact in our communities. Aligned with our corporate strategy, our objectives are built around four focus areas which reflect the issues that are important to our stakeholders and our business:

1. minimising our environmental impact;
2. engaging our team and occupiers;
3. supporting our communities; and
4. leading in governance and disclosure.

Progress towards our objectives is measured annually against our ESG targets and external benchmarks, and the outcomes are used to inform our ESG activities for the following year. Along with our ambition, this approach generates a feedback loop whereby our ESG programme adapts to the findings and evolution of best practice. I am delighted to report the following achievements of this year's ESG programme, alongside our ambitions for making further progress against our objectives over the coming year.

Our Ambitions for FY25

In FY25 our primary focus will be on our net-zero strategy, utilising the findings of the net-zero audits we commissioned to identify the best decarbonisation opportunities across our portfolio. The Science Based Targets initiative (SBTi) has recently released its draft target setting framework for the Buildings Sector and we will be applying the guidance to our existing pathway and considering relevant revisions to our targets to align with this new sector-specific best practice guidance, including re-baselining.

We have a duty to protect, enhance and minimise the impact of our physical assets whilst generating social value for our communities and I am immensely proud of the progress our team continues to make in delivering sustainable growth. I look forward with optimism and confidence to continuing to deliver our ESG strategy and drive positive change for our communities, stakeholders and the environment. This would not be possible without the unwavering enthusiasm and support from our wider ESG team and Board for which I sincerely thank them.

Emma Mackenzie
Head of Asset Management and ESG

Our ESG achievements this year

Minimising our Environmental Impact

Minimising our environmental impact requires action at corporate, portfolio, and asset level. We have policies in place to guide corporate-level activity which engage our staff on principles of collective environmental responsibility that can be applied across our business. Our net-zero pathway and interim targets guide our initiatives, supported by our asset-level Environmental & Social Implementation Plans, which allow us to monitor our progress and accelerate action where required.

Top 3 achievements in FY24

1. 31% reduction in absolute Scope 1 emissions vs FY23
2. 16% reduction in absolute Scope 2 emissions vs FY23
3. Significant energy efficiency initiatives achieved 48% reduction in electricity consumption at assets where they were implemented

Supporting our Communities

We are committed to ensuring that we are responsible partners in our communities, supporting and championing local causes and providing an affordable choice of goods and services to address the needs of local people, whilst minimising our impact on the environment.

Top 3 achievements in FY24

1. During FY24 our cumulative donations to the Trussell Trust surpassed £500,000 since our partnership began in June 2019
2. Supported 176 community initiatives at our centres
3. NewRiver and Centre Teams volunteered 716 hours to support local causes

Engaging our Team and Occupiers

We are committed to engaging with and listening to our team, occupiers and communities, working together to bring about positive progress for each and address issues that are important to them.

Top 3 achievements in FY24

1. Named one of Sunday Times' Best Places to Work
2. Over 80% of our team cited that they feel encouraged that NewRiver treats environmental responsibility as a priority and backs this with action
3. Over two thirds of our occupiers rate their overall satisfaction as 8/10 or higher, with almost one third providing a 10/10 rating

Leading in Governance and Disclosure

Being a leader in governance and disclosure means surpassing industry minimum standards and demonstrating our commitment to providing transparent, informative and accurate accounts of our ESG performance and risk management processes. We use various disclosure frameworks to ensure we align our reports with the best available guidance on the ESG issues that our stakeholders value.

Top 3 achievements in FY24

1. Improved our GRESB score to 72/100 and retained 1st place in Management Module
2. Maintained our 'B' rating in the CDP
3. 10 of our Core Shopping Centres undergoing certification to WELL Health-Safety Rating standard

Sustainability Accreditations and Commitments

We use industry-recognised indices to track our sustainability performance:

Accreditation or commitment	Score or equivalent	Observations
GRESB	Score: **72/100**	We have improved our score from 70/100 to 72/100 and in FY24 once again achieved a perfect score in the Management module (30/30), ranking first place out of over 1,000 participants across Europe. We also achieved full marks in the Social (18/18) and Governance (20/20) aspects of the GRESB assessment this year. We continue to work on improving our performance in the Environmental aspect of the assessment, which our Environmental Implementation Plans, occupier engagement initiatives, and green building certifications programme will support.
CDP DISCLOSURE INSIGHT ACTION	Score: **B**	We are pleased to have maintained our 'B' score in FY24, continuing to be recognised by the CDP for "taking coordinated action on climate issues". Although our overall rating remained the same, we achieved rating improvements in the sub-sections of Business Strategy, Financial Planning & Scenario Analysis, Scope 1 & 2 emissions, and Scope 3 emissions. A key opportunity area in FY25 is Emissions Reductions Initiatives, which we have already taken steps to support. Find out more on pages 73 to 75.
SUSTAINABLE DEVELOPMENT GOALS	We are committed to 11 SDGs addressing issues we can meaningfully impact	The SDGs to which we are committed are: 2, 3, 5, 7, 8, 10, 11, 12, 13, 16, 17 Various case studies are provided throughout this report, demonstrating actions we have taken this year to deliver on these goals.
TCFD	6^{th} consecutive year reporting	NewRiver publicly supports the TCFD Recommendations and is in its 6^{th} consecutive year of reporting in alignment with them. We recently undertook a portfolio-wide MEES Risk Materiality Assessment to provide greater insight on the potential financial impact of this transition risk as identified by our climate risk assessment.
FTSE Russell	Score: **3.0**	In our most recent assessment, we received an overall ESG Rating of 3.0 out of 5, above the 'Retail REIT' average of 2.7 and 'Financials' industry average of 2.5, and an improvement on our score of 2.7 from last year. Our key strengths identified by FTSE's assessment include Corporate Governance (5/5), Risk Management (4/5), Anti-Corruption (4/5), and Human Rights & Community (4/5). We have identified the following areas as opportunities for improvement: Pollution & Resources, Social Supply Chain, and Water Security.
EPRA sBPR GOLD	Award: **GOLD**	Awards are given to listed real estate companies in recognition of excellence in the transparency and comparability of their ESG disclosures and we are proud to have maintained the top award status.
Energy Efficiency	**67%** Rated 'C' and above	The EPC profile of our portfolio continues to improve with re-assessment upon expiry of previous certificates, with 67% of registered ratings already consistent with the proposed 2027 MEES milestone in England & Wales.
WELL HEALTH-SAFETY RATED	**10** assets undergoing certification	The rating is designed to empower workplace leaders, owners and operators across large and small businesses alike to prioritise the health and safety of their employees, staff, visitors and other stakeholders. The WELL Health-Safety seal is a visible mark of our organisation's commitment to ensuring health and safety best practice at our centres. We selected 10 assets from our Core portfolio for assessment based on the facilities they provide. Maximising building certification coverage within our portfolio has also been a priority for ESG benchmarks which seek for such standards to be demonstrated.

About our ESG Performance Reporting

Each year, our ESG reporting continues to evolve as our ESG programme matures. Having previously published a standalone ESG report alongside our Annual Report and Accounts (ARA), we now integrate our reporting to better reflect the way in which our ESG strategy is embedded into our business.

We stay abreast of emerging market and ESG disclosure trends and proactively manage our data collection processes to ensure our stakeholders are provided with valuable insight into our ESG performance. It is important to NewRiver that key ESG information on our business is accessible, and so whilst we adopt an integrated annual reporting approach, we also make the ESG content of this report and our TCFD disclosures available in standalone documents on our website to provide greater accessibility.

Ahead of our 2025 commitment to bring our corporate emissions to net-zero, we introduced the external verification[1] of our GHG Emission Inventory in accordance with the ISO 14064-3:2019 Standard. We consider this an important step on our net-zero journey to enhance the transparency and integrity of our progress disclosures.

Scope and Boundaries

In order to facilitate the ISO 14064-3:2019 data assurance process, we altered our ESG reporting period to the calendar year in FY23. We previously reported in direct alignment with our financial reporting year, however the resource requirements of the ISO 14064-3:2019 standard necessitated that we make this change in order to continue with our integrated reporting approach.

This report therefore relates to our ESG performance during the calendar year of 1 January 2023 – 31 December 2023 which includes Q4 FY23 and Q1, Q2 and Q3 in FY24. Throughout this report, this reporting period is referred to as FY24. The preceding calendar year is utilised for year-on-year performance comparisons, and is referred to throughout as FY23.

In disclosing our ESG performance, we adopt the Operational Control boundary, in recognition of this boundary being reflective of our ability to implement our operating policies and influence ESG performance.

Structure and Materiality

Our disclosures are structured to provide stakeholders with an overview of our ESG programme, our approach to realising our ESG objectives, and details of our activities within, and performance against, these objectives.

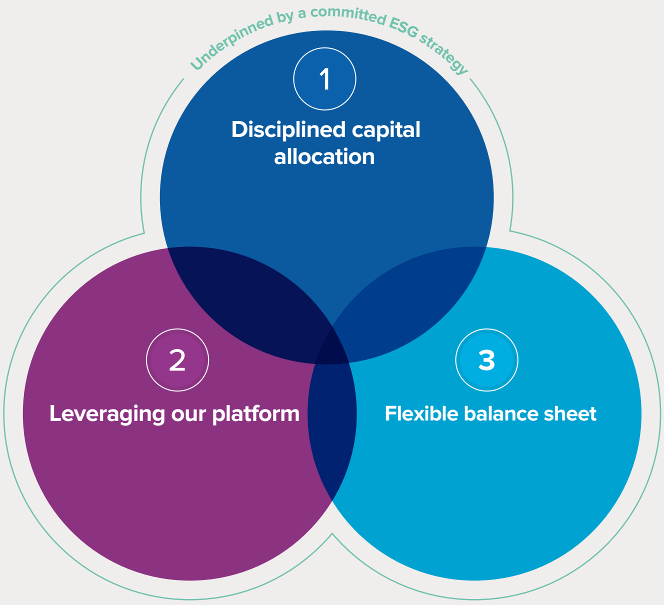
To maintain transparency and comparability of our performance disclosures over time, we consistently monitor and report against the sustainability metrics recommended by EPRA. Refer to page 83 and the ESG Data Sets Appendix on pages 195 to 198 for our full EPRA disclosures. The contents of these data sets are analysed and presented in alternative formats throughout our ESG report.

We assess the materiality of ESG issues relevant to our business by considering their potential impact on our portfolio, our stakeholders, and our communities. The UN Sustainable Development Goals to which we have committed support guided action on issues that we have the opportunity to meaningfully contribute to, by nature of our business model, purpose, and mission. Embedding the recommendations of the Task Force on Climate-Related Financial Disclosures allows us to identify risks and opportunities associated with external factors, and develop an informed and strategic approach to their management.

Reporting Frameworks

Our ESG reporting is guided by relevant global reporting frameworks including the EPRA Sustainability Best Practices Recommendations (sBPR), and the Recommendations of the Task Force for Climate-related Financial Disclosures (TCFD). Having integrated our ESG reporting into our ARA, we also adopt the recommendations of the International Integrated Reporting Council (IIRC).

The NewRiver Business Model



Read more within the business model on page 6

Our ESG Objectives

1. Minimising our Environmental Impact (1, 2, 3)

Our net-zero strategy is embedded in every stage of our asset management approach and collaboration with our capital partners. We seek to provide future-proofed developments which minimise lifecycle carbon.

2. Engaging our Team and Occupiers (1, 2)

We raise awareness of evolving ESG issues and create opportunities for positive impact. We engage our existing occupiers in our sustainability strategy and work with new occupiers to deliver on mutual sustainability goals.

3. Supporting our Communities (1, 2)

Our assets play a critical role in communities and our on-site teams support local charities and community groups. We work closely with councils and local stakeholders to ensure developments address community needs.

4. Leading in Governance and Disclosure (1, 2, 3)

We recognise our responsibility to ensure long-term resilience against societal, regulatory and climate change. We adopt industry-leading frameworks, performance benchmarks and certifications to align our governance and disclosure processes with best practice.

1. Limited assurance based on a data sample of 60% of each emissions category

Targets

2015

- **N** Formalised our four ESG objectives and established an official programme of engagement and improvement

2022

- **N** Publicly commit to net-zero and set FY20 carbon emissions baseline.

2023

- **N** Receive target validation from the Science-Based Targets Initiative (SBTi) for aligning our net-zero pathway with a 1.5-degree global warming trajectory
- **E** 100% of waste generated at our managed properties is diverted from landfill

  100% of landlord electricity is procured from renewable sources.
- **S** Support a minimum of 5 industry/career engagement activities for young people per year and;

  Achieve a 90% response rate to our annual staff survey, with at least 80% confirming that they feel NewRiver cares about their wellbeing

  All enclosed shopping centres to participate in our Quiet Hour initiative and have a community engagement in place.

  50% of NewRiver staff to participate in our volunteering programme.

2024

2025

- **N** Achieve net-zero for all corporate-related carbon emissions (Scope 1-3)

  85% recycling rate at our managed properties.
- **E** Electric vehicle charging points installed across all retail properties with a surface level car park.

  50% improvement (from 2020 baseline) in landlord on-site renewable energy generation

  Building certifications targeted, and lifecycle carbon assessments undertaken, for 100% of our new construction and major renovation projects.
- **S** Achieve a 75% response rate to our occupier satisfaction survey. Biodiversity plans to be in place for at least 15% of our assets.

2030

- **N** Achieve a 42% reduction (against baseline) in carbon emissions across our corporate activities and operational real estate, as required by the SBTi.
- **E** 75% of occupiers transitioned to renewable energy suppliers.

2040

- **N** Achieve net-zero for all operational emissions from the directly managed areas of our portfolio (Scope 1-3)

2050

- **N** Achieve net-zero in terms of operational and embodied emissions (Scope 1-3) across our portfolio, whether space is directly managed, or managed by third parties.
- **E** Over 25% of landlord energy is generated on-site from renewable sources.

Key

- **N** Net-zero targets
- **E** UN SDG aligned Environmental targets
- **S** UN SDG aligned Social targets

Progress Towards Our Near-Term Targets

Target	Target year	% complete	FY24 Progress Report
Environmental			
100% of waste generated at our managed properties is diverted from landfill	2022	100%	We are pleased to have achieved our target of zero waste to landfill in FY22 and maintained this policy throughout FY24.
100% of landlord electricity is procured from renewable sources	2022	100%	We transitioned all landlord electricity supplies across our portfolio to Renewable Energy Guarantees of Origin (REGO) backed tariffs in 2020.
85% recycling rate at our managed properties	2025	66%	Considering only non-organic waste, our FY24 recycling rate was 56%. This represents a decrease against our target vs FY23, despite an 11% decrease in total waste volume and the introduction of new waste segregation/ recycling opportunities at 3 of our centres this year. Please see page 77 for more information.
Electric vehicle charging points installed across all retail properties with a surface-level car park	2025	87%	We have EV charging installations or contracts in motion to deliver installations at 13/15 of our surface-level car parks, bringing our progress rate to 87%. Progress made this year includes the installation of 8 new charging bays at Three Horseshoes Walk in Warminster. Whilst there has been an increase in installations, as a result of the recent sales of two of our retail parks which also benefitted from EV charging infrastructure, the % progress against our target appears to have decreased slightly from 88% last year. We will progress our own feasibility assessments of the remaining two car parks as part of our net-zero pathway action to review and create comprehensive green travel plans for all assets in FY25.
50% improvement (from a 2020 baseline) in landlord on-site renewable energy generation	2025	0%	Renewable energy generation at the assets within our operational control boundary has decreased by 36% between FY20 and FY24. This is because existing installations are aging, and because we have not commissioned any new installations in recent years. We have recently commissioned net-zero carbon audits for a sample of our assets and have established a working group tasked with allocating new installations over the coming year, which we see as an integral part of our broader decarbonisation strategy.
Building certifications targeted, and lifecycle carbon assessments undertaken, for 100% of our new construction and major renovation projects	2025	N/A	There were no relevant projects in relation to this target during FY24.
Social			
Support a minimum of 5 industry/ career engagement activities for young people per year	Annual	100%	1. Through our relationship with The Academy of Real Assets (TARA), we have representation on their youth board which meets regularly throughout the year, and have hosted the Board at our offices. 2. We attended the Academy's book launch event in the summer to answer any questions that students had regarding careers in real estate. 3. We also submitted a story to TARA's book, written by Steve Andrews, our centre manager of The Hildreds, Skegness, which was featured in the final print version. 4. In August 2023, we hosted an Oxford Brookes University student for a week's work experience with our Development team. 5. We are also extremely pleased to have welcomed an apprentice analyst to NewRiver this year via Multiverse's apprenticeship programme.
Achieve a 90% response rate to our annual staff survey, with at least 80% confirming that they feel NewRiver cares about their wellbeing	Annual	50%	During the period we received a 73% response rate to our staff survey. Of the respondents, 85% affirmed that they feel NewRiver cares about their wellbeing. As we have not upheld the response rate target - having previously achieved it - but have fulfilled our wellbeing target, we have reported a 50% completion rate.
All enclosed shopping centres to participate in our Quiet Hour Initiative and have a community engagement plan in place	Ongoing	100%	The introduction of asset-level Environmental & Social Implementation Plans across our portfolio means that all centres have an action plan in place for ongoing community engagement activities, with the Quiet Hour initiative forming a key component of these plans.
50% of NewRiver staff to participate in our volunteering programme	Annual	100%	In FY24, NewRiver staff provided 76 hours of volunteer support to the Trussell Trust, with volunteering sessions typically lasting around five hours each. Staff also provided a further 394 hours of volunteering time to their own chosen causes, such as providing money management advice to individuals and families, and supporting childhood reading programmes. This equates to a total of 94 volunteering sessions for 48 staff members, meaning we have more than fulfilled our target.
Achieve a 75% response rate to our occupier satisfaction survey	2025	100%	We are pleased to have achieved this target with our FY24 Occupier Satisfaction & Sustainability survey, which achieved a response rate of 78%. Our centre teams played a pivotal role in the achievement of this target, aided by our introduction of a £10 charity donation incentive for each response given. Insights from the survey are provided on pages 79 to 80.
Biodiversity plans to be in place for at least 15% of our assets	2025	23%	We commissioned a specialist ecology survey of one of our centres to assess both biodiversity enhancement opportunities and landscaping improvements. Pre-defined biodiversity initiatives are also reviewed on a quarterly basis across all centres as part of our Environmental & Social Implementation plans. To supplement this approach, we have commissioned a portfolio-wide biodiversity risk assessment to be undertaken this year, to allow the biodiversity initiatives within our Environmental & Social Implementation plans to be tailored to the specific biodiversity risks relevant to each centre's location. We therefore anticipate achievement of this target by the target date.

Objective 1: Minimising Our Environmental Impact

Energy and GHG Emissions Performance

On Earth Day, 22nd April 2022, we became a signatory to the Better Buildings Partnership's Climate Commitment, joining other responsible organisations across the industry in pursuing a 1.5°C future for our planet. In becoming a signatory, we have committed to publishing our net-zero carbon pathway and delivery plan, disclosing the energy performance of our assets, and developing a comprehensive climate resilience strategy. The initiative has an overreaching objective of delivering net-zero buildings by 2050, incorporating both operational and embodied carbon. The scope of the commitment makes it one of the most ambitious commitments that property owners can adopt.

The key milestones on our journey to becoming a net-zero business are:

- 2025: all corporate emissions (Scopes 1-3) will be brought to net-zero
- 2030: we will achieve a 42% reduction in absolute emissions from our 2020 baseline
- 2040: all emissions arising from the landlord-controlled areas of our portfolio (Scopes 1-3) will be brought to net-zero
- 2050: all emissions arising from the tenant-controlled areas of our portfolio, and from our development activities, will be brought to net-zero, making us a fully net-zero business.

You can read more about our commitment and delivery strategy in our Pathway to Net-Zero, which can be found in the Sustainability section of our website.

In-line with the Companies Act 2006 (Strategic & Directors' Reports) Regulations 2013, we disclose our annual global GHG emissions in terms of our total energy use, intensity ratio, and a narrative on the energy management and efficiency measures we implement.

Our FY24 SECR disclosures	FY23	FY24	% Change
Greenhouse Gas Emissions by Scope (tCO_2e)			
Scope 1 Emissions from combustion of gas & other fuels	718.4	495.4	-31%
Scope 2 Location-based emissions from electricity purchased for own use	2,029.2	1,701.5	-16%
Scope 2 Market-based emissions from electricity purchased for own use	0	0	0%
Scope 3 Emissions from purchased goods & services, capital goods, fuel & energy-related activities, waste, business travel & employee commuting, and downstream leased assets	24,903.2	22,059.5	-11%
Total Scope 1, 2 & 3 location-based emissions	27,650.8	24,256.4	-12%
Total Scope 1, 2 & 3 market-based emissions	25,136.3	22,177.7	-12%
Intensity Scope 1 & 2 (location-based) tCO_2e/m^2	0.016	0.013	-15%
Energy Consumption (kWh)			
Energy use from the combustion of gas and other fuels	3,935,818	2,708,120	-31%
Energy use from consumption of electricity purchased for own use	10,493,433	8,217,064	-22%
Energy use from business travel	11,069	31,963	189%

Performance Highlights

- 31% reduction in absolute Scope 1 emissions from the combustion of gas & other fuels
- 16% reduction in absolute Scope 2 emissions from the consumption of electricity
- Like-for-like gas and electricity consumption reduced by -9% and -6% respectively
- 190,500 kWh of renewable electricity generated on-site at our assets
- -31% reduction in total location-based Scope 1 & 2 emissions from our baseline year of FY20, bringing us 74% of the way to our SBTi-approved 2030 target to reduce absolute emissions by 42%
- Our Scope 3 emissions also saw an 11% reduction despite a 65% increase in business travel emissions, owing to a continuing return to normal attendance at site meetings including regular visits to the 18 M&G mandate assets from Jan 2023 onward.

Energy Management and Efficiency Measures

Environmental & Social Implementation Plans are in place across 100% of our managed shopping centres. The plans specify four mandatory energy management and efficiency measures which must be reviewed, on a quarterly basis, for implementation at all centres where relevant and feasible. These measures are:

- Routine reviews of the installation of smart meters (AMR) for all relevant utility types
- Installation of LEDs in all landlord-controlled areas
- Implementing a Building Management System optimisation programme
- Reviewing plant equipment run times and controls at least quarterly and ensuring optimum settings are in place for day/night, seasons and occupancy levels

A key driver of our reduced energy consumption this year includes five core LED lighting replacement projects at The Hildreds, Skegness; Abbey Centre, Newtownabbey; Sovereign Centre, Boscombe; Arndale Centre, Morecambe and Newkirkgate Centre, Leith. Together, these assets have seen a 48% reduction in electricity consumption in FY24 vs FY23. We also upgraded the solar power inverters at The Hildreds, Skegness, which has contributed to the reduction in consumption at this centre, as the PV panels are now running at maximum efficiency.

We undertake ongoing reviews of plant equipment run times and controls and have an active programme of meter automation via our energy suppliers. AMR coverage (electricity and gas) across our portfolio currently stands at 85%. This is slightly lower than we reported in FY23 (86%) due to property sales. Our programme of meter upgrades continues, and we anticipate this % coverage to continue to increase as a result.

Data Notes	
Reporting Period	Our GHG emissions performance disclosures relate to the calendar year of 2023 (referred to as FY24). Emission data from the calendar year of 2022 (referred to as FY23) has also been included.
Boundary	We have used the Operational Control method to outline our carbon footprint boundary. Emissions arising from occupiers' energy usage are not included in our Scope 1 and 2 reporting boundaries, but are reported in Scope 3 as downstream leased assets. Our Operational Control boundary excludes assets owned by JV partnerships, as well as assets where we act only in an advisory capacity.
Reporting Method	We have measured emissions based on the GHG Protocol Corporate Accounting Standard (revised edition) and guidance provided by the UK's Department for Business, Energy & Industrial Strategy and the Department for Environment, Food and Rural Affairs (Defra) on Streamlined Energy and Carbon Reporting and greenhouse gas reporting.
Emissions Factor	The emissions factors and conversions used for 2023 (FY24) reporting are from the Department for Energy Security and Net Zero's greenhouse gas reporting tool 2023 and the factors and conversions used for 2022 (FY23) reporting are from Defra's 2022 reporting tool.
Scope 3 emissions	We used the GHG Protocol Scope 3 Standard to collate and report on all material Scope 3 categories which include emissions from purchased goods and services, capital goods, fuel and energy-related activities, waste and water, business travel, employee commuting and downstream leased assets.
Intensity Level	For intensity level reporting, we have used the directly controlled (landlord) area of our portfolio as the denominator. Vacant units have been excluded in the intensity measure due to the year-on-year variability.
Data Restatement	We have restated our FY23 Scope 1 emissions from 786.3 tCO_2e in last year's Annual Report, to 718.4 tCO_2e. This is due to establishing a discrepancy in the gas invoicing at Broadway Shopping Centre in Bexleyheath. We recalculated gas consumption at this asset based on meter readings, and restated the associated emissions accordingly. Similarly, we have restated our "Total Scope 1, 2 & 3 emissions" disclosure to take account of this, as well as new water consumption data becoming available after the end of the reporting year, and an amendment to an asset's tenanted floor area. The Total figure has been restated from 27,600.3 tCO_2e to 27,650.8 tCO_2e which represents an immaterial 0.2% change.

Drivers of our Improved Energy & GHG Emissions Performance

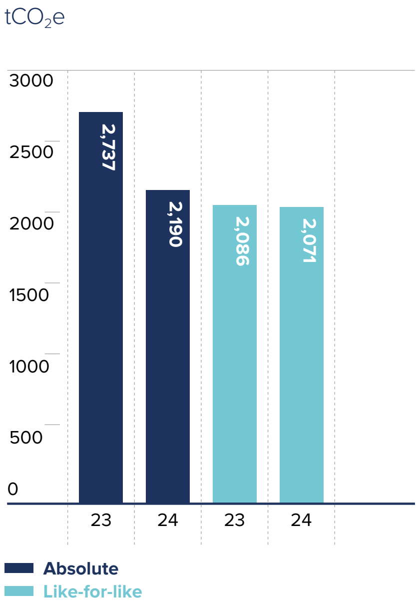
In FY24, we saw a 12% decrease in like-for-like[1] common area gas consumption across our portfolio, equating to a CO_2e saving of 63 tonnes. These savings can partly be attributed to the implementation of our initiative to review plant equipment run times and controls at least quarterly, ensuring optimum settings are in place to reflect space usage, which we saw achieve a 24% reduction in gas consumption at our Piazza Centre in Paisley. The biggest impact on our consumption was, however, at our Broadway Shopping Centre in Bexleyheath, where we installed an IBOS building management system. The success of this system is reflected in the >250,000 kWh saving at this centre.

We have switched our gas supplies to a carbon offset tariff[2], to support with further reducing our environmental impact ahead of our target to bring these emissions to net-zero. We have also begun evaluating opportunities to replace gas-powered equipment in the common areas of our centres via a series of audits we commissioned pursuant to ESOS Phase 3. The findings of these audits are currently undergoing further investigation with the centre teams and asset managers, to confirm assumptions and feasibility of recommended measures. Once our investigations are complete, we will be able to establish an overall implementation strategy to achieve optimum savings across our portfolio.

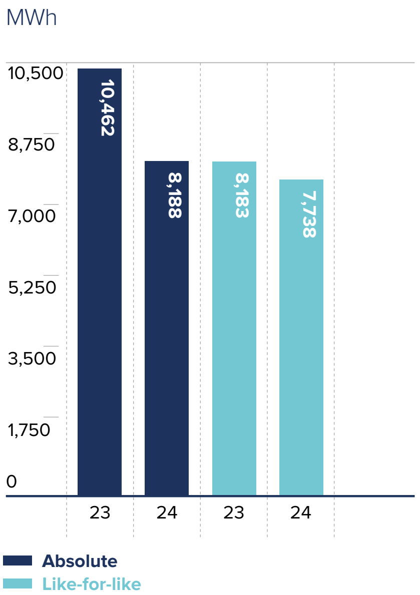
Over the course of FY24, we achieved a -14% reduction in like-for-like common area electricity consumption. This was primarily driven by the LED lighting replacement projects implemented during the year. Overall, our absolute electricity consumption was down by -29%, driven by asset disposals which took place during the year. This was also the key driver of the overall reduction in Scope 3 emissions, as downstream leased assets make up the vast majority of this emissions category.

In terms of our Corporate emissions, we saw a 42% decrease in emissions arising from our consumption of energy and water, and waste generation, as a result of our move to our new BREEAM Excellent[3] head office location in FY23.

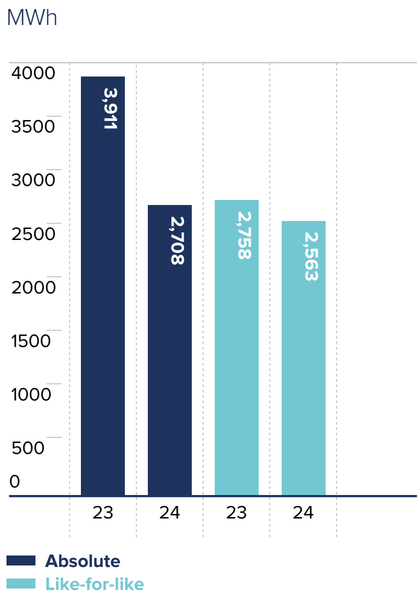
Portfolio Scope 1&2 GHG Emissions (Absolute and like-for-like)



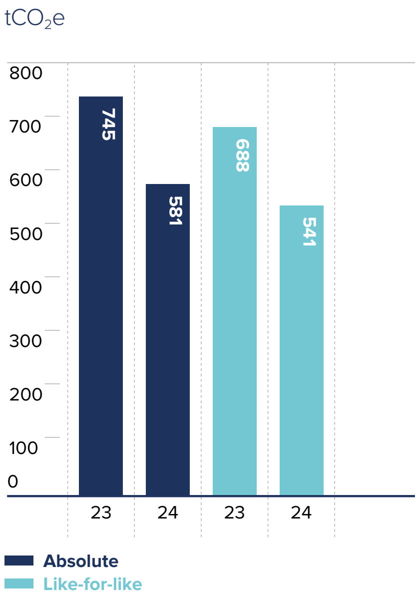
Portfolio Electricity Consumption (Absolute and like-for-like)



Portfolio Gas Consumption (Absolute and like-for-like)



Portfolio Scope 3 GHG Emissions (Absolute and like-for-like)[4]



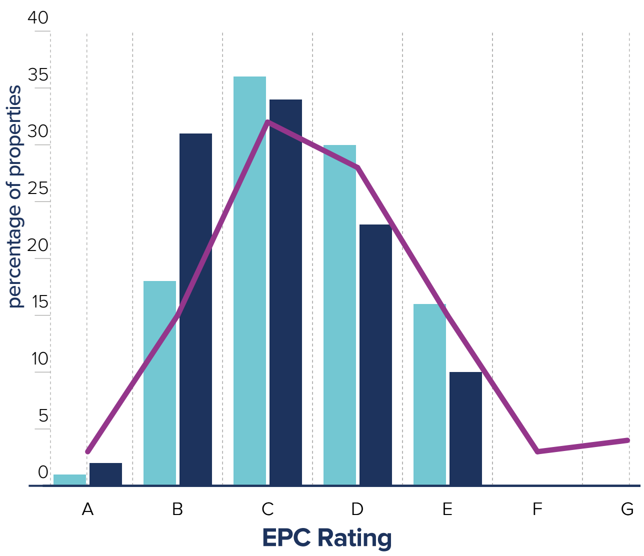
1. Like-for-like disclosures represent the energy and emissions from our like-for-like portfolio over the two-year period in order to remove the impact of property sales and acquisitions from performance comparisons.
2. For the avoidance of doubt, these offsets are not reflected in our emissions disclosures
3. In construction
4. Scope 3 emissions relate to the emissions included in our 2040 net-zero target, which are those arising from the directly controlled areas of our assets (i.e., waste, water, and upstream emissions and transmission & distribution losses from energy consumption). We have chosen to include these categories only to provide a clear performance comparison, as all other Scope 3 categories are otherwise difficult to distinguish when collated with “downstream leased assets”.

Certifications & Energy Performance Certificates

Since October 2008, an Energy Performance Certificate (EPC) has been a legal requirement when a building is sold, rented, or constructed. A certificate is valid for a period of 10 years; on expiry there is no legal requirement to replace an EPC unless the property is to be sold or let. In England & Wales, the Minimum Energy Efficiency Standards (MEES) now require that all properties, where valid EPCs exist, must have an asset rating of “E” or above to be lawfully let. Previously this requirement only applied to new tenancies, however it was extended to cover existing (non-domestic) tenancies on 1 April 2023.

The below chart shows NewRiver EPCs for the England & Wales retail portfolio in comparison to the national EPC register, comparing against other non-domestic certificates. Our data shows that the NewRiver portfolio out-performs the EPC profile of the national database as shown in the chart below, having a higher proportion of certificates providing a minimum rating of “C”, and no “F” or “G” ratings. Our programme of EPC assessments and Minimum Energy Efficiency Standards (MEES) risk reduction has helped to ensure we can continue to let properties lawfully. Through continued management of non-compliant and expiring EPCs in accordance with the MEES, the NewRiver portfolio is well defended against potential compliance-related risks to value.

EPC Performance in England & Wales



NewRiver Portfolio FY24

NewRiver Portfolio FY23

National Database*

* National database figures are correct as of December 2023 and take into account only those certificates registered between 2013-2023

For a full breakdown of our portfolio EPC profile including Northern Ireland & Scotland, please see page 197 (Appendix).

Certifications

Working with our centre teams, we identified that the high standards of health & safety governance upheld across our centres presented an excellent opportunity to gain external certification via the International WELL Building Institute (IWBI), under the WELL Health-Safety Rating standard. We have submitted 10 of our shopping centre assets for certification by enhancing procedures in a few focus areas. This allows us to display a WELL seal which communicates to customers entering our spaces that evidence-based measures and best practices for safety have been adopted and third-party verified, providing them with peace of mind. The certification evaluates performance across 5 action areas: cleaning & sanitisation; emergency preparedness; health service resources; air & water quality management; and stakeholder engagement & communication.

Water Performance Summary

Placeholder FY24 Performance Highlights

- -6% reduction in like-for-like water consumption
- Focus on data availability and quality, with our energy broker, who managers our meters, working to upgrade both their water data validation system and our meters

Narrative on FY24 Performance

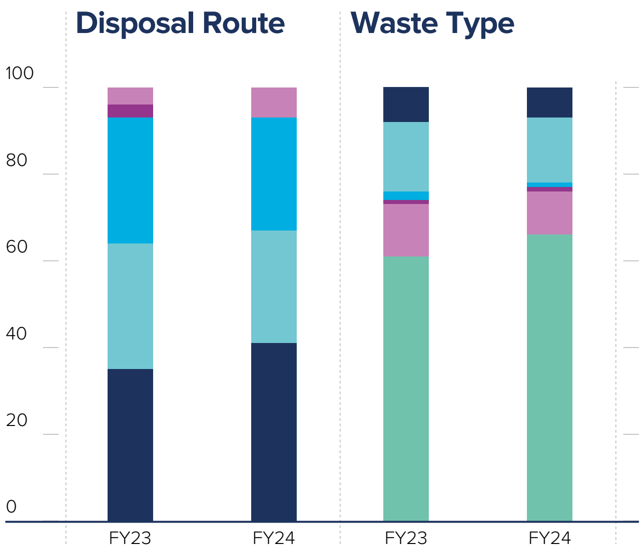
In FY24, we saw a -6% decrease in like-for-like water consumption across our portfolio, which is mainly driven by the remediation of the underground leak identified at the Abbey Centre, Newtownabbey. Excluding this isolated incident, water consumption across the remainder of our portfolio increased 3% on a like-for-like basis. This is primarily driven by data quality improvements, which continues to be a focus area for our brokers.

Our Environmental & Social Implementation Plans require that opportunities to install leak detection systems, reuse stormwater and/or grey water, and to install low-flow fixtures, are reviewed on a quarterly basis. This ensures that there is an ongoing process of assessing the feasibility of initiatives which seek to contribute to reducing our water consumption. Whilst the leak we experienced at the Abbey Centre was unfortunate, this is a lesson that will be drawn upon in our evaluation of leak detection systems as part of these plans going forward.

Waste Performance Summary

FY24 Performance Highlights

- We maintained our policy to divert 100% of our waste from landfill
- We saw an 11% reduction in total waste volume; 4% on a like-for-like basis
- 60% of total waste generated avoided incineration. Waste that was incinerated benefitted from energy recovery.



Disposal Route

	FY23	FY24
Waste to incineration with energy recovery	35%	41%
Waste to dedicated recycling facility	29%	26%
Waste to mixed recycling facility	29%	26%
Waste to composter	3%	0%
Waste to anaerobic digestion	4%	7%

Waste Type

	FY23	FY24
General waste	61%	66%
Dry mixed recycling	12%	10%
Cans & Plastics	1%	1%
Glass	2%	1%
Paper/Cardboard	16%	15%
Food waste	8%	7%

1. Calendar year of 2023

Narrative on FY24 Performance

In FY24[1], the volume of waste generated across our like-for-like portfolio reduced by 4%, consistent with our ambition to prioritise waste minimisation in accordance with the waste hierarchy. Considering only non-organic waste, the percentage split of waste recycled (56%) and incinerated (44%) shifted in favour of incineration compared to the previous year.

Our centre teams have been very focused on our target to achieve an 85% recycling rate, so this is a disappointing result given we have introduced new waste segregation and recycling opportunities this year at the Forum in Wallsend, Three Horseshoes Walk in Warminster, and the Sovereign Centre in Boscombe. Our occupier survey returned a number of suggestions for additional glass and food waste segregation opportunities, which we will support the centre teams to explore in FY25.

Turning to waste type, we saw reductions in total waste volume across all waste streams, though this was less prominent for general waste, hence the reduced recycling rate. On a like-for-like basis, general waste volume increased by 7%, whilst volumes across recyclable waste streams decreased. We saw a 10% reduction in plastics, cans & packaging waste volume, which we hope is indicative of retailers' minimisation of the packaging of their goods, however further monitoring of this waste stream would be required to confirm that these items are not being disposed of in general waste bins instead.

Boscombe Bees

The Sovereign Centre is currently working with a local food growing charity, producing jars of honey from the hives on the roof of the centre. The centre also works with the local community to plant wildflowers, helping their local bees to thrive.

Objective 2: Engaging our Team and Occupiers

Listening is at the core of our approach to engaging our team. We strive to understand and respond to the diverse needs of our team at all levels, enabling us to develop our policies and process to better support needs and goals. We work hard to engender a positive culture which provides the support and flexibility to ensure staff wellbeing. Our retention record and our approval ratings in staff surveys is testament to the effectiveness of this approach.

Monitoring and needs assessment take place both through the employee appraisal process and anonymously via our annual staff survey. Our 2023 staff survey was independently managed and analysed by The Sunday Times, and as a result, we were recognised as one of the "Sunday Times Best Places to Work 2023".

The survey questions are designed to gain insights into staff opinion and identify beneficial actions in respect of NewRiver's policies, procedures and cultural norms in the areas of: reward & recognition, information sharing, empowerment, wellbeing, instilling pride, and job satisfaction. We were rated "excellent" in all six of the survey's focus areas.

The 2023 survey returned an overall engagement score of 82%, with over 80% of staff identifying they:

- Have confidence in our management and a good working relationship with their direct manager
- Are recognised when they do something well and are treated with respect
- Are happy with their working hours and work/life balance
- Feel that their views are heard, and they are trusted to make decisions
- Feel happy at work and safe in their working environment
- Know that NewRiver cares about their wellbeing
- Are proud of the organisation and feel that their work is worthwhile
- Are encouraged that NewRiver treats environmental responsibility as a priority and backs this with action

Sunday times Best Place to Work 2024

In FY24 we were recognised in the Sunday Times Best Places to Work 2023, in the 'small organisation' category (10-49 employees) for the first time.

Post-period, in May 2024 we are honoured to have been recognised for the second consecutive year in the 2024 list, achieving 'Excellent' in all criteria.

The 2024 survey results cited that 87% of NewRiver employees who participated said they felt empowered, while job satisfaction, happiness and wellbeing also scored highly at 86%, 84% and 83% respectively.

Our average engagement score of 84% was significantly higher than the category average of 73%.

The survey results also recognised that NewRiver's executive team meets the FTSE Women Leaders Review 2025 target of 40% female representation.

ESG training is delivered to our team by our external consultants on an annual basis. Training sessions cover a range of topics including industry initiatives and trends, updates on our performance, and support for implementing any newly introduced policies and processes. Annual training sessions extend to our on-site teams, who receive training specific to the nature of their roles.

We continue to include personal ESG targets in employee goal setting and performance appraisals. We encourage employees to include targets which support our corporate objectives, but also provide the flexibility to set personal targets that address issues which are important to them or their role. Achievement of the ESG targets feeds directly into the rewards process with all other employee objectives. Members of senior management have specific ESG performance goals connected to a pre-defined bonus potential (see page 139).

Employee Commuting Survey

A key new process introduced this year was a comprehensive employee commuting survey which enabled us to fully understand our team's travel behaviours and commuting distances.

The introduction of this process has allowed us to greatly improve our corporate carbon accounting for the category of Employee Commuting, which now leverages actual data as opposed to relying on national averages. In using actual data, we were able to identify a 65% reduction in emissions per employee, reflective of the sustainable travel choices made by our team. 88% of the distance travelled by NewRiver employees is by rail, with only 8% of employees using a car for any part of their commute. Of those that do rely on a personal car, half utilise all-electric vehicles.

Engaging our Occupiers

Occupier satisfaction is a core priority of our business; as such, we undertake routine surveys to gain insight into occupier opinions on material topics such as the effectiveness of our centre management teams and our sustainability programme.

The opportunity to respond to our 2023 survey was offered to 100% of our occupiers, and we received a response rate of 78% exceeding our 75% target. Key insights from the shopping centre survey include:

- 68% of respondents rated their general satisfaction as 8/10 or higher, with 30% providing a rating of 10/10, up by 4% since 2022.
- 91% of respondents are satisfied with the management of cleaning and waste in common areas, up 2% since our last survey.
- Over half (52%) of our occupiers are satisfied with the sustainability initiatives we implement at our centres, but there is a clear need to increase awareness of initiatives at certain centres, and we will support the centre teams to ensure this is the case.
- Over half of respondents expressed awareness of their business' ambition to achieve net-zero, or confirmed their business was in the process of establishing their pathway/ determining what it would mean for their business. This finding is very similar to that of our previous survey, up 3% excluding "don't know" and "n/a" responses. This is consistent with our own research on net-zero commitments, presented below.

Hub of Hope

In partnership with mental health charity, Chasing the Stigma, NewRiver has rolled out the Hub of Hope training which supports staff to normalise conversations around mental health. 28 NewRiver staff and 128 centre staff have been trained and have become Ambassadors of Hope. An additional 4 members of NewRiver staff have been trained as mental health first aiders.

DEI and Bias Learning Experience

17 people from the NewRiver team, including members of the Executive Committee and the Senior Leadership Team, participated in a diversity, inclusion, and bias learning experience, which covered topics including power, access, and inclusive collaboration.

We also received some helpful, constructive feedback which we would like to take this opportunity to respond to:

Feedback Item	
Over half of retailers would be interested to hear more from us on the overall sustainability performance of their individual centre	We had plans to work with our energy brokers to create a platform capable of storing and presenting sustainability performance data for both the landlord and occupier areas of our portfolio. This solution relies on collaboration with our occupiers, however, our outreach efforts have unfortunately had limited success to date. We will support the centre teams to effectively communicate details of broader sustainability initiatives while we consider options for improving data visibility.
Our retailers advised us that they would welcome additional waste segregation/ recycling opportunities	We hosted an ESG training session for our Centre Managers in autumn this year, in which we provided feedback on the half year position with waste management performance and made suggestions as to how to bring management practices further in-line with our targets. As a result, 3 centres have already introduced new recycling options and we identified glass and food waste as key opportunities for further improvement.
A top suggestion for environmental/ social initiatives to introduce was "more greenery/ plants"	We thank you for your suggestions and have fed this idea back to our centre teams who will consider the best opportunities to fulfil this request. We have recently certified 10 core centres to the WELL Health-Safety Rating standard and will continue to review how we can build on the wellness benefits offered by our assets.

Carving a collective pathway to Net-Zero with our occupiers

Building on the research we undertook last year to inform our occupier engagement strategy, we have updated our review of our occupiers' sustainability commitments and emissions reduction ambitions, to understand current levels of alignment and identify key areas in which to focus our engagement efforts.

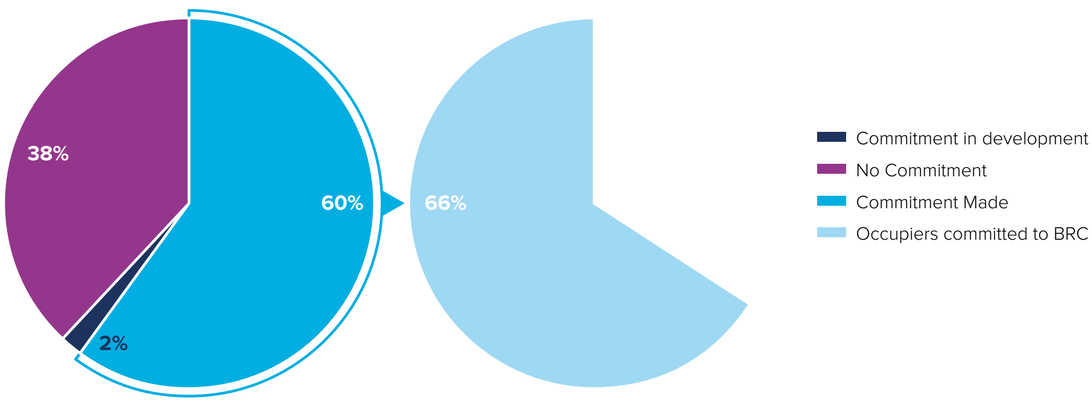
In reviewing these commitments, we were encouraged to see an increase in the percentage of our portfolio by floor area which is occupied by retailers who've already set emissions reduction targets, up from 57% to 60%, with a further 2% having disclosed that they are in the process of developing targets[1]. Of the 60% occupied by retailers with existing commitments, 66% is occupied by BRC Net-Zero Roadmap signatories. This is a slightly lower proportion than our previous analysis showed, which means that more organisations have made independent commitments.

Upon initial review, we were very pleased to learn that the majority of our occupiers share our sustainability vision, and are even more pleased to see this proportion gradually increasing. This exercise is also helpful to us in understanding key areas in which we might be able to offer insight and learnings to our occupiers as we work to achieve our own net-zero targets.

In particular, we hope to be able to support our SME occupier base on this journey. Hence, we will continue to update this research to ensure our strategy reflects movements in occupier ambitions.

We incorporate green lease clauses into all our standard form leases, which engage our occupiers in key areas of our net-zero strategy, such as the procurement of renewable energy. Of the new leases we agreed in FY24, 16% included an agreement with our occupiers to this effect.

Occupier carbon emission reduction targets



1. Correct as of November 2023

Objective 3: Supporting our Communities

Supporting impactful local causes through the position we hold in our communities has always been central to our culture and strategy of creating shared value for our stakeholders. As such, we provide NewRiver funded time for our staff to support the causes which matter most to them, and to share team bonding opportunities in doing so.

The Trussell Trust

Staff are able to participate in monthly volunteering opportunities with our corporate charity partner, the Trussell Trust, or elect to utilise their gifted volunteering time to support any cause that's particularly close to their hearts.

In FY24, our support for the Trussell Trust provided:

3.16 tonnes
of food donations, equating to approximately

42,175
portions or

£6,326
worth of pasta, enough dinners for

29 families
of 4 for a whole year

£500,000+
of cumulative direct monetary donations raised since beginning our partnership in June 2019

£56,306
of direct monetary donations during the year

102 Hours
of volunteered support, with a total value of

£1,641[1]

PODCAST

This year we furthered our support in driving awareness of the Trussell Trust through a podcast with the charity's CEO Emma Revie, as part of our digital communications.

Scan this QR code to view

The podcast can be found on our website:
https://www.nrr.co.uk/media/resilient-retail-podcast/Podcast

A seat at The Table

At our Merlin's Walk centre in Carmarthen, a local Trussell Trust initiative known as "The Table" is run from one of our units. We are donating a fully fitted kitchen to the operator to support the important work they do in the local community. This includes key free-to-access services including nutrition and food preparation; debt and money advice; budget coaching; form filling support; an after school drop-in centre where children and young people have access to wi-fi for homework; and direct access to a range of support agencies.

Life Saving Skills for Schools

The Abbey Centre has joined forces with Staff Training NI and Stryker to create this nurse-led programme. Fourteen students and two teachers from twenty post-primary schools were taught the importance of life saving skills covering CPR, AED Defib, Choking and EpiPens.

At our Centres

322
hours spent by on-site staff supporting community initiatives

£119,057
Monetary donations raised by aggregate charity fundraising activities

176
social, community or charitable initiatives supported

1. Based on the national TOMs Framework proxy value for voluntary hours donated to support VCSEs (excluding expert business advice) of £16.09 per hour

Objective 4: Leading in Governance and Disclosure

Our Commitment to Diversity, Equity & Inclusion (DEI)

As a company, we are committed to a culture of diversity and inclusion in which everyone is given equal opportunities to progress regardless of gender, race, ethnic origin, nationality, age, religion, sexual orientation or disability. We continue to strive to provide the most flexible employment policies to enable all of our employees to combine a fulfilling career with an active home life.

Diversity at a Glance

23% Ethnic diversity	50:50 Company Male : Female ratio
60:40 Exco Male : Female ratio	71:29 Board Male : Female ratio

Equal Opportunities

We have recently updated our Equal Opportunities policy to provide a comprehensive standalone policy statement which clearly communicates:

- What we regard as acceptable and unacceptable behaviour at work;
- The rights and responsibilities of those to whom the policy applies;
- The procedure for dealing with concerns or complaints;
- How we will deal with any breach of our policy;
- Who is responsible for the policy; and
- How it will be implemented, monitored, and reviewed.

All staff have received externally delivered training to ensure full understanding of this policy, including types of discrimination and unconscious biases, to support its effective implementation.

Board Diversity

The Board Diversity Policy includes the following objectives:

- At least two members of the Board are female, with a long-term aspiration to achieve no less than 40% female representation on the Board; and
- In the longer-term, at least one director will be from a non-white ethnic minority background.

Whilst recognising that:

- This balance may not be achieved until further Directors are replaced at the end of their tenure;
- On an ongoing basis, periods of change in Board composition may result in temporary periods when this balance is not achieved;
- All appointments must continue be made on merit;
- And new appointees embody the core values of the Group.

Gender Pay Gap

In FY22, we took the decision to begin publishing our gender pay gap information. As we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information Regulations 2017) to disclose our gender pay gap, however we are pleased to provide our disclosure below in support of our commitment to DEI.

39% Mean gender pay gap	37% Median gender pay gap

This represents a 5% increase in our mean gender pay gap since FY23, and an 8% increase in our median gender pay gap. These fluctuations are driven by differences in the roles and seniority levels of male and female leavers and joiners to NewRiver over this period. There has been a net increase in female employees which supports our DEI ambitions, with some of these new joiners filling junior and development positions, such as apprenticeships.

In interpreting this gender pay gap disclosure, it is important to note that this is not a calculation of equal pay for equal work. The gender pay gap is the difference between the average annual salaries of men and women across all levels of the company, excluding any bonuses or other benefits received. The comparison is drawn across all departments of the business, spanning all levels of seniority. We adopt a strict equal pay for equal work policy, ensuring that all remuneration is managed in compliance with equality legislation.

Our Governance of Sustainability and Climate-Related Matters

Our purpose is to buy, manage and develop retail assets across the UK which provide essential goods and services, supporting the development of thriving communities. Our Board recognises our responsibility to ensure our portfolio can weather the physical and transitional risks created by a changing climate to ensure the long-term resilience of our business and the returns we achieve for our investors, as well as the all-important communities we serve.

Governance Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	FY23	FY24
Gov-Board	Composition of the highest governance body	Number of executive board members	2	2
		Number of independent/ non-executive board members	4	4
		Average tenure on the governance body	3.6	4.6
		Number of independent/ non-executive board members with competencies relating to environmental and social impacts	3	3
Gov-Selec	Process for nominating and selecting the highest governance body	Narrative on process	As a Stock-Exchange-Listed business, NewRiver is required under the UK Corporate Governance code to have a Nomination Committee which is responsible for identifying and nominating candidates to the Board. Please refer to pages 119 to 122 for the latest report from the NewRiver Nomination Committee.	
Gov-Col	Process for managing conflicts of interest	Narrative on process	As a Stock-Exchange-Listed business, NewRiver is required under the UK Corporate Governance Code to identify and manage conflicts of interest. Directors also have duties under the Companies Act 2006. To manage this process, the Company Secretary keeps a register of all Directors' interests. The register sets out details of situations in which each Director's interest may conflict with those of the Company (situational conflicts). The register is reviewed at each Board meeting so that the Board may consider and authorise any new situational conflicts identified. At the beginning of each Board meeting, the Chairman reminds the Directors of their duties under sections 175, 177 and 182 of the Companies Act 2006, which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board. There is also a staff conflicts of interest policy in place which requires any potential conflicts to be kept on a register and regularly updated. This is reviewed by the Audit Committee on a six-monthly basis.	
-	Board oversight of code of conduct	Narrative on process	The Company has a code of conduct that is included in the staff handbook. Non-compliance would be a staff disciplinary matter. The Board, through its Audit Committee has oversight of non-compliance. The Company also has a whistleblowing policy and process which is regularly reviewed by the audit committee. There have been no instances of non-compliance.	
-	Due diligence of partner organisations	Narrative on process	The Company has implemented and Enhanced Supplier vetting process for suppliers and has a supplier's code of conduct. The Company also has a Modern Slavery policy. Suppliers are required to confirm that they agree to this Modern Slavery policy amongst other policies as part of the on-boarding process.	
-	Anti-corruption measures	Narrative on process	The Company has an Anti-bribery and anti-corruption policy. As part of this policy there is a gifts and hospitality approval process and register. The Gifts and Hospitality register is reviewed by the Audit Committee on a regular basis. A conflicts of Interest policy is also in place as well as a whistle-blowing policy and process.	
-	Fines and settlements in connection with non-compliance with environmental, anti-bribery/ corruption, or other ESG-related regulation	Total GBP of fines in past three years, type of non-compliance	£0, no incidences of non-compliance.	


Fairway

TCFD: our Journey to Climate Resilience

NewRiver is committed to embedding the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) within our approach to climate-related risk management. This disclosure aims to present a transparent account of our processes designed to support our journey towards a low-carbon business model, structured around the TCFD's four recommendation pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

As part of our membership of the Better Buildings Partnership (BBP) Climate Commitment, we adopt the BBP's definition of a climate resilient business in formulating our strategy. This definition considers that a climate resilience business: has a plan to mitigate the worst impacts of climate change by reducing its carbon emissions impact to net-zero; can adapt to operating in a world in which climate-driven disruption is more frequent and severe; and provides climate-related information to investors, regulators, and other stakeholders in a useful and timely way.

Our 2024 disclosures represent our sixth consecutive TCFD report. We consider that the following report is consistent with the TCFD's Recommendations and supporting disclosures; these being the four pillars referenced above, and the eleven disclosures within, which are signposted throughout this report. The TCFD's Guidance for All Sectors has been considered in order to achieve consistency with the recommendations.

Governance

TCFD Governance Recommendation 'a': Describe the board's oversight of climate-related risks and opportunities

Our Board takes ultimate responsibility for our business' resilience against climate issues and the transition of our portfolio to a low-carbon operating model. Material climate issues are considered by the Board when reviewing NewRiver's strategic approach to managing associated impacts on the day-to-day operation of our assets, to preserve our ability to create value for our investors and communities. Allan Lockhart, our Chief Executive and senior Board Director, retains overall accountability for our ESG programme and approach to climate matters.

The Board's oversight is supported by the ESG Committee, led by our Head of Asset Management and ESG, Emma Mackenzie. The Committee meets quarterly to oversee NewRiver's approach, which is guided by our Pathway to Net-Zero, whilst reviewing and ensuring that appropriate resources are mobilised to enable proactivity; for example, each asset receives an annual ESG budget to implement selected items from the Environmental & Social Plans. The Committee provides quarterly briefings to the Board, updating its members on key milestones achieved by the ESG programme.

The Board monitors progress against our Net-Zero Pathway targets, which it receives a comprehensive progress update on twice yearly; at half year and full year. This includes explanatory context on performance changes and identifies measures that have been successful or, conversely, makes recommendations to remedy any shortfall against the targets. This enables the Board to make informed decisions as to actions required.

The Board and the Audit Committee adopts an integrated risk management approach, in which ESG and climate issues are embedded. The Committee regularly evaluates NewRiver's risk appetite, together with emerging and principal risks which are captured in the risk register maintained by the Company. The Committee considers a range of risks across six risk categories, linked to our business model, strategic priorities, and external environment. Climate-related risk represents one of the principal risk categories. The Committee regularly evaluates changes to identified risks and ensures that appropriate controls are applied in alignment with the Board's risk appetite.

NewRiver's Board benefits from the climate-related expertise of Dr Karen Miller, appointed in Q1 FY23. Karen supports the Board's consideration of all climate-related issues escalated to the Board by the ESG Committee. The Board's training requirements in respect of climate-related issues are reviewed annually. In FY24, the Board received a externally delivered session on the findings of the recent net-zero audits we undertook across a sample of our assets, and how these findings relate to our broader strategy.

TCFD Governance Recommendation 'b': Describe management's role in assessing and managing climate-related risks and opportunities.

Senior management is closely involved in our day-to-day approach to climate issues. Through her dual role as Head of Asset Management and ESG, Executive Committee member Emma Mackenzie regularly engages with asset and property management teams to ensure appropriate energy and carbon management processes and policies are integrated within all management activities. In addition, asset and property management teams interact with centre management to ensure that policies are implemented across the portfolio and that performance is tracked through our ESG programme.

Our internal teams and centre managers have all received ESG training during the year, delivered by our external consultants. We invest in these sessions to ensure that management personnel are kept abreast of the latest developments in sustainability best practice and evolving climate-related issues.

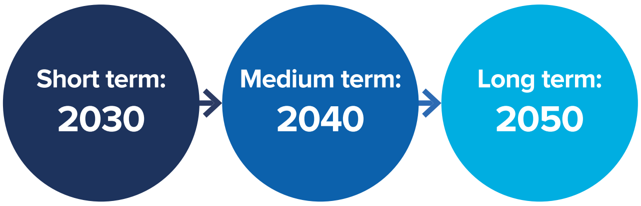
The Remuneration Committee includes ESG objectives as part of the bonus objectives for both the Board and Executive Management. This is a pre-defined percentage of bonus with a high degree of measurability, and forms part of the overall performance assessment.

Strategy

TCFD Strategy Recommendations 'a' and 'c': Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term; and describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk Identification

NewRiver considers climate-related risks, as well as opportunities, that may arise from both the physical impacts of climate change and the transition of our managed assets across the UK to a low-carbon operating model. We identify climate-related issues across short (to 2030), medium (to 2040), and long-term (to 2050 and beyond) horizons, appropriately defined to inform our ESG and corporate strategies.



The **Relevance Assessment** below outlines the principal risks and opportunities we have identified and the ways in which they have the potential to impact our business, alongside definitions of low, medium, and high impacts in the context of each of the risks.

Our assessment considers transitional risks and opportunities associated with keeping warming to within 1.5-degrees above pre-industrial levels - as our strategy is based on this objective – and therefore assumes that the end date for achieving net-zero is 2050. Our analysis of physical risk exposure, undertaken by an external consultant, modelled three climate scenarios in total: SSP1-2.6, a low carbon scenario corresponding to approximately 2°C of warming at the end of the century, SSP2-4.5, an in-between scenario available for some specific climate hazards, and SSP5-8.5, a high carbon scenario corresponding to approximately 4 to 5°C warming at the end of the century. It considered 11 key climate hazards including temperature-related, wind-related, water-related, and solid mass-related hazards. Through the analysis, 6 key hazards have been identified as relevant to our portfolio (see Relevance Assessment). Consistent with our transitional risk analysis, we have presented the potential impacts based on a low carbon scenario.

The **Impact Assessment** that follows provides our analysis of the relevant level of potential impact of each risk, and the time horizon during which these impacts could manifest.

Resilience of Our Strategy

Our strategy is designed to enable us to build resilience considerations into the acquisition and operation of our assets as an integral part of our overall approach to asset management. As our portfolio consists of assets located in the UK only, there is little variation in exposure levels to both transitional and physical risks and opportunities across our assets. Our net-zero pathway and the interim targets we have set ourselves guide our approach to remaining resilient to principal transition risks. The findings of our physical risk assessment and sensitivity analysis using low and high carbon scenarios show that there is minimal change to the exposure of our portfolio to physical climate risks in the best- and worst-case scenarios.

Should collective efforts to keep warming to within 1.5-degrees prove insufficient, all transitional risks have the potential to have a further heightened impact, as regulatory targets may need to increase to keep the UK economy on the required decarbonisation pathway, which may also increase the costs associated with aligning buildings' performance to such targets. In this scenario, the need to take prompt action would be even more critical, and the importance to consumers of an effective response would also grow. As our strategy is aligned to the best available scientific recommendations (SBTi) and our approach to the sustainable management of our assets strives for continuous environmental performance improvements, whilst physical risk analysis showed no material movements in risk exposure under higher carbon scenarios, we do not envisage that we need to amend our risk management strategy based on different warming scenarios.

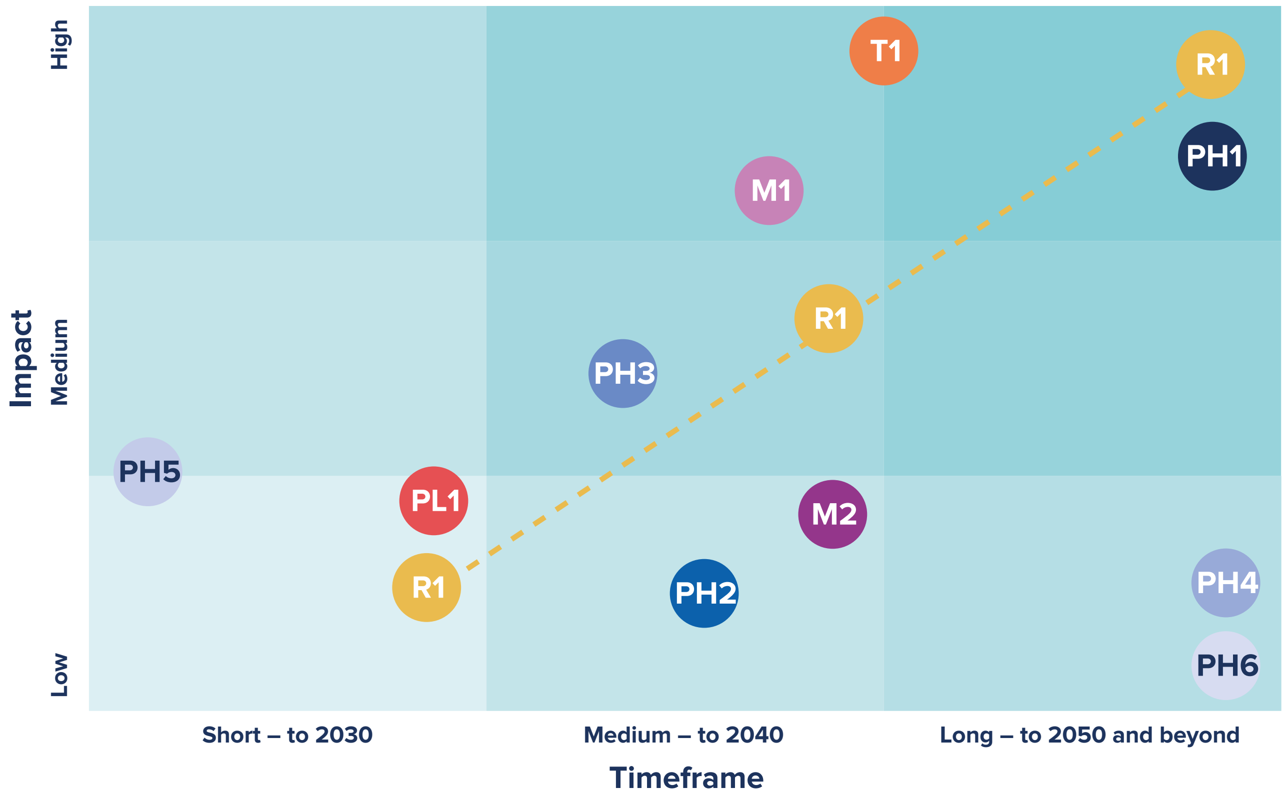
Relevance Assessment

Climate Change Strategy (Risk 4a1): A failure to implement appropriate climate risk management measures, comply with evolving regulations and meet our ESG targets could impact the operation and value of our assets, leading to a risk of asset obsolescence, reputational damage, and erosion of investor value.

Category & Indicator	Risk Type	Risk Description	Relevance to NewRiver	Low Impact Definition	Medium Impact Definition	High Impact Definition
Policy & Legal PL1	Energy efficiency and carbon regulations relating to managed assets	Evolving policy designed to support the UK's 2050 net-zero commitment requires CapEx to achieve compliance but also highlights opportunities to reduce operational costs, support occupier demand, improve resilience, and implement measures that ultimately support our own net-zero ambitions.	We have mitigated the short-term MEES risk associated with our portfolio, however there are proposals to increase the minimum thresholds in future. 67% of our EPCs are currently compliant with proposed 2027 requirements, and 33% already compliant with 2030 proposals. We have undertaken a cost assessment of achieving compliance with the 2030 minimum threshold, assuming that current feasibility tests will remain relevant.	Costs of <£2million to improve asset performance in accordance with regulations	Costs of £2-10million to improve asset performance in accordance with regulations	Costs of >£10million to improve asset performance in accordance with regulations
Technology T1	Costs to transition managed assets to low-carbon model	Opportunities exist to implement a range of technologies and system improvements designed to reduce environmental impact and transition our assets to a decarbonised operational model. These systems will come at a cost, and require lifecycle carbon considerations to be factored in. We will engage our occupiers to ensure our ambitions are aligned and make sensible system replacements at the time that current systems reach a point in their useful lives that the lifecycle carbon and operational cost implications are beneficial to our occupiers as well as our net-zero journey, which will support usual service charge processes.	We are in the assessment phase of most solutions at this stage on our net-zero pathway, with implementation being focused on key strategic opportunities such as the IBOS system we installed in Bexleyheath and the various LED projects we rolled out this year. We have begun assessing the potential costs of removing gas supplies from our assets and driving energy usage intensities down in-line with industry targets, alongside solar PV installations. Our initial assessments are under review by our centre and asset management teams as we work to refine costings and reduce assumptions.	Costs of <£2million to improve asset performance in accordance with regulations	Costs of £2-10million to improve asset performance in accordance with regulations	Costs of >£10million to improve asset performance in accordance with regulations
Reputation R1	Reputational damage based on ineffective response to climate change	Societal environmental consciousness is continually on the rise and there is a widespread consensus that we must keep warming to within 1.5 degrees. Businesses that fail to keep pace with this moral shift risk reputational damage. We must continuously work towards, and monitor our progress against, our SBTi-approved emissions reduction targets. We must ensure that our initial targets are reviewed as and when new scientific recommendations or sector-specific methodologies emerge.	We have committed to becoming a net-zero business and developed our pathway to achieving this commitment. We have committed to the SBTI's recommendations of reducing absolute emissions by 42% by 2030 and achieving net-zero by 2050 in pursuit of a 1.5-degree future. We are currently reviewing the SBTI's new Buildings Sector guidance and considering relevant revisions to our targets to align with this latest sector-specific best practice guidance, including re-baselining.	Limited reputational impact if response to climate change is ineffective	Temporary reputational impact if response to climate change is ineffective, with sufficient time to remedy	Significant reputational impact if response to climate change is ineffective or not operational by required date
Market M1	Increased costs to offset unabated emissions as part of our net-zero strategy	There has been a significant, recent, increase in corporate net-zero commitments which may drive demand for credible carbon offsets, resulting in cost increases. Potential future regulation may also contribute to this risk.	We have committed to ensuring that any offsets purchased as part of our net-zero strategy are additional, not overestimated, lead to permanent removals, do not support double counting, and do not cause wider social or environmental harm. We will begin purchasing offsets in connection with our corporate target in 2025. The scope of this purchasing requirement will increase in 2040 when we bring the landlord-controlled areas of our portfolio to net-zero, and then increase again in 2050 when we become fully net-zero.	Minimal cost increase of no more than 25%	Considerable cost increase of 50-100%	Significant cost increase of over 100%

Climate Change Impacts on our Assets (Risk 4b): Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets, whilst the physical impacts of a changing climate could cause damage or disruption to the operation of our assets.						
Category & Indicator	**Risk Type**	**Risk Description**	**Relevance to NewRiver**	**Low Impact Definition**	**Medium Impact Definition**	**High Impact Definition**
Market M2	Changing customer behaviour	The nature of this risk is two-fold in that it has potential impacts from both an occupier and consumer perspective. Changes in consumer shopping preferences present an opportunity to leverage our ESG strategy to demonstrate the ways in which we actively cater to the evolving needs of our occupiers' customers, but also present a potential risk if the perception is that our ESG strategy does not fulfil their expectations.	We must be able to demonstrate that our centres are environmentally and socially conscious places for retailers and end customers. Failure to do so could have a negative impact on demand for our assets.	Changes in customer behaviour are well accounted for by our existing strategy & offering, with impact being only resource requirements to achieve this	There is room for our strategy to improve its alignment with changing customer behaviour, leading to some reduction in demand	Our strategy falls short of customer expectations and demand for our assets is hampered
Physical PH1 PH6	Acute Physical Hazards and Chronic Stressors caused by a Changing Climate	As average global temperatures rise, so too does the exposure of real assets to acute climate hazards and chronic stressors. This risk category has been assessed under both a high (SSP-8.5 representing 4-5 degrees of warming) and low (SSP1-2.6 representing within 2 degrees of warming) carbon scenario up to the year 2100, considering 11 key climate risks including temperature-related, wind-related, water-related, and solid mass-related hazards. Through this assessment, some risks were discounted as relevant to our portfolio. Our risk disclosure includes only those identified as highly relevant.	6 relevant risks to our portfolio have been identified to include: heat stress; water stress; storm and wind damage; subsidence; and flooding. Potential impacts of exposure to these risks include higher cooling/energy demand and associated costs; damage to external building elements; and increased insurance premiums. Through our assessment of these risks under both a high and low emissions scenario, we were able to establish that there is no material variation in exposure levels across our portfolio over time and under each scenario. Our impact assessment represents the within 2-degrees scenario.	0-40% of our assets could be impacted by the relevant climate hazard	40-80% of our assets could be impacted by the relevant climate hazard	80-100% of our assets could be impacted by the relevant climate hazard

Impact Assessment



Category,

Indicator, and risk types

- PL1 Energy/Carbon Regulations
- T1 Costs to transition assets
- R1 Reputational damage
- M1 Increased costs to offset
- M1 Increased costs to offset
- M2 Changing customer behaviour
- PH1 Heat Stress
- PH2 Water Stress
- PH3 Storm Damage
- PH4 Wind Damage
- PH5 Subsidence
- PH6 Coastal Flooding

TCFD Strategy Recommendation 'b': Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

The Board has a low risk tolerance for principal risks affecting our business, including climate-related issues. Consistent with this appetite, our robust ESG programme guides our actions on our pathway to net-zero and supports our response to climate-related issues through the implementation of asset-level initiatives designed to improve efficiency, reduce environmental impact, and enhance resilience. We have embedded ESG and climate considerations throughout our business processes, departments, and functions. Environmental considerations are embedded into capital allocations and are considered for all future acquisitions. The following diagram depicts the actions and processes we have identified as part of our strategy to deliver on our climate ambitions in the context of our business model and financial planning.

* NB: No data for future subsidence risk is available so this risk can only be considered under current climate conditions.

1. Disciplined capital allocation

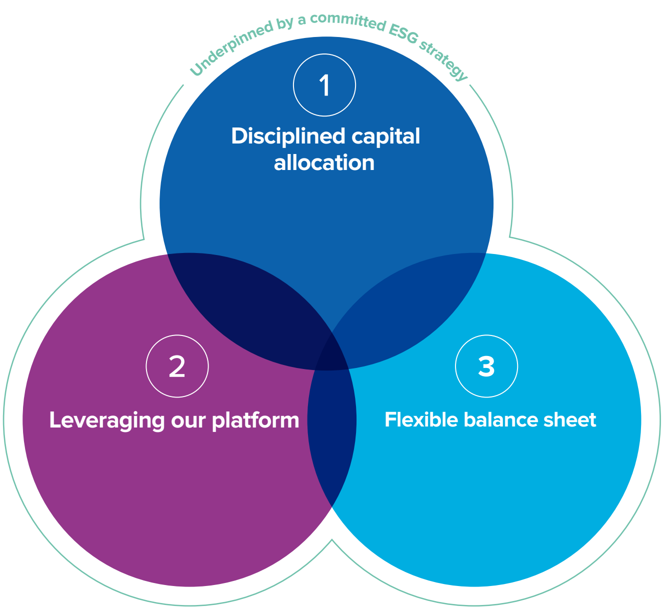
Embed Net-Zero Carbon and climate resilience in due diligence and analysis of stock selection from 2022

2. Leveraging our platform

- Prepare costed asset management plans to net-zero for all managed assets by 2024
- Actively engage with our top 30 occupiers to align our level of commitment
- Actively apply green lease commitments across all occupier transactions
- Actively engage NewRiver's top tier suppliers to align commitment for products and services purchased to mitigate supply chain emissions
- Actively pursue procurement of renewable energy across all landlord and occupier space
- Adopt NewRiver's re-development & major refurbishment ESG framework across all relevant projects
- Measure the embodied carbon emissions of all re-developments & major refurbishments by undertaking 'Life Cycle Assessments' (LCA), from 2023
- Embed minimum fit-out requirements for occupier licenced fit-outs from 2021
- Design out fossil fuels from all major refurbishment projects and re-development projects with immediacy
- Leverage our strong relationships with UK high street retail brands, local councils, and our joint venture partners, to ensure efforts are collaborative and long-term
- When managing assets owned by third parties, leverage our scale, expertise, and learnings on our journey to net-zero, to promote environmental best practice beyond our own portfolio

3. Flexible balance sheet

Leverage the flexibility of our balance sheet to ensure investment in energy efficiency over the next 20 years is well accounted for in financial planning and that the value of our investments is protected from current and future market & legislative risks



Risk Management

TCFD Risk Management Recommendation 'a': Describe the organisation's processes for identifying and assessing climate-related risks

Climate-related risks are identified through NewRiver's integrated risk management framework. Our risk management framework considers both emerging and principal risks with the potential to impact our business. We maintain a risk register that considers a range of categories, including environmental and climate change risks. The risk register assesses the impact and likelihood of each identified risk, which is translated into a risk heat map. Where the residual risk does not align with the Board's risk appetite, management actions are recommended with a view to mitigating the relevant risk.

TCFD Risk Management Recommendation 'b': Describe the organisation's processes for managing climate-related risks

Accountability for mitigating actions is assigned to a senior asset and property manager. This approach allows NewRiver to ensure there is a top-down understanding of principal risks across the business, backed by bottom-up mechanisms to support monitoring by management and their ability to address principal risks in a timely manner. With the support of our centre managers, we implement a host of initiatives designed to manage environmental impact and promote the efficient and resilient operation of our assets. This also includes, for example, building safety assessments which review the risk of loose roof/ facade features, which support mitigation of physical risks such as wind and storm damage.

TCFD Risk Management Recommendation 'c': Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Please see pages 84 to 92 for a detailed presentation of how the identification, assessment, and management of climate-related risks are integrated into NewRiver's overall risk management processes.

Metrics and Targets

TCFD Metrics and Targets Recommendation ‘a’: Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Annually, we disclose a suite of climate-related metrics which track our performance towards realising our core objective of minimising our environmental impact. These metrics are aligned with EPRA’s best practice recommendations for transparently disclosing sustainability performance. The EPRA performance tables on pages 195 to 198 present our FY24 performance across these metrics, alongside historical performance.

We also monitor the following metrics associated with each of the principal climate-related risks identified:

Risk Type	Management Objective	Metrics	Monitoring Frequency
Policy & Legal	Maintain compliance with energy/ carbon regulations	Portfolio EPC profile	Continuous
Technology	Identify and implement opportunities to improve energy efficiency and manage costs to transition/ decarbonise assets	Energy usage intensity	Monthly by centre teams via our energy broker’s management platform
Reputation	Avoid reputational damage based on ineffective response to climate change by progressing against our net-zero pathway	Scope 1, 2 & 3 GHG emissions	Annual quantification with monthly monitoring through energy management
Market	Minimise our exposure to increasing costs of carbon offset credits by reducing our emissions, whilst monitoring market changes	Scope 1, 2 & 3 GHG emissions; Cost projections from market sources.	Our ESG consultants keep us informed, whom we communicate with on a weekly basis
	Keep pace with changing customer behaviour and sentiment towards sustainability matters	Customer engagement via asset management and centre management teams, alongside wider consumer / market research	Continuous
Physical Risk Exposure	Monitor changes in exposure to physical climate risks to enable early identification of potential adaptation and mitigation measures	% of assets exposed to heat stress; water stress; storm and wind damage; subsidence; and flooding	Initial assessment will be updated as and when significant changes to our portfolio occur in terms of acquisitions and disposals

TCFD Metrics and Targets Recommendation ‘b’: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

In accordance with our reporting obligations under the UK’s Streamlined Energy and Carbon Reporting regulations, we disclose our annual carbon emissions performance. Please refer to pages 73 to 75, where we provide further information on our FY24 emissions performance, together with a comparison against our historical performance and the methodologies used to prepare these disclosures.

TCFD Metrics and Targets Recommendation ‘c’: Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Following the release of the Science Based Targets initiative’s (SBTi) Corporate Net-Zero Standard in October 2021 – the world’s first framework for corporate net-zero targets consistent with a 1.5°C future – we have published our Pathway to Net-Zero and have received validation from the SBTi for our Scope 1 and 2 emissions reduction targets. Science-based targets (SBTs) provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their GHG emissions to achieve a net-zero world by no later than 2050. Pragmatic net-zero strategies place the corporate SBT methodology at their heart, prioritising rapid decarbonisation before the use of carbon offsets. This is the approach that we will take in pursuing the following targets:

1. Our corporate emissions will be brought to net-zero by 2025. In FY24, we eliminated our Scope 1 emissions through our office move.
2. We will achieve a 42% reduction in total absolute emissions by 2030. As of year end FY24, we are 74% of the way to achieving this.
3. Our landlord-controlled portfolio emissions will be brought to net-zero by 2040[1]. We reduced these emissions by 20% in FY24 vs FY23.
4. Our tenant-controlled portfolio emissions, and emissions associated with our development activities, will be brought to net-zero by 2050.

For more information on the actions we will take to achieve these targets, please see our Pathway to Net-Zero which provides our detailed delivery plan. Our Pathway to Net-Zero is presented separately on our website for ease of ongoing access for our stakeholders.

1. Against a 2020 baseline

Managing our risks and opportunities

Risk is inherent in all businesses and effective risk management enables us to manage both the threats and the opportunities associated with our strategy and the operation of our business model.

Our small workforce encourages flexibility and collaboration across the business in all areas including risk management. The accessibility and flexibility of the Board and senior staff are particularly pertinent when adapting to evolving risks, emerging risks and external risks such as the aftereffects of a global pandemic and geopolitical instability. This flexibility enables the business to adjust and respond to fast-changing situations and prove its resilience and adaptability.

The Board has ultimate responsibility for the risk management and internal controls framework of the Company and regularly evaluates appetite for risk, ensuring our exposure to risk is managed effectively. The Audit Committee monitors the adequacy and effectiveness of the Company's risk management and internal controls and supports the Board in assessing the risk mitigation processes and procedures. The Executive Committee is closely involved with day-to-day risk management, ensuring that it is embedded within the Company's culture and values and that there is a delegation of accountability for each risk to senior management.

Risk monitoring and assessment including emerging risks

The identification of risks and their management is a continual and evolving process. This has been underscored more so over recent years in which global macroeconomic and geopolitical events have created uncertainty across all sectors, both economically and socially. Geopolitical events have also impacted supply chains and sentiment.

The Company maintains a risk register in which a range of categories are considered. These risks are linked to the business model and strategic priorities of the Company. The risk register assesses the impact and probability of each identified risk. By identifying all risks on a register and continuously updating this register, principal risks can be identified as those that might threaten the Company's business model, future performance, solvency or liquidity and reputation. Their potential impact and probability will also be a factor in whether they are classed as principal. The risk register also records actions that can be taken to further mitigate the risk and each action is assigned to an individual or group. Mitigation factors and actions are assigned to all risks whether they are principal, non-principal or emerging.

The continuous updating of this risk register allows us to assess how risks are evolving, assists in identifying emerging risks as they develop and ensures that the impact of each identified risk is continually monitored as it emerges and progresses. During FY23 we identified an emerging depositor risk as our cash holdings continued to build up. This risk was not a principal risk but by identifying the emerging risk as it has developed, we were able to update our treasury policies to ensure that they were fit for purpose and that cash is spread across various banking institutions. We continue to monitor this in FY24 and a Board-approved counterparty list is continuously monitored using S&P and Fitch credit ratings. The treasury policy dictates the maximum exposure to a counterparty based on their rating. The operation of the treasury policy is reported to the Board on a quarterly basis. This emerging risk also created an opportunity as the Group has been able to take advantage of favourable deposit opportunities. We have not identified any further emerging risks during FY24.

Risk appetite and mitigation

The Board has a low-risk appetite for compliance (legal and regulation) related risk. The Board however recognises that the external environment in which it operates is inherently risky. Mitigating actions are therefore agreed for all risks that exceed the Group's risk appetite. Our experienced leadership team continuously works to mitigate the risks arising from the external environment in some of the following ways:

- Maintaining an unsecured balance sheet, with the Company benefitting from a more diversified debt structure and gaining access to a larger pool of capital to help achieve our strategic goals
- A disciplined approach to asset selection with probability risk-adjusted returns
- Deploying capital in joint ventures and associates, thereby diversifying risk
- A diverse tenant base in which there is no single tenant exposure of more than 4%
- An experienced Board and senior management team

All risks on the register are 'scored' in terms of impact and probability. A risk heat map can be a useful visual aid to understand the potential impact and probability of each significant risk on a gross basis prior to mitigation. Our heat risk map is set out overleaf.

Risk and governance and responsibility

Board

Collectively responsible for managing risk, overseeing the internal controls framework and determining risk appetite

- Regularly review risks within strategy discussions, the impact of risk on strategy and levers within the business model that can be adjusted to manage these risks.
- Conducts formal reviews of principal risks (including emerging risks) at least twice a year - one of which is in connection with consideration of the viability statement.
- Monitors KPIs which link to risk and strategy through Board reports.

Audit Committee

Oversees the risk management process

- Conducts formal reviews of the risk management process twice a year – one of which is in connection with consideration of the viability statement.
- Monitors the internal controls framework.
- Considers the use of external advisers for specific specialist risk impacts and deep-dive reviews.
- Monitors the need for an internal audit function/team and appoints third parties to test internal controls.
- Receives reports on the risk management process twice annually.

Executive Committee

Regularly reviews the entire risk register - members are responsible for managing risk within their area of accountability

- Conducts reviews of the entire risk register (which includes emerging risks) at least quarterly.
- Delegates line responsibility for managing risks within their area of accountability.
- Reviews risk topics through regular timetabled presentations or papers.
- Uses external advisers for specific specialist risk impacts.
- Monitors KPIs which link to risk and strategy.

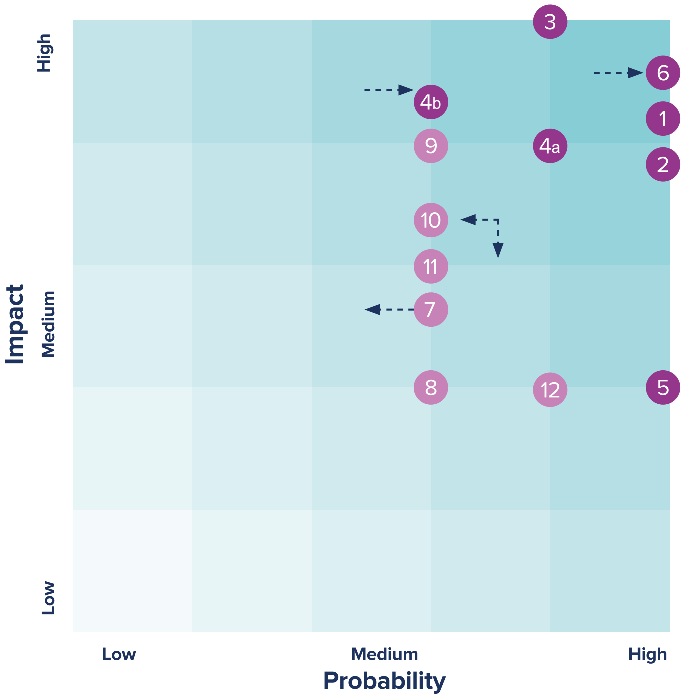
Asset Managers

Members are responsible for managing risk within their assets and highlighting risks as they emerge

Company Secretary

Conducts individual risk reviews with ExCo members and individual business areas. Maintains the risk register and presents an update to the ExCo, the Audit Committee and the Board at least twice a year. Has responsibility for training staff on policies and regulations.

Risk matrix



Principal risks

External risks

1. Macroeconomic
2. Political and regulatory
3. Catastrophic external event
4a. Climate change strategy
4b. Climate change impacts on our assets
5. Changes in technology and consumer habits and demographics
6. Cyber security

Operational risks

7. People
8. Financing
9. Asset management
10. Development
11. Acquisitions
12. Disposals

Movement from FY23

The risk matrix sets out gross risk (i.e. our assessment of the impact and probability of risks prior to any mitigating factors). All risks have mitigating actions associated with them.

External risks

External risks	Operational risks
1. Macroeconomic 2. Political and regulatory 3. Catastrophic external event 4a. Climate change strategy 4b. Climate change impacts on our assets 5. Changes in technology and consumer habits and demographics 6. Cyber security	7. People 8. Financing 9. Asset management 10. Development 11. Acquisitions 12. Disposals

Risk and impact	Monitoring and management	Change in risk assessment during the period
1. Macroeconomic		
Economic conditions in the UK and changes to fiscal and monetary policy may impact market activity, demand for investment assets, the operations of our occupiers or the spending habits of the UK population. **Responsibility** Board & ExCo **Strategic alignment** 1 2 3 **Impact** High **Probability** High **Movement** No change	• The Board regularly assesses the Company's strategy in the context of the wider macroeconomic environment. This continued review of strategy focuses on positioning our portfolio for the evolving economic situation. • The Board and management team consider updates from external advisers, reviewing key indicators such as forecast GDP growth, employment rates, interest rates and Bank of England guidance and consumer confidence indices. • Our portfolio is focused on resilient market sub-sectors such as essential retailers. • Through regular stress testing of our portfolio we ensure our financial position is sufficiently resilient. • Closely monitoring rent collection and cash flow.	• Macroeconomic risk has remained the same during the year and is considered a medium to high impact risk with a high probability. • Sentiment has been impacted by interest rates, geopolitical issues and inflation. • Overall portfolio valuations slightly decreased in the second half of the year, however our debt covenant and financial policy headroom remains high. • Continued inflation could fuel wage growth and costs leading to rate increases above current forecasts. • Inflation has fallen during 2023 and 2024 and the Bank of England is working with interest rate adjustments to reduce inflation to fall to its 2% target.
2. Political and regulatory		
Changes in UK Government policy, the adverse effects of Brexit on our tenants, or the impact of political uncertainty on consumers' retail and leisure spend. **Responsibility** Board & ExCo **Strategic alignment** 1 2 3 **Impact** High **Probability** High **Movement** No change	• The Board regularly considers political and regulatory developments and the impact they could have on the Company's strategy and operating environment. • External advisers, including legal advisers, provide updates on emerging regulatory changes to ensure the business is prepared and is compliant. • We regularly assess market research to gauge the impact of regulatory change on consumer habits. • We carry out stress testing on our portfolio in relation to regulatory changes which may impact our operations or financial position. • Where appropriate, we participate in industry and other representative bodies to contribute to policy and regulatory debate. Individual ExCo constituents are members of the BPF and the High Street Task Force.	• Political and regulatory risk has remained the same during the year. This is considered a medium to high impact risk with a high probability. • There has been political uncertainty within the UK due to changes in leadership over recent years and a decline in market confidence. This is likely to continue with a general election in July and a potential change of Government. There have also been political changes at a local authority level. • There still remains some uncertainty around the longer-term impacts of Brexit and also uncertainties relating to the possibility of Scottish devolution.

Strategic pillars	Risk change during FY24	Impact and probability
1 Disciplined capital allocation	Increased	Low
2 Leveraging our platform	Decreased	Medium
3 Flexible Balance Sheet	No change	High
ESG Environmental, Social and Governance		

Risk and impact	Monitoring and management	Change in risk assessment during the period
3. Catastrophic external event		
An external event such as civil unrest, a civil emergency including a large-scale terrorist attack or pandemic, could severely disrupt global markets and cause damage and disruption to our assets. **Responsibility** Board & ExCo **Strategic alignment** 1 2 3 **Impact** **Probability** **Movement**	• The Board has developed a comprehensive crisis response plan which details actions to be taken at a head office and asset level. • The Board regularly monitors the Home Office terrorism threat level and other security guidance. • The Board regularly monitors advice from the UK Government regarding pandemic responses and emergency procedures at our assets are regularly tested and enhanced in line with the latest UK Government guidance. • We have robust IT security systems which cover data security, disaster recovery and business continuity plans. • The business has comprehensive insurance in place to minimise the cost of damage and disruption to assets.	• Catastrophic external event risk has remained the same during the year and is considered a high impact risk with a medium to high probability. • The after effects of a global pandemic caused unprecedented economic and operational disruption and the continuing global developments create uncertainty. We mitigated the impact of these events through our portfolio positioning focusing on essential goods and services, our cash position and liquidity and our active approach to asset management. • The cost-of-living crisis, continued inflation and mortgage rate increases have impacted UK households. Our operational performance has however demonstrated the resilience of our portfolio. • The National Terrorism Threat Level is substantial and the full long-term impact from the wars in Ukraine and the Middle East and other geopolitical events remains unclear.
4a. Climate change strategy		
A failure to implement appropriate climate risk management measures, comply with evolving regulations or meet our ESG targets could impact the operation and value of our assets, leading to a risk of asset obsolescence, reputational damage and erosion of investor value. **Responsibility** Board & ExCo, CEO and ESG Committee, Head of ESG **Strategic alignment** 1 2 3 ESG **Impact** **Probability** **Movement**	• We have a comprehensive ESG programme which is regularly reviewed by the Board and Executive Committee. • One of the key objectives of the programme is to minimise our impact on the environment through reducing energy consumption, sourcing from renewable sources and increased recycling. • We have developed our Pathway to Net Zero Carbon and set medium and long-term targets in line with the latest science-based targets. • ESG performance is independently reviewed by our external environmental consultants and is measured against applicable targets and benchmarks. • We continue to report in line with TCFD requirements.	• Climate change strategy risk remained the same during the period and is considered a medium to high impact risk with a medium to high probability. • ESG has risen up the agenda of many stakeholders and expectations of compliance with best practice have increased. • Regulatory requirements have also increased during the period, in addition to the scoring criteria for certain ESG benchmarks such as GRESB. • Our ESG Committee pre-empted these changes and our initiatives and disclosure continue to evolve in line with best practice. • ESG is embedded into capital allocation decisions and is considered for all future acquisitions.

Risk and impact	Monitoring and management	Change in risk assessment during the period
4b. Climate change impacts on our assets		
Adverse impacts from environmental incidents such as extreme weather or flooding could impact the operation of our assets. A failure to implement appropriate climate risk management measures at our assets could lead to erosion of investor value and increases in insurance premiums. **Responsibility** Board & ExCo, CEO and ESG Committee, Head of ESG **Strategic alignment** 1 2 3 ESG **Impact** High **Probability** Medium **Movement** Increased	• We regularly assess assets for environmental risk and ensure sufficient insurance is in place to minimise the impact of environmental incidents. • In conjunction with insurers, flood risk assessments have been carried out at all of our assets and the risk is considered low.	• Climate change impacts on our assets risk has increased during the period and is considered a medium to high impact risk with a medium probability. The probability of this risk has increased as governments globally, including the UK Government, continue to take insufficient action and temperatures continue to rise, with 2023 being the hottest year on record. • Although exposure to extreme weather events is a near-term risk, other climate impacts such as heat stress and sea level rises are medium-term or long-term time horizons. Whilst their impact is high, their probability is medium in the short to medium term. • Climate impacts are embedded into capital allocation decisions and considered for all future acquisitions of both equipment installed at our assets and for the assets themselves.
5. Changes in technology and consumer habits and demographics		
Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets. **Responsibility** Board & ExCo **Strategic alignment** 1 2 3 **Impact** High **Probability** Medium **Movement** No change	• The Board and Executive Committee regularly assess our overall corporate strategy and acquisition, asset management and disposal decisions in the context of current and future consumer demand. Our strategy is designed to focus on resilient assets that take into account these future changes. • We closely assess the latest trends reported by research providers, including cash spent at our assets, to ensure we are aligned with evolving consumer trends. • Our retail portfolio is focused on essential spending on goods and services which are resilient to the growth of online retail. • Our retail parks are ideally positioned to help retailers with their multi-channel retail strategies.	• Changes in technology and consumer habits risk has remained the same during the year and is considered a low to medium impact risk with a high probability. • Although the global pandemic lockdown restrictions significantly increased home working and online shopping we have seen evidence that this is unwinding in recent years. This provides opportunities for our portfolio, particularly retail parks and local community shopping centres. • Our portfolio is focused on providing essential retail to local communities, which continues to mitigate the impact of online retail on our portfolio. • Our portfolio is positioned to ensure that over the longer term we have the most resilient retail portfolio in the UK.

Strategic pillars

1 Disciplined capital allocation
2 Leveraging our platform
3 Flexible Balance Sheet
ESG Environmental, Social and Governance

Risk change during FY24

Increased
Decreased
No change

Impact and probability

Low
Medium
High

Risk and impact	Monitoring and management	Change in risk assessment during the period
6. Cyber security		
A cyber attack could result in the Group being unable to use its IT systems and/or losing data. This could delay reporting and divert management time. This risk could be increased due to employees continuing to work from home following the pandemic and due to geopolitical events. **Responsibility** Board & ExCo, Head of IT **Strategic alignment** 1 2 3 **Impact** **Probability** **Movement**	• There are limited IT servers on sites. • Multiple third-party supplier programmes are used which have their own security systems and are independently audited by Deloitte and ISO2000 accredited. • ExCo receives quarterly reporting on IT matters. • Security protocols are in place to ensure swift changes to data access following staff changes and authority limit access. • We have reviewed our IT systems and have enhanced a number of areas during the year. • Cyber insurance cover is in place. • We have recently carried out an external review of the Group's IT security and systems as part of our internal audit process.	• Cyber security has increased during the year and is considered a medium to high impact risk with a high probability. Global developments have increased cyber security risks with many high-profile organisations being targeted by cyber attacks. We continue to carry out further enhancements to our IT systems and procedures and update, monitor and review our internal control procedures.

Operational Risks

Risk and impact	Monitoring and management	Change in risk assessment during the period
7. People		
The inability to attract, retain and develop our people and ensure we have the right skills in place could prevent us from implementing our strategy. **Responsibility** Remco, ExCo, Senior Independent Director (as employee engagement director), Head of HR **Strategic alignment** 1 2 3 **Impact** Medium **Probability** Medium **Movement** Decreased	• Attracting, retaining and developing talent is core to our HR strategy, which is regularly reviewed by the Board and Executive Committee. • We undertake an extensive Employee Engagement Survey once a year to gauge employee views on leadership, company culture, health and wellbeing, personal growth and benefits and recognition. This informs any changes to HR policy. • We regularly benchmark our pay and benefits against those of peers and the wider market. • We regularly review the Group's resourcing requirements, performance management, talent and succession planning. • Longer notice periods are in place for key employees. • Our recruitment policies consider the needs of the business today and our aspirations for the future, whilst ensuring our unique corporate culture is maintained.	• The probability of the People risk has reduced during the year. It is considered a medium impact risk with a medium probability. • Although inflation puts pressure on salary costs and demands, this impact is mitigated by an active employee engagement programme and the alignment of reward with both individual and Company-level performance. The vesting of the LTIP award in August 2023 has improved staff perceptions of these long-term awards and improved their motivational impact. • We continue to focus on staff wellbeing and actively seek regular feedback from staff. The recent Sunday Times Best Places to Work 2024 survey was strongly positive with NewRiver scoring "excellent' in all criteria. • We also offer many forms of flexible working including job share, annualised hours, variation of hours and working from home. Since the pandemic we have implemented a policy of working enabling staff to work from home a number of days a week should they choose to do so.
8. Financing		
If gearing levels become higher than our risk appetite or lead to breaches in bank covenants, this would impact our ability to implement our strategy. The business could also struggle to obtain funding or face increased interest rates as a result of macroeconomic factors. **Responsibility** ExCo & CFO **Strategic alignment** 1 3 ESG **Impact** Medium **Probability** Medium **Movement** No change	• The Board regularly assesses Company financial performance and scenario testing, covering levels of gearing and headroom to financial covenants and assessments by external rating agencies. • The Company has a programme of active engagement with key lenders and shareholders. • The Company has a wholly unsecured balance sheet, which mitigates the risk of a covenant breach caused by fluctuations in individual property valuations. • The Company has long-dated maturity on its debt, providing sufficient flexibility for refinancing. • Working capital and cashflow analysis and detailed forward assessments of cashflows are regularly reviewed by the Executive Committee. • Our credit rating is independently assessed by Fitch Ratings at least annually.	• Financing risk remained the same during the year and is considered a low to medium impact risk with a medium probability. • Macroeconomic developments, particularly the increase in inflation, have impacted financial markets. The strength of the Company's unsecured balance sheet means we have significantly mitigated the risk of not being able to secure sufficient financing. Increased cash levels have also mitigated these risks and provide deposit opportunities. • The Company extended the maturity on its undrawn Revolving Credit Facility to November 2026 during the year. • There is no exposure to interest rate rises on drawn debt.

Strategic pillars

1 Disciplined capital allocation
2 Leveraging our platform
3 Flexible Balance Sheet
ESG Environmental, Social and Governance

Risk change during FY24

Increased
Decreased
No change

Impact and probability

Low
Medium
High

Risk and impact	Monitoring and management	Change in risk assessment during the period
9. Asset management		
The performance of our assets may not meet with the expectations outlined in their business plans, impacting financial performance and the ability to implement our strategies. **Responsibility** ExCo, Head of Asset Management and the Asset Managers **Strategic alignment** 1 2 3 ESG **Impact** **Probability** **Movement**	• Asset-level business plans are regularly reviewed by the asset management team and the Executive Committee and detailed forecasts are updated frequently. • The Executive Committee reviews whole portfolio performance on a quarterly basis to identify any trends that require action. • Our asset managers are in contact with centre managers and occupiers on a daily basis to identify potential risks and improvement areas. • Revenue collection is reviewed regularly by the Executive Committee. • Retailer concentration risk is monitored, with a guideline that no retailer will account for more than 5% of gross income (currently our largest retailer is Poundland accounting for 3.3% of gross income).	• Asset management risk has remained the same during the year and is considered a medium to high impact risk with a medium probability. • The global pandemic placed restrictions on the operations of our occupiers and impacted performance and rent collection at our assets. These have improved greatly and are now back to pre-pandemic levels. • Our diverse tenant portfolio focuses on essential retail which reduces the impact of individual tenant defaults. • Although we have a low probability of default, the continued cost-of-living crisis may impact the financial health of our occupiers. • Our operational performance continues to prove the resilience of our assets.
10. Development		
Delays, increased costs and other challenges could impact our ability to pursue our development pipeline and therefore our ability to profitably recycle development sites and achieve returns on development. **Responsibility** Board & ExCo, Development team leaders **Strategic alignment** 3 ESG **Impact** **Probability** **Movement**	• We apply a risk-controlled development strategy through negotiating long-dated pre-lets for the majority of assets. • All development is risk-controlled and forms only a small element of the portfolio by value. • Capital deployed is actively monitored by the Executive Committee, following detailed due diligence modelling and research. • An experienced development team monitors on-site development and cost controls. • On large-scale developments where construction is more than 12 months, we look to carry out the project in partnership and/or forward sell.	• Development risk probability decreased during the period as the business currently has less development projects. It is considered a medium impact risk with a medium probability. • Supply issues and increases in the cost of building supplies will impact developments, however, as they remain a small part of our portfolio the overall impact is low. • A number of our Regeneration assets were sold in prior years which has decreased the proportion of assets focused on development which inherently reduces risk exposure.

Risk and impact	Monitoring and management	Change in risk assessment during the period
11. Acquisitions		
The performance of asset and corporate acquisitions might not meet with our expectations and assumptions, impacting our revenue and profitability. **Responsibility** Board & ExCo, Head of Capital Markets **Strategic alignment** 1 2 3 **Impact** Medium **Probability** Medium **Movement** No change	• We carry out thorough due diligence on all new acquisitions, using data from external advisers and our own rigorous in-house modelling before committing to any transaction. Probability-weighted analysis takes account of these risks. • Acquisitions are subject to approval by the Board and Executive Committee, who are highly experienced in the retail sector. • We have the ability to acquire in joint ventures, thereby sharing risk.	• Acquisition risk has remained the same through the year and is considered a medium impact risk with a medium probability. • The lack of supply and relative price of some assets may reduce opportunities for acquisition. • We are now in a position to deploy capital in line with our returns-focused approach to capital allocation and subject to our LTV guidance.
12. Disposals		
We may face difficulty in disposing of assets or realising their fair value, thereby impacting profitability and our ability to reduce debt levels or make further acquisitions. **Responsibility** Board & ExCo, Head of Capital Markets **Strategic alignment** 1 **Impact** Medium **Probability** High **Movement** No change	• Our portfolio is focused on high-quality assets with low lot sizes, making them attractive to a wide pool of buyers. • Assets are valued every six months by external valuers, enabling informed disposal pricing decisions. • Disposals are subject to approval by the Board and Executive Committee, who are highly experienced in the retail sector. • Our portfolio is large and our average asset lot size is small, meaning that each asset represents only a small proportion of revenues and profits, thereby mitigating the impact of a sale not proceeding.	• Disposal risk has remained the same during the year and is considered a medium impact risk with a medium to high probability. • National and geopolitical uncertainty, interest rate rises, inflation and the cost-of-living crisis mean that markets remain uncertain and are causing some purchasers to reconsider or delay acquisition decisions. • We have an active and successful disposal programme where we have executed disposals in the year, with the volume of transactions being completed increasing disposal risk. The average lot size however is lower than most in the market so our assets tend to be more liquid.

Strategic pillars

1 Disciplined capital allocation

2 Leveraging our platform

3 Flexible Balance Sheet

ESG Environmental, Social and Governance

Risk change during FY24

Increased

Decreased

No change

Impact and probability

Low

Medium

High

Viability statement

Period of assessment

The UK Corporate Governance Code requires the Directors to appraise the viability of the Group over what they consider to be an appropriate period of assessment taking into account the Group's current position, its business model (page 6), strategy (page 17) and principal risks and uncertainties (pages 93 to 101).

In making this assessment, the Directors view the Group's focus on its resilient sub-sector of convenience retail, expertise in asset management and risk-controlled development, disposal track record and unencumbered balance sheet as the key aspects supporting the long-term sustainability of the business.

The Directors consider the appropriate period of assessment to be three years from the current financial year end to 31 March 2027. This period of assessment is aligned to performance measurement and management remuneration, and in the opinion of the Directors, this period of assessment strikes the optimal balance of allowing the impact of strategic decisions to be modelled while maintaining the accuracy of underlying forecast inputs.

Principal risks

In making their viability assessment, the Directors assessed the potential impacts, in reasonable worst case scenarios, of the principal risks as set out on pages 93 to 101, together with the likely degree of effectiveness of mitigating actions reasonably expected to be available to the Group. The most relevant of these risks to viability, with the highest potential impact, were considered to be:

- Macroeconomic – Economic conditions in the UK and changes to fiscal and monetary policy may impact market activity, demand for investment assets, the operations of our occupiers or the spending habits of the UK population.
- Political and regulatory – Changes in UK Government and UK Government policy, the currently elevated level of global conflict and its impact on the UK and on the consumers' retail and leisure spend.
- Catastrophic external event – An external event such as civil unrest, a civil emergency including a large-scale terrorist attack or pandemic, could severely disrupt global markets and cause damage and disruption to our assets.

The Board is encouraged by the consistently strong operational performance of the portfolio during FY23 and FY24. However, there remains significant uncertainty around the prospects for the UK economy due to the mix of high inflation, low expected growth, the associated cost-of-living crisis and the currently elevated level of interest rates, notwithstanding the Group's own position of strength in navigating these uncertain times through its superior yields, unencumbered balance sheet, low and fixed cost of debt and no maturity on drawn debt until 2028.

Process

The Group's annual budget, forecast and business planning process takes place in the final quarter of the financial year, with final budget signed off by the Board early in the new financial year.

The exercise is completed at a granular level, on a lease-by-lease basis and considers the Group's profitability, capital values, loan to value, cash flows and other key financial metrics over the forecast period. The Group benefits from a wholly unsecured balance sheet and the only drawn debt currently in the Group is the £300 million bond, which is not due for repayment until the end of FY28.

Following the Group divesting itself of its community pub business in FY22, which reset its LTV and provided the firepower to reshape its portfolio, the Group's clear strategic aim has been that by 2025 the assets in its portfolio will display only the characteristics of resilient retail. It is considered that resilient retail assets in the future will be those located in catchments with long-term growth potential and the right balance between the supply of physical retail space and demand for that space; they will have an offering that meets the everyday needs of customers while playing a distinct role within their communities.

The Directors believe that the Group will deliver this through remaining committed to the following strategic priorities:

- Selling its non-core, including Work Out assets, and recycling the resultant capital into resilient retail. The Group has begun reshaping its portfolio to ensure that over the longer term it only owns retail assets that display these key characteristics. To this end the Group completed £77 million of retail disposals in FY22, completed £23 million in FY23 and £38 million in FY24 in line with the strategy.
- Transforming its Regeneration and remaining Work Out assets to create long-term value by jointly working with sector specialists and appropriate capital partners.

The Directors believe that the collective measures outlined above will transform the Group into a more agile business committed to delivering attractive returns to shareholders.

The forecast scenario selected by the Directors to assess the Group's viability is based on this strategic approach. This assumes exiting the Work Out portfolio during FY25 along with other retail strategic acquisitions and disposals. Under this scenario, the Group is forecast to maintain sufficient cash and liquidity resources and remain compliant with its financial covenants with significant headroom.

Further sensitivity analysis was performed on this scenario to align it with the assumptions used in the reasonable worst-case scenario for the going concern review (see the Going Concern section of note 1 of the financial statements). This includes removing all uncommitted acquisitions and disposals, assuming further valuation decline and a lower income collection rate. Even applying this sensitivity, the Group maintains sufficient cash and liquidity reserves to continue in operation throughout the assessment period and the drawn debt covenants could absorb a further valuation decline of 46% and a further 57% reduction in annual net rental income before breaching covenant levels.

Viability statement

On the basis of this and other matters considered by the Board during the year, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their detailed assessment.

Going concern

The Directors of NewRiver REIT plc have reviewed the current and projected financial position of the Group making reasonable assumptions about future trading and performance. Reasonable worst case scenarios were applied to the assumptions and the Directors are satisfied that the going concern basis of presentation of the financial statements is appropriate.

The Strategic Report was approved by the Board on 20 June 2024

By order of the Board

Allan Lockhart
Chief Executive Officer

Non-financial and sustainability information statement

As NewRiver has fewer than 500 employees, it is not required to comply with the Non-Financial Reporting requirements contained within the Companies Act 2006. However, due to our commitment to promoting transparency in reporting and business practices, further information is provided in the table below on a voluntary basis, to help stakeholders understand our position on key non-financial and sustainability matters.

Topics	Key policies and standards[1,2]	Additional information
Environmental matters	• Environmental Social Governance Policy • Net Zero Carbon Commitment • Climate Change Position Statement • Social Value Policy • Green Procurement Policy • Sustainability Brief for Development	For more on sustainability and environmental matters see pages 66 to 92 and the Sustainability section of our website: www.nrr.com
Climate-related financial disclosures	• Task Force on Climate-related Financial Disclosures ("TCFD")	For more on action on climate change see pages 84 and 92 and the Sustainability section of our website: www.nrr.com
Employees	• Code of Conduct containing: • Workplace behaviour • Equal opportunities • Working with NewRiver • Speaking up • Health and Safety • Wellbeing • Electronic communications	For more on people and culture see pages 56 to 60 and 111 For more on diversity and inclusion see pages 59, 82, 121 and 122 and the People & Culture section of our website: www.nrr.com
Human rights	• Code of Conduct • Modern Slavery and Human Trafficking Statement	For more on modern slavery see page 117 and the Modern Slavery Statement on our website: www.nrr.com
Social matters	• Social Value Policy • Charity partnership with the Trussell Trust	For more on our stakeholder engagement see pages 56 to 65 For more on the local community see page 61 and the Sustainability section of our website: www.nrr.com
Anti-bribery and corruption	• Whistleblowing Policy • Code of Conduct • Anti-money Laundering Policy • Gifts and Hospitality Policy • Supply Chain Policy and Supplier Code of Conduct • Share Dealing Policy	For our Audit Committee report see pages 123 to 128 People & Culture section of our website: www.nrr.com Modern Slavery Statement on our website: www.nrr.com
Business model		For more on our strategy and business model see pages 6 and 17
Principal risks and uncertainties		For more on our principal risks and uncertainties see pages 93 to 101 For our viability statement see page 102
Non-financial key performance indicators		For more on non-financial key performance indicators see pages 21 to 23

1. Policies and further information can be found on the website: www.nrr.com.
2. Certain policies and internal guidelines are not published externally.

STRONG GOVERNANCE IS A STRATEGIC ENABLER FOR FUTURE GROWTH

Governance Report

Corporate Governance

The Governance section provides details of the Board's corporate governance structures and work for the financial year to 31 March 2024. Together with the Directors' Remuneration Report on pages 129 to 145, it includes information about how the Company has applied the principles and complied with the provisions of the 2018 UK Corporate Governance Code. The Governance section has been organised to follow the structure and principles (A to R) of the 2018 Code.

Compliance with the 2018 UK Corporate Governance Code

As a Company with a premium listing on the London Stock Exchange, NewRiver is required under the Financial Reporting Council (FRC) Listing Rules to comply with the Code Provisions of the 2018 UK Corporate Governance Code issued in July 2018 (the '2018 Code') which is available on the FRC website (www.frc.org.uk). The principles and provisions of the 2018 Code have applied throughout the year to 31 March 2024 and the Company has fully complied with all the provisions of the Code, except Provision 38 which was not complied with for part of the year as explained more fully on this page.

Code Provision 38

Requires, among other things, that the pension contribution rates for executive directors should be aligned with those available to the workforce. As outlined in the Remuneration Policy adopted at the AGM in 2020, any new Executive Directors received Company contributions in line with the UK workforce which is currently 4%. The incumbent Executive Director, Allan Lockhart, continued to receive Company contributions of 15% of base salary until the 2023 AGM. All Executive Directors now receive the rate applicable to the workforce so the Company now complies with this provision but did not comply for the full year.

Chair’s letter on governance

Dear Shareholders

I have pleasure in introducing NewRiver’s Corporate Governance report for the year ended 31 March 2024. The Board has overall responsibility for the leadership of the Company, setting the Company’s values and standards and monitoring culture. Part of this oversight responsibility is to ensure that there is sound management and internal controls. This report outlines our governance structure and processes and the work of the Board and its Committees to ensure the Board responsibilities are fulfilled.

Succession planning and Board appointment

Succession planning has been a particular focus for the Board and the Nomination Committee this year. As announced, Margaret Ford advised the Board that, subject to completion of a search to appoint a successor and a handover period, she would not seek re-election at the 2024 AGM. The Nomination Committee initiated a search for a new Non-Executive Chair under the leadership of Alastair Miller, the Senior Independent Director. This search, aided by an international executive search agency, led to my appointment in March 2024. Following a handover period, Margaret stepped down from the Board on the 30 May 2024. The process followed for my appointment is more fully detailed in the Nomination Committee Report.

ESG

Our Annual Report in 2021 set out our net zero commitment and details of the Company’s responses to climate change through our Task Force on Climate Related Financial Disclosures (TCFD) reporting. The Board has continued to develop its arrangements for the oversight of climate-related risk and mitigation. In December 2023 the Board had an entire Board meeting dedicated to updating the Board on ESG matters including a performance update, MEES Risk Management and the net zero audit update. ESG is key to our strategy so it was important to dedicate specific time to this part of our strategy.

Annual General Meeting

At our AGM in 2023 we asked shareholders to renew our Directors’ Remuneration Policy for another three years and were pleased that over 99% of the shares that voted at the AGM did so in favour of the revised policy. We look forward to the AGM in 2024 and I am particularly looking forward to welcoming and engaging with shareholders at this meeting as this will be my first AGM since becoming Chair.

Yours sincerely

Lynn Fordham
Chair

20 June 2024

Experienced leadership

Lynn Fordham
Non-Executive Chair |
Appointed March 2024

Key Skills and Experience

Lynn joined the Board in March 2024 and is an experienced non-executive director. She was most recently Managing Partner of private investment firm Larchpoint Capital LLP, a position she held from 2017 to 2021. Prior to joining Larchpoint, Lynn was CEO of SVG Capital for eight years having previously served as CFO. Before that she held senior roles at Barratt Developments, BAA, Boots, ED&F Man, BAT and Mobil Oil. She also served as a non-executive director on the board of Fuller, Smith & Turner for seven years until 2018, chairing its Audit Committee. Lynn brings to the Board wide-ranging listed company, private equity and finance and transaction experience across a range of sectors.

External Appointments

Listed Companies

NCC Group plc (Non-Executive Director and Audit Committee Chair); Caledonia Investments plc (Non-Executive Director and Audit Committee Chair); Domino's Pizza Group plc (Non-Executive Director and Audit Committee Chair)

Other

Chair of RMA – The Royal Marines Charity; Enfinium Group Ltd (Non-Executive Director)

Allan Lockhart
Chief Executive Officer |
Appointed February 2019

Key Skills and Experience

Allan has over 30 years' experience in the UK retail real estate market. He started his career with Strutt & Parker in 1988 advising major property companies and institutions on retail leasing, investment and development.

In 2002, Allan was appointed as Retail Director to Halladale Plc with a remit to acquire value add opportunities in the UK retail real estate market and ensure the successful implementation of asset management strategies. Following the successful sale of Halladale Plc in early 2007, Allan co-founded NewRiver and served as Property Director since its IPO until being appointed Chief Executive Officer in May 2018.

External Appointments

Chair of the British Property Federation (BPF) Retail Board

Will Hobman
Chief Financial Officer |
Appointed August 2021

Key Skills and Experience

Will is a Chartered Accountant with over 12 years of real estate experience, having qualified at BDO LLP working in its Audit and Corporate Finance departments. Before joining NewRiver in June 2016, Will worked at British Land for five years in a variety of finance roles, latterly in Investor Relations, and formerly within the Financial Reporting and Financial Planning & Analysis teams. Will obtained a BArch (Hons) in Architecture from Nottingham University before obtaining his ACA qualification, becoming an FCA in March 2020.

External Appointments

British Property Federation Finance Committee Member

Alastair Miller
Senior Independent Director |
Appointed January 2016

Key Skills and Experience

Alastair is a Chartered Accountant and has significant, recent and relevant financial experience. Throughout his career Alastair has developed skills in risk management, property, systems, company secretariat and investor relations. Having worked for New Look Group for 14 years, Alastair has an in-depth understanding of retailers and the factors that impact their trading and profitability. Alastair was formerly Chief Financial Officer of New Look Group, Group Finance Director of the RAC and Finance Director of a company within the BTR Group. In addition to being the Senior Independent Director, Alastair has responsibility for ensuring that the Board successfully engages with our workforce.

External Appointments

Listed Companies

Superdry Plc (Director and Auditco Chair)

Other

RNLI (Risk and Audit Committee member & Council Member)

A N R

Dr Karen Miller

Independent Non-Executive Director | Appointed May 2022

Key Skills and Experience

Dr Karen Miller is affiliated to the Department of Engineering, Cambridge University and is Co-Founder of the Cambridge Net Positive Lab. Karen is a sustainability expert with a proven track record of leading transformation through a collaborative applied approach in large national and international companies. Karen has over 25 years' experience of growing businesses in the retail sector through innovation.

External Appointments

Buckingham Palace Reservicing Programme Challenge Board; Co Founder, Cambridge Net Positive Lab

A N R

Charlie Parker

Independent Non-Executive Director | Appointed September 2020

Key Skills and Experience

Charlie Parker was previously Chief Executive and Head of the Public Service for the Government of Jersey from January 2018 until his retirement in March 2021. Prior to working in Jersey, Charlie was Chief Executive of Westminster City Council from December 2013 to December 2017 and Chief Executive of Oldham Metropolitan Borough Council from October 2008 to December 2013. During his various roles as a Chief Executive, Charlie oversaw the significant transformation and modernisation of a large number of public services often resulting in reduced costs and improved performance. He was also responsible for a range of large-scale capital infrastructure and regeneration projects in Jersey, Westminster and Oldham. Prior to 2008 he held a number of investment, development and regeneration roles across national and local government bodies for over 20 years.

External Appointments

Buckingham Palace Reservicing Programme Challenge Board; Griffin Investors Ltd

A N R

Colin Rutherford

Independent Non-Executive Director | Appointed February 2019

Key Skills and Experience

Colin is an experienced public and private company chairman and independent director, with relevant sector experience including asset management, bioscience, leisure and real estate. Colin graduated in accountancy and finance and qualified with Touche Ross(now Deloitte) in 1984 and is a member of the Institute of Chartered Accountants of Scotland.

External Appointments

Listed Companies

Evofem Biosciences Inc (Independent Director and Audit Committee Chairman)

Other

Allstone Sand Gravels & Aggregates Limited (Chairman); Brookgate Limited (Chairman); James Donaldson Group Limited (Independent Director and Audit Committee Chairman); Rothley Group Limited (Chairman)

Kerin Williams

Company Secretary | Appointed October 2020

Key Skills and Experience

Kerin is a Chartered Secretary with over 30 years' experience. Kerin has worked in-house in senior positions within company secretarial departments for a number of FTSE 100 and FTSE 250 companies in real estate, chemicals, banking and printing. Kerin has also worked in professional services as a company secretarial consultant; her most recent role was as Managing Director of Prism Cosec. Kerin graduated in Law, qualified as a Chartered Secretary in 1997 and is a Fellow of the Chartered Governance Institute.

Committee membership

Committee Chair	N Nomination Committee
A Audit Committee	R Remuneration Committee

Executive Committee

Allan Lockhart
Chief Executive Officer

See page 108 for key skills and experience.

Will Hobman
Chief Financial Officer

See page 108 for key skills and experience.

Emma Mackenzie
Head of Asset Management and ESG

Key Skills and Experience

Emma has overarching responsibility for the financial and operational performance of the retail portfolio throughout the UK. Emma's responsibilities also include oversight of NewRiver's property management, rent collection and the Company's Environmental, Social and Governance programme.

Emma is a qualified chartered surveyor with over 20 years' experience in the retail property market.

Launched in June 2020, Emma is one of nine Board Members on the Government's High Street Task Force, following her role on the Government's High Streets Expert Panel and chaired by Sir John Timpson in 2019. The HSTF provides access to experts, case studies and practical solutions to local town leaders and Government, to help support and revitalise UK high streets and town centres.

Emma also sits on the Commercial Committee of the British Property Federation.

Charles Spooner
Head of Capital Markets

Key Skills and Experience

Charles is responsible for Capital Markets and Retail Parks throughout the UK and has over 20 years' experience in the real estate investment and asset management sector.

Charles has benefitted from the broad experience as an asset manager at F&C REIT and RREEF, on an advisory capacity at Cushman Wakefield and as a retailer advising Specsavers on its investment agency and development activity. Charles is responsible for acquisitions, disposals, development and implementation of asset management strategies, with particular focus on the retail warehouse sector.

Edith Monfries
Chief Operating and People Officer

Key Skills and Experience

Edith is a Chartered Accountant having trained with Deloitte, Haskins and Sells. She has over 30 years' experience in the retail and leisure property sector, combining Finance, Operational and HR roles, specialising in advising on strategic and operational matters.

Edith was appointed Head of HR at NewRiver in October 2018 and now in her role as COO brings her expertise in talent development within the sector to the business. She served as COO of Hawthorn when the pub company was under NewRiver's ownership and oversaw the smooth transition following the sale.

Board leadership and company purpose

Purpose, Values and Strategy

Our purpose is to own, manage and develop the most resilient retail portfolio in the UK focused on Retail Parks, Core Shopping Centres and Regeneration opportunities in order to deliver long-term attractive recurring income returns and capital growth for our shareholders.

Generation and preservation of value over the long term

The Board's role is to lead the Group and ensure that it delivers sustainable and growing returns for our shareholders over the longer term. NewRiver's business model and strategy is set out on pages 6 and 17 of the Strategic Report and describes the basis upon which the Company generates and preserves value over the long term.

1 Disciplined capital allocation

2 Leveraging our platform

3 Flexible balance sheet

Underpinned by a committed ESG strategy

Read more about our business model on page 6

Our Culture

NewRiver's collaborative and supportive culture underpins our purpose and drives business practices. With a small workforce of around 50 employees, our culture is able to provide individuals who work for us a sense of purpose and an opportunity to thrive and develop as individuals. The proximity between Board and employees makes it easier for the Board to engage with employees and the Directors can monitor the culture in a way not possible for larger companies. The small size of our team also allows for flexibility and adaptability so that we can respond to fast-changing situations.

Board Leadership

The Board oversees the Group's active approach to asset management and the strategy of developing and recycling convenience-led, community-focused retail assets throughout the UK and this in turn contributes to the community and wider society.

The Board has overall authority for the management and conduct of the Group's business, strategy and development and is responsible for ensuring that this aligns with the Group's culture.

The Board, supported by the Company Secretary, ensures the maintenance of a system of internal controls and risk management (including financial, operational and compliance controls) and reviews the overall effectiveness of the systems in place. The Board delegates the day-to-day management of the business to the Executive Committee ("ExCo"). There is a Schedule of Matters reserved for the Board's decision which forms part of a delegated authority framework to ensure that unusual or material transactions are brought to the Board for approval. This Schedule of Matters is reviewed regularly to ensure that it is kept up to date with any regulatory changes and is fit for purpose. The last review was undertaken in May 2024. The Executive Committee also has its own Terms of Reference that fit within the governance framework and are approved by the Board.

Board activities

Workforce engagement mechanism – the role of our designated Non-Executive Director

Alastair Miller, our Senior Independent Director, has responsibility for ensuring that the Board successfully engages with our workforce.

As Chair of the Remuneration Committee Alastair, has direct engagement with shareholders on remuneration policy and is therefore best placed to answer questions from the workforce on Director remuneration and its alignment to Group-wide remuneration and strategy.

We have a small workforce which allows a natural proximity between the Board and the workforce making it easy for the Board to engage with staff directly, especially as the Directors regularly visit the London office and also the assets. Staff are invited on a regular basis to attend a group meeting with Alastair in the London office, or online if preferred. The most recent meeting was held in April 2024. Questions are invited ahead of the session as well as taken live on the day. The majority of staff attended this meeting either in person or online. Alastair took the opportunity to explain the recruitment process for the new Chair and took questions from staff on this. Looking back on previous discussions with staff, Alastair quizzed them on their opinions of the office and flexible working. There was overwhelming agreement that they found the flexible working arrangements on offer both efficient and suited to their lifestyles. The performance of the LTIP (a share scheme that all staff participate in) was discussed.
The fact that the 2020 award had reached 50% of its performance target was felt to be encouraging and had highlighted the benefit of the share scheme to employees. Staff also talked candidly to Alastair about their views on the strategy of the Company, the market in general and their worries around personal mortgage rates and the cost of living.

Staff engagement

Board

(Led by Alastair Miller, our Senior Independent Non-Executive Director and Non-Executive Director, responsible for workforce engagement)

- NED/Staff engagement sessions
- Staff survey results
- NED visits to assets and London office
- Social events with staff

Executive Committee (“ExCo”)

- Direct report engagement and staff appraisals and feedback
- Monthly all-staff sessions
- Staff survey results
- Social events with staff
- Fundraising events with staff

Our Staff

- Monthly all-staff sessions
- Staff survey results
- Various social events

	Board activity during the year	Link to strategy
Strategy	• The Board discusses progress against strategy at most meetings and receives updates on strategy in the CEO's report • Additional strategic papers have been considered by the Board at Board meetings during the year	1 2 3 ESG
Finance and Financing	• The Chief Financial Officer has presented a financial report at each Board meeting • Approval of the Annual Report and interim report and associated financial statements • Presentation and discussion on the draft budget and business plan • Approval of the annual budget • The CFO provided quarterly reporting against the Treasury policy and the Board considered updates to the Treasury policy to take advantage of better returns on excess cash	1 2 3 ESG
Audit and Risk	• The Chair of the Audit Committee reported to the Board on the proceedings of each Audit Committee meeting and meetings with valuers • The Board considers the risk register and internal controls at least twice a year • Update to the Board on the whistleblowing procedures • Update to the Board on the Audit tender process • Recommendation to the Board on the appointment of the External Auditor	1 2 3 ESG
Operational and Investor Relations	• The CEO presented a report at each Board meeting which also included updates on investor relations • Members of the ExCo were regularly invited to attend the Board meetings to present on various projects • The Board received IR strategy and quarterly communication progress reports • Members of the senior leadership team have been invited to Board meetings to report on specific assets	1 2 3 ESG
Stakeholders	• Stakeholders including employees, occupiers, councils and communities, lenders and shareholders are regularly considered as part of the CEO report to the Board • The Non-Executive Directors visited a number of the Group's assets during last year and this year, and were provided with guided tours from the asset management teams responsible for the assets • HR reports are either tabled separately or included the CEO's report • The Board received updates from Alastair Miller's attendance at staff sessions	1 2 3 ESG
Environmental	• The Board receives regular updates on ESG progress in the CEO's report and a quarterly ESG update from the Head of Asset Management and ESG • The Audit Committee reviewed progress against ESG targets and reported to the Board • The Board was provided with an update on ESG performance and progress and a net zero audit process update at a separate Board session in December	1 2 3 ESG
Governance	• The Committee Chairs reported on key matters discussed at the Board Committees • The Company Secretary reported on key governance developments and on work carried out to update and review the Group's governance policies and procedures • The Board updated the Board's Schedule of Matters and reviewed and updated the terms of reference of the Board Committees where necessary	1 2 3 ESG

Key

Link to business model and strategic objectives

Strategic pillars

1 Disciplined capital allocation

2 Leveraging our platform

3 Flexible Balance Sheet

ESG Environmental, Social and Governance

Conflicts of interest

The Company Secretary keeps a register of all Directors' interests. The register sets out details of situations where each Director's interest may conflict with those of the Company (situational conflicts). The register is considered and reviewed at each Board meeting so that the Board may consider and authorise any new situational conflicts identified. At the beginning of each Board meeting, the Chair reminds the Directors of their duties under sections 175, 177 and 182 of the Companies Act 2006 which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board.

Director concerns

Directors have the right to raise concerns at Board meetings and can ask for those concerns to be recorded in the Board minutes. The Group has also established a procedure which enables Directors, in relevant circumstances, to obtain independent professional advice at the Company's expense.

Board time commitments

All Directors pre-clear any proposed appointments to listed company boards with the Board prior to committing to them.

The Non-Executive Directors are required, by their letters of appointment, to devote as much of their time, attention, ability and skills as are reasonably required for the performance of their duties. This is anticipated as a minimum of one day a month, and for the Chair, a minimum of two to three days. The Nomination Committee annually reviews the time commitments to ensure that all Board members continue to be able to devote sufficient time and attention to the Company's business. Whilst a number of the Board have other non-executive directorships and commitments, the Nomination Committee remains satisfied that all of the Directors spend considerably more than this amount of time on Board and Committee activity.

The other listed company directorships of the NewRiver REIT plc Directors are set out on pages 108 to 109. The Board and Committee attendance record of each of the Directors during FY24 is set out on page 116 of this report.

Division of responsibilities

There is a clear division of responsibilities between the Chair, CEO and other members of the Board, as follows:

Role	Responsibilities
Chair **Lynn Fordham**	Lynn's role is to lead the Board and ensure that it operates effectively. Her responsibilities include: • chairing the Board and general meetings of the Company and the Nomination Committee; • setting clear expectations concerning the Company's culture, values and behaviour; • ensuring effective engagement with shareholders, the workforce, customers and other key stakeholders and ensuring that the Board listens to their views; • setting the agenda, style and tone of Board meetings to ensure that all matters are given due consideration; • maintaining a culture of mutual respect, openness, debate and constructive challenge in the Board room; • ensuring the Board's effectiveness and that it receives timely, accurate and clear information; • ensuring each new Director receives a full, formal and tailored induction on joining the Board; • reviewing and agreeing training and development for the Board; and • ensuring that the performances of the Board, its Committees and individual Directors are evaluated once a year and act on the results of the evaluation.
Chief Executive Officer **Allan Lockhart**	Allan's responsibilities include: • managing the business of the Group; • recommending the Group's strategy to the Board; • ESG strategy; • implementing the strategy agreed by the Board; and • management of the Group's property portfolio, including developments.
Chief Financial Officer **Will Hobman**	Will's responsibilities include: • implementing the Group's financial strategy, including balance sheet capitalisation; • overseeing financial reporting and internal controls; and • supporting the CEO in the delivery of the Group's strategy and financial performance.
Senior Independent Non-Executive Director and Non-Executive Director Responsible for Staff Engagement **Alastair Miller**	Alastair's responsibilities include: • acting as a sounding board for the Chair; • evaluating the Chair's performance as part of the Board's evaluation process; • serving as an intermediary for the other Directors when necessary; • being available to shareholders should an occasion occur when there was a need to convey concern to the Board other than through the Chair or the Chief Executive; and • ensuring that the Board successfully engages with our workforce.
Independent Non-Executive Directors	Non-Executive Directors Alastair Miller, Charlie Parker, Colin Rutherford and Karen Miller bring independent judgement, knowledge and varied commercial experience to the meetings and in their oversight of the Group's strategy. Alastair and Colin chair the Remuneration and Audit Committees respectively.

Balance between Independent Non-Executive and Executive Directors

The Board comprises four independent Non-Executive Directors (excluding the Chair) and two Executive Directors. The Nomination Committee is of the opinion that the Non-Executive Directors remain independent, in line with the definition set out in the Code and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The Chair was independent on appointment and the Board still considers her to be independent. All Directors are subject to re-election at the AGM each year.

Company Secretary

All Directors have access to the advice and services of the Company Secretary. The appointment of the Company Secretary is a matter for the Board.

Executive Committee (ExCo)

The purpose of ExCo is to assist the CEO in the performance of his duties within the bands of the Committee's authority, including:

- the development and implementation of strategy, operational plans, policies, procedures and budgets;
- the monitoring of operating and financial performance;
- the assessment and control of risk;
- development and implementation of the ESG strategy;
- the prioritisation and allocation of resources; and
- monitoring competitive forces in each area of competition.

Board

Responsible for leading the Group, establishing the Company purpose and values and setting the strategy and monitoring its progress. It sets policies and monitors performance.

Audit Committee

Reviews and monitors the Group's risk management processes.

Monitors the integrity of the half-year and annual financial statements before submission to the Board.

Monitors the effectiveness of the audit process.

Remuneration Committee

Implements the Remuneration Policy of the Group which is to ensure that Directors and senior management are rewarded in a way that attracts, retains and motivates them and aligns the interests of both shareholders and management.

Nomination Committee

Reviews the succession planning requirements of the Group and operates a formal, rigorous and transparent procedure for the appointment of new Directors to the Board.

Supporting Committees

Executive Committee ("ExCo")

Assists the Chief Executive with the development and implementation of the Group Strategy, the management of the business and the discharge of its responsibilities delegated by the Board.

Senior Leadership Team (SLT)

Senior members of the business below ExCo level tasked with assisting ExCo with the progress of the Group strategy.

ESG Committee

Led by Emma Mackenzie, Head of Asset Management and ESG, the ESG Committee ensures the appropriate resources are mobilised so the key ESG programme milestones are achieved.

Wellbeing Committee

Originally set up during lockdown restrictions to focus on staff wellbeing, the committee has evolved its brief to provide a collective employee voice and to focus on diversity and inclusion.

Attendance

Each of the Directors has committed to attend all scheduled Board and relevant Committee meetings and has also committed to make every effort to attend ad hoc meetings, either in person or by telephone/video call. Board papers are circulated to Directors in advance of the meetings via an electronic board portal. This allows for an efficient and secure circulation of Board papers; if a Director cannot attend a meeting, he or she is able to consider the papers in advance of the meeting as usual and will have the opportunity to discuss them with the Chair or Chief Executive and to provide comments. The Non-Executive Directors meet without the Executive Directors and the Chair present at least once a year.

Attendance at regular scheduled Board meetings and the Board Committees is shown below:

Board Members	Board Attendance	Audit Committee Attendance	Remuneration Committee Attendance	Nomination Committee Attendance
Margaret Ford[1]: Chair	8/8	–	3/4	4/4
Lynn Fordham[2]: Chair	1/1	–	–	0/0
Executive Directors				
Allan Lockhart	8/8	–	–	–
Will Hobman	8/8	–	–	–
Non-Executive Directors				
Alastair Miller	8/8	6/6	4/4	4/4
Charlie Parker	8/8	6/6	4/4	3/4
Colin Rutherford	8/8	6/6	3/4	3/4
Dr Karen Miller	8/8	6/6	4/4	4/4

1. Margaret Ford stepped down from the Board on 30 May 2024
2. Lynn Fordham was appointed to the Board on 21 March 2024

Composition, succession and evaluation

Induction of new Directors

The Chair, Company Secretary and Chief Operating and People Officer manage an induction process to ensure that new Directors are fully briefed about the Company and its operations. The process usually includes asset visits and meetings with members of the senior management team and other staff, as well as specific briefings with regard to their legal and regulatory obligations as a Director. A full induction programme has commenced for Lynn Fordham and further details will be provided in our next Annual Report.

Annual General Meeting ("AGM")

The AGM is the annual opportunity for all shareholders to meet with the Directors and to discuss with them the Company's business and strategy. Shareholders are therefore welcome to attend in person at the 2024 AGM and, recognising that some shareholders may still not feel comfortable attending in person, we provide a facility for shareholders to submit questions ahead of the AGM via email. The 2024 AGM is planned to be held on 5 August 2024.

The notice of AGM is posted to all shareholders at least 20 working days before the meeting. Separate resolutions are proposed on all substantive issues and voting is conducted by a poll. The Board believes this method of voting is more democratic than voting via a show of hands since all shares voted at the meeting, including proxy votes submitted in advance of the meeting, are counted. In line with our sustainability commitment, we do not issue hard copy forms of proxy in the post. Instead, we ask shareholders to appoint a proxy online via the Registrar's portal.

For each resolution, shareholders will have the opportunity to vote for or against or to withhold their vote. Following the meeting, the results of votes lodged are announced to the London Stock Exchange and displayed on the Company's website.

Anti-corruption and anti-bribery

We are committed to the highest legal and ethical standards in every aspect of our business. It is our policy to conduct business in a fair, honest and open way, without the use of bribery or corrupt practices to obtain an unfair advantage. We provide clear guidance for suppliers and employees, including policies on anti-corruption and anti-bribery, anti-fraud and a code of conduct. All employees have received updates and training on these issues during the year.

Human rights and Modern Slavery

Being mindful of human rights, the Company has a Modern Slavery policy to ensure that all of its suppliers are acting responsibly and are aware of the risks of slavery, human trafficking and child labour within their own organisation and supply chain. The Modern Slavery statement is updated and published each year. All suppliers are required to agree to our Modern Slavery policy requirements before being accepted as suppliers to the business.

Board effectiveness review

In order to evaluate its own effectiveness, the Board undertakes annual effectiveness reviews using a combination of externally facilitated and internally run evaluations usually over a three-year cycle. The cycle of the Board evaluations is summarised as follows:

Year 1 (FY21)

Externally facilitated Board evaluation using interviews facilitated by Ceradas Limited, a board effectiveness consultancy with no other connections to the Company.

Year 2 (FY22)

Follow up on actions prepared in response to the Year 1 evaluation, using internally facilitated questionnaires reviewed by the external board evaluator, Ceradas Limited.

Year 3 (FY23)

Continued follow up on actions arising from the previous two years using internally facilitated questionnaires.

Year 4 (FY24)

Although the Company is not part of the FTSE 350 and therefore not required to carry out external evaluations every three years, the Company generally does use an external evaluator at least once every three years. This year, however, due to the search for a new Chair, it was agreed that internal questionnaires would be used again with a view to carrying out a full external Board effectiveness assessment in FY25 when the new Chair was onboarded and had been in post for a number of months.

During FY23, internally facilitated questionnaires were distributed and completed by the Directors on an anonymous basis. All Directors completed the questionnaires and there were high levels of satisfaction in most of the key areas of Board activity.

The following recommendations were made:

Recommendations

- There was scope for engaging further with the senior management and inviting them to some further Board meetings
- There was scope for improving the Board's understanding of the succession plans for the senior management team and the talent pipeline below senior management
- The Board and senior management succession planning remains a key focus and a potential opportunity to address diversity

Progress

- The Board has initiated a practice whereby the asset manager involved on specific assets presents to the Board, rather than just hearing the report on the asset from the CEO. This gives the Board the opportunity to hear from the asset managers directly and for the asset managers to have exposure to the Board
- Senior management are also invited to the Board to present more frequently
- The Board and Nomination Committee have focused heavily on succession planning this year with the changes in Chair

FY24 process

For FY24, a follow-up questionnaire based on the actions identified in FY23 and the development of the strategy in FY24, was internally distributed and completed by the Directors. We will report on the outcomes of this review in next year's Annual Report and on the progress made during the year.

Nomination Committee report

Ensuring balanced skills

Dear Shareholders

I am pleased to present the Nomination Committee Report for 2024. Monitoring the balance of skills on the Board to match our strategy and succession planning has continued to be the key focus for the Committee this year.

During the year, Margaret Ford informed the Board of her intention to step down from the Board by the 2024 AGM. Since then the focus of the Committee was to seek a replacement Chair. This process was led by the Company's Senior Independent Director, Alastair Miller, and further details of the process are contained within this report.

The Committee's focus for FY25 will be the continued succession planning and diversity priorities.

Lynn Fordham
Chair

20 June 2024

Nomination Committee membership

Our Committee consists of four Independent Non-Executive Directors and the Chair of the Board.

(biographies are available on pages 108 and 109).

- Lynn Fordham: Committee Chair (Appointed 21 March 2024)
- Alastair Miller
- Colin Rutherford
- Charlie Parker
- Karen Miller

Nomination Committee responsibilities

- Regularly review the structure, size and composition of the Board and its Committees
- Review the leadership and succession needs at Board and Executive Committee level
- Identify and nominate for approval candidates to fill Board vacancies
- Evaluate the Board's diversity and balance of skills
- Evaluate the performance of the Board
- Review the time needed to fulfil the roles of Chair, Senior Independent Director and Non-Executive Directors

How the Committee operates

- The Committee meets at least twice a year. During the year the full Committee met four times. A Sub-Committee of the Nomination Committee, which excluded the incumbent Chair, led the search for a new Chair and met 15 times during the process
- Only Committee members attend meetings but we also invite the Chief Executive Officer and the Chief Operating and People Officer to assist with succession discussions and to brief the Committee on the views of the executive management
- The Committee has formal Terms of Reference and reviews these annually. Copies can be found on our website at www.nrr.co.uk

FY24 Nomination Committee activity

June 2023
- Succession planning discussions
- Approval of Nomination Committee Report in Annual Report

Nov 2023
- Succession planning
- Board evaluation review – report actions and outcome

Feb 2024
- Annual review of external directorships and time
- commitments required from Non-Executive Directors prior to re-election
- Terms of Reference review
- Update on Chair succession process

March 2024
- Consider the Sub-Committee recommendations for appointment of Chair and recommendations to the Board

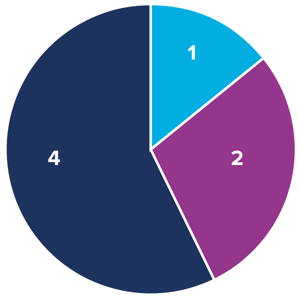
Succession planning and recruitment process for a new Chair

The Committee considers succession planning a key element of its remit. It recognises the importance of creating robust succession plans for both the Board and executive management so that they can fulfil the Company's long-term strategy.

The Committee acknowledges that succession plans should be regularly reviewed to enable employees and Board members to maintain the skills and experience necessary to ensure the continuing success and good governance of the Company.

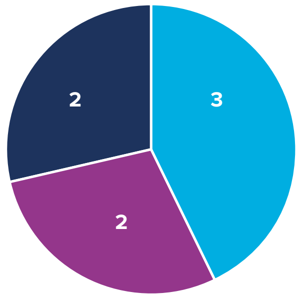
The need to focus on succession planning continued in FY24 with the requirement to seek a replacement Chair for FY25. A Sub-Committee of the Nomination Committee, excluding the incumbent Chair, was formed to embark on the search for a new Chair. A number of executive search agencies were contacted to present their terms and approach to the search. Various meetings were then held with the chosen firm to establish the skill balance already present on the Board and the skills required for a new Chair. A long list of potential candidates was considered and this was eventually reduced to a short list. The short list was initially interviewed by the Nomination Sub-Committee and then shortened further. The CEO met the potential candidates on the shorter list. Following further meetings with the candidates, the Nomination Committee made recommendations on their preferred candidate to the Board. Lynn Fordham was appointed by the Board as Non-Executive Director and Chair-Designate on 21 March 2024.

Composition of the Board at the date of the Annual Report



- Chair
- Executive Directors
- Non-Executive Directors (Independent)

Length of Directors' tenure at the date of the Annual Report



- Less than three years
- Three to six years
- Six to ten years

Independence and time commitment

The Nomination Committee is of the opinion that the Non-Executive Directors remain independent, in line with the definition set out in the 2018 Code, and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The new Chair was independent on appointment. The balance of Directors (excluding the Chair) is two Executive Directors and four independent Non-Executive Directors. The Committee regularly reviews the time commitments of the Non-Executive Directors and none are considered overboarded.

The Committee regularly reviews the balance of skills on the Board to ensure that they match the Company's strategy.

Board skills matrix	Executive Directors		Non-Executive Directors				
	Allan Lockhart	Will Hobman	Lynn Fordham	Alastair Miller	Dr Karen Miller	Charlie Parker	Colin Rutherford
Property asset management	✓		✓			✓	✓
Regeneration and development	✓		✓		✓	✓	✓
Financial and banking	✓	✓	✓	✓			✓
Environmental	✓	✓	✓		✓		
Social and Governance	✓	✓	✓	✓	✓	✓	✓
Capital allocation and cost efficiency	✓	✓	✓	✓		✓	✓
Capital partnerships	✓	✓	✓				✓
Commercial leadership	✓	✓	✓	✓		✓	✓
Mergers and acquisitions	✓	✓	✓				✓
Public sector partnerships	✓	✓				✓	
Workforce well-being	✓	✓	✓	✓	✓	✓	

Board and Company diversity

Company policy

As a Company, we are committed to a culture of diversity and inclusion in which everyone is given equal opportunities to progress regardless of gender, race, ethnic origin, nationality, age, religion, sexual orientation or disability. When recruiting, the Company has always considered all aspects of diversity during the process. The Company is very mindful of the need to strive to create as diverse a Company as possible, and to create as many opportunities as possible for nurturing emerging female talent.

The Company always ensures there is a selection of candidates who have a good balance of skills, knowledge and experience. The Committee places particular value on experience of operating in a listed company, experience of the real estate and retail sectors, and financial or real estate training. The Company aims to recruit the best candidates on the basis of their merit and ability.

Board policy

The Board Diversity Policy is set out below and sets out the approach to diversity on the Board. Its purpose is to ensure an inclusive and diverse membership of the Board and its Committees, resulting in optimal decision-making and assisting in the development of a strategy which promotes the success of the Company for the benefit of its members as a whole, having regard to the interests of other stakeholders. The Policy applies to the Board and Board Committees, but sits alongside the Group's Equal Opportunities Policy, and other associated Group policies that set out our broader commitment to diversity and inclusion.

The Board acknowledges the benefits of greater diversity, including gender diversity and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives. The Board supports the recommendations of the Davies Review (Women on Boards), the Hampton-Alexander Review and the Parker Review and intends to consider the recommendations when contemplating future appointments to the Board.

Policy objectives:

The Board aspires to maintain a balance such that:

- At least two members of the Board are female, with a long-term aspiration to achieve no less than 40% female representation on the Board; and
- In the longer term, at least one Director will be from a non-white ethnic minority background

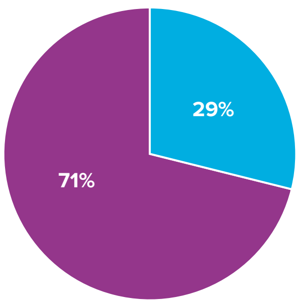
while recognising that:

- This balance may not be achieved until further Directors are replaced at the end of their tenure;
- On an ongoing basis, periods of change in Board composition may result in temporary periods when this balance is not achieved;
- All appointments must continue to be made on merit; and
- New appointees embody the culture and values of the Group.

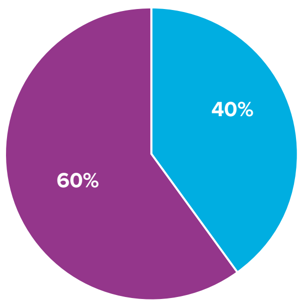
Diversity (including gender and ethnicity) will be taken into consideration when evaluating the skills, knowledge and experience desirable to strengthen the Board and when making appointments. The Board supports and monitors management's actions to increase the proportion of senior leadership roles held by women, people from ethnic minority backgrounds and other under-represented groups across the Company in support of the Hampton-Alexander Review and Parker Review recommendations.

Gender balance at the year end

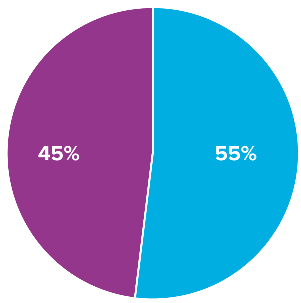
Board*



Executive Committee



Direct Reports of Executive Committee



Female Male

* As at 31 March 2024 the Board consisted of a Board Chair and a Chair Designate (both female). Given this is a temporary arrangement with the Chair Designate replacing the Chair in due course, we have eliminated one of these from the numbers.

	Female		Male	
Board	2	29%	5	71%
Executive Committee	2	40%	3	60%
Direct Reports of Executive Committee	11	55%	9	45%
Group	24	50%	24	50%

Board Diversity Data

As at 31 March 2024 the Company had not met all of targets of the listing rules diversity and inclusion guidelines as follows:

Listing rule requirement	Detail
At least 40% of the board are women	The Board comprises two female Directors and five male Directors, equivalent to 29% female representation. The Board's policy is to ensure that at least two members of the Board are female and that the Board has a long-term aspiration to achieve no less than 40% female representation on the Board. As the Board has only seven Directors, Board vacancies are not frequent. The most recent Board appointment was female but this has not increased the female representation as the incoming female replaced an exiting female.
At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman.	The Chair of the Board is female.
At least one member of the board is from a minority ethnic background (which is defined by reference to categories recommended by the Office for National Statistics (ONS)) excluding those listed, by the ONS, as coming from a white ethnic background.	There are currently no Board members that are from a non-white ethnic background. As is the case with female representation, with a small Board with a low turnover of Directors, the targets set by the listing rules will take time to achieve. The Board aspires that in longer term, at least one Director will be from a non-white ethnic minority background.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in executive management	Percentage of executive management
Men	5	71%	3	3	60%
Women	2	29%	1	2	40%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority/ white groups)	7	100%	4	5	100%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British					
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab					
Not specified/prefer not to say	–	–	–	–	–

* As at 31 March 2024 the Board consisted of a Board Chair and a Chair Designate (both female). Given this is a temporary arrangement with the Chair Designate replacing the Chair in due course, we have eliminated one of these from the numbers.

Audit, risk and internal control

Dear Shareholders

I am pleased to present the Audit Committee Report for 2024. The Report provides an outline of the activities carried out by the Committee in accordance with its Terms of Reference as it supports the Board and the Company's governance structure and activities.

During the year, the Committee has continued to invite certain third parties to carry out further reviews of our systems and procedures as part of our continued programme of internal audit reviews. BDO carried out a review of the design and effectiveness of the key controls to manage cash collection and bank accounts within the Group in FY22. They were then invited back in FY23 to assess the systems put in place to address the four low-to-medium risk recommendations for improvement made at their previous review. In FY24 BDO were invited to test the key controls in place for managing cash and cash-related month-end close processes of the property managers. Further details of these reviews are contained within the report.

In addition to the Committee's regular programme of work, the main focus of the Committee for the year was to conduct an audit tender and recommend a preferred firm to the Board. The Board has recommended the appointment of Mazars to replace PricewaterhouseCoopers LLP as the Company's auditor for the shareholders to vote upon at the Annual General Meeting in August 2024. The Committee would like to thank PricewaterhouseCoopers LLP for their services as auditors since 2019.

Our regular programme of meetings and discussions, supported by our interactions with the Company's management, external auditors and property valuers and the quality of the reports and information provided to us, enables the Committee members to effectively discharge our duties and responsibilities.

Colin Rutherford
Audit Committee Chair

20 June 2024

Audit Committee membership

Our Committee consists of four Independent Non-Executive Directors:

(biographies are available on pages 108 and 109)

- Colin Rutherford: Committee Chair
- Alastair Miller
- Charlie Parker
- Karen Miller

Audit Committee responsibilities

- Oversight of the Group's relationship with its external auditors, including their remuneration
- Oversee the tender process for the external auditor
- Monitoring the integrity of the half-year and annual financial statements before submission to the Board
- Discussing any issues arising from the half-year review and year-end audit of the Group
- Reviewing significant financial reporting matters and judgements
- Reviewing the effectiveness of the Group's system of internal controls
- Reviewing the Group's whistleblowing procedures and reports to the Board
- Reviewing and monitoring the Group's risk management processes
- Conducting an annual review of the need to establish an internal audit function
- Oversight of third-party internal audit workstreams
- Monitoring and annually reviewing the auditor's independence, objectivity and effectiveness of the audit process
- Reviewing the Company's ESG progress

How the Committee operates

- Each Committee member is independent and has broad commercial experience
- Colin Rutherford is a CA with significant, recent and relevant financial experience and was previously the Chairman of the Audit Committee of Mitchells & Butlers plc
- Alastair Miller is a CA and was previously the Chief Financial Officer of New Look Group and has significant, recent and relevant financial experience
- The Committee as a whole has competence relevant to the sector
- During the year the Audit Committee held six meetings
- Attendance at the meetings is set out in the Corporate Governance Report on page 116
- The Chief Financial Officer and the Group's external auditors are invited to attend the Committee meetings

FY24 Audit Committee activity

May 2023
- External Auditors' Report to the Committee
- Internal Controls Review
- Review BDO FY24 internal controls audit proposal
- Gifts and Hospitality register
- Going Concern assessment
- Viability statement assessment
- Risk Review and Principal Risks
- Preliminary results
- Fair, Balanced and Understandable review
- Review Annual Report for recommendation to the Board
- Draft Audit Committee Report in Annual Report
- Meeting with External Auditors without management present
- Re-appointment of External Auditors recommendation.

Sept 2023
- External Auditor's half year review plan
- BDO internal Audit Report on Bank and Cash Controls
- Review Committee Programme

Nov 2023
- Meeting with the Property Valuers

Nov 2023
- Going Concern Review - report actions and outcome
- External Auditor's Plan
- External Auditor HY Report to the Committee
- Review of Principal Risks
- Half-year results
- Gifts and Hospitality Register
- Meeting with External Auditors without management present

Feb 2024
- External Auditor Audit Plan update
- Risk Review
- Consider requirement for an internal audit function
- Review Whistleblowing
- Consider Audit tender process and update
- Annual Review of Terms of Reference
- Gifts and Hospitality Register

May 2024
- Meeting with the Property Valuers

Relationship with the auditors

The Committee has primary responsibility for managing the relationship with the external auditors, including assessing their performance, effectiveness and independence annually and recommending to the Board their reappointment or removal.

PricewaterhouseCoopers LLP (PwC) were appointed as the Group's external auditors in 2019. The Committee keeps under review the need for future tenders in accordance with current regulations and subject to the annual assessment of the auditor's effectiveness and independence. During the year, mindful of the Company's size and fee requirements, the Committee commenced an audit tender process. Further details of this process are set out later in this report.

Chris Burns was the PwC lead audit partner and rotated off the audit during FY24. Robert Wilkinson replaced him as lead audit partner during FY24 having spent time shadowing Chris Burns during the half-year review.

During the year, the members of the Committee met twice with representatives from PwC without management present, to ensure that there are no issues in the relationship between management and the external auditors which it should address. There were none.

External auditor

The Committee considers the nature, scope and results of the external auditors' work and reviews, develops and implements a policy on the supply of any non-audit services that are to be provided by the external auditors. It receives and reviews reports from the Group's external auditors relating to the Group's Annual Report and Accounts and the external audit process.

In respect of the audit for the financial year ended 31 March 2024, PwC presented their Audit plan (prepared in consultation with management) to the Committee. The Audit plan included an assessment of audit risks, audit scope, independence, the terms of engagement, fees and robust testing procedures. The Committee approved the implementation of the plan following discussions with both PwC and management.

Audit and non-audit fees

Audit fees for the financial year ended 31 March 2024 were £534k. The Company has a non-audit services policy in place which limits PwC to working on the audit or such other matters where their expertise as the Company's auditor makes them the logical choice for the work. This is to preserve their independence and objectivity. The Company paid £97k in non-audit fees to PwC for the financial year ended 31 March 2024. The non-audit fees relate solely to PwC's review of the interim results for the six months to 30 September 2023.

Effectiveness and independence

The Chair of the Committee speaks regularly to the external audit partner to ascertain if there are any concerns, to discuss the audit reports and to ensure that the external auditors have received the support and information requested from management.

In accordance with the guidance set out in the Financial Reporting Council's 'Practice aid for audit committees', the assessment of the external audit has not been a separate compliance exercise, or an annual one-off exercise, but rather it has formed an integral part of the Committee's activities. This has allowed the Audit Committee to form its own view on audit quality and on the effectiveness of the external audit process, based on the evidence it has obtained throughout the year.

Sources of evidence obtained and observations during the year:	
By referring to the FRC's Practice aid on audit quality.	The Committee has looked to this practice aid for guidance and has ensured that assessment of the external audit is a continuing and integral part of the Committee's activities.
Observations of, and interactions with, the external auditors.	The Committee has met with the external audit partner without management at least twice during the year and has noted that PwC were performing well and the working relationship was good.
The audit plan, the audit findings and the external auditors' report.	The Committee scrutinises these documents and reviews them carefully at meetings and by doing so has been able to assess the external auditors' ability to explain in clear terms what work they performed in key areas and also assess whether the description used is consistent with what they communicated to the Committee at the audit planning stage. The Committee has also regularly challenged these reports in the meetings.
Input from those subject to the external audit.	The Committee has requested the insights from the Chief Financial Officer and the Finance team during the external audit process.

Having regard to these matters the Committee has considered the effectiveness of the external audit process and feels that the external auditors demonstrated professional scepticism and challenged management's assumptions where necessary.

External audit tender

PwC were first appointed as external auditors in 2019 for the financial year ended 31 March 2020. As the five-year anniversary of their appointment approached, planning for a competitive tender process was put in place, led by the Audit Committee Chair. The Committee's objective was to ensure a fair and transparent tender process and to appoint the audit firm that would provide the highest-quality audit in the most effective and cost-efficient manner. Timing wise, to ensure that there would be a shadowing opportunity through the External Audit for the FY24 year end, the Committee aimed to make a recommendation to the Board in early 2024.

Planning and preparation

As part of the planning of the tender process, the Committee followed the current FRC guidance on audit tenders and considered the relevant sections of the draft 'Minimum Standards for Audit Committees' published by the FRC in November 2022. In selecting a long list of firms to be considered to invite to tender the Committee's selection considerations included:

1. Independence criteria
2. Audit capability and competence
3. Audit Quality Review performance
4. Real estate experience and breadth of subject matter experts
5. Capacity to provide a robust Audit Tender process

Tender process

Commencement

- Selected firms to involve in the tender (high-quality mid-tier)
- Considered audit team resourcing and structure and biographies of team.

Process

- Proposals received
- Meetings with firms
- Follow up meetings
- Formal pitches.

Decision making

- The Committee considered the pitches from firms and the representations from the finance team
- Decision making and recommendations to the Board.

Key judgements and estimates

The Committee reviewed the external reporting of the Group including the interim review, quarterly announcements and the Annual Report. In assessing the Annual Report, the Committee considered the key judgements and estimates. The significant issue considered by the Committee in respect of the year ended 31 March 2024, which contained a significant degree of estimation uncertainty, is set out in the table below.

Significant issue	How the issue was addressed
Valuation of properties Changes in key estimates can have a significant impact on the valuation of properties. The Group has a property portfolio recognised on its Consolidated Balance Sheet valued by external valuers at £533.8 million at 31 March 2024 (excluding RoU assets).	The Committee and management met with Colliers, Knight Frank and Kroll (the Group's external valuers) on several occasions to discuss the valuation of the assets and understand the process that was followed, the key estimates used and to ensure a robust and independent valuation had taken place. The meetings were productive and management and the Committee have confirmed that they continue to adopt the valuations as being the fair valuation of the properties as at the reporting date. In addition, the external auditors have performed additional audit procedures over the valuer judgements and estimates, and presented challenges to the valuers, which were reported to and discussed with the Committee.

Risk management and internal controls

Internal control structure

The Board oversees the Group's risk management and internal controls and determines the Group's risk appetite. The Board has, however, delegated responsibility for review of the risk management methodology and the effectiveness of internal controls to the Audit Committee.

The Group's system of internal controls includes financial, operational and compliance controls and risk management. Policies and procedures, including clearly defined levels of delegated authority, have been communicated throughout the Group. Internal controls have been implemented in respect of the key operational and financial processes of the business. These policies are designed to ensure the accuracy and reliability of financial reporting and govern the preparation of the Financial Statements. During the year, a number of follow-up internal audit reviews have been commissioned to provide the Committee with additional comfort that the Group's system of internal controls remains fit for purpose and robust.

The Board is ultimately responsible for the Group's system of internal controls and risk management and discharges its duties in this area by:

- holding regular Board meetings to consider the matters reserved for its consideration;
- receiving regular management reports which provide an assessment of key risks and controls;
- scheduling regular Board reviews of strategy including reviews of the material risks and uncertainties (including emerging risks) facing the business;
- having access to all ExCo meeting materials on the Board portal including minutes of the ExCo;
- ensuring there is a clear organisational structure with defined responsibilities and levels of authority;
- ensuring there are documented policies and procedures in place and reviewing these policies and procedures regularly;
- reviewing regular reports containing detailed information regarding financial performance, rolling forecasts, actual and forecast covenant compliance, cashflows and financial and non-financial KPIs; and
- visiting the assets to provide context to the reports received.

The process by which the Audit Committee has monitored and reviewed the effectiveness of the system of internal controls and risk management during the year has included:

- ongoing analysis and review of the Group's risk register;
- overseeing further 'deep-dive' discussions of the Group's risk register to reassess each risk on the register and its risk scoring;
- further 'deep-dive' audits on specific risks; this year it was cyber-security and cash and banking controls;
- reviewing the assessment of key risks, the process of reporting these risks and associated mitigating controls, with particular emphasis on emerging risks; and
- updates from the ExCo's quarterly detailed assessment of the risk register.

The effectiveness of the Company's risk management and internal control systems is reviewed annually and was last reviewed by the Committee in May 2024. The review concluded that:

- the systems established by management to identify, assess and manage risks, including emerging risks are effective; and
- the assurance on risk management and internal control is sufficient to enable the Committee and Board to satisfy themselves that they are operating effectively.

The Committee is satisfied that the risk management framework is effective and did not identify any failing in the control systems.

Further details of the Company's risk management process, together with the principal risks, can be found in the Principal Risks and Uncertainties section.

Internal audit function

The Group does not have an internal audit team. The need for this is reviewed annually by the Committee. Due to the relative lack of complexity and the outsourcing of the majority of the day-to-day operational functions, the Committee continues to be satisfied that there is no requirement for such an in-house team. The Committee does however look to third parties to provide an internal audit review function. This year the Committee commissioned the following follow-up internal audit reviews:

Cash Controls of Property Agents

As part of an internal audit plan BDO have, over the past two years, been requested to review the design and effectiveness of key controls to manage cash collection and bank accounts. Having previously reviewed the key controls within the Group for management of cash and bank accounts, during 2024 BDO tested the key controls in place for managing cash and cash-related month-end close processes of the property managers. BDO did not note any issues within the operation of the managing agents' controls. There were however different levels of materiality and performance expected by the NRR team to those performed by the managing agents, so going forward monthly procedure reports setting out NRR's expectations of the managing agents have been agreed and are being followed.

Whistleblowing Policy

The Committee conducts an annual review of the Group's Whistleblowing Policy to ensure it remains up to date and relevant and reports its findings to the Board. Training on whistleblowing is provided to staff annually to capture new staff and to remind existing staff of the procedures. The Committee provides feedback to the Board on the Whistleblowing Policy and procedures and effectiveness of the policy at least every six months. There have never been any concerns raised through the whistleblowing process or through any other process to the Committee.

Other compliance policies

The Committee receives a copy and reviews in detail the Gifts and Hospitality register quarterly.

Statement of compliance

The Company is not a constituent of the FTSE 350, however the Company confirms on a voluntary basis that it has complied with terms of The Statutory Audit Services for Large Companies Market Investigation (Mandatory User of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "Order") throughout the year. In addition to requiring mandatory audit re-tendering at least every 10 years for FTSE 350 companies, the Order provides that only the Audit Committee, acting collectively or through its Chair, and for and on behalf of the Board, is permitted:

- to the extent permissible in law and regulation, to negotiate and agree the statutory audit fee and the scope of the statutory audit;
- to initiate and supervise a competitive tender process;
- to make recommendations to the Directors as to the auditor appointment pursuant to a competitive tender process;
- to influence the appointment of the audit engagement partner; and
- to authorise an auditor to provide any non-audit services to the Group, prior to the commencement of those non-audit services.

Viability statement and going concern

The Committee has reviewed the basis for the Company's viability statement that is drafted with reference to the financial forecasts for the next three years. This period of assessment is aligned to performance measurement and management remuneration and, in the opinion of the Committee, this period of assessment strikes the optimal balance of allowing the impact of strategic decisions to be modelled while maintaining the accuracy of underlying forecast inputs. The Committee places additional scrutiny on the assumptions used in the forecasts to ensure they are appropriate. The Committee provides advice to the Board on the viability statement.

The Committee ensured sufficient review was undertaken of the adequacy of the financial arrangements, cash flow forecasts and lender covenant compliance. The Committee further tested the Group's performance against its stated strategy and its future plans. Accordingly, the Committee recommended to the Board that the statement be approved.

The Committee further focused on the appropriateness of adopting the going concern basis in preparing the Group's financial statements for the year ended 31 March 2024 and satisfied itself that the going concern basis of presentation of the financial statements and the related disclosure is appropriate.

Fair, balanced and understandable assessment

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

To ensure this is the case the following process is in place:

Experienced team

A core experienced team is responsible for the co-ordination of submissions, verification, review and consistency.

The narrative sections are drafted by the members of the team with specific responsibility for each area, such as the Chair, the CEO, the CFO, Sustainability Manager, Director of Communications and the Company Secretary.

↓

Senior review

As narrative sections are prepared, they are circulated to Board and ExCo members to review and comment.

↓

Staff review

The draft Annual Report is given to other staff members not involved in the drafting process to read and provide feedback on its fairness, balance and understandability.

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Audit Committee oversight and review

The Committee reviews the Annual Report on behalf of the Board, taking into account the comments made by the Board, reports from management and reports issued by the external auditor and makes recommendations to the Board.

↓

Controls and confirmation

The Committee satisfies itself that the controls over the accuracy and consistency of information presented in the Annual Report are robust and that the information is presented fairly (including the calculations and use of alternative performance measures).

The Committee confirms to the Board that the processes and controls around the preparation of the Annual Report are appropriate, allowing the Board to make the "fair, balanced and understandable" statement in the Directors' Responsibilities Statement.

Remuneration Committee Report

Dear Shareholders

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the financial year ended 31 March 2024. In this statement I have summarised the link between remuneration and performance and our decisions on remuneration for FY24.

FY24 has been a successful year for NewRiver: whilst UK real estate capital markets continue to be disrupted by increased interest rates, we continue to outperform our MSCI benchmark. Our consistently strong operational performance is reflective of our portfolio positioning and our balance sheet remains in great shape with cash increasing during the period. Our key focus is to deliver attractive shareholder returns and we are well positioned to deliver future earnings growth.

Implementation of the Policy in FY24

Our Remuneration Policy was approved by shareholders in July 2023 and implementation of this Policy during FY24 was as follows:

Base salary

As reported in the FY23 Remuneration Report, base salaries for both the Executive Directors were increased by 3% for FY24. The wider workforce received an average increase of 5%.

Annual bonus

The FY24 annual bonus was based on Total Return vs the IPD Index (25%), Earnings yield (25%), LTV (5%), Total Accounting Return ('TAR') (20%) and strategic objectives including ESG targets (25%). Operational performance over the year was excellent, which was reflected in the Total Return, Earnings Yield and LTV measures all exceeding the stretch performance targets. There was also good performance against the non-financial strategic targets. The only aspect where we failed to achieve the target range was in relation to TAR, where our performance, alongside that of the entire sector, continued to be impacted by property devaluations. The resultant bonus out-turn was 68% of maximum for Allan Lockhart and Will Hobman. The Committee is comfortable that the formulaic bonus outcome appropriately reflects the wider business performance of the Company. 30% of the bonus will be deferred in shares for two years.

Long-Term Incentive Plan

The FY21 LTIP Award vested in August 2023 with performance assessed against relative TAR (50%) and relative Total Shareholder Return ('TSR') (50%). The relative TAR target was assessed against performance to 31 March 2023 and lapsed as the threshold hurdle was not met. The relative TSR performance period ended in August 2023 and, as a result, the 2023 Remuneration Report provided an indicative level of vesting based on performance to date. The TSR element was tested again following the end of the performance period and vested in full. As a result the final overall vesting of the award was 50% of maximum.

The FY22 LTIP Awards are based on performance from 1 April 2021 to 31 March 2024. Performance was based on relative TAR (50%) and Total Shareholder Return (50%). The TSR performance condition was achieved in full and, accordingly, the 50% element based on TSR will vest in full. Notwithstanding the strong performance over the period, the relative TAR element did not meet the minimum hurdle and so will lapse. As a result, the total vesting overall for this award is 50% of maximum. The Committee considered wider business performance over the three-year performance period and is comfortable that the formulaic vesting outcome is appropriate.

The Committee is comfortable that actions taken on pay during the year across the Company were appropriate and balanced the interests of all stakeholders, and that the Remuneration Policy operated as intended.

Other considerations during the year

Wider workforce engagement

During the year, the Committee had oversight of the reward and compensation packages that operate across the Company, which are considered competitive. I am the appointed designated Non-Executive Director who has the responsibility of ensuring that the Board successfully engages with the workforce. As a result of being a small team there is naturally proximity between the Board and the workforce which makes it easier for the Board to engage with staff directly. I attend staff forums to ensure that there is an opportunity for staff to raise questions or concerns directly with myself. An element of staff targets mirrors Executive Director targets. We also use our appraisal process to explain and discuss with employees how the policy for Executive Directors aligns with the pay and conditions of the workforce. The operation of the Remuneration Policy was not raised as a material issue during the year. Therefore, no amendments were required to the Remuneration Policy or its proposed implementation as a result of this engagement.

Shareholder engagement

Ahead of the 2023 AGM, we engaged with our largest investors to understand their views on our proposed new Policy and the proposed implementation in FY24. Shareholders voted 99.11% in favour for the Remuneration Policy and Remuneration Report at the 2023 AGM.

Change in Company Chair

As previously announced, Baroness Ford advised the Board that, subject to completion of a search to appoint her successor and a handover period, she would not seek re-election at this year's AGM. Lynn Fordham was appointed as Chair designate on 21 March 2024. As Chair Designate, Lynn received a pro-rata fee based on the annualised Chair rate of £164,800. Lynn became Board Chair on 30 May 2024, when Baroness Ford stepped down from the Board.

Implementation of the Policy in FY25

The implementation of the Remuneration Policy for FY25 is outlined on page 145. The Committee considered how remuneration should be implemented for FY25. Part of this process was reviewing current practice against both market and best practice, wider workforce remuneration and pay ratios. The outcome of the review was that our current approach remains appropriate. The key decisions made by the Committee in relation to FY25 include:

Base salary:

During the year the Committee has reviewed the salary increases for the wider workforce and the Executive Directors and determined that both the wider workforce and the base salary levels for Executive Directors should be increased by 3%.

Pensions:

The Company contributes 4% of base salary for both Executive Directors which is the rate applying to the workforce.

Annual Bonus:

Executive Directors will have the opportunity to earn a bonus up to a normal maximum of 125% of salary. In line with FY24, the bonus will be based on financial and corporate measures (75%) as well as personal strategic objectives (25%). 30% of any bonus paid will be deferred into shares for two years.

Long-term incentives:

Grant levels will be 100% of base salary. In line with FY24 grants, performance will be assessed against relative TSR and relative TAR vs a peer group of UK REITs. During the year, the Committee reviewed the weightings of the measures to ensure they align with the strategic priorities of the business over the longer term. As a result, the Committee increased the weighting on TSR from 50% to 60%. Awards must be held by Executive Directors for a further two years after vesting.

Closing remarks

We believe that the operation of our Remuneration Policy recognises the experience of shareholders, employees and other stakeholders. Bonuses have been awarded to the wider team to ensure alignment with the level of bonuses awarded to the Executive Directors.

We welcome feedback and if shareholders have any questions about remuneration generally, or the contents of the report, I can be contacted through our investor relations email at info@nrr.co.uk.

My fellow Directors and I intend to attend the AGM and we would be pleased to answer any questions you may have about the Committee's work.

Alastair Miller
Committee Chair

20 June 2024

Remuneration at a glance

FY24 Annual Bonus Performance

Corporate and financial measures (75% weighting)

	Measure	Achievement (% of max)
Corporate	Total return vs IPD All Retail	100%
	Earnings yield (FFO)	100%
Financial	LTV	100%
	TAR Return	0%

Strategic measures (25% weighting)

	Director	Achievement (% of max)
Strategic	Allan Lockhart	52%
	Will Hobman	52%

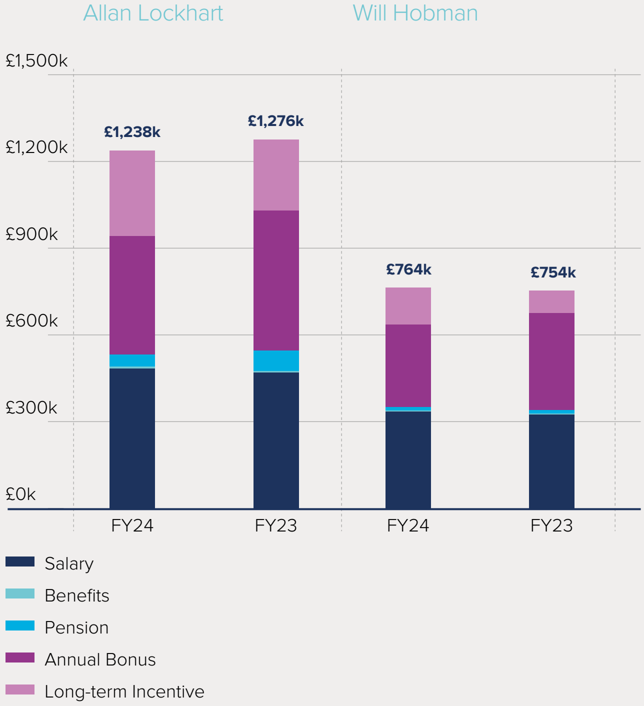
Total bonus payout

Director	Achievement (% of max)
Allan Lockhart	68%
Will Hobman	68%

FY22-24 Performance Share Plan

	Measure	Achievement (% of max)
PSP	Relative TSR vs Peer Group	100%
	Relative Total Accounting Return vs Peer Group	0%
	Outcome	50%

Executive Pay in FY23/24



Implementation of Policy in FY25

Base Salaries	Allan Lockhart: £498,623
	Will Hobman: £344,792
Benefits	No change
Pension	Allan Lockhart: 4% of salary
	Will Hobman: 4% of salary
Annual Bonus	Maximum opportunity is 125% of salary
	Performance conditions: 75% Corporate Targets 25% individual strategic objectives
	30% deferred into shares for two years
Long-Term Incentive Plan	Grant levels at 100% of salary
	Performance conditions: Relative TSR (60%) Relative TAR (40%)
	Two-year post-vesting holding period applies
Shareholding requirements	200% of salary

Summary Remuneration Policy

The Remuneration Policy was approved by shareholders at the 2023 Annual General Meeting on 26 July 2023. The full Remuneration Policy can be found in the 2023 Annual Report which is available at www.nrr.co.uk.

Executive Directors

Element	Purpose and Link to Strategy	Operation	Maximum	Performance Target
Fixed				
Salary	Market competitive remuneration base reflecting role, responsibilities, skills and experience.	Normally reviewed annually, effective 1 April, although salaries may be reviewed more frequently or at different times of the year if the Committee determines this is appropriate. Salaries are set taking into account the performance of the individual, the responsibilities and size of the role, salary increases across the Group and market data for peer companies. Paid in cash monthly.	There is no prescribed maximum. Increases will typically be dependent on the results of an annual review in the context of the average increase for the wider work force, inflation and market data. Increases will not normally be above the level implemented across the wider workforce. Increases may be above this level, for example if there is an increase in the scale, scope or responsibility of the role.	Not applicable.
Pension	To provide competitive post-retirement benefits. To assist with recruitment and retention.	The Executive Directors may participate in the Company's defined contribution plan or receive a cash supplement in lieu of pension contributions.	A pension contribution is payable in line with the pension available to the workforce, currently 4% of salary.	Not applicable.
Benefits	To provide a competitive and cost-effective benefits package. To assist with recruitment and retention.	The Company provides a range of non-pensionable benefits to Executive Directors which may include medical insurance, life assurance, permanent health insurance, holiday and sick pay. Other benefits such as relocation allowances may be offered if considered appropriate and reasonable by the Committee.	Benefits are set at a level which the Committee considers appropriate when compared to the Company's listed real estate investment trusts peers. There is no prescribed maximum.	Not applicable.
Variable				
Bonus	To incentivise performance in the reporting year. Targets are consistent with the Group's long-term strategy. The deferral of a proportion of the bonus in shares aligns Directors' interests with those of shareholders and to discourage short-term decision making.	All measures and targets will be reviewed and set annually by the Committee at the beginning of the financial year and levels of award are determined by the Committee after the year end based on achievement of performance against the stipulated measures and targets. The Committee retains an overriding discretion to adjust pay-outs from formulaic performance condition outcomes to ensure that overall bonus payments reflect its view of corporate performance during the year and are fair to both shareholders and participants. 30% of the bonus must be deferred into shares for two years. Vesting of the deferred shares will be subject to continued employment. The value of the bonus does not contribute to the pensionable salary. Clawback and malus provisions apply.	The maximum bonus is 125% of salary. On-target performance would result in a bonus payment of 50% of maximum bonus. Threshold performance would result in bonus payment of up to 25% of maximum bonus.	All measures and targets normally relate to a financial year of the Company and are reviewed on an annual basis. At least 50% of the bonus will be subject to financial performance conditions.

Executive Directors continued

Element	Purpose and Link to Strategy	Operation	Maximum	Performance Target
Variable				
Performance Share Plan	To incentivise and reward the delivery of returns to shareholders and sustained long-term performance. Aligns the Executive Directors' interests with those of shareholders. Rewards and helps retain/ recruit executives.	Discretionary grant of nil-cost options or conditional awards of shares. Awards normally vest three years from the date of award. Vesting of awards is subject to satisfaction of performance targets normally measured over a three-year period. The Committee retains an overriding discretion to adjust the vesting level from formulaic performance condition outcomes to ensure that the overall level of vesting reflects its view of corporate performance over the performance period and is fair to both shareholders and participants. A holding period of two years will apply following vesting before participants are entitled to sell their shares. Clawback and malus provisions apply as described in the notes to this table.	The maximum award level permitted under the 2016 PSP plan rules and this Policy is 200% of salary. The normal annual award is 100% of salary for Executive Directors. Awards would not be increased above 100% of base salary without prior consultation with shareholders. 25% of the award is payable at threshold performance.	Performance targets will apply over the performance period. The Committee will determine the applicable performance targets and their weightings to ensure they are appropriate. Performance conditions may be based on financial, stock market- based and/or non-financial measures (including strategic and ESG measures). A majority of the award will be based on financial and stock market-based measures.
Shareholding Requirement	To encourage long-term share ownership and support alignment of interests with shareholders.	At least half of the net shares vested under the deferred annual bonus and the LTIP must be retained until the shareholding requirement is met.	During employment, Executive Directors must build up a shareholding worth 200% of salary. After employment, Executive Directors will be required to retain the lower of the shareholding requirement during employment or actual shareholding at cessation for two years. The Committee has the discretion to relax this requirement in exceptional circumstances (e.g. serious ill-health). Shares that have been purchased voluntarily may be excluded from the post-cessation shareholding requirement.	Not applicable.

Chair and Non-Executive Directors

Element	Purpose and Link to Strategy	Operation	Maximum	Performance Target
Fixed				
Fees	To provide market-competitive director fees.	Annual fee for the Chair. Annual base fee for the Non-Executive Directors. Additional fees are paid to Non-Executive Directors for additional responsibilities such as being the Senior Independent Non-Executive Director or chairing a Board Committee. Fees are reviewed from time to time taking into account time commitment, responsibilities and fees paid by companies of a similar size and complexity. Payable in cash. Expenses incurred by Non-Executive Directors in connection with the fulfilment of their roles are reimbursed (including any personal tax due on such expenses).	Fee increases are applied in line with outcome of the review.	Not applicable.

Considerations in relation to the Policy review

When reviewing the Remuneration Policy, the Committee considered a wide range of factors, including:

- Where practicable, improving the consistency of the Executive Directors' Remuneration Policy with that of the workforce, for example in relation to the pension provision.
- Taking into account the latest guidance from our institutional shareholders, investor representative bodies, regulators and statutory requirements.
- The overall market competitiveness of the senior executives' packages.

The Committee also addressed the following factors when determining the Remuneration Policy and practices, as recommended by the UK Corporate Governance Code:

Principle	Committee approach
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	As noted above there is a consistent approach taken, where possible, in relation to the application of the Remuneration Policy throughout the Company. For instance, all employees participate in an annual bonus plan and the PSP. We consult with employees to explain how the Policy for Executive Directors aligns with the pay and conditions of the workforce other than, for instance, where there are more stringent requirements in the Executive Directors' Policy for corporate governance reasons.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The components of our Remuneration Policy are consistent throughout the Company so they are simple to operate and communicate.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards and behavioural risks that can arise from target-based incentive plans are identified and mitigated.	We look carefully at the range of likely performance outcomes when setting performance target ranges and use discretion where this leads to an inappropriate pay outcome. Bonus deferral, holding periods on LTIP awards, shareholding requirement and clawback and malus provisions all help to mitigate risk.
Predictability The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	Incentive plans are determined based on a proportion of base salary so there is a sensible balance between fixed pay and performance-linked elements. There are provisions to override the formula driven outcome of incentive plans and deferral and clawbacks to minimise the likelihood of a poor link between reward and performance.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	Incentive plans are determined based on a proportion of base salary so there is a sensible balance between fixed pay and performance-linked elements. There are provisions to override the formula driven outcome of incentive plans and deferral and clawbacks to ensure that poor performance is not rewarded.
Alignment to culture Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	All staff are eligible for bonus plans which are approved by the Committee to ensure consistency with Company purpose, values and the performance measures are linked to the business strategy.

Service contracts and payments for loss of office

Executive Directors' service contracts are terminable by either party giving the other 12 months' written notice. If notice is served by either party, the Executive Director may continue to receive base salary, benefits and pension for the duration of their notice period during which time the Company may require the individual to fulfil their current role or may place the individual on garden leave. The Committee will seek to minimise the level of payments to a departing Director, having regard to all circumstances, including the Company's contractual obligations to the Director, the reason for departure, and the Company's policy on mitigation.

The Company may elect to make a monthly payment of base salary, plus an amount in lieu of benefits/pension contribution/equivalent or just base salary, in lieu of notice. Any payments in lieu of notice would be phased monthly and subject to offset against earnings elsewhere. Reasonable outplacement and legal costs may be payable.

Where a Director may be entitled to pursue a claim against the Company in respect of his/her statutory employment rights or any other claim arising from the employment or its termination, the Committee will be entitled to negotiate settlement terms with the Director that the Committee considers to be reasonable in the circumstances and is in the best interests of the Company, and to enter into a settlement agreement with the Director.

In addition to the contractual provisions regarding payment on termination set out above, the Group's incentive plans and share plans contain provisions relating to termination of employment. Good leaver provisions relate to termination of office or employment by reason of death, ill-health, injury, incapacity or disability of the award holder, redundancy or sale or transfer out of the Group or the Company or undertaking employing that employee, or any other circumstances stipulated by the Committee at the date of award.

For any good leaver the approach in relation to the incentive plans will be as follows:

Annual bonus: bonus may be payable at the normal time pro-rata for the portion of the year worked. Outstanding deferred bonus awards would be retained and would vest at the usual time.

PSP awards: awards would vest at the usual time subject to the achievement of the performance conditions and would normally be scaled back pro-rata for the extent of the vesting period completed at cessation of employment (unless in exceptional circumstances the Committee determines that the award should not be scaled back). The two-year post-vesting holding period would usually continue to apply.

If an Executive Director is not deemed to be a good leaver, all bonus entitlements and LTIP awards would normally lapse.

Non-Executive Directors' letters of appointment incorporate a notice period of three months.

No payment for compensation for loss of office will be made to the Chair or any Non-Executive Director other than where the Company determines that fees for the notice period should be paid. The details of the service contracts for Executive Directors and Letters of Appointment for the Non-Executive Directors are summarised as follows:

Director	Date of Appointment	Expiry date of service agreement of letter of appointment
Allan Lockhart	18 August 2016	12-month rolling contracts
Will Hobman	20 August 2021	
Margaret Ford	1 September 2017	3-month rolling contracts
Lynn Fordham	21 March 2024	
Colin Rutherford	5 February 2019	
Dr Karen Miller	30 May 2022	
Charlie Parker	10 September 2020	
Alastair Miller	18 August 2016	

The service agreements are available for shareholders to view at the Company's Registered Office on request from the Company Secretary and at the Annual General Meeting.

External directorships and memberships

Executive Directors may take up one external directorship, subject to the prior approval of the Board. In considering the appointment, the Board will consider whether the appointment will have an adverse impact on the Director's role within the Company and whether it will be a conflict of interest. Fees earned may be retained by the Director. At present, no Executive Director has an external directorship.

Executive Directors are encouraged to join, when invited, advisory committees of industries and professional bodies directly related to the Company's business. This helps to keep the Company informed of any future regulations or trends which may affect it in the future, as well as providing the opportunity to influence future decision making.

Recruitment arrangements

The Committee will apply the same Remuneration Policy and principles when setting the remuneration package for a new Executive Director. The Committee will take into consideration all relevant factors to ensure that pay arrangements are in the best interests of the Company and its shareholders.

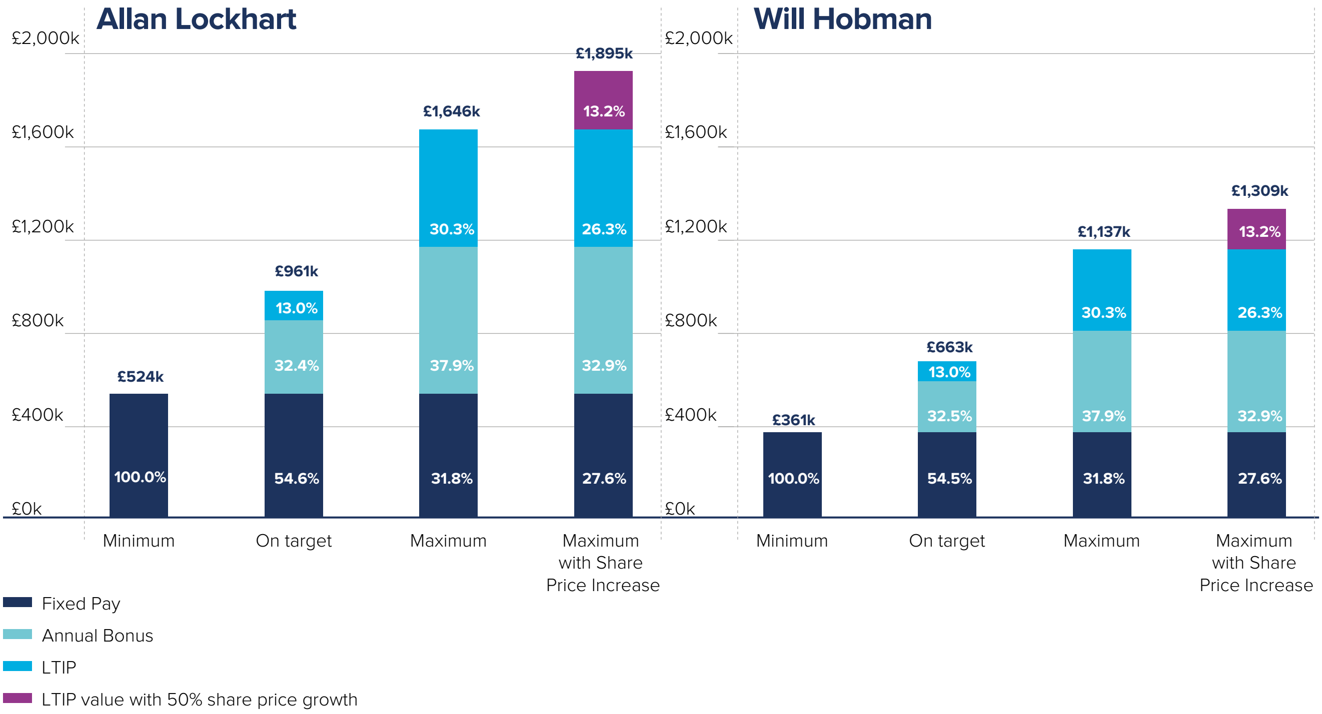
Ongoing benefits, pension provisions, annual bonus participation and awards under both the DBP and the PSP will be in line with those stated in the Policy. In exceptional circumstances, the maximum level of variable pay which may be awarded to a new Executive Director in the first year of appointment under the Policy will be 325% of salary (i.e. 125% annual bonus plus 200% PSP award).

Different performance measures may be set for any initial awards under the DBP and PSP after considering the responsibilities of the individual, the point in the year that they joined and the rules of the applicable plan. The rationale will be clearly explained in the Annual Report following such recruitment. The level of bonus which may be paid will be pro-rated to reflect the time in the year when the Executive Director joins.

The Committee will have discretion to make payments or awards to buy out incentive arrangements forfeited on leaving a previous employer, i.e. over and above the approach outlined in the table above and may exercise the discretion available under Listing Rule 9.4.2R if necessary to do so. In doing so, the Committee will match the fair value of the awards forfeited, taking account of the form, any applicable performance conditions and the likelihood of those conditions being met and the proportion of the applicable vesting period remaining.

Where an Executive Director appointment is an internal candidate, the Committee will honour any pre-existing remuneration obligations or outstanding variable pay arrangements that relate to the individual's previous role. Non-Executive Directors will be recruited on the basis of a Letter of Appointment with a three-month notice period.

Illustrations of the operation of the Remuneration Policy in FY25



Minimum performance:	• comprising the minimum remuneration receivable (being base salary, pension and benefits received in FY24);
On target performance:	• comprising fixed pay, annual bonus payment at 50% of the maximum opportunity and long-term incentive awards vesting at 25% of maximum opportunity;
Maximum performance:	• comprising fixed pay, 100% of annual bonus and 100% vesting of long-term incentive awards;
Maximum performance with share price increase:	• comprising fixed pay, 100% of annual bonus and 100% vesting of long-term incentive awards with the value increased for share price appreciation of 50%.

Remuneration Report

This section sets out how the Directors' Remuneration Policy was implemented during the financial year ended 31 March 2024. Where stated, disclosures regarding Director's remuneration have been audited by the Company's external auditors, PwC. This section, together with the Chair's Statement, is subject to an advisory vote at the 2024 AGM.

Remuneration Committee

The Remuneration Committee is comprised of all the Non-Executive Directors. The Remuneration Committee meets regularly throughout the year. It met four times during the year. A Board and Committee attendance chart is contained in the Governance report on page 116.

Role of the Remuneration Committee

The role of the Remuneration Committee is to establish a formal and transparent procedure for developing and implementing the Remuneration Policy. The Policy should have regard to the risk appetite of the Company and Executive remuneration should be aligned to the Company's purpose and values and be clearly linked to the successful delivery of the Company's long-term strategy. The Committee also reviews the remuneration of the Chair and senior executives below Board level. Terms of reference for the Remuneration Committee can be found on the Company's website.

Other main responsibilities of the Committee are to:

- ensure that the Directors and executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company and to align their interests with those of shareholders;
- attract, retain and motivate Directors and executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;
- review and have regard to workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting remuneration policy for Directors and especially when determining annual salary increases;
- consider and set the objectives, annual pay and targets for the Directors and executive management; and
- review the operation of the Group's share incentive schemes and the granting and vesting of the schemes.

Any potential conflicts of interest are managed carefully. No Director is present when their own remuneration is being discussed and Committee papers are redacted where appropriate to avoid individuals seeing proposals before they are discussed by the Committee. Each meeting minutes whether there are any potential conflicts for any members or attendees.

Committee members

- Alastair Miller: Committee Chair
- Margaret Ford (until 30 May 2024)
- Colin Rutherford
- Charlie Parker
- Dr Karen Miller

The Chief Executive Officer and Chief Operating and People Officer were invited to attend all or part of the meetings as and when relevant. These individuals were not present when their own remuneration was discussed. The Company Secretary acts as secretary to the Committee.

FY24 Remuneration Committee activity

May 2023

- Review outcome of Corporate and personal targets for Executive Director bonuses
- Review and approve ExCo bonuses
- Consider DBS and PSP awards and targets
- Review Remuneration Report and Remuneration Policy

Sept 2023

- Approve FY24 bonus targets
- Note share awards
- Review PSP performance and confirm final vesting

Feb 2024

- Report from Korn Ferry on developments in market practice in remuneration
- Review wider workforce arrangements and pay policy
- FY25 targets and objectives
- Preliminary discussions on performance against targets
- Preliminary performance update for outstanding awards.

Mar 2024

- Agree New Chair's fee

Statement of voting at the Annual General Meeting

The following table summarises the details of votes cast for and against the Directors' Remuneration Policy and the Directors' Remuneration Report at the 2023 AGM, along with the number of votes withheld.

	Votes for	%	Votes against	%	Total shares for and against	Votes withheld
That the Directors' Remuneration Report be received and approved (2023 AGM)	165,694,587	99.11	1,492 712	0.89	167,187,299	52,466
That the Directors' Remuneration Policy be received and approved (2023 AGM)	165,701,655	99.11	1,481,211	0.89	167,182,866	56,899

Remuneration Committee adviser

The Committee keeps itself fully informed on developments and best practice in the field of remuneration and it seeks advice from external advisers when appropriate. The Committee appoints its own independent remuneration advisers and appointed Korn Ferry in 2018 following a competitive process. During the year the Committee continued to retain the services of Korn Ferry. Korn Ferry is a member of the Remuneration Consultants Group and signatory to its Code of Conduct which can be found at www.remunerationconsultantsgroup.com. During FY24 Korn Ferry did not provide any other services to the Company. Fees charged by Korn Ferry were on a time and materials basis and totalled £26,299 in the year ended 31 March 2024. The Committee reviews the performance and independence of its advisers on an annual basis and is satisfied that the advice provided is objective and independent.

Total remuneration payable to Directors for FY24 (audited)

The following tables show a single figure total of remuneration for the year ended 31 March 2024 for each of the Directors and compares this figure to the prior year.

Executive Directors

	Financial Year	Salary £	Benefits[1]£	Pension[2]£	Subtotal for fixed pay £	Cash bonus £	Value of bonus deferred into shares £	Long-Term Incentive Plans £	Subtotal for variable pay £	Total £
Allan Lockhart	**2024**	**484,100**	**5,660**	**41,552**	**531,312**	**288,040**	**123,445**	**295,145**	**706,630**	**1,237,942**
	2023	470,000	5,001	70,500	545,501	338,870	145,230	246,783	730,883	1,276,384
Will Hobman	**2024**	**334,750**	**2,551**	**13,390**	**350,691**	**199,176**	**85,361**	**128,732**	**413,269**	**763,960**
	2023	325,000	2,168	13,000	340,168	234,325	100,425	78,760	413,510	753,678

1. Benefits are the Directors' private medical cover.
2. Allan Lockhart received a pension contribution of 15% of salary until July 2023 after which his pension contribution reduced to 4%. Will Hobman received a pension contribution of 4% of salary throughout 2024.

Non-Executive Directors

	Financial Year	Base fee £	Audit Committee Chairman £	Remuneration Committee Chairman £	Senior Independent Non-Executive Director £	Total £
Margaret Ford	**2024**	**164,800**	**–**	**–**	**–**	**164,800**
	2023	160,000	–	–	–	160,000
Alastair Miller	**2024**	**51,500**	**–**	**7,725**	**7,725**	**66,950**
	2023	50,000	–	7,500	7,500	65,000
Lynn Fordham[1]	**2024**	**4,437**	**–**	**–**	**–**	**4,437**
	2023	–	–	–	–	–
Charlie Parker	**2024**	**51,500**	**–**	**–**	**–**	**51,500**
	2023	50,000	–	–	–	50,000
Colin Rutherford	**2024**	**51,500**	**7,725**	**–**	**–**	**59,225**
	2023	50,000	7,500	–	–	57,500
Dr Karen Miller[2]	**2024**	**51,500**	**–**	**–**	**–**	**51,500**
	2023	42,051	–	–	–	42,051

1. Lynn Fordham was appointed to the Board on 21 March 2024 as Chair Designate. Lynn received a pro-rate fee based on the annualised rate of £164,800
2. Dr Karen Miller was appointed to the Board on 30 May 2022

Annual bonus for the year to 31 March 2024 (Audited)

Executive Directors had the opportunity to earn a bonus up to a maximum of 125% of salary on the basis of the achievement of the following measures.

The performance against measures to 31 March 2024 are set out in the tables below.

	Weighting	Threshold	Target	Stretch	Actual result	Achievement % of maximum available under that element		Pay-out as a percentage of total bonus	
Measure		25% of maximum	50% of maximum	100% of maximum		Allan Lockhart	Will Hobman	Allan Lockhart	Will Hobman
Corporate									
Total Return vs IPD All Retail	25%	At index	10% ahead	20% ahead	over 20% ahead	100%	100%	25%	25%
Earnings yield (UFFO)	25%	£20m	£22m	£24m	£24.4m	100%	100%	25%	25%
Financial									
LTV	5%	<38%	<34%	<32%	30.8%	100%	100%	5%	5%
TAR Return	20%	2.80%	3.70%	4.50%	0.5%	0%	0%	0%	0%
Strategic									
Strategic objectives	25%		See below			52%	52%	13%	13%

A summary of the strategic objectives are shown below:

Strategic objectives	Weighting	Assessment of performance by the Committee		Achievement	
		Allan Lockhart	Will Hobman	Allan Lockhart	Will Hobman
Securing an extension to the RCF facility	5%	RCF extended to November 2026		5%	5%
Achieve completion of disposals or reclassification of the assets in the Work out portfolio	7.5%	2 sales achieved, 1 sale post period		0%	0%
Capital Partnerships: secure additional Capital Partnerships	5%	M&G, Canterbury mandates have been expanded		2%	2%
ESG	7.5%			6%	6%
Implementation of Enhanced Supplier Vetting		Enhanced Supplier vetting applied to all new suppliers and rolled out to existing suppliers			
Improve access to tenants' energy consumption data and embed ESG performance monitoring across the portfolio		Not achieved			
Measured reduction in Journey to Net Zero		Scope 1 Emissions down 31%, Scope 2 emissions down 16%			
Maintenance / improvement of Sustainability Accreditations		GRESB: 72/100 (70/100), CDP: maintained as B, EPRA: maintained as GOLD			
Total	**25%**			**13%**	**13%**

Based on performance to 31 March 2024, the annual bonus outcome for the Executive Directors during the year is shown below. The Committee is satisfied that no adjustments to the pay-outs is required, and the outcome is reflective of underlying performance.

Executive	Assessment of performance by the Committee		
	% of maximum	% of salary	Bonus outcome
Allan Lockhart	68%	85%	£411,485
Will Hobman	68%	85%	£284,537

30% of the bonus will be deferred into shares for two years. Deferred shares are subject to continued employment.

Long-Term Incentive Plans (audited)

Vesting of Performance Share Plan awards

FY21 LTIP Awards

Performance Share Plan Awards were granted to Allan Lockhart and Will Hobman on 21 August 2020. As disclosed in last year's report, the performance period for the TSR element of the FY21 LTIP award ended in August 2023. The table below sets out the performance targets and final level of vesting.

Measure	Weighting	Threshold (25% of max)	Target (75% of max)	Stretch (100% of max)	Actual	Vesting (% of max)
Total Shareholder Return vs UK REITs[1]	50%	Median	62.5 percentile	Upper Quartile	Above upper quartile	100%
Total Accounting Return vs UK REITs[1]	50%	Median	62.5 percentile	Upper Quartile	Below median	0%
Total						50%

1. The UK REIT peer group listed on page 141.

The Committee is comfortable that the formulaic outcome of the LTIP reflects wider business performance and so no discretion has been applied. The final vesting levels for the FY21 LTIP awards are shown below:

Executive	Grant date	Vest date	Number of shares granted	Number of shares vested	Value of shares vesting	Dividend equivalents in shares	Total value
Allan Lockhart	21 Aug 20	21 Aug 23	497,354	248,677	£203,169	53,383	£246,783
Will Hobman	21 Aug 20	21 Aug 23	158,730	79,365	£64,841	17,037	£78,760

- The value is based on the share price on the date of vesting (81.7p).
- The share price at grant was 63p, therefore the share price has increased by 18.7p. As a result, the value attributable to share price appreciation is £46,503 for Allan Lockhart and £14,841 for Will Hobman.
- Allan Lockhart's FY21 award remains subject to a two-year post-vesting holding period. Will Hobman was the Finance Director (below Board level) when the FY21 awards were granted and so no holding period applies.

FY22 LTIP Awards

Performance Share Plan Awards were granted to Allan Lockhart and Will Hobman on 7 September 2021.

The performance targets for these awards are shown below:

Measure	Weighting	Threshold 25% of maximum	Target 75% of maximum	Stretch 100% of maximum	Actual result	Actual result
Total Shareholder Return vs UK REITs[1]	50%	Median	62.5 percentile	Upper quartile	Above upper quartile	100%
Total Accounting Return vs UK REITs[1]	50%	Median	62.5 percentile	Upper quartile	Below median	0%
					Total	50%

1. The UK REIT peer group listed on page 141

The Committee is comfortable that the formulaic outcome of the LTIP reflects wider business performance and so no discretion has been applied. The vesting levels for the FY22 LTIP awards are shown below:

Executive	Grant date	Vest date	Number of shares granted	Number of shares vesting	Value of share to vest	Dividend equivalents in shares	Total value
Allan Lockhart	7 Sep 21	7 Sep 24	597,964	298,982	£232,309	80,871	£295,145
Will Hobman	7 Sep 21	7 Sep 24	260,814	130,407	£101,326	35,272	£128,732

- Both Allan Lockhart's and Will Hobman's FY22 awards remain subject to a two-year post-vesting holding period.
- The value of the shares to vest are based on a three-month average share price of 77.7p to 31 March 2024. This value will be restated in the single figure table next year based on the actual share price on the date of vesting.
- Dividend equivalents include the final dividend declared for FY24 to be paid in August 2024 prior to vesting.
- The share price at grant was 78.6p. Therefore, none of the value of the award is due to share price appreciation.

PSP awards granted in the year to 31 March 2024 (audited)

The following Performance Share Plan awards were granted to Executive Directors as nil cost options on 29 June 2023:

Executive	Value of awards at grant date[1] (% salary)	Number of shares comprising award	% of award vesting at threshold	Vesting Period End Date	Holding Period End Date
Allan Lockhart	£470,000 (100%)	525,140	25%	29 June 2026	29 June 2028
Will Hobman	£325,000 (100%)	363,128	25%	29 June 2026	29 June 2028

1. The closing price on the day before the grant date has been used to determine the number of shares comprising the award. This was 89.5p.

Performance will be assessed from 1 April 2023 to 31 March 2026. The targets for both performance conditions are as follows:

	TSR ranking vs. UK REITs (50% of award)	Total Accounting Return ranking vs. UK REITs (50% of award)	Vesting (% of award)
Below threshold	Less than Median (50th percentile)	Less than Median (50th percentile)	0%
Threshold	Equal to Median (50th percentile)	Equal to Median (50th percentile)	25%
	Equal to 62.5th percentile	Equal to 62.5th percentile	75%
Maximum	Equal to Upper Quartile (75th percentile) and above	Equal to Upper Quartile (75th percentile) and above	100%

- 50% of each award may vest based on the Company's TSR compared to a group of UK REITs.
- 50% of each award may vest based on the Company's Total Accounting Return ("TAR") compared to a group of UK REITs that report their NTA on an EPRA basis.
- TAR is defined as the annualised return over the performance period based on the change in EPRA NTA per share and the level of dividends paid per share.

The TSR and TAR comparator group was composed of the companies set out in the list below.			
• SEGRO	• GREAT PORTLAND ESTATES	• UNITE GROUP	• LONDONMETRIC PROPERTY
• LAND SECURITIES GROUP	• WORKSPACE GROUP	• TRITAX BIG BOX REIT	• SAFESTORE HOLDINGS
• BRITISH LAND	• BIG YELLOW GROUP	• GRAINGER	• UK COMMERCIAL PROPERTY REIT
• DERWENT LONDON	• ASSURA	• CLS HOLDINGS	• PRIMARY HEALTH PROPERTIES
• HAMMERSON	• SHAFTESBURY CAPITAL		

Deferred Shares granted in the year to 31 March 2024 (audited)

Awards of Deferred Bonus Shares over the Company's shares were granted to Executive Directors as nil cost options in FY24 as shown below. The deferred share awards are based on 30% of the bonus awarded for the year to 31 March 2023. Vesting of the awards is normally subject to continued employment at the date of vesting in two years' time.

Executive	Number of shares granted[1,2]	Face value of the award at grant date	Grant date	Vest date[3]
Allan Lockhart	165,222	£145,230	29 June 2023	29 June 2025
Will Hobman	114,249	£100,425	29 June 2023	29 June 2025

1. The 5 day average close price on the day before the grant date has been used to determine the number of shares comprising the award. This was 87.9p.
2. Awards are not subject to performance conditions.
3. Vesting of awards is normally subject to continued employment unless an employee leaver is deemed a 'Good Leaver'.

Summary of Directors' Interests (audited)

The beneficial interests of the Executive Directors in share awards and share options as at 31 March 2024 are shown in the following tables.

Allan Lockhart										
Grant Date	Plan	Vesting by[1]	Share price at date of award £	Exercise price £	At 31 March 2023	Granted	Dividend equivalent shares added[2]	Lapsed	Exercised[3]	**At 31 March 2024**
May 2018	DBP	May 2020	2.86	nil	62,194	–	–	–	(62,194)	**–**
Jun 2019	DBP	Jun 2021	1.79	nil	66,952	–	–	–	(66,952)	**–**
Aug 2020	PSP	Aug 2023	0.63	nil	581,721	–	48,204	(314,963)	_	**314,962**
Sept 2021	DBP	Sept 2023	0.78	nil	40,429	–	1,556	–	(41,985)	**–**
Sept 2021	PSP	Sept 2024	0.78	nil	673,842	–	55,838	–	_	**729,680**
July 2022	DBP	July 2024	0.88	nil	161,250	–	13,361	–	–	**174,611**
July 2022	PSP	July 2025	0.88	nil	576,848	–	47,801	–	–	**624,649**
June 2023	DBP	June 2025	0.89	nil	–	165,222	13,690	–	–	**178,912**
June 2023	PSP	June 2026	0.89	nil	–	525,140	43,515	–	–	**568,655**
Total					2,163,236	690,362	223,965	(314,963)	(171,131)	**2,591,469**

Will Hobman										
Grant Date	Plan	Vesting by[1]	Share price at date of award £	Exercise price £	At 31 March 2023	Granted	Dividend equivalent shares added[2]	Lapsed	Exercised[4]	**At 31 March 2024**
Aug 2020	PSP	Aug 2023	0.63	nil	185,655	–	7,149	(96,402)	(96,402)	**–**
Sept 2021	DBP	Sept 2023	0.78	nil	23,654	–	910	–	(24,564)	**–**
Sept 2021	PSP	Sept 2024	0.78	nil	293,909	–	24,354	–	_	**318,263**
July 2022	DBP	July 2024	0.88	nil	118,269	–	9,800	–	–	**128,069**
July 2022	PSP	July 2025	0.88	nil	398,885	–	33,053	–	–	**431,938**
June 2023	DBP	June 2025	0.89	nil	–	114,249	9,466	–	–	**123,715**
June 2023	PSP	June 2026	0.89	nil	–	363,128	30,090	–	–	**393,218**
Total					1,020,372	477,377	114,822	(96,402)	(120,966)	**1,395,203**

1. A holding period of two years is applied following vesting for the PSP awards.
2. The right to dividends is accrued and is only payable if and to the extent that the awards vest. The FY24 final dividend declared is not included in this figure.
3. Allan Lockhart's awards were exercised on 4 December 2023, some of the shares were sold to cover tax at a share price of 85.9p. The aggregate gain from exercising the awards was £148,720.
4. Will Hobman's awards were exercised on 8 September 2023. Will paid the tax from personal funds and kept all the shares from the exercise. The aggregate gain from exercising these awards was £97,378.

DBP = Deferred Bonus Plan PSP = Performance Share Plan

Details of the Directors' shareholdings and rights to shares (audited)

It is the Board's policy that Executive Directors build up and retain a minimum shareholding of 200% of base salary. Beneficially owned shares, vested and unvested DBP awards plus vested but unexercised PSP awards may be counted towards the value of the executives' shareholdings for the purposes of the 200% holding guideline.

The beneficial interests of Directors who served during the year, in the shares of the Company are as follows:

	Beneficially owned shares held at 31 March 2024	Value of beneficially owned shares as % of salary[1]	Vested but unexercised DBP awards held at 31 March 2024	Vested but unexercised PSP awards held at 31 March 2024	Unvested DBP awards held at 31 March 2024	Value of holdings including vested PSP and unvested DBP [2]	Unvested PSP awards held at 31 March 2024	Total held as at 31 March 2024	Shareholding % of salary
Allan Lockhart	520,856	87%	-	314,962	353,523	199%	1,922,984	3,112,325	199%
Will Hobman	354,955	86%	–	–	251,784	147%	1,143,419	1,750,158	147%
Margaret Ford	106,440	–	–	–	–	–	–	106,440	N/A
Lynn Fordham	–	–	–	–	–	–	–	–	N/A
Alastair Miller	99,806	–	–	–	–	–	–	99,806	N/A
Colin Rutherford	–	–	–	–	–	–	–	–	N/A
Charlie Parker	11,454	–	–	–	–	–	–	11,454	N/A
Dr Karen Miller	–	–	–	–	–	–	–	–	N/A

1. Based on the closing share price of 80.90p as at 31 March 2024 and salary for FY24.
2. Includes dividend equivalent shares added to that date. Although vested these awards have not yet been exercised.
3. All awards are nil cost awards.
4. Vested but unexercised PSPs are not subject to performance conditions. Unvested PSPs are subject to performance conditions. Outstanding DBP awards are not subject to performance conditions. The details of outstanding scheme interests are included in the table on page 142.
5. At least half of the net shares vested under the deferred annual bonus and the PSP must be retained until the shareholding requirement is met.

DBP = Deferred Bonus Plan.
PSP = Performance Share Plan.

There have been no changes in the number of shares held from 31 March 2024 to 20 June 2024, being the latest practicable date before the publication of this Annual Report.

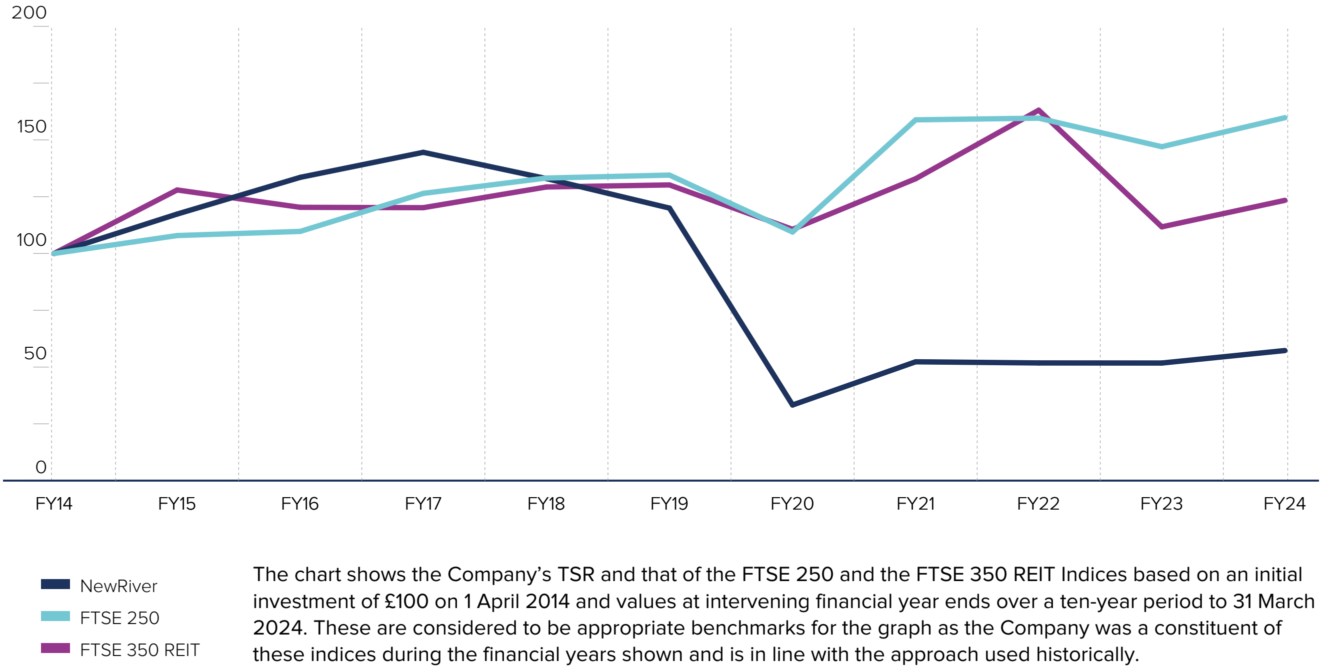
Payments for loss of office and to past Directors (audited)

No Directors have left office in the year. No payments were made to past Directors.

Historic Total Shareholder Return performance and Chief Executive Officer remuneration

The following information allows comparison of the Company's TSR (based on share price growth and dividends reinvested) with the remuneration of the CEO over the last ten years, together with bonus and LTIP pay-outs (as a percentage of the maximum).

TSR Chart



The chart shows the Company's TSR and that of the FTSE 250 and the FTSE 350 REIT Indices based on an initial investment of £100 on 1 April 2014 and values at intervening financial year ends over a ten-year period to 31 March 2024. These are considered to be appropriate benchmarks for the graph as the Company was a constituent of these indices during the financial years shown and is in line with the approach used historically.

	2015	2016	2017	2018	2019	2020[1]	2021	2022	2023	**2024**
	David Lockhart	David Lockhart	David Lockhart	David Lockhart	Allan Lockhart	Allan Lockhart	Allan Lockhart	Allan Lockhart	Allan Lockhart	**Allan Lockhart**
Total remuneration (£)	850,000	1,792,205	1,341,958	1,012,946	911,972	543,239	637,339	984,462	1,276,384	**1,237,942**
Annual bonus (% of max)	70.0	100.0	66.7	77.3	64.0	–	20.0	75.0	82.5	**68.0**
Total LTIP vesting (% of max)	–	50.0	76.3	13.1	–	–	–	–	50.0	**50.0**

1. Allan Lockhart received no bonus in 2020.

CEO pay ratio

As the Company has less than 250 employees, we are not required to disclose the CEO pay ratio. However, we consider it appropriate to disclose our pay ratios on a voluntary basis as we are committed to supporting strong governance and transparency. The ratio of the CEO's pay to the 25th, 50th and 75th percentile is shown, along with the total pay for the employees at the three quartiles.

We have based the calculation on the methodology outlined in Option A under the regulations, although, we have chosen not to disclose the three salary levels for the relevant employees to allow a simpler comparison with the total pay of the CEO. This method is, in the Committee's view, the most comprehensive and accurate reflection of the remuneration picture across our employee population.

The ratio calculated by reference to actual pay rates on 31 March 2024 and based on the CEO's full salary.

The CEO pay ratio is broadly in line with the ratio last year. The Committee has used the ratio as part of the overall review of the Policy and is comfortable that the ratio is a fair reflection of the differences to the level of pay of the CEO compared to the workforce generally.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY24	Option A	7.6:1	13.2:1	17.7:1
FY23	Option A	6.6:1	12.6:1	19.2:1
FY22	Option A	7:1	12.7:1	17.2:1
FY21	Option A	7:1	9:1	19:1
FY20	Option A	8:1	17:1	34:1

The total pay for the individuals identified at the Lower quartile, Median and Upper quartile positions are set out below:

	FY24
	Total Pay
Upper quartile	£162,687
Median	£93,572
Lower quartile	£70,014

Annual percentage change in remuneration of Directors and employees

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for all the Directors compared with the average percentage change for employees.

	FY23/FY24			FY22/FY23			FY21/FY22			FY20/FY21		
Directors	Salary/fee	Benefits	Annual Bonus	Salary/fee	Benefits	Annual Bonus	Salary/fee	Benefits	Annual Bonus	Salary/fee	Benefits	Annual Bonus
Executive Directors												
Allan Lockhart	3%	13%	-15%	0%	50%	10%	0%	18%	369%	0%	0%	100%
Will Hobman[1]	3%	18%	-15%	0%	33%	9%	N/A	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors												
Margaret Ford	3%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A
Alastair Miller	3%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A
Charlie Parker	3%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A
Colin Rutherford	3%	N/A	N/A	0%	N/A	N/A	6%	N/A	N/A	0%	N/A	N/A
Dr Karen Miller[2]	3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Employees[3]	6%	12%	-8%	5%	37%	6%	5%	20%	96%	0%	0%	100%

1. Will Hobman was appointed to the Board on 20 August 2021 for ease of comparison, we have compared his pay on a pro-rated basis.
2. Dr Karen Miller was appointed to the Board on 30 May 2022. For ease of comparison, we have compared her pay on a pro-rated basis
3. All employees are used as there are no employees of the listed parent company.
4. Lynn Fordham was appointed to the Board on 21 March 2024. As a result, she has been excluded form the table above.

Relative importance of spend on pay

The table below shows employee pay and distributions to shareholders for FY24 and FY23.

	FY24 £'000	FY23 £'000	% difference from prior year
Total spend on employee pay[1]	**6,645**	6,292	5.3%
Total distributions to shareholders	**20,272**	20,863	(2.8%)
Share Buy Backs	–	–	0%

1. Includes salaries, bonuses, social security costs and pension costs as shown in the notes to the Financial Statements.

Implementation of the Policy in FY25

The section below sets out the implementation of the Remuneration Policy in FY25. There are no significant changes in the implementation of the Policy.

Salaries and fees

The base salaries for FY25 are set out below:

Executive	Salary for FY24	Salary for FY25	% increase
Allan Lockhart - Chief Executive Officer	£484,100	**£498,623**	3%
Will Hobman - Chief Financial Officer	£334,750	**£344,792**	3%

The Committee also reviewed the Chair fees and the Board (minus the Non-Executive Directors) reviewed the Non-Executive Director fees and concluded that there should be a 3% increase to base fees and Committee Chair Fees. There was no change to the Chair fees due to the change in Chair. The fees for the Chair and Non-Executive Directors in FY25 are set out below:

Director	Fees for FY24	Fees for FY25	% increase
Chair	£164,800	**£164,800**	0%
Basic fee for a Non-Executive Director	£51,500	**£53,045**	3%
Additional fee for serving as Chairman of the Audit and Remuneration Committees	£7,725	**£7,957**	3%
Additional fee for serving as the Senior Independent Non-Executive Director	£7,725	**£7,957**	3%

Annual bonus

The annual bonus will operate as laid out in the Remuneration Policy. Executive Directors will have the opportunity to earn a bonus up to a normal maximum of 125% of salary.

In line with FY24, the bonus will be based on financial and corporate measures (75%) as well as personal strategic objectives (25%). At the time of writing the measures and weightings have not been finalised, but will be disclosed in full in next year's report, along with the targets, performance against them and resultant payouts.

Long-term incentives - Performance Share Plan

The Committee intends to grant LTIP awards to Executive Directors of 100% of salary. The extent to which the LTIP awards will vest will be determined by the performance measures listed below.

Measure	Weighting	Threshold 25% of maximum	Target 75% of maximum	Stretch 100% of maximum
Relative TSR vs UK REIT peer group	60%	Median	62.5 percentile	Upper Quartile
Relative TAR vs UK REIT peer group	40%	Median	62.5 percentile	Upper Quartile

Awards must be held by Executive Directors for a further two years after vesting.

Signed on behalf of the Board

Alastair Miller
Committee Chair

20 June 2024

Directors' Report

The Directors present their report together with the audited consolidated financial statements and the report of the auditor for the year ended 31 March 2024.

Kerin Williams
Company Secretary

20 June 2024

Principal activities and status

NewRiver REIT plc (the "Company") is a premium listed REIT on the London Stock Exchange. The Company is a specialist real estate investor, asset manager and developer focused solely on the UK retail sector. Details of the Group's principal subsidiary undertakings are set out on pages 186 to 187.

Governance

The Financial Reporting Council published a revised UK Corporate Governance Code in July 2018 (the Code). Further information on the Code can be found on the Financial Reporting Council's website at: www.frc.org.uk. The Company's Statement on Governance can be found on page 106.

Results and dividend

The Directors have proposed a final dividend of 3.2 pence per share. Together with the interim dividend of 3.4 pence, the total dividend for FY24 is 6.6 pence. The final dividend is payable on 16 August 2024 to shareholders on the register as at 5 July 2024. 3.2 pence will be paid as a PID net of withholding tax where appropriate. The Company will be offering a scrip dividend alternative. A dividend of 6.7 pence per share was paid in FY23.

The Board

The Directors, who served throughout the year unless stated otherwise, are detailed below:

	Service in the year 31 March 2024
Margaret Ford	Served throughout the year
Lynn Fordham	Appointed 21 March 2024
Allan Lockhart	Served throughout the year
Will Hobman	Served throughout the year
Alastair Miller	Served throughout the year
Karen Miller	Served throughout the year
Charlie Parker	Served throughout the year
Colin Rutherford	Served throughout the year

Margaret Ford stepped down from the Board on 30 May 2024. Unless stated otherwise the rest of the Directors were in office during the year and up to the date of signing the financial statements. The roles and biographies of the Directors in office as at the date of this report are set out on pages 108 to 109.

Additional Information

The Strategic Report is set out on pages 2 to 103 and is incorporated into the Directors' Report by reference. Additional information which is incorporated by reference into this Directors' Report, including information required in accordance with the Companies Act 2006 and the Listing Rule 9.8.4R of the UK Financial Conduct Authority's Listing Rules, can be located as follows:

	Page numbers
s.172 statement	Page 57
Staff, culture and employee involvement	Staff - pages 56 to 58 and 111
Directors' interests	Pages 140 to 143 of the Directors' Remuneration Report
Stakeholder engagement	Strategic Report - pages 56 to 65, Governance Report - page 112,113 and 117
Environmental policy	ESG Report - pages 66 to 92
Greenhouse gas emissions	ESG Report - page 73
Future business developments	Strategic Report - pages 2 to 101
Financial risk management objectives and policies	Pages 93 to 101 and pages 178 to 181
Going concern	Page 102 and 160
Viability statement	Page 102
Governance report	Pages 104 to 149
Diversity	Pages 59, 82, 121 and 122
Listing rule:	
9.8.4R (1)(2) (5-14)(B)	Not applicable
9.8.4R (4)	Long-Term Incentive Plans - pages 140 to 142
9.8.6R (9) & LR 14.3.33R(1)	Page 122

Powers of Directors

Subject to the Company's Articles of Association, UK legislation and any directions given by special resolution, the business of the Company is managed by the Board, which may exercise all the powers of the Company.

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. It also sets the Group's strategic aims, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and review management performance. The Board also sets the Group's values, standards and culture. Further details on the Board's role can be found in the Corporate Governance Report on pages 104 to 145.

Directors' interests

Details of the Directors' share interests can be found in the Directors' Remuneration Report on pages 140 to 143. All related party transactions are disclosed in note 26 to the financial statements.

Directors' indemnification and insurance

The Company's Articles of Association provide for the Directors and officers of the Company to be appropriately indemnified, subject to the provisions of the Companies Act 2006. Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 March 2024 and remain in force at the date of signing this report. The Company purchases and maintains insurance for the Directors and officers of the Company in performing their duties, as permitted by section 233 Companies Act 2006. This insurance has been in place during the year and remains in place at the date of signing this report.

Articles of Association

The Company's latest Articles of Association were adopted at the 2021 AGM. The rules governing the appointment and replacement of Directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by shareholders in accordance with legislation in force from time to time. A copy of the Company's Articles of Association can be found on the Company's website, www.nrr.co.uk.

Significant interests

The table below shows the interests in shares notified to the Company in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority. As at 31 March 2024 and as at 18 June 2024 (being the latest practicable date prior to publication of the Annual Report):

As at 31 March 2024

Shareholder	Number of shares	% of issued Share Capital
FIL Limited	31,286,771	10.11%
Premier Miton	15,803,355	5.07%
BlackRock Inc	15,553,726	5.00%
IntegraFin Holdings	15,623,426	4.99%
M&G Plc	15,404,761	4.99%
Farringdon Capital Management	11,909,919	3.83%

As at 18 June 2024

Shareholder	Number of shares	% of issued Share Capital
FIL Limited	38,096,001	12.27%
Premier Miton	15,803,355	5.07%
M&G Plc	15,404,761	4.99%
IntegraFin Holdings	15,623,426	4.99%
Farringdon Capital Management	11,909,919	3.83%

Internal controls review

Taking into account the principal risks, emerging risks and the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board, the Directors:

- are satisfied that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems and no significant failings were identified.

Branches outside the UK

The Company has no branches outside the UK.

Financial instruments

The Group's exposure to, and management of, capital risk, market risk and liquidity risk is set out in note 24 to the Group's financial statements.

Share capital structure

As at 31 March 2024, the Company's issued share capital consisted of 313,686,292 ordinary shares of one penny each. No shares are held in treasury. During FY23 Computershare Trustees (Jersey) Limited, as Trustee of the NewRiver REIT plc Employee Benefit Trust (the EBT), completed an EBT Share Purchase Programme to satisfy existing, planned and anticipated exercises under the NewRiver employee share schemes. The EBT purchased 3,411,259 shares in total. As at 31 March 2024 the EBT held 3,317,219 ordinary shares. Therefore, the total number of voting rights in the Company is 310,369,073. Further details of the share capital, including changes throughout the year are summarised in note 22 of the financial statements.

Ordinary shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands, every shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which he or she is the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

There are no restrictions on the transfer of shares except the UK Real Estate Investment Trust restrictions. The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights.

Authority for the Company to purchase its own shares

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase. At the Annual General Meeting held in 2023, shareholders authorised the Company to make purchases (within the meaning of section 693 of the Companies Act 2006) of the Company's ordinary shares, up to a maximum of 10% of the issued share capital at that time, as well as the allotment of new shares within certain limits approved by shareholders. The Company has not repurchased any of its ordinary shares under this authority, which is due to expire at the AGM in 2024 and appropriate renewals will be sought.There are no securities of the Company carrying special rights with regards to the control of the Company in issue.

Change of control - significant agreements

The Company was not party to any significant contracts that are subject to change of control permissions in the event of a change of control, but other agreements may alter or terminate upon such an event.

Compensation for loss of office in the event of a takeover

The Company does not have any agreements with any Executive Director or employee that would provide compensation for loss of office or employment resulting from a takeover except that the Group's incentive plans and share plans contain provisions relating to termination of employment. Further information is provided in the Summary of the Directors' Remuneration Policy set out on pages 132 to 133.

Auditor

Following a formal audit tender process PricewaterhouseCoopers LLP will be stepping down as auditor in June 2024. The Board has recommended the appointment of Mazars to replace PricewaterhouseCoopers LLP as the Company's auditor for the shareholders to vote upon at the Annual General Meeting in August 2024.

Annual General Meeting

The Annual General Meeting will be held on 5 August 2024. At the meeting, resolutions will be proposed to receive the Annual Report and financial statements, approve the Directors' Remuneration Report, re-elect Directors and appoint an auditor and authorise the Audit Committee to determine the remuneration of the auditor. In addition, it will be proposed that expiring authorities to allot shares and to repurchase shares are extended. An explanation of the resolutions to be put to the shareholders at the 2024 AGM and the recommendations in relation to them will be set out in the 2024 AGM Notice.

Political donations

No political donations were made by the Company or its subsidiaries during the year (2023: Nil).

The Directors' Report was approved by the Board of Directors on 20 June 2024.

By Order of the Board

Kerin Williams

Company Secretary

20 June 2024

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

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

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

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

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

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

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

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

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

In the case of each Director in office at the date the Directors' report is approved:

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

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By Order of the Board

Lynn Fordham
Non-Executive Chair

20 June 2024

Independent auditors' report to the members of NewRiver REIT plc

Report on the audit of the financial statements

Opinion

In our opinion:

- NewRiver REIT plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2024 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2024; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Group financial statements as a whole and the Company stand alone financial statements, taking into account the structure of the Group, the accounting processes and controls and the industry in which the Group operates.

Key audit matters

- Valuation of investment properties (Group)
- Valuation of investment in subsidiaries (Company)

Materiality

- Overall Group materiality: £7.6m (2023: £7.8m) based on 1% of Group total assets.
- Specific Group materiality: £1.1m (2023: £1.2m), based on 5% of Group EPRA earnings
- Overall Company materiality: £8.2m (2023: £8.1m) based on 1% of Company total assets.
- Performance materiality: £5.7m (2023: £5.8m) (Group), specific Group performance materiality £0.9m (2023: £0.9m) and Company performance materiality £6.2m (2023: £6.1m) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter

Valuation of investment properties (Group)

Refer to Audit Committee Report, Note 1 – Accounting policies, Note 2 – Critical accounting judgements and estimates, Note 14 – Investment properties and Note 16 – Investment in associates.

The Group owns and manages a portfolio of commercial assets within the UK with a focus on shopping centres and retail parks. The total value of the portfolio as at 31 March 2024, excluding right of use investment property assets but including assets held on a proportionally consolidated basis within associates (2023: joint ventures and associates), was £543.8 million (2023: £593.6 million), of which £533.8m is held within subsidiaries and £10.0m is held within associates.

This was identified as a key audit matter given the valuation of the portfolio is inherently subjective and complex due to, among other factors, the individual nature of each property, its location, and the expected future rental streams for that particular property, together with considerations around the impact of climate change. The wider challenges facing the retail real estate market, including changing consumer habits and the impact of macroeconomic factors, further contributed to the subjectivity for the year ended 31 March 2024. The valuations were carried out by external valuers, Colliers, Knight Frank and Kroll, in accordance with RICS Valuation – Professional Standards and the Group's accounting policies which incorporate the requirements of International Accounting Standard 40 'Investment Property' and IFRS 13 'Fair value measurement'.

The properties' fair value is primarily determined by their investment value reflecting the fact that the properties are largely existing operational properties currently generating rental income.

In determining the valuation of investment property, the valuers consider property specific information such as the current tenancy agreements and rental income. They then apply judgemental assumptions such as estimated rental value ('ERV') and yield, which are influenced by prevailing market yields and, where appropriate, comparable market transactions to arrive at the final valuation. Due to the unique nature of each property, the judgemental assumptions to be applied are determined having regard to the individual property characteristics at a detailed tenant by tenant level, as well as considering the qualities of the property.

Given the material size of the investment property assets and the level of estimation involved, we considered this to be a key audit matter for the Group.

Given the inherent subjectivity in the valuation of investment properties, the need for deep market knowledge when determining the most appropriate assumptions and the technicalities of the valuation methodology, we engaged our internal valuation experts, who are qualified chartered surveyors, to assist us in our audit of this matter.

Assessing the valuers' expertise and objectivity

We assessed the external valuers' qualifications and expertise and read their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity, such as the length of their relationship with the Group, or that may have imposed scope limitations on their work. We also considered fee arrangements between the external valuers and the Group, and other engagements which might exist between the Group and the valuers. We found no evidence to suggest that the objectivity of the external valuers in their performance of the valuations was compromised.

Data provided to the valuers

We checked the accuracy of the underlying lease data and capital expenditure used by the external valuers in their valuation of the portfolio by tracing the data back to the relevant accounting records and signed leases on a sample basis. No exceptions were identified from this work.

Assumptions and estimates used by the valuers

We read the external valuation reports and confirmed that the valuation approach for each was in accordance with RICS standards and suitable for use in determining the final value for the purpose of the financial statements. We held discussions with the external valuers to discuss and challenge the valuation process, the key assumptions, including any special assumptions and the rationale behind the more significant valuation movements during the year. It was evident from our interaction with the external valuers and from our review of the valuation reports, that close attention had been paid to the individual characteristics of each property, such as the overall quality of the tenant base, latest leasing activity and geographic location, depending on the type of asset being valued. We also challenged the external valuers on the extent to which recent market transactions and expected rental values took into account the potential impact of climate change and related ESG considerations. We obtained details of each property and set an expected range for yield and capital value movement, determined by reference to published benchmarks and using our experience and knowledge of the market. We compared the yield and capital value movement of each property with our expected range. We also considered the reasonableness of other assumptions that are not so readily comparable with published benchmarks, such as ERV. When assumptions were outside of the expected range, or where the capital value for an asset was above a set monetary threshold, we undertook further investigations and, when necessary, obtained corroborating evidence to support the explanations received. This enabled us to assess the property specific factors that had an impact on the value, including recent comparable transactions where appropriate, to conclude on the reasonableness of the assumptions utilised.

Overall findings

We found that the key valuation assumptions and movements in the valuations were predominantly consistent with comparable benchmarking information for the asset type. Assumptions were applied appropriately, reflected comparable market transactions, where available, and included consideration of the impact of climate change and a range of other external factors. Where assumptions did not fall within our expected range, we were satisfied that the variances were due to property specific factors. We concluded that the valuations were supportable in light of these factors. We have no matters to report in respect of this work.

Valuation of investment in subsidiaries (Company)

Refer to Note A – Accounting policies and Note B – Investment in subsidiaries.

The Company holds investment in subsidiaries amounting to £321.9 million as at 31 March 2024 (2023: £323.9 million). The Company's accounting policy is to hold its investment in subsidiaries at cost less provision for cumulative impairments. The Company has recognised a net impairment of £2.0 million (2023: impairment of £6.0 million).

Given the material size of the investment, the net investment impairment and the level of estimation involved, we considered this to be a key audit matter for the Company.

We obtained the Company's assessment of the valuation of investment in subsidiaries as at 31 March 2024 and performed the following:

- Assessed the accounting policy for investment in subsidiaries and verified that the methodology used by the Directors in arriving at the valuation of each subsidiary was compliant with FRS 101 "Reduced Disclosure Framework";
- Identified the key judgement within the valuation of investment in subsidiaries to be the valuation of investment properties. For details on our work on property valuations, refer to the key audit matter above;
- Verified that the carrying values of investment properties had been appropriately included in the assessment of the valuation of investment in subsidiaries; and
- Verified that the net impairment recognised had been appropriately calculated with reference to the initial carrying value of the investment in subsidiaries and the recoverable amount.

Based on the work performed, we concur with the valuation of the investment in subsidiaries. We evaluated the disclosures in the financial statements and found these to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group owns and manages a portfolio of commercial assets within the UK with a focus on shopping centres and retail parks across the United Kingdom. These are held within a variety of subsidiaries and associates. We have identified a single component that makes up the Group. The single component was subject to a full scope audit using our adopted materiality thresholds and all of the work was performed by the Group team. These procedures, together with additional procedures performed at the Group level (including audit procedures over the consolidation and consolidation adjustments), gave us the evidence we needed for our opinion on the Group financial statements as a whole. In respect of the audit of the Company, the Group audit team performed a full scope statutory audit.

The impact of climate risk on our audit

As part of our audit we also made enquiries of management and its valuation experts to understand the process they have adopted to assess the potential impact of climate change on the business.

Management considers that climate change does not give rise to a material financial statement impact in the current year. We used our knowledge of the Group to evaluate management's assessment and concluded this was reasonable. We particularly considered how climate change risks could impact the assumptions made in the valuation of investment property. We also considered the consistency of the climate change disclosures included in the Annual Report, drawing on our knowledge of the business gained through the audit process.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£7.6m (2023: £7.8m).	£8.2m (2023: £8.1m).
How we determined it	1% of Group total assets	1% of Company total assets
Rationale for benchmark applied	We determined materiality based on total assets given the valuation of investment properties, whether held directly or through associates, is the key determinant of the Group's value. This materiality was used in the audit of investing and financing activities	Given the NewRiver REIT plc entity is primarily a holding Company we determined total assets of the Company to be the appropriate benchmark.
Specific materiality	£1.1m (2023: £1.2m)	Not applicable
How we determined it	5% of the Group's 2024 EPRA earnings (2023: 5% of the Group's 2023 EPRA earnings)	Not applicable
Rationale for benchmark applied	In arriving at this materiality, we had regard to the fact that EPRA earnings are a secondary financial indicator of the Group (refer to note 12 of the financial statements which includes a reconciliation between IFRS and EPRA earnings). This materiality was used in the audit of operating activities	Not applicable

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £5.7m (2023: £5.8m) for the Group financial statements and Company performance materiality £6.2m (2023: £6.1m) for the Company financial statements. Our performance materiality for operating activities was 75% of specific materiality, amounting to £0.9m (2023: £0.9m) for the Group financial statements

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.4m (Group audit) (2023: £0.4m) for investing and financing activities, £0.1m (Group audit) (2023: £0.1m) for operating activities and £0.8m (Company audit) (2023: £0.8m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- We agreed the underlying cash flow projections to Board approved forecasts and assessed how these forecasts were compiled. We compared the prior year forecasts to actual performance to assess management's ability to forecast accurately;
- We evaluated the key assumptions within the projections, namely forecast property valuations and the levels of forecast net income, under both a base scenario and reasonable worst case scenario. We considered whether the reasonable worst case scenario included appropriate sensitivities to factor in severe but plausible variances from the base scenario in respect of both forecast property valuations and net income;
- We examined the minimum committed facility headroom under the base and reasonable worst case scenarios, and evaluated whether the Directors' conclusion, that sufficient liquidity headroom existed to continue trading operationally throughout a period of at least 12 months from the date of approval of these financial statements, was appropriate;
- We reviewed the terms of financing agreements to determine whether forecast covenant calculations were in line with those agreements and to determine whether the maturity profile of the debt included within the projections was accurate;
- We obtained and reperformed the Group's forecast covenant compliance calculations, under both the base and reasonable worst case scenarios to assess the Directors' conclusions on covenant compliance; and
- We reviewed the disclosures relating to the going concern basis of preparation and we found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Remuneration Committee Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK FCA Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation including the Real Estate Investment Trust (REIT) requirements and the UK Companies Act 2006 requirements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Designing audit procedures to incorporate unpredictability into our testing;
- Evaluation of the Group's compliance with the REIT requirements;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of investment property (see related key audit matter above);
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Remuneration Committee Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 4 July 2019 to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement is five years, covering the years ended 31 March 2020 to 31 March 2024.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Robert Wilkinson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 June 2024

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	Year ended 31 March 2024 Operating and financing 2024 £m	Fair value adjustments 2024 £m	Total 2024 £m	Year ended 31 March 2023 Operating and financing 2023 £m	Fair value adjustments 2023 £m	Total 2023 £m
Revenue	4	**65.0**	**–**	**65.0**	72.2	–	72.2
Property operating expenses*	5	**(20.9)**	**–**	**(20.9)**	(25.1)	–	(25.1)
Net property income		**44.1**	**–**	**44.1**	47.1	–	47.1
Administrative expenses	6	**(12.4)**	**–**	**(12.4)**	(12.6)	–	(12.6)
Other income	7	**0.4**	**–**	**0.4**	1.4	–	1.4
Share of profit from joint ventures	15	**0.5**	**–**	**0.5**	2.4	0.6	3.0
Share of profit from associates	16	**0.3**	**–**	**0.3**	0.1	0.2	0.3
Net property valuation movement	14	**–**	**(13.9)**	**(13.9)**	–	(38.2)	(38.2)
Loss on disposal of joint venture	8	**(2.3)**	**–**	**(2.3)**	–	–	–
Loss on disposal of investment properties	9	**(3.8)**	**–**	**(3.8)**	(3.8)	–	(3.8)
Operating profit/(loss)		**26.8**	**(13.9)**	**12.9**	34.6	(37.4)	(2.8)
Finance income	10	**5.4**	**–**	**5.4**	1.4	–	1.4
Finance costs	10	**(15.3)**	**–**	**(15.3)**	(15.4)	–	(15.4)
Profit/(loss) for the year before taxation		**16.9**	**(13.9)**	**3.0**	20.6	(37.4)	(16.8)
Taxation	11	**–**	**–**	**–**	–	–	–
Profit/(loss) for the year		**16.9**	**(13.9)**	**3.0**	20.6	(37.4)	(16.8)
Total comprehensive profit/(loss) for the year				**3.0**			(16.8)
There are no items of other comprehensive income for the current or prior year							
Earnings/(loss) per share							
Basic (pence)	12			**1.0**			(5.4)
Diluted (pence)	12			**1.0**			(5.4)

* Included in property operating expenses is an expected credit loss reversal of £nil (2023: £0.1 million) relating to debtors.

The notes on pages 160 to 182 form an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Investment properties	14	**608.7**	627.3
Right of use asset	21	**0.7**	0.9
Investments in joint ventures	15	**0.1**	23.8
Investments in associates	16	**5.6**	5.5
Property, plant and equipment		**0.3**	0.4
Total non-current assets		**615.4**	657.9
Current assets			
Trade and other receivables	17	**11.4**	15.0
Cash and cash equivalents	18	**132.8**	108.6
Total current assets		**144.2**	123.6
Total assets		**759.6**	781.5
Equity and liabilities			
Current liabilities			
Trade and other payables	19	**26.3**	29.5
Lease liability	21	**0.4**	0.4
Total current liabilities		**26.7**	29.9
Non-current liabilities			
Lease liability	21	**75.2**	76.3
Borrowings	20	**296.6**	296.7
Total non-current liabilities		**371.8**	373.0
Net assets		**361.1**	378.6
Equity			
Share capital	22	**3.1**	3.1
Share premium	22	**4.0**	2.4
Merger reserve	22	**(2.3)**	(2.3)
Investment in own shares	22	**(3.0)**	–
Retained earnings	22	**359.3**	375.4
Total equity		**361.1**	378.6
Net Asset Value (NAV) per share (pence)			
Basic	12	**116p**	122p
Diluted	12	**115p**	121p
EPRA NTA	12	**115p**	121p

The notes on pages 160 to 182 form an integral part of these financial statements.

The financial statements on pages 156 to 182 were approved by the Board of Directors on 20 June 2024 and were signed on its behalf by:

Allan Lockhart
Chief Executive Officer

Will Hobman
Chief Financial Officer

Registered number: 10221027

Consolidated Cash Flow Statement

For the year ended 31 March 2024

	2024 £m	2023 £m
Cash flows from operating activities		
Profit / (loss) for the year before taxation	3.0	(16.8)
Adjustments for:		
Loss on disposal of investment property	3.8	3.8
Net valuation movement	13.9	38.2
Net valuation movement in joint ventures	–	(0.6)
Net valuation movement in associates	–	(0.2)
Share of profit from joint ventures	(0.5)	(2.4)
Share of profit from associates	(0.3)	(0.1)
Loss on disposal of joint venture	2.3	–
Net interest expense	9.9	14.0
Rent free lease incentives	0.1	0.2
Movement in expected credit loss	–	(0.1)
Capitalisation of legal and letting fees	(0.3)	(0.1)
Depreciation on property plant and equipment	0.3	0.8
Share-based payment expense	1.5	0.9
Cash generated from operations before changes in working capital	33.7	37.6
Changes in working capital		
Decrease in trade and other receivables	1.1	3.0
Decrease in payables and other financial liabilities	(3.1)	(4.3)
Cash generated from operations	31.7	36.3
Interest paid	(15.1)	(14.1)
Interest income*	5.0	1.2
Dividends received from joint ventures	0.9	3.2
Dividends received from associates	0.2	0.4
Net cash generated from operating activities	22.7	27.0
Cash flows from investing activities		
Return of investment from associate	–	2.3
Disposal proceeds from joint venture	21.0	–
Disposal of investment properties	8.7	19.5
Development and other capital expenditure	(6.1)	(2.9)
Purchase of plant and equipment	–	(0.1)
Net cash generated from investing activities	23.6	18.8
Cash flows from financing activities		
Repayment of principal portion of lease liability	(0.4)	(0.4)
Purchase of own shares	(3.0)	–
Dividends paid – ordinary	(18.7)	(19.6)
Net cash used in financing activities	(22.1)	(20.0)
Cash and cash equivalents at beginning of the year	108.6	82.8
Net increase in cash and cash equivalents	24.2	25.8
Cash and cash equivalents at 31 March	132.8	108.6

* Interest income has been reclassified from investing activities to operating activities in both the current and prior year as a result of a change in accounting policies, see note 1 to the accounts

The notes on pages 160 to 182 form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

For the year ended 31 March 2024

	Notes	Share capital £m	Share premium £m	Merger reserve £m	Investment in own shares £m	Retained earnings £m	Total £m
As at 1 April 2022		3.1	1.1	(2.3)	–	412.2	414.1
Loss for the year after taxation		–	–	–	–	(16.8)	(16.8)
Total comprehensive loss for the year after taxation		–	–	–	–	(16.8)	(16.8)
Transactions with equity holders							
Issue of new shares		–	1.3	–	–	–	1.3
Share-based payments		–	–	–	–	0.9	0.9
Dividends paid	13	–	–	–	–	(20.9)	(20.9)
As at 31 March 2023		**3.1**	**2.4**	**(2.3)**	**–**	**375.4**	**378.6**
Profit for the year after taxation		**–**	**–**	**–**	**–**	**3.0**	**3.0**
Total comprehensive profit for the year after taxation		**–**	**–**	**–**	**–**	**3.0**	**3.0**
Transactions with equity holders							
Issue of new shares		**–**	**1.6**	**–**	**–**	**–**	**1.6**
Purchase of own shares	22	**–**	**–**	**–**	**(3.0)**	**–**	**(3.0)**
Share-based payments		**–**	**–**	**–**	**–**	**1.2**	**1.2**
Dividends paid	13	**–**	**–**	**–**	**–**	**(20.3)**	**(20.3)**
As at 31 March 2024		**3.1**	**4.0**	**(2.3)**	**(3.0)**	**359.3**	**361.1**

The notes on pages 160 to 182 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1. Accounting policies

General information

NewRiver REIT plc (the 'Company') and its subsidiaries (together the 'Group') is a property investment group specialising in commercial real estate in the UK. The Company is registered and domiciled in the UK and the registered office of the Company is 89 Whitfield Street, London, W1T 4DE.

Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

Basis of preparation

These consolidated financial statements have been prepared on the going concern basis, in accordance with UK-adopted International Accounting Standards and within the requirements of the Companies Act 2006.

Going concern

The Group and Company's going concern assessment considers the Group and Company's principal risks, and is dependent on a number of factors, including cashflow and liquidity, continued access to borrowing facilities and the ability to continue to operate the Group and Company's unsecured debt structure within its financial covenants. The Group and Company's balance sheet is unsecured, which means that none of its debt is secured against any of its property assets. This type of financing affords significant operational flexibility and the only debt currently drawn by the Group is the £300 million unsecured corporate bond which matures in March 2028. This bond has financial covenants that the Group is required to comply with including an LTV covenant of less than 65% and a 12 month historical interest cover ratio of more than 1.5x.

The going concern assessment is based on a 12 month outlook from the date of the approval of these financial statements, using the Group and Company's Board approved budget, flexed to create a reasonable worst case scenario, which includes the key assumptions listed below.

- Capital values to decrease a further 5.0% during FY25 and remain flat throughout the remainder of the forecast horizon, in contrast to the decline of (2.3)% across the portfolio in FY24, the majority of which related to the impact of cost inflation on valuations for the regeneration portfolio or out Work Out portfolio, which we are committed to exit or turnaround, with modest growth recorded across our Core Shopping Centres and Retail Parks;
- A 15% reduction in net income. This reflects a significant downside given rent collection rates have now stabilised at 99% for FY24 and FY23 rental billings, back to pre-Covid levels, and occupancy rates have reached their highest ever levels at 98%;
- No disposal proceeds are assumed throughout the forecast period which have not yet completed at the time of reporting, despite the completion of £23 million of disposals during FY23 and £38 million during FY24 and £3 million of retail disposals completed post year end. Similarly no assumption is made for the deployment of any surplus capital available as at 31 March 2024 and the growth and returns that would generate;

Under this scenario, the Group and Company is forecast to maintain sufficient cash and liquidity resources and remain compliant with its financial covenants over the going concern period. Further stress testing was performed on this scenario which demonstrated that the Group and Company's drawn debt covenants could absorb a further valuation decline of 46% or a further 57% reduction in annual net rental income before breaching covenant levels. The Group and Company maintains sufficient cash and liquidity reserves to continue in operation and pay its liabilities as they fall due throughout the going concern assessment period and as such the Directors conclude a going concern basis of preparation is appropriate

Cash flow statement

The Group has reported the cash flows from operating activities using the indirect method. The acquisition of properties are presented within investing cash flows and interest paid is presented within operating cash flows because this most appropriately reflects the Group's business activities. Interest received had previously been presented within investing cash flows but have been re-classified as operating cash flows as this better reflects the operations of the Group.

Preparation of the consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries controlled by the Company, made up to 31 March each year. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

The consolidated financial statements account for interest in joint ventures and associates using the equity method of accounting per IFRS 11 and IAS 28 respectively. The financial statements for the year ended 31 March 2024 have been prepared on the historical cost basis, except for the revaluation of investment properties.

New accounting policies

The Group has adopted the following amendments for the first time in the year ended 31 March 2024:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax – Related to assets and liabilities arising from a single transactions (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Insurance contracts – (Amendments to IFRS 17)

Adopting these amendments has not impacted amounts recognised in prior periods or are expected to have a material impact on the current period or future periods based on the Group's current strategy. The accounting policies used are otherwise consistent with those contained in the Group's previous Annual Report and Accounts for the year ended 31 March 2023, unless otherwise stated.

Standards and amendments issued but not yet effective

A number of new amendments have been issued but are not yet effective for the current accounting period.

Effective for the year ended 31 March 2025;

- Leases on sale and leaseback (Amendment to IFRS 16)
- Non-current liabilities with covenants (Amendment to IAS 1)
- Supplier finance (Amendment to IAS 7 and IFRS 7)

No material impact is expected upon the adoption of these standards.

IFRIC Agenda Decision

In October 2022, the IFRS Interpretations Committee ('IFRIC') released its decision on the application of IFRS 9 and IFRS 16 in relation to how a lessor should account for the forgiveness of amounts due under leases. This concluded that for any rent receivables that are past their due dates and subsequently forgiven, the lessor should apply the expected credit loss (ECL) model in IFRS 9. Therefore, the forgiveness will be subject to the derecognition and impairment requirements in IFRS 9, and the impact of relevant receivable amounts written off reflected in the statement of comprehensive income on the date that the legal rights are conceded. Historically the Group has treated this as a lease modification spread over the remaining lease term. The Group is not materially impacted by this decision and therefore no restatement of the prior year comparative is required.

In March 2022, IFRIC finalised its decision with respect to the treatment of demand deposits with restriction on use, which includes tenant rent deposits and service charge amounts collected on behalf of tenants. It was concluded that such deposits which are subject to contractual restrictions, meet the definition of 'cash and cash equivalents' within the financial statements. In light of this the Group performed a review of amounts disclosed as 'restricted monetary assets' and tenant deposits and the conclusion was that the presentation of these as 'restricted monetary assets' as adopted previously was appropriate.

Revenue recognition

Property, rental and related income

Property, rental and related income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the entire lease term. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the expiry date of the lease.

Where a rent-free period is included in a lease, this is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Where a lease incentive payment or surrender premiums are paid to enhance the value of a property, these are amortised on a straight- line basis over the period from the date of lease commencement to the expiry date of the lease as a reduction of rental income. It is management's policy to recognise all material lease incentives and lease incentives greater than six months. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned, is accounted for from the effective date of the modification, being the date at which both parties agree to the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Letting costs are recognised over the lease term on a straight line basis as a reduction of rental income.

Service charge income

Service charge income is recognised in accordance with IFRS 15. This income stream is recognised in the period which it is earnt and when performance obligations are satisfied.

IFRS 15 is based on the principle that revenue is recognised when control passes to a customer. The majority of the Group's income is from tenant leases and is therefore outside of the scope of IFRS 15. However, the standard applies to service charge income. Under IFRS 15, the Group needs to consider the agent versus principal guidance. The Group is principal in the transaction if they control the specified goods or services before they are transferred to the customer. In the provision of service charge, the Group has deemed itself to be principal and therefore the consolidated statement of comprehensive income and the consolidated balance sheet reflect service charge income, expenses, trade and other receivables and trade and other payables.

Asset management fees

Management fees are recognised in the consolidated statement of comprehensive income as the services are delivered and performance obligations met. The Group assesses whether the individual elements of service in the agreement are separate performance obligations. Where the agreements include multiple performance obligations, the transaction price will be allocated to each performance obligation.

Car park income

Car park income is recognised in accordance with IFRS 15. This income stream is recognised in the period in which it is earnt and when performance obligations are satisfied.

Other income

Other income is recognised in accordance with IFRS 15. This income stream is recognised in the period in which it is earnt and when performance obligations are made. In the case of insurance other income, this is recognised upon agreement with the insurer.

Promote payments

The Group is contractually entitled to receive a promote payment should the returns from a joint venture or associate to the joint venture or associate partner exceed a certain internal rate of return. This payment is only receivable by the Group on disposal of underlying properties held by the joint venture or associate or other termination events. Any entitlements under these arrangements are only accrued for in the financial statements once the Group believes the above performance conditions have been met and there is no risk of the revenue reversing.

IFRS 15

All revenue streams under IFRS 15 allocate transaction price against performance obligations as they are satisfied. With the exception of asset management fees, IFRS 15 revenue streams do not carry variable consideration. There are no significant judgements in applying IFRS 15. There are no significant payment terms on any of the IFRS 15 revenue streams.

Service charge expense

Service charge expenses are recognised in the period in which they are incurred.

Finance income and costs

Finance income and costs excluding fair value derivative movements, are recognised using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Taxation

Income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the balance sheet. Tax is recognised in the consolidated statement of comprehensive income.

Deferred tax

Any deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply in the period when the liability is settled or the asset is realised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Investment properties

These properties include completed properties that are generating rent or are available for rent, and development properties that are under development or available for development. Investment properties comprise freehold and leasehold properties and are first measured at cost (including transaction costs), then revalued to market value at each reporting date by independent professional valuers. Leasehold properties are shown gross of the leasehold payables (and accounted for as right-of-use asset under IFRS 16, see Leases accounting policy). Valuation gains and losses in a period are taken to the consolidated statement of comprehensive income. As the Group uses the fair value model, as per IAS 40 Investment Properties, no depreciation is provided. An asset will be classified as held for sale within investment properties, in line with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, where the asset is available for immediate sale in its present condition and the sale is highly probable.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised over the useful lives of the equipment, using the straight-line method at a rate of between 10% to 25% depending on the useful life.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Fixtures and fittings 20% on a straight line basis depending on the useful life
- Office equipment 33% on a straight line basis

Joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. The Group's joint ventures are entities over which the Group has joint control with a partner. Investments in joint ventures are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment or share of income adjusted for dividends. In assessing whether a particular entity is controlled, the Group considers all of the contractual terms of the arrangement, whether it has the power to govern the financial and operating policies of the joint venture so as to obtain benefits from its activities, and the existence of any legal disputes or challenges to this joint control in order to conclude whether the Group jointly controls the joint venture.

Associates

Interests in associates are accounted for using the equity method of accounting. The Group's associates are entities over which the Group has significant influence with a partner. Investments in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associates, less any impairment or share of income adjusted for dividends. In assessing whether a particular entity is controlled or has significant influence, the Group considers all of the contractual terms of the arrangement, whether it has the power to govern the financial and operating policies of the associate so as to obtain benefits from its activities.

Leases

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset.

The Group recognises a right-of-use ("ROU") asset and the lease liability at the commencement date of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct costs and the cost of obligations to restore the asset, less any incentives received.

Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index).

Each lease payment is allocated between the liability and finance cost. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined or if not, the incremental borrowing rate is used. The finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period.

The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment. ROU assets that are not classified as investment properties are disclosed on the face of the consolidated balance sheet on their own line, and the lease liability included in the headings current and non-current liabilities on the consolidated balance sheet.

Where the ROU asset relates to leases of land or property that meets the definition of investment property under IAS 40 it has been disclosed within the investment property balance. After initial recognition, IAS 40 requires the amount of the recognised lease liability, calculated in accordance with IFRS 16, to be added back to the amount determined under the net valuation model, to arrive at the carrying amount of the investment property under the fair value model. Differences between the ROU asset and associated lease liability are taken to the consolidated statement of comprehensive income.

The Group has elected not to recognise ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for low value leases of less than £3,000. The payments for such leases are recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Financial instruments

Financial assets

The Group classifies its financial assets as fair value through profit or loss or amortised cost, depending on the purpose for which the asset was acquired and based on the business model test. Financial assets carried at amortised cost include tenant receivables which arise from the provision of goods and services to customers. These are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost, less provision for impairment. Impairment provisions for receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. The probability of tenant default and subsequent non-payment of the receivable is assessed. If it is determined that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. If in a subsequent year the amount of the impairment loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised costs at the reversal date. The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all risks and rewards of ownership.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit, deposits held on call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

Financial liabilities

The Group classifies its financial liabilities at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised costs using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

The financial instruments classified as financial liabilities at fair value through profit or loss include interest rate swap and cap arrangements. Recognition of the derivative financial instruments takes place when the contracts are entered into. They are recognised at fair value and transaction costs are included directly in finance costs.

The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets. The cost of issuing share capital is recognised directly in equity against the proceeds from issuing the shares.

Share-based payments
The cost of equity settled transactions is measured with reference to the fair value at the date at which they were granted. Where vesting performance conditions are non-market based, the fair value excludes the effect of these vesting conditions and an estimate is made at each year end date of the number of instruments expected to vest. The fair value is recognised over the vesting period in the consolidated statement of comprehensive income, with a corresponding increase in equity. Any change to the number of instruments with non-market vesting conditions expected to vest is recognised in the consolidated statement of comprehensive income for that period.

Employee Benefit Trust
The Group operates an Employee Benefit Trust for the exclusive benefit of the Group's employees. The investment in the Company's shares held by the trust is recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the shares held by the trust.

Dividends
Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved by equity holders.

Business combinations
The Group applies the acquisition method to account for business combinations. The cost of the acquisition is measured at the aggregate of the fair values, at the date of completion, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS are recognised at their fair value at the acquisition. Where the fair value of the consideration is less than the fair value of the identifiable assets and liabilities then the difference is recognised as a bargain purchase in the consolidated statement of comprehensive income.

Where properties are acquired through corporate acquisitions, each transaction is considered by management in light of the substance of the acquisition to determine whether the acquisition is a business combination or an asset acquisition. If a transaction is determined to be an asset acquisition then it is accounted for at cost.

2. Critical accounting judgements and estimates

The preparation of financial statements requires management to make estimates and judgements affecting the reported amounts of assets and liabilities, of revenues and expenses, and of gains and losses. The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Significant judgements

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

Sources of estimation uncertainty

Investment property
The Group's investment properties are stated at fair value. The assumptions and estimates used to value the properties are detailed in note 14. Small changes in the key estimates, such as yield and the estimated rental value, can have a significant impact on the valuation of the investment properties, and therefore a significant impact on the consolidated balance sheet and key performance measures such as Net Tangible Assets per share.

Rents and ERVs have a direct relationship to valuation, while yield has an inverse relationship. Estimated costs of a development project will inversely affect the valuation of development properties. There are interrelationships between all these unobservable inputs as they are determined by market conditions. The existence of an increase in more than one unobservable input could be to magnify the impact on the valuation, see note 14 for sensitivity analysis.

The estimated fair value may differ from the price at which the Group's assets could be sold. Actual realisation of net assets could differ from the valuation used in these financial statements, and the difference could be significant.

3. Segmental reporting

The Group operates as one segment, the retail business. The retail investments comprise predominantly shopping centres and retail parks. The Group's Executive Committee examines the Group's performance, and has identified retail as the only operating segment. The performance and position of the retail business is set out in the condensed consolidated statement of comprehensive income and condensed consolidated balance sheet. All the Group's operations are in the UK and therefore no geographical segments have been identified.

4. Revenue

	2024 £m	2023 £m
Property rental and related income*	**52.2**	58.2
Amortisation of tenant incentives and letting costs	**(1.5)**	(1.5)
Surrender premiums and commissions	**0.7**	0.6
Rental related income	**51.4**	57.3
Asset management fees	**2.5**	1.5
Service charge income	**11.1**	13.4
Revenue	**65.0**	72.2

* Included within property rental and related income is car park income of £5.4 million (2023: £5.3 million) which falls under the scope of IFRS 15. The remainder of the income is recognised by IFRS 16.

Asset management fees and service charge income which represents the flow through costs of the day-to-day maintenance of shopping centres fall under the scope of IFRS 15.

5. Property operating expenses

	2024 £m	2023 £m
Service charge expense	**15.1**	19.0
Rates on vacant units	**1.7**	2.7
Expected credit loss reversal	**–**	(0.1)
Other property operating expenses	**4.1**	3.5
Property operating expenses	**20.9**	25.1

6. Administrative expenses

	2024 £m	2023 £m
Wages and salaries	**5.6**	5.2
Social security costs	**0.9**	0.9
Other pension costs	**0.1**	0.1
Staff costs	**6.6**	6.2
Depreciation*	**0.3**	0.8
Share-based payments	**1.5**	1.1
Other administrative expenses	**4.0**	4.0
Head office relocation costs**	**–**	0.5
Administrative expenses	**12.4**	12.6

* Depreciation is inclusive of £0.2 million (2023: £0.2 million) of right of use asset depreciation and £nil (2023: £0.2 million) impairment of the right of use asset.

** Head office relocation costs mainly relate to an impairment charge relating to property, plant and equipment.

Net administrative expenses ratio is calculated as follows:

	2024 £m	2023 £m
Administrative expenses	**12.4**	12.6
Adjust for:		
Asset management fees	**(2.5)**	(1.5)
Share of joint ventures' and associates administrative expenses	**0.1**	0.1
Share based payments	**(1.5)**	(1.1)
Head office relocation costs	**–**	(0.5)
Group's share of net administrative expenses	**8.5**	9.6
Property rental and related income*	**52.3**	58.0
Other income – Covid-19 income disruption insurance	**0.4**	1.4
Share of joint ventures' and associates' property income	**1.5**	3.6
Property rental, other income and related income	**54.2**	63.0
Net administrative expenses as a % of property income (including share of joint ventures and associates)	**15.7%**	15.2%

* This balance is made up of property rental and related income £52.2 million (2023: £58.2 million) which includes an expected credit loss of £nil (2023: £0.1 million) and excludes the expected credit loss of £0.1 million on insurance (2023: £0.1 million reversal).

Average monthly number of staff

	2024	2023
Directors	7	7
Operations and asset managers	18	17
Support functions	27	27
Total	52	51

Auditors' remuneration

	2024 £m	2023 £m
Audit of the Company and consolidated financial statements	0.3	0.3
Audit of subsidiaries, pursuant to legislation	0.2	0.2
	0.5	0.5
Non-audit fees – interim review	0.1	0.1
Total fees	0.6	0.6

In addition to this the joint ventures and associates paid £0.1 million (2023: £0.1 million) in audit fees.

7. Other income

	2024 £m	2023 £m
Insurance proceeds	0.4	1.4
Other income	0.4	1.4

The Group recognised £0.4 million (2023: £1.4 million) of Covid income disruption insurance proceeds following agreement with the insurer.

8. Loss on disposal of a joint venture

Year ended 31 March 2024

On 27 June 2023, the Group disposed its 50% share in the 'Napier' joint venture which owned Kittybrewster Retail Park in Aberdeen and Glendoe and Telford Retail Parks in Inverness.

Included in the carrying value on disposal were investment properties of £32.2 million, cash of £1.3 million and third party debt of £(12.0) million.

	£m
Carrying value at 31 March 2023	23.6
Movement in the period 31 March 2023 to 27 June 2023	(0.3)
Carrying value at 27 June 2023	23.3
Net cash proceeds	21.0
Loss on disposal of a joint venture	(2.3)

The total cash consideration for the sale was £64.0 million which included £62.6 million (NewRiver share: £31.3 million) consideration for the value of the JV properties.

The total cash consideration was distributed as follows:

- £24.0 million used to repay the Napier Joint Venture bank loans;
- £3.0 million used to repay the shareholder loan owed to NewRiver (recognised as part of the Investment in Joint Venture carrying amount)

After the deduction of the above amounts and the settlement of various costs associated with the disposal, £18.0 million was received by NewRiver. Net proceeds of £21.0 million recognised by NewRiver include the £3.0 million repayment of the shareholder loan.

9. Loss on disposal of investment properties

	2024 £m	2023 £m
Gross disposal proceeds	**6.8**	20.0
Carrying value	**(10.2)**	(22.3)
Cost of disposal	**(0.4)**	(1.5)
Loss on disposal of investment properties	**(3.8)**	(3.8)

10. Finance income and finance costs

	2024 £m	2023 £m
Income from loans with joint ventures and associates	**(0.2)**	(0.3)
Income from treasury deposits	**(5.2)**	(1.1)
Finance income	**(5.4)**	(1.4)
Interest on borrowings	**12.7**	12.7
Finance cost on lease liabilities	**2.6**	2.7
Finance costs	**15.3**	15.4

11. Taxation

	2024 £m	2023 £m
Taxation charge	**–**	–
Profit/(loss) before tax	**3.0**	(16.8)
Tax at the current rate of 25% (2023: 19%)	**0.8**	(3.2)
Revaluation of property	**3.5**	7.3
Movement in unrecognised deferred tax	**1.1**	(0.2)
Non-taxable profit due to REIT regime	**(5.4)**	(4.4)
Non-taxable income	**–**	(0.4)
Transfer pricing adjustment	**–**	0.9
Taxation charge	**–**	–

Real Estate Investment Trust regime (REIT regime)

The Group is a member of the REIT regime whereby profits from its UK property rental business are tax exempt. The REIT regime only applies to certain property-related profits and has several criteria which have to be met. The main criteria are:

- the assets of the property rental business must be at least 75% of the Group's assets;
- the profit from the tax-exempt property rental business must exceed 75% of the Group's total profit and;
- at least 90% of the Group's profit from the property rental business must be paid as dividends.

The Group continues to meet these conditions and management intends that the Group should continue as a REIT for the foreseeable future.

Deferred tax

	31 March 2023 £m	Charge £m	Disposals £m	31 March 2024 £m
Net deferred tax	–	–	–	**–**

	31 March 2022 £m	Charge £m	Disposals £m	31 March 2023 £m
Net deferred tax	–	–	–	–

The deferred tax assets and liabilities have been calculated at the tax rate effective in the period in which the tax is expected to crystallise. The Group has not recognised a deferred tax liability or deferred tax asset. As at 31 March 2024 the Group has unrecognised tax losses of £9.4 million (2023: £13.1 million). The losses have not been recognised as an asset due to uncertainty over the availability of taxable income to utilise the losses. The losses do not expire but are reliant on continuity of ownership and source of trade.

12. Performance measures

A reconciliation of the performance measures to the nearest IFRS measure is below:

	2024 £m	2023 £m
Profit/(loss) for the year after taxation	3.0	(16.8)
Adjustments		
Net valuation movement	13.9	38.2
Loss on disposal of investment properties	3.8	3.8
Loss on disposal of joint venture	2.3	–
Group's share of joint ventures' and associates' adjustments		
Revaluation of investment properties	–	(0.8)
Revaluation of derivatives	(0.1)	(0.2)
Deferred tax	–	0.2
EPRA earnings	22.9	24.4
Share-based payment charge	1.5	1.1
Forward looking element of IFRS 9*	–	(0.2)
Head office relocation costs	–	0.5
Underlying Funds From Operations (UFFO)	24.4	25.8

* Forward looking element of IFRS 9 relates to a provision against debtor balances in relation to invoices relating to future rental income. These balances are not due in the current year and therefore no income has been recognised in relation to these debtors.

Number of shares

Number of shares	2024 No. m	2023 No. m
Weighted average number of ordinary shares for the purposes of Basic EPS, UFFO and EPRA	311.4	309.7
Effect of dilutive potential ordinary shares:		
Performance share plan	1.6	1.2
Deferred bonus shares	0.9	0.8
Weighted average number of ordinary shares for the purposes of Diluted EPS	313.9	311.7

	2024	2023
IFRS Basic EPS	1.0	(5.4)
IFRS Diluted EPS	1.0	(5.4)
EPRA EPS	7.4	7.9
UFFO PS	7.8	8.3

The below table reconciles the differences between the calculation of basic and EPRA NTA.

EPRA NTA per share and basic NTA per share:

	2024			2023		
	£m	Shares m	Pence per share	£m	Shares m	Pence per share
Net assets	361.1	310.8*	116p	378.6	310.7	122p
Unexercised employee awards	–	2.5		–	2.0	
Diluted net assets	361.1	313.3	115p	378.6	312.7	121p
Group's share of associates deferred tax liability	0.8	–		0.9	–	
Group's share of joint venture/associates fair value derivatives	(0.1)	–		(0.6)	–	
EPRA Net Tangible Assets	361.8	313.3	115p	378.9	312.7	121p

* Shares include 0.4 million of employee awards which have vested but remain unexercised.

13. Dividends

The dividends paid in the year are set out below:

Payment date	PID	Non-PID	Pence per share	£m
Year to March 2023				
Ordinary dividends				
3 September 2022	3.3	–	3.3	10.1
17 January 2023	3.5	–	3.5	10.8
				20.9
Year to March 2024				
Ordinary dividends				
4 August 2023	**3.2**	**–**	**3.2**	**9.8**
16 January 2024	**3.4**	**–**	**3.4**	**10.5**
				20.3

The final dividend of 3.2 pence per share in respect of the year ended 31 March 2024 will, subject to shareholder approval at the 2024 AGM, be paid on 16 August 2024 to shareholders on the register as at 5 July 2024. The dividend will be payable as a REIT Property Income Distribution (PID).

Reconciliation to dividends paid in the consolidated cash flow statement

	2024 £m	2023 £m
Dividends paid	**(20.3)**	(20.9)
Scrip dividend	**1.6**	1.3
Dividends paid in the consolidated cash flow statement	**(18.7)**	(19.6)

Property Income Distribution (PID) dividends

Profits distributed out of tax-exempt profits are PID dividends. PID dividends are paid after deduction of withholding tax (currently at 20%), which NewRiver pays directly to HMRC on behalf of the shareholder.

Non-PID dividends

Any non-PID element of dividends will be treated in exactly the same way as dividends from other UK, non-REIT companies.

14. Investment properties

	2024 £m	2023 £m
Fair value brought forward	**551.5**	609.1
Capital expenditure*	**5.3**	2.9
Lease incentives, letting and legal costs	**0.9**	(0.1)
Disposals	**(10.2)**	(22.3)
Net valuation movement	**(13.7)**	(38.1)
Fair value carried forward	**533.8**	551.5
Right of use asset (investment property)	**74.9**	75.8
Fair value carried forward	**608.7**	627.3

* Capital expenditure of £5.3 million (2023: £2.9 million) is comprised of £3.4 million (2023: £1.9 million) of expenditure in the creation of incremental lettable space and £1.9 million (2023: £1.0 million) of expenditure on non-incremental lettable space

The Group's investment properties have been valued at fair value on 31 March 2024 by independent valuers, Colliers International Valuation UK LLP and Knight Frank LLP, on the basis of fair value in accordance with the Current Practice Statements contained in The Royal Institution of Chartered Surveyors Valuation – Professional Standards, (the 'Red Book'). The valuations are performed by appropriately qualified valuers who have relevant and recent experience in the sector.

The Group is exposed to changes in the residual value of properties at the end of current lease agreements. The residual value risk born by the Group is mitigated by active management of its property portfolio with the objective of optimising tenant mix in order to:

- achieve the longest weighted average lease term possible;
- minimise vacancy rates across all properties; and
- minimise the turnover of tenants with high quality credit ratings.

The Group also grants lease incentives to encourage high quality tenants to remain in properties for longer lease terms. In the case of anchor tenants, this also attracts other tenants to the property thereby contributing to overall occupancy levels.

The fair value at 31 March represents the highest and best use.

The properties are categorised as Level 3 in the IFRS 13 fair value hierarchy. There were no transfers of property between Levels 1, 2 and 3. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

As at 31 March 2024

		Property ERV			Property rent			Property equivalent yield	EPRA topped up net initial yield
	Fair value £m	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Average %	Average %
Retail parks	**132.8**	**10.6**	**14.2**	**11.8**	**8.3**	**14.7**	**10.8**	**7.0**	**6.7**
Shopping Centres – Core	**234.5**	**4.2**	**32.0**	**12.4**	**4.1**	**32.3**	**10.5**	**9.6**	**9.5**
Shopping Centres – Regeneration	**128.9**	**5.0**	**18.6**	**16.0**	**3.0**	**13.7**	**10.5**	**7.4**	**6.3**
Shopping Centres – Work Out	**34.4**	**5.9**	**17.5**	**6.3**	**1.3**	**3.3**	**1.5**	**12.0**	**4.0**
High street and other	**3.2**	**4.0**	**6.2**	**5.7**	**3.9**	**6.2**	**4.9**	**9.2**	**18.1**
	533.8								

As at 31 March 2023

		Property ERV			Property rent			Property equivalent yield	EPRA topped up net initial yield
	Fair value £m	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Average %	Average %
Retail parks	128.6	9.6	14.2	11.4	7.9	14.7	10.9	7.0	7.0
Shopping Centres – Core	214.8	8.8	30.1	14.0	8.0	30.8	12.9	9.3	9.7
Shopping Centres – Regeneration	140.1	5.2	18.8	16.1	4.0	13.4	10.6	6.8	5.9
Shopping Centres – Work Out	63.3	6.5	15.3	8.8	1.5	6.3	4.4	14.0	9.4
High street and other	4.7	4.2	8.6	6.6	3.7	8.7	4.1	9.5	10.0
	551.5								

Sensitivities of measurement of significant inputs

As set out within significant accounting estimates and judgements in note 2, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature. As a result, the sensitivity analysis below illustrates the impact of changes in key unobservable inputs on the fair value of the Group's properties.

We consider +/-10% for ERV and +/-100bps for NEY to capture the uncertainty in these key valuation assumptions and deem it to be a reasonably possible scenario.

The investments are a portfolio of retail assets in the UK. The valuation was determined using an income capitalisation method, which involves applying a yield to rental income streams. Inputs include yield, current rent and ERV. Development properties are valued using a residual method, which involves valuing the completed investment property using an investment method and deducting estimated costs to complete, then applying an appropriate discount rate.

The inputs to the valuation include:

- Rental value – total rental value per annum
- Equivalent yield – the net weighted average income return a property will produce based upon the timing of the income received

There were no changes to valuation techniques during the year. Valuation reports are based on both information provided by the Group, for example, current rents and lease terms which is derived from the Group's financial and property management systems and is subject to the Group's overall control environment, and assumptions applied by the valuers, e.g. ERVs and yields. These assumptions are based on market observation and the valuers' professional judgement, which includes a consideration of climate change and a range of other external factors.

2024: Sensitivity impact on valuations of a 10% change in estimated rental value and absolute yield of 100 bps.

		Impact on valuations of a 10% change in ERV		Impact on valuations of 100 bps change in yield	
Asset Type	Retail asset valuation £m	Increase 10% £m	Decrease 10% £m	Increase 1.0% £m	Decrease 1.0% £m
Retail parks	**132.8**	**10.2**	**(10.1)**	**(14.6)**	**19.5**
Shopping Centres – Core	**234.5**	**17.7**	**(16.2)**	**(20.7)**	**26.2**
Shopping Centres – Regeneration	**128.9**	**12.6**	**(12.3)**	**(15.9)**	**21.0**
Shopping Centres – Work Out	**34.4**	**4.3**	**(4.3)**	**(4.4)**	**5.4**
High street and other	**3.2**	**0.5**	**(0.5)**	**(0.4)**	**0.5**
	533.8	**45.3**	**(43.4)**	**(56.0)**	**72.6**

2023: Sensitivity impact on valuations of a 10% change in estimated rental value and absolute yield of 100 bps.

		Impact on valuations of a 10% change in ERV		Impact on valuations of 100 bps change in yield	
Asset Type	Retail asset valuation £m	Increase 10% £m	Decrease 10% £m	Increase 1.0% £m	Decrease 1.0% £m
Retail parks	128.6	9.7	(9.6)	(14.2)	18.9
Shopping Centres – Core	214.8	18.2	(16.7)	(21.7)	27.6
Shopping Centres – Regeneration	140.1	13.5	(13.0)	(18.9)	26.0
Shopping Centres – Work Out	63.3	6.5	(5.8)	(5.8)	7.4
High street and other	4.7	0.6	(0.6)	(0.6)	0.7
	551.5	48.5	(45.7)	(61.2)	80.6

Reconciliation to net valuation movement in consolidated statement of comprehensive income

Net valuation movement in investment properties	2024 £m	2023 £m
Net valuation movement in investment properties	**(13.7)**	(38.1)
Net valuation movement in right of use asset	**(0.2)**	(0.1)
Net valuation movement in consolidated statement of comprehensive income	**(13.9)**	(38.2)

Reconciliation to properties at valuation in the portfolio

	Note	2024 £m	2023 £m
Investment property	14	**533.8**	551.5
Properties held in joint ventures	15	**–**	32.2
Properties held in associates	16	**10.0**	9.9
Properties at valuation		**543.8**	593.6

15. Investments in joint ventures

As at 31 March 2024 the Group has one joint venture

	2024 £m	2023 £m
Opening balance	**23.8**	24.0
Disposals	**(23.3)**	–
Group's share of profit after taxation excluding valuation movement	**0.5**	2.4
Net valuation movement	**–**	0.6
Dividends	**(0.9)**	(3.2)
Investment in joint venture	**0.1**	23.8

Name	Country of incorporation	2024 % Holding	2023 % Holding
NewRiver Retail Investments LP (NRI LP)	Guernsey	**50**	50
NewRiver Retail (Napier) Limited (Napier)	UK	**–**	50

The Group is the appointed asset manager on behalf of these joint ventures and receives asset management fees, development management fees and performance-related bonuses.

NewRiver Retail Investments LP has a 31 December year end. The aggregate amounts recognised in the consolidated balance sheet and consolidated statement of comprehensive income at 31 March are as follows:

Consolidated balance sheet	2024 Total £m	2024 Group's share £m	2023 Total £m	2023 Group's share £m
Non-current assets	–	–	64.4	32.2
Current assets	0.3	0.1	5.5	2.8
Current liabilities	–	–	(1.4)	(0.7)
Liabilities due in more than one year	–	–	(26.9)	(13.5)
Net assets	0.3	0.1	41.6	20.8
Loan to joint venture	–	–	–	3.0
Net assets adjusted for loan to joint venture	0.3	0.1	41.6	23.8

The table above provides summarised financial information for the joint ventures. The information disclosed reflects the amounts presented in the financial statements of the joint ventures. To arrive at the Group's share of these amounts under equity accounting, certain minor adjustments are required to be made.

Consolidated statement of comprehensive income	2024 Total £m	2024 Group's share £m	2023 Total £m	2023 Group's share £m
Revenue	1.4	0.7	5.9	3.0
Property operating expenses	–	–	(0.4)	(0.2)
Net property income	1.4	0.7	5.5	2.8
Administration expenses	(0.1)	(0.1)	(0.2)	(0.1)
Net finance costs	(0.1)	(0.1)	(0.6)	(0.3)
Group's share of joint ventures' profit before valuation movements	1.2	0.5	4.7	2.4
Net valuation movement	–	–	1.2	0.6
Profit on disposal of investment property	–	–	0.1	–
Profit after taxation	1.2	0.5	6.0	3.0
Add back net valuation movement	–	–	(1.2)	(0.6)
Group's share of joint ventures' profit before valuation movements	1.2	0.5	4.8	2.4

The Group's share of contingent liabilities in the joint ventures is £nil (2023: £nil).

16. Investments in associates

The Group has one direct investment in an associate entity in which it has a 10% stake, Sealand S.à.r.l, which owns 100% of NewRiver Retail (Hamilton) Limited and NewRiver (Sprucefield) Limited at 31 March 2024.

	2024 £m	2023 £m
Opening balance	5.5	7.9
Return of investment in associates*	–	(2.3)
Dividends	(0.2)	(0.4)
Group's share of profit after taxation excluding valuation movement	0.3	0.1
Net valuation movement	–	0.2
Investment in associates	5.6	5.5

* During the year, the Group received £nil (2023: £2.3 million) back from associates in the form of shareholder loan repayments and repayment of initial capital invested.

Name	Country of incorporation	2024 % Holding	2023 % Holding
NewRiver Retail (Hamilton) Limited (Hamilton)	UK	10	10
NewRiver (Sprucefield) Limited (Sprucefield)	UK	10	10

The Group is the appointed asset manager on behalf of Sealand S.à.r.l and receives asset management fees, development management fees and performance-related bonuses.

The aggregate amounts recognised in the consolidated balance sheet and consolidated statement of comprehensive income are as follows:

Consolidated balance sheet	31 March 2024 Total £m	31 March 2024 Group's share £m	31 March 2023 Total £m	31 March 2023 Group's share £m
Non-current assets	**100.0**	**10.0**	99.3	9.9
Current assets	**6.6**	**0.7**	8.2	0.8
Current liabilities	**(36.1)**	**(3.6)**	(16.1)	(1.6)
Liabilities due in more than one year	**(47.4)**	**(4.7)**	(67.8)	(6.8)
Net assets	**23.1**	**2.4**	23.6	2.3
Loans to associates	**–**	**3.2**	–	3.2
Net assets adjusted for loans to associates	**23.1**	**5.6**	23.6	5.5

Consolidated statement of comprehensive income	2024 Total £m	2024 Group's share £m	2023 Total £m	2023 Group's share £m
Revenue	**8.4**	**0.8**	9.9	1.0
Property operating expenses	**(0.4)**	**–**	(2.4)	(0.2)
Net property income	**8.0**	**0.8**	7.5	0.8
Administration expenses	**(0.1)**	**–**	(0.1)	–
Net finance costs	**(4.9)**	**(0.5)**	(3.5)	(0.4)
	3.0	**0.3**	3.9	0.4
Net valuation movement	**(0.4)**	**–**	1.7	0.2
Profit on disposal of investment property	**–**	**–**	0.6	–
Taxation	**(0.4)**	**–**	(3.4)	(0.3)
Profit after taxation	**2.2**	**0.3**	2.8	0.3
Add back net valuation movement	**0.4**	**–**	(1.7)	(0.2)
Group's share of associates' profit before valuation movements	**2.6**	**0.3**	1.1	0.1

17. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	**1.4**	2.6
Restricted monetary assets	**4.6**	4.8
Service charge receivables*	**0.7**	1.2
Other receivables	**1.0**	3.8
Prepayments	**1.2**	0.7
Accrued income	**2.5**	1.9
	11.4	15.0

* Included in service charge receivables is £nil of Value Added Taxation (2023: £nil), £1.5 million of service charge debtors (2023: £1.2 million) and £0.8 million of bad debt provision.

Trade receivables are shown net of a loss allowance of £1.9 million (2023: £3.0 million). Other receivables are shown net of a loss allowance of £0.1 million (2023: £0.3 million). The provision for doubtful debts is calculated as an expected credit loss on trade receivables in accordance with IFRS 9. The charge to the consolidated statement of comprehensive income in relation to doubtful debts made against tenant debtors was £0.1 million (2023: £0.2 million release). The Group has calculated the expected credit loss by applying a forward-looking outlook to historical default rates.

The Group monitors rent collection and the ability of tenants to pay rent receivables in order to anticipate and minimise the impact of default by tenants. All outstanding rent receivables are regularly monitored. In order to measure the expected credit losses, trade receivables from tenants have been grouped on a basis of shared credit risk characteristics and an assumption around the tenants ability to pay their receivable, based on conversations held and our knowledge of their credit history. The expected credit loss rates are based on historical payment profiles of tenant debtors and corresponding historical credit losses.

	2024 £m	2023 £m
Opening loss allowance at 1 April	**3.0**	5.2
Increase/(decrease) in loss allowance recognised in the consolidated statement of comprehensive income during the year in relation to tenant debtors	**0.1**	(0.2)
Loss allowance utilisation	**(1.2)**	(2.0)
Closing loss allowance at 31 March	**1.9**	3.0

The restricted monetary assets relates to cash balances which the Group cannot readily access. They do not meet the definition of cash and cash equivalents and consequently are presented separately from cash in the consolidated balance sheet.

18. Cash and cash equivalents

As at 31 March 2024 and 31 March 2023 cash and cash equivalents comprised of cash held in bank accounts and treasury deposits. There were no restrictions on cash in either the current or prior year.

19. Trade and other payables

	2024 £m	2023 £m
Trade payables	**1.3**	2.6
Service charge liabilities*	**7.2**	9.8
Other payables	**3.1**	1.8
Accruals	**9.5**	9.0
Value Added Taxation	**0.3**	0.3
Rent received in advance	**4.9**	6.0
	26.3	29.5

* Service charge liabilities include accruals of £0.6 million (2023: £1.9 million), service charge creditors and other creditors of £3.8 million (2023: £4.8 million), Value added taxation of £0.9 million (2023: £1.0 million) and deferred income of £1.9 million (2023: £2.1 million).

20. Borrowings

Maturity of drawn borrowings:	2024 £m	2023 £m
Between three and four years	**300.0**	–
Between four and five years	**–**	300.0
Less unamortised fees/discount	**(3.4)**	(3.3)
	296.6	296.7

The fair value of the Group's corporate bond has been estimated on the basis of quoted market prices, representing Level 1 fair value measurement as defined by IFRS 13 Fair Value Measurement. At 31 March 2024 the fair value was £275.5 million (31 March 2023: £256.8 million).

Unsecured borrowings:	Maturity date	Facility £m	Facility drawn £m	Unamortised facility fees/ discount £m	£m
Revolving credit facility	November 2026	**100.0**	**–**	**(1.2)**	**(1.2)**
Corporate bond	March 2028	**300.0**	**300.0**	**(2.2)**	**297.8**
		400.0	**300.0**	**(3.4)**	**296.6**

In the year the Group drew down £nil (31 March 2023: £nil) of the revolving credit facility.

21. Lease commitment arrangements

The Group earns rental income by leasing its investment properties to tenants under non-cancellable lease commitments.

The Group holds two types of leases.

- Head leases: A number of the investment properties owned by the Group are situated on land held through leasehold arrangements, as opposed to the Group owning the freehold.
- Office leases: Office space occupied by the Group's head office.

The lease liability and associated ROU asset recognised in the consolidated balance sheet are set out below.

	2024 £m	2023 £m
Right of use asset (Investment property)	**74.9**	75.8
Right of use asset (Property, plant and equipment)	**0.7**	0.9
Current lease liability	**0.4**	0.4
Non-current lease liability	**75.2**	76.3

The expense relating to low value assets which have not been recognised under IFRS 16 was £nil (March 2023: £nil) and the expense relating to variable lease payments not included in the measurement of lease liabilities was £nil (March 2023: £nil). The total cash outflow in relation to lease commitments for the year was £2.4 million (March 2023: £3.0 million), £0.4 million (2023: £0.3 million) relates to the repayment of principle lease liabilities and £2.0 million (2023: £2.7 million) relates to the repayment of interest on lease liabilities. Depreciation recognised on ROU assets during the year was £0.2 million (2023: £0.2 million).

Lease liability maturity table

	2024 £m	2023 £m
Within one year	**0.4**	0.4
Between one and two years	**0.8**	0.8
In the second to fifth year inclusive	**0.6**	0.5
After five years	**73.8**	75.0
	75.6	76.7

Lease commitments payable by the Group are as follows:

	2024 £m	2023 £m
Within one year	**2.9**	3.0
One to two years	**2.9**	3.0
Two to five years	**8.8**	8.9
After five years	**247.8**	253.6
	262.4	268.5
Effect of discounting	**(186.8)**	(191.8)
Lease liability	**75.6**	76.7

At the balance sheet date the Group had contracted with tenants for the following future minimum lease payments on its investment properties:

	2024 £m	2023 £m
Within one year	**47.3**	45.6
Between one and two years	**41.2**	39.5
In the second to fifth year inclusive	**88.3**	79.7
After five years	**147.3**	123.3
	324.1	288.1

The Group's weighted average lease length of lease commitments at 31 March 2024 was 5.2 years (March 2023: 5.2 years).

Operating lease obligations exist over the Group's offices, head leases on the Group's retail portfolio and ground rent leases. Investment properties are leased to tenants under operating leases with rentals payable monthly and quarterly. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

22. Share capital and reserves

Share capital

Ordinary shares	Number of shares issued m's	Price per share pence	Total No of shares (m)	Held by EBT No of shares (m)	Shares in issue No of shares (m)
1 April 2022			310.3	2.1	308.2
Scrip dividends issued	1.0	0.86	311.3	2.1	309.2
Shares issued under employee share schemes	0.6	–	311.3	1.5	309.8
Scrip dividends issued	0.6	0.78	311.9	1.5	310.4
Shares issued under employee share schemes	0.1	–	311.9	1.4	310.5
31 March 2023			311.9	1.4	310.5
Scrip dividends issued	**1.0**	**0.89**	**312.9**	**1.4**	**311.5**
Shares issued under employee share schemes	**1.2**	**–**	**312.9**	**0.2**	**312.7**
Purchase of own shares	**(3.4)**	**–**	**312.9**	**3.6**	**309.3**
Shares issued under employee share schemes	**0.3**	**–**	**312.9**	**3.3**	**309.6**
Scrip dividends issued	**0.8**	**0.82**	**313.7**	**3.3**	**310.4**
31 March 2024			**313.7**	**3.3**	**310.4**

All shares issued and authorised are fully paid up.

Merger reserve

The merger reserve arose as a result of a group reorganisation in 2016 and represents the nominal amount of share capital that was issued to shareholders of NewRiver Retail Limited.

Share premium

Share premium represents amounts subscribed for a share in excess of nominal value less directly attributable issue costs.

Retained earnings

Retained earnings consist of the accumulated net comprehensive profit of the Group, less dividends paid from distributable reserves, and transfers from equity issues where those equity issues generated distributable reserves.

Scrip dividend shares

Shares issued in respect of elections to participate in the Scrip Dividend scheme in respect of dividends declared in the year, the value of these was £1.6 million (2023: £1.3 million). The Scrip Dividend Scheme was re-approved on 26 July 2023. The scheme provides shareholders of NewRiver Ordinary shares with the opportunity, at the shareholders election and where offered by the Company, to elect to receive dividends as New Ordinary shares in the Company instead of their cash dividend, with no dealing charges or stamp duty incurred.

Shares held in Employee Benefit Trust (EBT)

As part of the group reorganisation in 2016, the Company established an EBT which is registered in Jersey. The EBT, at its discretion, may transfer shares held by it to directors and employees of the Company and its subsidiaries. The maximum number of ordinary shares that may be held by the EBT may not exceed 5% of the Company's issued share capital. It is intended that the EBT will not hold more ordinary shares than are required in order to satisfy share options granted under employee share incentive plans.

Over the course of a few days in November and December 2023, the Employee Benefit Trust purchased £3.0 million of shares to satisfy employee share awards, which amounted to 3,411,259 shares.

There are currently 3,317,218 ordinary shares held by EBT (2023: 1,466,712).

23. Share-based payments

The Group has two share schemes for employees:

- Performance Share Scheme
- Deferred bonus scheme

Performance Share Scheme

Zero priced share options have been issued to senior management and executive directors under the Performance Share Scheme since 2013. The options vest to the extent that performance conditions are met over a three or four-year period. At the end of the period there may be a further vesting condition that the employee or director remains an employee of the Group. Further details on the scheme and the performance conditions are provided in the Remuneration Report. The charge for the year recognised in the consolidated statement of comprehensive income was £0.7 million (March 2023: £0.7 million).

Financial year issued	Average exercise price	Outstanding at start of year	Granted	Number Exercised	Lapsed	Outstanding at end of year	Number exercisable	Average remaining life (years)
2021	–	2,713,864	130,292	(1,064,551)	(1,422,078)	357,527	–	–
2022	–	3,082,562	255,400	–	(108,674)	3,229,288	–	0.4
2023	–	2,755,100	228,271	–	(55,819)	2,927,552	–	1.3
2024	–	–	2,865,365	–	(50,815)	2,814,550	–	2.2
		8,551,526	3,479,328	(1,064,551)	(1,637,386)	9,328,917	–	

Deferred Bonus Scheme

Zero priced share options have been issued to senior management and executive directors under the Deferred Bonus Scheme since 2016. The options vest based on the employee or director remaining in the employment of the Group for a defined period (usually two years). The charge for the year recognised in the consolidated statement of comprehensive income for this scheme was £0.5 million (March 2023: £0.4 million).

Financial year issued	Average exercise price	Outstanding at start of year	Granted	Exercised	Cancelled	Outstanding at end of year	Number exercisable	Average remaining life (years)
2018	–	44,968	–	–	–	44,968	–	–
2019	–	116,751	–	(62,194)	–	54,557	–	–
2020	–	82,245	–	(72,288)	–	9,957	–	–
2021	–	15,891	–	(10,594)	–	5,297	–	–
2022	–	338,118	13,010	(351,128)	–	–	–	–
2023	–	640,463	53,050	–	(11,094)	682,419	–	0.3
2024	–	–	699,996	–	–	699,996	–	1.2
		1,238,436	766,056	(496,204)	(11,094)	1,497,194	–	

Fair value

The fair value of the share options has been calculated based on a Monte Carlo Pricing Model using the following inputs:

	2024	2023
Share price	**0.89**	0.87
Exercise price	**Nil**	Nil
Expected volatility	**34%**	43%
Risk free rate	**4.980%**	1.675%
Expected dividends*	**0%**	0%

* based on quoted property sector average.

24. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks in relation to the financial instruments it uses: market risk including cash flow interest rate risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables, borrowings and derivative financial instruments.

Risk management parameters are established by the Board on a project-by-project basis. Reports are provided to the Board quarterly and also when authorised changes are required.

Financial instruments

	2024 £m	2023 £m
Financial assets		
Financial assets at amortised cost		
Trade and other receivables	**7.7**	13.4
Cash and cash equivalents	**132.8**	108.6
Total financial assets and maximum exposure to credit risk	**140.5**	122.0
Financial liabilities		
At amortised cost		
Borrowings	**(296.6)**	(296.7)
Lease liabilities	**(75.6)**	(76.7)
Payables and accruals	**(18.1)**	(20.0)
	(390.3)	(393.4)
	(249.8)	(271.4)

The fair value of the financial assets and liabilities at amortised cost are considered to be the same as their carrying value, with the exception of certain fixed rate borrowings, see note 20 for further details. None of the financial instruments above are held at fair value.

Market risk

Currency risk

The Group is not subject to any foreign currency risk as nearly all transactions are in Pounds Sterling.

Interest rate risk

At 31 March 2024 the Group has no interest rate risk as it has no drawn debt that is subject to variable interest rates and no open derivatives in controlled entities.

There would be no impact on finance costs to the Group, in the year or in the prior year, if interest rates increase or decrease as the Group has no drawn variable rate debt.

Credit risk

The Group's principal financial assets are cash, trade receivables and other receivables.

The Group manages its credit risk through policies to ensure that rental contracts are made with tenants meeting appropriate balance sheet covenants, supplemented by rental deposits or bank guarantees from international banks. The Group may suffer a void period where no rents are received. The quality of the tenant is assessed based on an extensive tenant covenant review scorecard prior to acquisition of the property. The assessment of the tenant credit worthiness is also monitored on an ongoing basis. Credit risk is assisted by the vast majority of occupational leases requiring that tenants pay rentals in advance. The Group monitors rent collection in order to anticipate and minimise the impact of default by tenants. All outstanding rent receivables are regularly monitored. In order to measure the expected credit losses, trade receivables from tenants have been grouped by shared credit risk characteristics and an assumption around the tenants ability to pay their receivable, based on conversations held and our knowledge of their credit history. The expected loss rates are based on historical payment profiles of tenant debtors and corresponding historical credit losses. These historical loss rates are then adjusted to reflect the likelihood that tenants will pay.

Ageing of past due gross trade receivables and the carrying amount net of loss allowances is set out below:

	2024 Gross amount £m	2024 Loss allowance £m	2024 % applied	2024 Carrying amount £m	2023 Gross amount £m	2023 Loss allowance £m	2023 % applied	2023 Carrying amount £m
0-30 days	**1.2**	**0.4**	**36%**	**0.8**	2.4	0.6	25%	1.8
30-60 days	**0.3**	**0.1**	**33%**	**0.2**	0.1	0.1	100%	–
60-90 days	**0.1**	**0.1**	**100%**	**–**	0.3	0.1	33%	0.2
90-120 days	**0.3**	**0.1**	**33%**	**0.2**	0.3	0.1	33%	0.2
Over 120 days	**1.4**	**1.2**	**86%**	**0.2**	2.5	2.1	84%	0.4
	3.3	**1.9**		**1.4**	5.6	3.0		2.6

The Group's total expected credit loss in relation to trade receivables, other receivables and accrued income is £2.3 million (2023: £3.5 million). The Group recognises an expected credit loss allowance on trade receivables of £1.9 million (2023: £3.0 million) as noted in the above table.

The Group categorises trade debtors in varying degrees of risk, as detailed below:

	2024 £m	2023 £m
Risk level		
Very high	**1.4**	2.5
High	**0.3**	0.3
Medium	**0.4**	0.4
Low	**1.2**	2.4
Gross carrying amount before loss allowance	**3.3**	5.6
Loss allowance	**(1.9)**	(3.0)
Carrying amount	**1.4**	2.6

The Group monitors its counterparty exposures on cash and short-term deposits weekly. The Group monitors the counterparty credit rating of the institutions that hold its cash and deposits and spread the exposure across several banks.

Liquidity risk

The Group manages its liquidity risk by maintaining sufficient cash balances and committed credit facilities. The Board reviews the credit facilities in place on a regular basis. Cash flow reports are issued weekly to management and are reviewed quarterly by the Board. A summary table with maturity of financial liabilities is presented below:

2024 £m	Less than one year	One to two years	Two to five years	More than five years	Total
Borrowings	**–**	**–**	**(300.0)**	**–**	**(300.0)**
Interest on borrowings	**(10.5)**	**(10.5)**	**(20.2)**	**–**	**(41.2)**
Lease liabilities	**(2.9)**	**(2.9)**	**(8.8)**	**(247.8)**	**(262.4)**
Payables and accruals	**(18.1)**	**–**	**–**	**–**	**(18.1)**
	(31.5)	**(13.4)**	**(329.0)**	**(247.8)**	**(621.7)**
2023 £m					
Borrowings	–	–	(300.0)	–	(300.0)
Interest on borrowings	(10.5)	(10.5)	(30.7)	–	(51.7)
Lease liabilities	(3.0)	(3.0)	(8.9)	(253.6)	(268.5)
Payables and accruals	(20.0)	–	–	–	(20.0)
	(33.5)	(13.5)	(339.6)	(253.6)	(640.2)

Reconciliation of movement in the Group's share of net debt in the year	2024 £m	2023 £m
Group's share of net debt at beginning of year	201.3	221.5
Cash flow		
Net increase in cash and cash equivalents	(24.2)	(25.8)
Change in bank loan fees to be amortised	(0.1)	0.9
Group's share of joint ventures' and associates' cash flow		
Net decrease in cash and cash equivalents	2.2	2.7
Bank loans repaid	(11.9)	–
New bank loans	–	1.9
Change in bank loan fees to be amortised	–	0.1
Group's share of net debt	167.3	201.3
Being:		
Group borrowings	296.6	296.7
Group's share of joint ventures' and associates' borrowings	3.9	15.9
Group cash	(132.8)	(108.6)
Group's share of joint venture and associate cash	(0.4)	(2.7)
Group's share of net debt	167.3	201.3

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns to shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to any external capital requirements. As detailed in note 11, the Group is a REIT and to qualify as a REIT the Group must distribute 90% of its taxable income from its property business.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets. Consistent with others in the industry, the Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings, less cash and cash equivalents on a proportionately consolidated basis.

Between 31 March 2023 and 31 March 2024, the Group's proportionally consolidated LTV decreased by 3.1% from 33.9% to 30.8% and the gearing ratio from 49.7% to 45.4% mainly as a result of retail disposals. The Group continually monitors LTV and will continue to monitor LTV closely, factoring in disposal activity and possible further valuation declines as disclosed in Note 1. The Group has remained compliant with all of its banking covenants during the year as discussed in Note 1.

Net debt to equity ratio	2024 £m	2023 £m
Borrowings	296.6	296.7
Cash and cash equivalents	(132.8)	(108.6)
Net debt	163.8	188.1
Equity attributable to equity holders of the parent	361.1	378.6
Net debt to equity ratio ('Balance sheet gearing')	45.4%	49.7%
Share of joint ventures' and associates' borrowings	3.9	15.9
Share of joint ventures' and associates' cash and cash equivalents	(0.4)	(2.7)
Group's share of net debt	167.3	201.3
Carrying value of investment property	533.8	551.5
Share of joint ventures' and associates carrying value of investment properties	10.0	42.1
Group's share of carrying value of investment properties	543.8	593.6
Net debt to property value ratio ('Loan to value')	30.8%	33.9%

Reconciliation of financial liabilities

Reconciliation of financial liabilities	Lease liabilities £m	Borrowings £m	Total £m
As at 1 April 2023	76.7	296.7	373.4
Decrease through financing cash flows			
Repayment of principal portion of lease liability	(0.4)	–	(0.4)
Disposal	(0.7)	–	(0.7)
Loan amortisation	–	(0.1)	(0.1)
As at 31 March 2024	75.6	296.6	372.2

Reconciliation of financial liabilities	Lease liabilities £m	Borrowings £m	Total £m
As at 1 April 2022	75.7	295.8	371.5
(Decrease)/Increase through financing cash flows			
Head office lease	1.1	–	1.1
Repayment of principal portion of lease liability	(0.4)	–	(0.4)
Lease modification	0.3	–	0.3
Loan amortisation	–	0.9	0.9
As at 31 March 2023	76.7	296.7	373.4

25. Contingencies and commitments

The Group has no material contingent liabilities (2023: None). The Group was contractually committed to £0.7 million of capital expenditure to construct or develop investment property as at 31 March 2024 (31 March 2023: £1.8 million).

Under the terms of the sale agreement to dispose of Hawthorn dated 20 August 2021, the Group gave certain warranties, including tax, relating to Hawthorn. A breach of warranty will only give rise to a successful claim in damages if the buyer can show that the warranty was breached and that the effect of the breach is to reduce the value of Hawthorn at the date of disposal. Claims must be received, in the case of a Warranty Claim, within a year of Completion and, in the case of a Tax Claim, within 6 years of Completion. No such claims have been received.

26. Related party transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

During the year the Company paid £0.8 million (2023: £1.1 million) in professional legal fees to CMS Cameron McKenna Nabarro Olswang LLP for property services at commercial market rates. Allan Lockhart, CEO of NewRiver, has a personal relationship with one of the Partners at CMS who along with other Partners provides these legal services.

The Group has loans with a joint venture of £nil (2023: £3.0 million) and loans with associates of £3.2 million (March 2023: £3.2 million) During the year, the Group received £nil (2023: £2.3 million) back from associates in the form of shareholder loan repayments and repayment of initial capital invested.

Management fees are charged to joint ventures and associates for asset management, investment advisory, project management and accounting services.

Total fees charged were:

	2024 £m	2023 £m
NewRiver Retail (Napier) Limited	–	0.2
NewRiver Retail (Hamilton) Limited	0.2	0.2
NewRiver (Sprucefield) Limited	0.2	0.1

As at 31 March 2024, an amount of £0.3 million (2023: £0.3 million) was due to the Group relating to management fees.

During the year, the Group recognised £0.2 million of interest from joint ventures and associates (2023: £0.3 million) and as at 31 March 2024 the amount owing to the Group was £0.2 million (2023: £0.2 million).

Key management personnel

The remuneration of key management personnel (comprising of the Executive Directors, Non-Executive Directors and Executive Committee) of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures.' Further information about the remuneration of the individual Directors is provided in the audited part of the Remuneration Committee report on pages 129 to 145.

	2024 £m	2023 £m
Short-term employee benefits	2.9	3.1
Other benefits	0.1	0.1
	3.0	3.2

All transfer of resources, services or obligations between the Company and these parties have been disclosed, regardless of whether a price is charged. We are unaware of any other related party transactions between related parties.

Related party relationships and transactions have been accounted for and disclosed in accordance with the requirements of IFRSs or other requirements, for example, the Companies Act 2006.

27. Post balance sheet events

There were no significant events occurring after the reporting period, but before the financial statements were authorised for issue.

Company Balance Sheet

As at 31 March 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Investment in subsidiaries	B	**321.9**	323.9
Amounts owed from subsidiary undertakings	D	**211.9**	213.7
Total non-current assets		**533.8**	537.6
Current assets			
Amounts owed from subsidiary undertakings	D	**171.0**	196.5
Other receivables		**1.4**	0.7
Cash and cash equivalents		**115.9**	84.7
Total current assets		**288.3**	281.9
Total assets		**822.1**	819.5
Equity and liabilities			
Current liabilities			
Trade creditors		**0.1**	–
Accruals		**2.1**	2.3
Amounts owed to subsidiary undertakings		**159.1**	154.9
Total current liabilities	E	**161.3**	157.2
Non-current liabilities			
Borrowings	F	**296.6**	296.7
Total non-current liabilities		**296.6**	296.7
Net assets		**364.2**	365.6
Equity			
Share capital		**3.1**	3.1
Share premium		**4.0**	2.4
Merger reserve		**35.6**	27.6
Purchase of own shares		**(3.0)**	–
Retained earnings		**324.5**	332.5
Total equity		**364.2**	365.6

The notes on pages 185 to 188 form an integral part of the Company financial statements. The Company has applied the exemption in s408 of the Companies Act for omitting the income statement of the parent company. The profit for the year after taxation was £20.3 million (31 March 2023: loss of £10.4 million).

The financial statements were approved by the Board of Directors on 20 June 2024 and were signed on its behalf by:

Allan Lockhart
Chief Executive Officer

Will Hobman
Chief Financial Officer

Registered number: 10221027

Company Statement of Changes in Equity

For the year ended 31 March 2024

	Notes	Share capital £m	Share premium £m	Merger reserve £m	Purchase of own shares £m	Retained earnings £m	Total £m
As at 1 April 2022		3.1	1.1	33.6	–	357.8	395.6
Loss after taxation		–	–	–	–	(10.4)	(10.4)
Transfer to merger reserve		–	–	(6.0)	–	6.0	–
Equity issue		–	1.3	–	–	–	1.3
Dividends paid		–	–	–	–	(20.9)	(20.9)
As at 31 March 2023		3.1	2.4	27.6	–	332.5	365.6
Profit after taxation		–	–	–	–	20.3	20.3
Transfer to merger reserve		–	–	8.0	–	(8.0)	–
Equity issue		–	1.6	–	–	–	1.6
Purchase of own shares		–	–	–	(3.0)	–	(3.0)
Dividends paid		–	–	–	–	(20.3)	(20.3)
As at 31 March 2024		3.1	4.0	35.6	(3.0)	324.5	364.2

The notes on pages 185 to 188 form an integral part of these financial statements. There was no other income in the year therefore the profit after taxation is the Company's total comprehensive profit for the year.

Notes to the Company Financial Statements

A. Accounting policies

Basis of accounting

The Company's separate financial statements for the year ended 31 March 2024 are prepared in accordance with Financial Reporting Standard 101 (FRS 101) "Reduced Disclosure Framework" as issued by the Financial Reporting Council and within the requirements of the Companies Act 2006. The financial statements are presented in pounds Sterling. These financial statements have been prepared under the historical cost convention.

For the Company's going concern assessment, refer to note 1 of the consolidated financial statements.

Changes to accounting policies

The Company has adopted the new accounting standards as set out in the accounting policies section of the Group financial statements. Adopting these new standards and amendments has not had a material impact on the Company in the current or prior years. Refer to note 1.

Disclosure exemptions

The Company has taken advantage of all disclosure exemptions allowed by FRS 101. These financial statements do not include:

- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1.
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of IFRS 7 Financial Instruments: disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions between two or more members of the Group.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated Group accounts into which the Company is consolidated.

Investment in subsidiaries

Investments in subsidiary undertakings are stated at cost less provision for cumulative impairments. Where an impairment has been recognised in previous periods, and the conditions that caused the impairment are no longer present, the impairment charge previously recognised will be reversed, up to the cost of the original investment value.

Financial instruments

Financial assets

The Company classifies its financial assets as fair value through profit or loss or amortised cost, depending on the purpose for which the asset was acquired and based on the business model test. Financial assets carried amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost, less provision for impairment. Impairment provisions for receivables are recognised based on IFRS 9 in the determination of the expected credit losses. If it is determined that a receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. If in a subsequent year the amount of the impairment loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised costs at the reversal date. Financial assets at amortised cost consist of loans and receivables. The Company determines the classification of its financial assets at initial recognition. The Company's financial assets consist of cash, and loans and receivables.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all risks and rewards of ownership.

Financial liabilities

Financial liabilities are classified as other liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

The financial instruments classified as financial liabilities at fair value through profit or loss include interest rate swap and cap arrangements. Recognition of the derivative financial instruments takes place when the contracts are entered into. They are recognised at fair value and transaction costs are included directly in finance costs.

The fair values of derivative financial liabilities are determined as follows:

Interest rate swaps and caps are measured using the midpoint of the yield curve prevailing on the reporting date. The valuations do not include accrued interest from the previous settlement date to the reporting date. The fair value represents the net present value of the difference between the contracted rate and the valuation rate when applied to the projected balances for the period from the reporting date to the contracted expiry dates.

The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved by equity holders at a general meeting. Dividend information is provided in note 13 to the consolidated financial statements.

Merger reserve

The merger reserve resulted from the acquisition of NewRiver Retail Limited and represents the difference between the value of the net assets acquired of £524 million and the nominal value of the shares issued, adjusted for subsequent impairments and impairment reversals in NewRiver Retail Limited following the creation of the merger reserve in 2016.

Critical estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate. The only critical estimates, assumptions and judgements relate to the determination of the carrying value of the investment in the Company's subsidiary undertakings. The nature, facts and circumstance of the investment are taken into account on assessing whether there are any indications of impairment.

Impairment of investment in subsidiaries

The carrying value of the Company's investment in subsidiaries are disclosed in note B. The Company tests its investment in subsidiary balances annually for impairment. An impairment is recognised where the recoverable amount of the investment is below its carrying amount. The value in use of investments are mainly driven by changes in the value of investment properties held on the balance sheets of those investments and any distributions made to the Company. If valuations of investment properties declined by 10%, the impairment in investment in subsidiaries would be £52.9 million (2023: £53.7 million).

B. Investment in subsidiaries

All subsidiaries are held indirectly except the companies marked* in the below listing.

Name	Country of incorporation	Activity	Proportion of ownership interest	Class of share
C-store REIT Limited	UK	Dormant company	100%	Ordinary Shares
Convenience Store REIT Limited	UK	Dormant company	100%	Ordinary Shares
NewRiver Capital Limited*	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Burgess Hill) Limited	UK	Dormant company	100%	Ordinary Shares
NewRiver (Darnall) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Finance Company Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver REIT (UK) Limited	UK	Asset management	100%	Ordinary Shares
NewRiver Leisure Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Bexleyheath) Holdings Limited	UK	Group holding company	100%	Ordinary Shares
NewRiver Retail (Bexleyheath) Limited	Jersey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Broadway Square) UK Limited	UK	Dormant	100%	Ordinary Shares
NewRiver Retail (Bexleyheath) UK Limited	UK	Dormant	100%	Ordinary Shares
NewRiver Retail (Boscombe No. 1) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Broadway Square) Limited	Jersey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Cardiff) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Carmarthen) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Darlington) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Grays S.a.r.l*	Luxembourg	Real estate investments	100%	Ordinary Shares
NewRiver (Grays) UK Limited*	UK	Dormant	100%	Ordinary Shares
NewRiver Retail (GP3) Limited	UK	General partner	100%	Ordinary Shares
NewRiver Retail (Leylands Road) Limited	UK	Dormant	100%	Ordinary Shares
NewRiver Retail (Market Deeping No. 1) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Morecambe) Limited	UK	Real estate investments	100%	Ordinary Shares

Name	Country of incorporation	Activity	Proportion of ownership interest	Class of share
NewRiver Retail (Nominee No.3) Limited	UK	Dormant company	100%	Ordinary Shares
NewRiver Retail (Paisley) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Penge) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 1) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 2) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 3) Limited	UK	Holding company	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 3) Limited Partnership	UK	Real estate investments	100%	Partnership
NewRiver Retail (Portfolio No. 4) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 5) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 6) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 8) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Ramsay Development) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Ramsay Investment) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Skegness) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Wakefield) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Warminster) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Wisbech) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Witham) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Wrexham No.1) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 10) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail Holdings Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 1 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 2 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 3 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 5 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 6 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Limited*	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Limited	UK	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 2	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 3	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 5	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 6	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 7	Jersey	Real estate investments	100%	Ordinary units
Shopping Centre REIT Limited	UK	Dormant company	100%	Ordinary Shares

All UK incorporated companies have their registered offices at 89 Whitfield street, London, W1T 4DE. All Jersey incorporated companies have their registered offices at 13 Castle Street, St Helier, Jersey, Channel Islands, JE4 5UT. All Guernsey incorporated companies have their registered offices at Floor 2 Trafalgar Court, Les Banques, St Peter Port, GY1 4LY. All Luxembourg incorporated companies have their registered offices at 5, Heienhaff L-1736 Senningerberg.

The Company's investments in joint ventures and associates are detailed in notes 15/16. The registered offices of the companies are:

Guernsey – NewRiver Retail (GP1) Ltd, Floor 2 Trafalgar Court, Les Banques, St Peter Port, GY1 4LY

UK – NewRiver Retail (Sprucefield) Limited, 89 Whitfield street, London, W1T 4DE

UK – NewRiver Retail (Hamilton) Limited, 89 Whitfield street, London, W1T 4DE

Reconciliation of the movement in investment in subsidiaries:

Reconciliation of the movement in investment in subsidiaries:

	2024 £m	2023 £m
Opening balance	**323.9**	329.9
Impairment in subsidiaries	**(2.0)**	(6.0)
Investment in subsidiaries	**321.9**	323.9

The Company has recognised a net impairment of £2.0 million which relates to an impairment of £10.0 million in relation to the disposal the Group's joint venture, NewRiver (Napier) Limited, offset by a reversal in the impairment of other investments of £8.0 million (2023: £6.0 million impairment) to reflect the increase in the recoverable amount of the Company's investment.

C. Auditors remuneration

The auditors' remuneration in respect of the Company is disclosed in note 6 of the consolidated financial statements.

D. Amounts owed from subsidiary undertakings

	2024 £m	2023 £m
Non-current - Amounts owed from subsidiary undertakings *	**211.9**	213.7
Current - Amounts owed from subsidiary undertakings	**171.0**	196.5
	382.9	410.2

* Includes an expected credit loss impairment provision of £0.3 million (2023: £0.6 million)

Non-current amounts owed by subsidiary undertakings have repayment dates beyond 12 months, are unsecured and bear interest that reflects market rates.

Current amounts owed by subsidiaries undertakings are unsecured, interest free and repayable on demand.

E. Current liabilities

	2024 £m	2023 £m
Trade creditors	**0.1**	–
Accruals	**2.1**	2.3
Amounts owed to subsidiary undertakings	**159.1**	154.9
	161.3	157.2

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

F. Borrowings

All borrowings issued by the Group at 31 March 2024 were issued by the Company. See note 20 of the consolidated financial statements for details.

Alternative Performance Measures (APMs) (Unaudited)

In addition to information contained in the Group financial statements, Alternative Performance Measures ('APMs'), being financial measures which are not specified under IFRS, are also used by management to assess the Group's performance. These APMs include a number of European Public Real Estate Association ('EPRA') measures, prepared in accordance with the EPRA Best Practice Recommendations reporting framework. We report these because management considers them to improve the transparency and relevance of our published results as well as the comparability with other listed European real estate companies.

The table below identifies the APMs used in this statement and provides the nearest IFRS measure where applicable, and where in this statement an explanation and reconciliation can be found.

APM	Nearest IFRS measure	Explanation and reconciliation
Underlying Funds From Operations ('UFFO') and UFFO per share	Profit/(Loss) for the year after taxation	Note 12 of the Financial Statements
EPRA Net Tangible Assets ('NTA') and EPRA NTA per share	Net Assets	Note 12 of the Financial Statements
Dividend cover	N/A	'Financial Policies' section of the 'Finance Review'
Admin cost ratio	N/A	Note 6 of the Financial Statements
Interest cover	N/A	Glossary
EPRA EPS	IFRS Basic EPS	Note 12 of the Financial Statements
EPRA NIY	N/A	'EPRA performance measures' section of this document
EPRA 'topped-up' NIY	N/A	'EPRA performance measures' section of this document
EPRA Vacancy Rate	N/A	'EPRA performance measures' section of this document
Total Accounting Return	N/A	Glossary
Weighted average cost of debt	N/A	'Financial Policies' section of the "Finance review"
Weighted average debt maturity	N/A	'Financial Policies' section of the "Finance review"
Loan to Value	N/A	Note 24 of the Financial Statements

EPRA PERFORMANCE MEASURES (Unaudited)

The information in this section is unaudited and does not form part of the consolidated primary statements of the company or the notes thereto.

Introduction

Below we disclose financial performance measures in accordance with the European Public Real Estate Association ('EPRA') Best Practice Recommendations which are aimed at improving the transparency, consistency and relevance of reporting across European Real Estate companies.

This section sets out the rationale for each performance measure as well as how it is measured. A summary of the performance measures is included in the following tables

	FY24	FY23
EPRA Earnings Per Share (EPS)	**7.4p**	7.9p
EPRA Cost Ratio (including direct vacancy costs)	**36.9%**	38.6%
EPRA Cost Ratio (excluding direct vacancy costs)	**33.8%**	34.3%

	March 2024	March 2023
EPRA NRV per share	**127p**	134p
EPRA NTA per share	**115p**	121p
EPRA NDV per share	**123p**	135p
EPRA LTV	**34.1%**	37.0%
EPRA NIY	**7.1%**	7.6%
EPRA 'topped-up' NIY	**7.5%**	8.0%
EPRA Vacancy Rate	**2.1%**	3.4%

EPRA Earnings Per Share: 7.4p

Definition

Earnings from operational activities

Purpose

A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings

	FY24 (£m)	FY23 (£m)
Earnings/(loss) per IFRS income statement	**3.0**	(16.8)
Adjustments to calculate EPRA Earnings, exclude:		
Changes in value of investment properties, development properties held for investment and other interests	**13.9**	38.2
Profits or losses on disposal of investment properties, development properties held for investment and other interests	**6.1**	3.8
Changes in fair value of financial instruments and associated close-out costs	**–**	–
Acquisition costs on share deals and non-controlling joint venture interests	**–**	–
Deferred tax in respect of EPRA adjustments	**–**	–
Adjustments to above in respect of joint ventures (unless already included under proportional consolidation)	**(0.1)**	(0.8)
EPRA Earnings	**22.9**	24.4
Basic number of shares	**311.4m**	309.7m
EPRA Earnings per Share (EPS)	**7.4p**	7.9p

Reconciliation of EPRA Earnings to Underlying Funds From Operations (UFFO)

	FY24 (£m)	FY23 (£m)
EPRA Earnings	**22.9**	24.4
Share-based payment charge	**1.5**	1.1
Depreciation on property	**–**	–
Forward-looking element of IFRS 9	**–**	(0.2)
Head office relocation costs	**–**	0.5
Underlying Funds From Operations (UFFO)	**24.4**	25.8
Basic number of shares	**311.4m**	309.7m
UFFO per share	**7.8p**	8.3p

EPRA NRV per share: 127p; EPRA NTA per share: 115p; EPRA NDV per share: 123p

Definition

Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.

Purpose

Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.

31 March 2024	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	**361.1**	**361.1**	**361.1**
Fair value of financial instruments	**(0.1)**	**(0.1)**	**–**
Deferred tax in relation to fair value gains of Investment Property	**0.8**	**0.8**	**–**
Fair value of debt	**–**	**–**	**24.5**
Purchasers' costs	**36.8**	**–**	**–**
EPRA NRV/NTA/NDV	**398.6**	**361.8**	**385.6**
Fully diluted number of shares	**313.3m**	**313.3m**	**313.3m**
EPRA NRV/NTA/NDV per share	**127p**	**115p**	**123p**

31 March 2023	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	378.6	378.6	378.6
Fair value of financial instruments	(0.6)	(0.6)	–
Deferred tax in relation to fair value gains of Investment Property	0.9	0.9	–
Fair value of debt	–	–	43.2
Purchasers' costs	40.2	–	–
EPRA NRV/NTA/NDV	419.1	378.9	421.8
Fully diluted number of shares	312.7m	312.7m	312.7m
EPRA NRV/NTA/NDV per share	134p	121p	135p

EPRA LTV: 34.1%

Definition

EPRA LTV is the ratio of gross debt, net payables less cash and cash equivalents to the aggregate value of properties. LTV is expressed on a proportionally condensed consolidated basis.

Purpose

EPRA LTV introduces a consistent and comparable metric for the real estate sector, with the aim to assess the gearing of the shareholder equity within a real estate investment company.

31 March 2024	**Group (£m)**	**Share of Joint Ventures (£m)**	**Share of Associates (£m)**	**Total (£m)**
Borrowings from financial institutions	**–**	**–**	**(4.0)**	**(4.0)**
Corporate bond	**(300.0)**	**–**	**–**	**(300.0)**
Net (payables)/receivables	**(14.9)**	**0.1**	**(0.1)**	**(14.9)**
Cash and cash equivalents	**132.8**	**–**	**0.4**	**133.2**
Net Debt (A)	**(182.1)**	**0.1**	**(3.7)**	**(185.7)**
Investment property at fair value	**533.8**	**–**	**10.0**	**543.8**
Total Property Value (B)	**533.8**	**–**	**10.0**	**543.8**
LTV (A/B)	**34.1%**			**34.1%**

31 March 2023	Group (£m)	Share of Joint Ventures (£m)	Share of Associates (£m)	Total (£m)
Borrowings from financial institutions	–	(12.0)	(4.0)	(16.0)
Corporate bond	(300.0)	–	–	(300.0)
Net payables	(14.5)	(0.2)	(0.3)	(15.0)
Cash and cash equivalents	108.6	2.1	0.6	111.3
Net Debt (A)	(205.9)	(10.1)	(3.7)	(219.7)
Investment property at fair value	551.5	32.2	9.9	593.6
Total Property Value (B)	551.5	32.2	9.9	593.6
LTV (A/B)	37.3%			37.0%

EPRA NIY: 7.1%, EPRA ‘topped-up’ NIY: 7.5%

Definition

The basic EPRA NIY calculates the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers’ costs.

In respect of the ‘topped-up’ NIY, an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

Purpose

A comparable measure for portfolio valuations to assist investors in comparing portfolios.

		March 2024 (£m)	March 2023 (£m)
Properties at valuation – wholly owned		**533.8**	551.5
Properties at valuation – share of Joint Ventures & Associates		**10.0**	42.1
Trading property (including share of Joint Ventures & Associates)		**–**	–
Less: Developments		**(10.0)**	(10.2)
Completed property portfolio		**533.8**	583.4
Allowance for estimated purchasers’ costs and capital expenditure		**40.5**	44.9
Grossed up completed property portfolio valuation	B	**574.3**	628.3
Annualised cash passing rental income		**50.9**	59.6
Property outgoings		**(10.0)**	(11.9)
Annualised net rents	A	**40.9**	47.7
Add: Notional rent expiration of rent free periods or other lease incentives		**2.4**	2.4
Topped-up net annualised rent	C	**43.3**	50.1
EPRA NIY	A/B	**7.1%**	7.6%
EPRA ‘topped-up’ NIY	C/B	**7.5%**	8.0%

EPRA Vacancy rate: 2.1%

Definition
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio, excluding development assets.

Purpose
A 'pure' (%) measure of investment property space that is vacant, based on ERV.

		March 2024 (£m)	March 2023 (£m)
Estimated Rental Value of vacant retail space	A	**1.0**	1.8
Estimated rental value of the retail portfolio	B	**47.8**	53.0
EPRA Vacancy Rate	A/B	**2.1%**	3.4%

EPRA Cost Ratio (including direct vacancy costs): 36.9%; EPRA Cost Ratio (excluding direct vacancy costs): 33.8%

Definition
Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.

Purpose
A key measure to enable meaningful measurement of the changes in a company's operating costs.

		FY24 (£m)	FY23 (£m)
Administrative/operating expenses per IFRS		**18.2**	19.2
Net service charge costs/fees		**4.0**	5.6
Management fees less actual/estimated profit element		**(2.5)**	(1.5)
Other operating income/recharges intended to cover overhead expenses less any related profits		**–**	–
Share of Joint Ventures and associates expenses (net of other income)		**0.1**	0.4
Exclude (if part of the above):			
Investment property depreciation		**–**	–
Ground rent costs		**0.4**	0.6
Service charge costs recovered through rents but not separately invoiced		**–**	–
EPRA Costs (including direct vacancy costs)	A	**20.2**	24.3
Direct vacancy costs		**(1.7)**	(2.7)
EPRA Costs (excluding direct vacancy costs)	B	**18.5**	21.6
Gross Rental Income less ground rents – per IFRS		**53.3**	59.4
Less: service fee and service charge costs components of Gross Rental Income (if relevant)		**–**	–
Add: share of Joint Ventures and associates (Gross Rental Income less ground rents)		**1.5**	3.6
Gross Rental Income	C	**54.8**	63.0
EPRA Cost Ratio (including direct vacancy costs)	A/C	**36.9%**	38.6%
EPRA Cost Ratio (excluding direct vacancy costs)	B/C	**33.8%**	34.3%

Reconciliation of EPRA Costs (including direct vacancy costs) to Net Administrative expenses per IFRS

		FY24 (£m)	FY23 (£m)
EPRA Costs (including direct vacancy costs)	A	**20.2**	24.3
Exclude			
Ground rent costs		**(0.4)**	(0.6)
Share of Joint Ventures and associates property expenses (net of other income)		**–**	(0.4)
Other operating income/recharges intended to cover overhead expenses less any related profits		**–**	–
Net service charge costs/fees		**(4.0)**	(5.6)
Operating expenses (excluding service charge cost)		**(5.8)**	(6.6)
Tenant incentives (included within income)		**(0.2)**	(0.2)
Letting & legal costs (included within income)		**(1.3)**	(1.3)
Group's share of net administrative expenses as per IFRS	D	**8.5**	9.6
EPRA Gross Rental Income	C	**54.8**	63.0
Ground rent costs		**(0.4)**	(0.6)
Expected credit reversal/(loss)		**0.1**	(0.2)
Surrender premiums and commissions		**(0.7)**	(0.6)
Other income		**0.4**	1.4
Property rental, other income and related income as per IFRS	E	**54.2**	63.0
Administrative cost ratio as per IFRS	D/E	**15.7%**	15.2%

Property related capital expenditure and tenant incentives (additional disclosure)

	Year ended 31 March 2024			Year ended 31 March 2023		
	Group £m	JVs & Associates £m	Group's share £m	Group £m	JVs & Associates £m	Group's share £m
Acquisitions	–	–	–	–	–	–
Development	**0.2**	–	**0.2**	0.3	–	0.3
Investment properties						
Incremental lettable space	**4.0**	–	**4.0**	1.9	–	1.9
Non incremental lettable space	**1.9**	–	**1.9**	0.8	0.8	1.6
Other material non-allocated types of expenditure	–	–	–	–	–	–
Capitalised interest	–	–	–	–	–	–
Total property related capital expenditure and tenant incentives	**6.1**	–	**6.1**	3.0	0.8	3.8
Conversion from accrual to cash basis	–	–	–	(0.1)	(0.3)	(0.4)
Total property related capital expenditure and tenant incentives on cash basis	**6.1**	–	**6.1**	2.9	0.5	3.4

Refurbishment expenditure in respect of major works is capitalised whilst renovation and refurbishment expenditure of a revenue nature is expensed as incurred. Our business model for major works and developments is to use a combination of in-house staff and external advisers. The cost of external advisers is capitalised to the cost of developments and employee costs in relation to in-house staff time on development projects are capitalised into the base cost of relevant assets subject to meeting certain criteria related to the degree of time spent on and the nature of specific projects. Staff costs amounting to £0.5 million (2023: £0.5 million) have been capitalised as such during the year. Capital tenant incentives of £0.8 million (2023: £0.4 million) were paid during the year, with associated amortisation of £0.2 million (2023: £0.2 million) recognised in the consolidated statement of comprehensive income.

ESG Data Sets Appendix (Unaudited)

Our Corporate Environmental Performance Measures

NewRiver occupied 16 New Burlington Place as our head office until mid-July 2022. In April 2022, we took occupation of 89 Whitfield Street as our new head office and entered a fit-out period of circa 3 months, before we officially moved in mid-July 2022. There was therefore a 3-month period during which we were responsible for utilities at both 16 New Burlington Place and 89 Whitfield Street, which is included in our FY23 disclosures. FY23 intensity disclosures are based on the average floor area across the two office spaces. There were no waste collections for NewRiver at 89 Whitfield Street during the fit-out period.

All data presented in this disclosure has been checked and collated by Cushman & Wakefield, and verified under ISO 14064-3:2019 by AESG.

				Absolute Performance (Abs)		
EPRA Code	**Performance Measure**	**Unit(s) of measure**	**% of data estimation**	**FY23**	**FY24**	**% Change**
Elec-Abs	Electricity consumption[1]	Annual kWh		31,932	29,446	-8%
DH&C-Abs	District heating & cooling	Annual kWh	Our corporate offices are not connected to district heating & cooling			
Fuels-Abs	Fuel consumption[1]	Annual kWh	See footnotes	24,832	0	-100%
Energy-Int	Energy intensity[4]	kWhelec-eq/m²/yr		82	77	-5%
GHG-Dir-Abs	Scope 1 emissions	Kg CO_2e		4,568	0	-100%
GHG-Indir-Abs	Scope 2 emissions (location-based)	Kg CO_2e		6,175	6,097	-1%
	Scope 2 emissions (market-based)	Kg CO_2e		0	0	0%
	Scope 3 emissions[3]	Tonnes CO_2e	See footnotes	2,476	1,540	-38%
GHG-Int	Scope 1 and 2 emissions	Kg CO_2e/ m²/ year		17.63	16.05	-9%
Water-Abs	Water consumption[1]	Annual m³		166	38	-77%
Water-Int	Water intensity	M3 consumption/ m²		0.27	0.10	-64%
Waste	Kg total waste[2]	Kg		1,072	2,964	176%
	Recycling rate	% total waste recycled		51%	60%	17%

1. Carbonxgen prepared precise apportionment of electricity charges for 16 New Burlington Place, whilst gas and water were apportioned based on whole building data. We have apportioned gas and water consumption based on the percentage of direct NewRiver usage of the total electricity consumed on site, which over the relevant months was 4%.
2. Waste data for 16 New Burlington Place is prepared on a whole building basis. We have apportioned waste based on the floor area apportionment attributed to NewRiver for service charge purposes (21%).
3. Scope 3 emissions as presented above include the emissions associated with our occupation of our corporate offices, and so include water consumption, waste generation, and indirect emissions from our consumption of energy.
4. kWh elec-eq/m²/yr is calculated using the REEB Benchmark 2020
5. We occupied 89 Whitfield Street for the full duration of the FY24 period. All data for this premises is available per occupier/meter and therefore no apportionment has been required. We did however experience issues with the recording of our waste data, as well as issues with non NewRiver personnel utilising our waste bins. This has contributed to an increase in total waste volume, which we are monitoring with our landlord.
6. All of the above indicators have been checked by Cushman & Wakefield and verified by AESG as part of our GHG Inventory.

Our Portfolio Environmental Performance Measures

				Absolute Performance (Abs)		Like-for-like Performance (LfL)		
EPRA Code	**Performance Measure**	**Unit(s) of measure**	**% of data estimation**	**FY23**	**FY24**	**FY23**	**FY24**	**% Change**
Elec-Abs, Elec-LfL	Electricity consumption	Annual MWh	1.1%	10,462	8,188	8,183	7,738	-5%
DH&C-Abs & LfL	District heating & cooling	Annual MWh	None of our properties were connected to or benefitted from district heating & cooling					
Fuels-Abs, Fuels-LfL	Fuel consumption	Annual MWh	1%	3,911	2,708	2,758	2,563	-7%
Energy-Int	Energy intensity	kWhelec-eq/m^2/yr	-	76	61	76	72	-6%
GHG-Dir-Abs	Scope 1 emissions	Tonnes CO_2e		714	495	503	469	-7%
GHG-Indir-Abs	Scope 2 emissions (location-based)	Tonnes CO_2e		2,023	1,695	1,583	1,602	1%
	Scope 2 emissions (market-based)	Tonnes CO_2e		0	0	0	0	0%
	Scope 3 emissions	Tonnes CO_2e		745	581	688	541	-21%
GHG-Int	Scope 1 and 2 emissions	Tonnes CO_2e/ m^2/ year		0.016	0.013	0.016	0.016	-1%
Water-Abs, Water-LfL	Water consumption	Annual m^3	6.3%	68,607	65,602	59,735	55,798	-7%
Water-Int	Water intensity	m^3 consumption/ m^2		0.39	0.40	0.45	0.42	-7%
Waste-Abs, Waste-LfL	Tonnes total waste	Tonnes	3.6%	3,253	2,887	2,896	2,783	-4%
	Tonnes diverted from landfill	Tonnes		3,253	2,887	2,896	2,783	-4%
	Tonnes waste to energy	Tonnes	4.6%	1,124	1,173	992	1,121	13%
	Tonnes recycling	Tonnes	2.5%	1,882	1,505	1,684	1,458	-13%
Cert-ToT	Type and number of sustainably certified assets	Total number by certification/ rating/ labelling scheme	Please see the following page 197 for a detailed breakdown of this performance measure. We are also in the process of certifying 10 no. assets to the WELL Health-Safety Rating standard.					

1. Data coverage: the figures reported against each performance measure represent 100% of the assets within our Operational Control reporting boundary.
2. Normalisation: Intensity indicators for energy, water and waste are based on relevant floor area.
3. Scope 3 emissions relate to the emissions included in our 2040 net-zero target, which are those arising from the directly controlled areas of our assets (i.e., waste, water, and upstream emissions and transmission & distribution losses from energy consumption). We have chosen to include these categories only to provide a clear performance comparison, as all other Scope 3 categories are otherwise difficult to distinguish when collated with "downstream leased assets".
4. Absolute and like-for-like asset-level performance measures include only landlord-procured energy/water. This does not include sub-metered energy procured on behalf of occupiers on inclusive leases, which amounted to 57,985 kWh in 2023 (electricity only) , and which is accounted for in the Scope 3 emissions category of "downstream leased assets" reported within our Streamlined Energy and Carbon Reporting (SECR) disclosure on page 73.
5. "Estimation" refers to filling invoice gaps, not to whether invoices are based on "estimated" or "actual" readings. Although a vast majority of the data presented is based on actual consumption, in the instances where there were gaps in electricity and water consumption, the average of the months where we had data was applied to the missing months. Where data covered only part of a month, a pro-rata method using known consumption was applied. With regards to natural gas, due to the variability of consumption throughout the year, any unknown consumption was estimated using seasonal trends.
6. As our portfolio is comprised of entirely retail properties within the UK only, we do not undertake segmental analysis.
7. Our environmental and social performance data has been collated and checked by Cushman & Wakefield, and verified by AESG as part of our GHG inventory. GHG Inventory verification includes all indicators above, other than Cert-ToT which is instead audited by PwC as part of the Annual Report & Accounts.
8. In our FY23 report, the Energy-Int indicator was erronously reported in MWhelec-eq/m2/yr. This has been corrected above.
9. This disclosure includes restatements of FY23 data in connection with the data restatement notes on page 74.

EPC certificates by Region and Asset Rating

In the below table, the number of certificates is presented within each legislative region (England & Wales, Ireland, and Scotland) by asset rating, A+ through to G. We have also disclosed the number of units with no/expired EPCs to provide clarity on certification coverage across the portfolio. We are pleased to have increased EPC coverage to 77%, up from 64% last year. This excludes recently sold assets for which we acquired new EPCs for the purposes of sale.

Region	A+	A	B	C	D	E	F	G	No/ Expired EPC
England & Wales	0	11	211	234	155	68	0	0	93
Northern Ireland	0	0	2	15	8	3	0	4	37
Scotland	0	1	3	14	8	17	6	3	95
Total	0	12	216	263	171	88	6	7	225

Asset Social Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	Boundary	FY23	FY24
H&S-Asset	Asset health and safety assessments	Percentage of assets		100%	100%
H&S-Comp	Asset health and safety compliance	Number of incidents in reporting year		0	0
	Development and major refurbishment project health and safety compliance	Number of incidents over past 3 years	Managed Assets	0	–
Comty-Eng	Community engagement, impact assessments and development programmes	Percentage of assets		100%	100%

Employee Social Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	Boundary	FY23	FY24
Diversity-Emp	Employee gender diversity	Percentage of employees, Board diversity	NewRiver Board	29% female/ 71% male	29% Female/ 71% male
		Percentage of employees, All employee gender diversity	NewRiver direct employees	47 % Female/ 53% Male	50% Female/ 50% male
—	Employee racial diversity	Percentage of employees, All employee racial diversity		84% White/9% Asian/1% Caribbean/ 5% Mixed/1 % Moth	77% White/ 13% Asian/4% Caribbean/ 4% Mixed/ 2% Moth
Diversity-Pay[1]	Gender pay ratio	Ratio of gender pay, mean/median		34% Mean/29% Median	39% Mean, 37% Median
Emp-Training	Employee training and development	Average hours/employee		26	46
	Employee training, subscriptions, surveys, and online platforms	Total £s invested		£142,492	£ 179,096
	Employee health & safety training	Average hours/ employee		2	7
Emp-Dev	Employee performance appraisals	Percentage of employees		100%	100%
Emp-Turnover	Total number of new hires	Total number		2	8
	Total number of leavers	Total number		9	5
	Rate of new hires	Percentage		4%	17%
	Rate of employee turnover	Percentage		15%	11%
—	Temporary staff	Percentage of employees who are contractors or temporary staff		0%	0%
H&S-Emp	Injury rate	Per 100,000 hours worked		0	0
	Lost day rate	Per 100,000 hours worked		0	0
	Absentee rate	Days per employee		0	0
	Fatalities	Total number		0	0
—	Instances of non-compliance with labour standards	Total number		0	0

1. As we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information Regulations 2017) to disclose our gender pay information. We calculate gender pay gap based on the difference between the average annual salaries of men and women, excluding bonuses and other benefits.

Glossary

Admin cost ratio: Is the Group's share of net administrative expenses (including its share of JV administrative expenses) divided by the Group's share of property income (including its share of JV property income).

Associates: Is an entity in which the Group holds an interest and is significantly influenced by the Group.

Average debt maturity: Is measured in years when each tranche of gross debt is multiplied by the remaining period to its maturity and the result is divided by total gross debt in issue at the period end. Average debt maturity is expressed on a proportionally consolidated basis.

Balance sheet gearing: Is the balance sheet net debt divided by IFRS net assets.

BRAVO: Is BRAVO Strategies III LLC, with which NewRiver formed a capital partnership in May 2019 to acquire and manage a portfolio of retail assets in the UK.

Book value: Is the amount at which assets and liabilities are reported in the financial statements.

Cost of debt: Is the loan interest and derivative costs at the period end, divided by total debt in issue at the period end. Cost of debt is expressed on a proportionally consolidated basis.

CVA: Is a Company Voluntary Arrangement, a legally binding agreement that allows a company to settle debts by paying only a proportion of the amount that it owes to creditors (such as contracted rent) or to come to some other arrangement with its creditors over the payment of its debts.

Dividend cover: Underlying Funds From Operations per share divided by dividend per share declared in the period.

EPRA: Is the European Public Real Estate Association.

EPRA earnings: Is the IFRS profit after taxation excluding investment property revaluations, fair value adjustments on derivatives, gains/losses on disposals and deferred tax.

EPRA earnings per share: Is EPRA earnings divided by the weighted average basic number of shares in issue during the period.

EPRA Net Tangible Assets (EPRA NTA): Are the balance sheet net assets excluding the mark to market on effective cash flow hedges and related debt adjustments, deferred taxation on revaluations, goodwill, and diluting for the effect of those shares potentially issuable under employee share schemes.

EPRA NTA per share: Is EPRA NTA divided by the diluted number of shares at the period end.

EPRA LTV: EPRA LTV is the ratio of gross debt, net payables less cash and cash equivalents to the aggregate value of properties. LTV is expressed on a proportionally consolidated basis.

ERV growth: Is the change in ERV over a period on our investment portfolio expressed as a percentage of the ERV at the start of the period. ERV growth is calculated monthly and compounded for the period subject to measurement, as calculated by MSCI Real Estate.

Estimated rental value (ERV): Is the external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

Footfall: Is the annualised number of visitors entering our shopping centre assets.

Gross Asset Value (GAV): Is the total value of all real estate investments owned by the Company

Group: Is NewRiver REIT plc, the Company and its subsidiaries and its share of joint ventures (accounted for on an equity basis).

Head lease: Is a lease under which the Group holds an investment property.

IFRS: UK-adopted International Accounting Standards.

Income return: Is the income derived from a property as a percentage of the property value.

Interest cover: Interest cover is tested at corporate level and is calculated by comparing actual net property income received versus cash interest payable on a 12 month look-back basis.

Joint venture: Is an entity in which the Group holds an interest on a long-term basis and is jointly controlled by the Group and one or more ventures under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each joint venture partner's consent.

Leasing events: Long-term and temporary new lettings, lease renewals and lease variations within investment and joint venture properties.

Like-for-like ERV growth: Is the change in ERV over a period on the standing investment properties expressed as a percentage of the ERV at the start of the period.

Like-for-like footfall: Is the movement in footfall against the same period in the prior period, on properties owned throughout both comparable periods, aggregated at 100% share.

Like-for-like net income: Is the change in net income on properties owned throughout the current and previous periods under review. This growth rate includes revenue recognition and lease accounting adjustments but excludes properties held for development in either period, properties with guaranteed rent reviews and asset management determinations.

Long-term leasing deals: Are leasing deals with a fixed term certain of at least one year.

Loan to Value (LTV): Is the ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments. LTV is expressed on a proportionally consolidated basis.

Mark to market: Is the difference between the book value of an asset or liability and its market value.

MSCI: MSCI Inc produces independent benchmarks of property returns and NewRiver portfolio returns. Net equivalent yield (NEY): Is the net weighted average income return a property will produce based upon the timing of the income received. In accordance with usual practice, the equivalent yields (as determined by the external valuers) assume rent received annually in arrears and on values before deducting prospective purchaser's costs.

Net equivalent yield (NEY): Is the net weighted average income return a property will produce based upon the timing of the income received. In accordance with usual practice, the equivalent yields (as determined by the external valuers) assume rent received annually in arrears and on values before deducting prospective purchaser's costs.

Net initial yield (NIY): Is the current annualised rent, net of costs, expressed as a percentage of capital value, after adding notional purchaser's costs.

Net rental income: Is the rental income receivable in the period payment of net property outgoings. Net rental income will differ from annualised net rents and passing rent due to the effects of income from rent reviews, net property outgoings and accounting adjustments for fixed and minimum contracted rent reviews and lease incentives.

NewRiver share: Represents the Group's ownership on a proportionally consolidated basis.

Passing rent: Is the gross rent payable under leases terms.

Pre-let: A lease signed with an occupier prior to the completion of a development.

Pre-sale: A sale exchanged with a purchaser prior to completion of a development.

Property Income Distribution (PID): As a REIT the Group is obliged to distribute 90% of the tax-exempt profits. These dividends, which are referred to as PIDs, are subject to withholding tax at the basic rate of income tax. Certain classes of shareholders may qualify to receive the dividend gross. See our website (www.nrr.co.uk) for details. The Group can also make other normal (non-PID) dividend payments which are taxed in the usual way.

Proportionally consolidated: The aggregation of the financial results of the Reported Group and the Group's Share of net assets within its joint venture and associates.

Real Estate Investment Trust (REIT): Is a listed property company which qualifies for and has elected into a tax regime, which exempts qualifying UK property rental income and gains on investment property disposals from corporation tax.

Rental value growth: Is the increase in the current rental value, as determined by the Company's valuers, over the 12-month period on a like-for-like basis.

Retail occupancy rate: Is the estimated rental value of let units expressed as a percentage of the total estimated rental value of the portfolio, excluding development properties.

Risk-controlled development pipeline: Is the combination of all development projects that the Company is currently pursuing or assessing for feasibility. Our risk-controlled approach means that we will not commit to a new development unless we have pre-let or presold at least 70% by area

Tenant (or lease) incentives: Are any incentives offered to occupiers to enter into a lease. Typically the incentive will be an initial rent-free period, or a cash contribution to fit-out or similar costs. Under accounting rules, the value of lease incentives given to tenants is amortised through the Income Statement on a straight-line basis to the lease expiry.

Total Accounting Return (TAR): Is the increase or decrease in EPRA NTA per share plus dividends paid in the period, expressed as a percentage of EPRA NTA per share at the beginning of the period.

Total Property Return (TPR): Is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period, as calculated by MSCI Real Estate (formerly IPD). Total property returns are calculated monthly and indexed to provide a return over the relevant period.

Topped-Up Net Initial Yield: Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent free period at the valuation date.

Underlying Funds From Operations (UFFO): Is a measure of the Company's operational profits, which includes other income and excludes one off or non-cash adjustments, such as portfolio valuation movements, profits or losses on the disposal of investment properties, fair value movements on derivatives and share-based payment expense.

Weighted average lease expiry (WALE): Is the average lease term remaining to first tenant break, or expiry, across the portfolio weighted by rental income. This is also disclosed assuming all tenant break clauses are exercised at the earliest date, as stated. Excludes short-term licences and residential leases.

Yield on cost: Passing rents expressed as a percentage of the total development cost of a property.

Yield Shift: Is a movement (usually expressed in basis points) in the equivalent yield of a property asset.

Company Information

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(Non-Executive Chair)

Allan Lockhart
(Chief Executive Officer)

Will Hobman
(Chief Financial Officer)

Alastair Miller
(Non-Executive Director)

Dr Karen Miller
(Non-Executive Director)

Charlie Parker
(Non-Executive Director)

Colin Rutherford
(Non-Executive Director)

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