

Enabling better health outcomes

Assura plc Annual Report and
Accounts 2024



Highlights

Operational

5%

uplift in rent roll from activities completed

5

new development completions

10.8 yrs

WAULT maintained through portfolio activities

8

asset enhancement capital projects completed

A-

investment grade credit rating reaffirmed by Fitch Ratings Ltd

Financial

3.4p

EPRA EPS

3.2p

dividends paid in the year

2.3%

average cost of debt

13.2%

EPRA Cost Ratio – amongst the lowest in listed UK real estate

49.3p

diluted EPRA NTA

ESG: The Bigger Picture

1.9m

annual kWh saved from 45 energy efficient upgrade projects in our portfolio

£3.40/£

social value generated from community activities

728

volunteering hours, with 90% of employees participating

Top 10

performer in FTSE 250 Women Leaders 2023 review

AA

MSCI ESG rating maintained, and EPRA Gold award received for sustainability disclosures

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More information

This report forms part of our year-end reporting suite.

Our website includes our year-end results presentation, sustainability disclosures and investor fact sheet. We have also published our Net Zero Carbon Pathway.



Enabling better health outcomes

As the specialist healthcare property investor and developer, Assura play a vital role in helping our customers deliver essential health services across the UK and Ireland.

We leverage our unique understanding of the challenges facing the healthcare sector, and our two decades of experience, to deliver modern, high-quality spaces that support a healthy population.

WE DO THIS THROUGH:

Sharing our expertise and knowledge

[READ MORE ON PAGE 3](#)

Partnering to deliver innovative solutions

[READ MORE ON PAGE 5](#)

Improving access to local health services

[READ MORE ON PAGE 4](#)

Focusing on social impact and sustainability

[READ MORE ON PAGE 6](#)



Assura's role in the future of healthcare

There is a critical need for investment in infrastructure in the healthcare system. As the largest developer of GP surgeries, healthcare, diagnostic and treatment buildings in a community setting, and a trusted partner in providing the right estate solutions for private healthcare providers, Assura has a vital role to ease the pressures faced by the system.

READ MORE ABOUT HOW ASSURA ENABLES BETTER HEALTH OUTCOMES ON PAGES 14 TO 17

How healthcare estates support better health outcomes

01 Demand for care

With an ageing population and increasingly complex health conditions, pressure on the health system and waiting lists is growing. Community healthcare buildings can enable a greater range of health providers and services, creating extra capacity in the system.

READ MORE ON PAGE 15

02 Meeting the need for investment

A significant proportion of the NHS estate is not fit for purpose, and the maintenance backlog continues to grow. Significant investment is needed now to facilitate better health services.

READ MORE ON PAGE 15

03 A lever to help reduce health inequalities

Areas of greatest health deprivation have more patients per GPs, shorter appointment times and slower recovery times. Investment in the health estate in these areas can improve GP recruitment and allow a greater range of health practitioners to operate.

READ MORE ON PAGE 16

04 A net zero carbon future

Investment in energy efficient building upgrades can reduce operating costs for occupiers, as well as reducing the carbon footprint of operations.

READ MORE ON PAGE 17



Enabling better health outcomes Sharing our expertise and knowledge

Our market expertise, long-standing relationships and proven track record – combined with our development and asset enhancement capabilities – make us an attractive partner to the healthcare market.

[READ MORE ON PAGE 46](#)

Enabling better health outcomes Improving access to local health services

We work together with customers to deliver bespoke health centres that meet the evolving needs of local communities. Assura is best placed to respond to these healthcare needs, taking the pressure off the healthcare system and ensuring our customers can do what they do best – deliver essential healthcare services.

READ MORE ON PAGE 40



Enabling better health outcomes Partnering to deliver innovative solutions

We unlock the power of design and innovation to provide customers with state-of-the-art spaces to deliver diagnostic, specialist treatment and mental health services. We are continually evolving our offer, leveraging our expertise to meet changing healthcare needs and tackling the challenges of access to local services and health inequalities.

READ MORE ON PAGE 25

Enabling better health outcomes

Focusing on social impact and sustainability

Our goal is to become the number one listed property business for long-term social impact and sustainability and to have a net zero carbon portfolio by 2040.

Our ESG strategy 'The Bigger Picture' sets out our ambition for a Healthy Environment, Healthy Communities and Healthy Business.

[READ MORE ON PAGE 52](#)

A balanced portfolio

Facts and figures

614

properties

6.4m

patients served by our buildings

2040

net zero carbon target date

£542m

total development pipeline

Regional portfolio



Value of properties by region

	>£10m	£5-10m	£1-5m	<£1m
1 Scotland	50	20	23	–
2 North East	167	141	247	8
3 North West	198	58	62	3
4 Midlands	127	164	200	4
5 South West	78	39	88	5
6 London	116	82	146	2
7 South East	73	155	208	9
8 Wales	–	47	81	1
9 Northern Ireland	–	14	5	–
10 Ireland	23	–	9	–



GO TO OUR WEBSITE FOR THE LATEST
INFORMATION ABOUT ASSURA



Chair's statement

Delivering growth for our shareholders

Dear shareholder

I am pleased to be reporting to you on another year in which we have delivered for all of our stakeholders – delivering new buildings for health services, delivering building upgrades and sustainability improvements, delivering social value through our community initiatives and delivering growth for our shareholders.

The delivery of health services in the UK is a subject which is so often front and centre of the political agenda and is incredibly important to the population of the UK. The NHS faces many challenges: long waiting lists, an ageing population with increasingly complex health needs, budgetary pressures, ageing infrastructure and a wave of medical and technological innovations. All of these will need to be addressed in the coming years.

Whilst the NHS continues to be a system of which we, in the UK, are rightly proud, it is also a system that needs help to continue to adapt and deliver the changes a fit-for-purpose health service requires.

There are many improvements that can be made to achieve this. Moving services out of hospital into a community-setting. Shifting the focus to prevention from treatment. Investing in an estate which has a growing maintenance backlog. Training the staff needed to deliver the healthcare of the future. Harnessing the power of digital delivery and access. Thinking about sustainability as an investment for improved long-term cost efficiency. All areas that can be enabled through Assura's expertise and experience.

Increasingly, the NHS is supported by, or patients choose to be seen by, the private sector. Embracing the help of the private sector from capacity to expertise can enable the health system as a whole to become more efficient. Jonathan's CEO Statement covers why we consider private assets, and those in broader healthcare markets, as attractive investments. What is most important is that patients get early diagnoses and then are treated promptly and efficiently – something that Assura enables by creating standout quality facilities that provide capacity to support high quality patient care and improved patient outcomes.

CHAIR'S STATEMENT (CONTINUED)

We continue to run our business for the long term, including conservatively managing our balance sheet. Whilst the recent economic headwinds have led to many difficult decisions around capital allocation and cost control, our long-term prospects remain strong. The recent valuation movement of our portfolio has no impact on our occupiers or the underlying quality of our cash flows.

We are proud to have delivered another year of growth in earnings and dividend for shareholders.

This growth has not come at the expense of our other stakeholders, who remain at the centre of our strategic decision making. Our re-launched ESG strategy, The Bigger Picture, doesn't change what we are doing. It does, however, provide us with a lens through which to frame our decisions – thinking about ensuring a Healthy Environment, positively contributing to Healthy Communities and remaining a Healthy Business. We believe our approach leaves us well-placed to capture more than our fair share of opportunities over the long term.

"We believe our approach leaves us well-placed to capture more than our fair share of opportunities over the long term."

Even in times of adversity, The Bigger Picture sets the long term expectation from the public.

Once again I would like to reiterate that all the great things our business does would not be possible without the skill and dedication of our team. We promote creative thinking – our buildings are not 'one size fits all' and that speaks to the approach we collectively take. We pride ourselves on the strength of our long term relationships, which ultimately comes down to how everyone within our organisation operates and conducts themselves.

We continue to look to the future with a high degree of optimism – seeing myriad ways that our business can grow and deliver for all of our stakeholders, economic returns, innovation, expertise, ultimately enabling better health outcomes.

Ed Smith CBE
Non-Executive Chair
21 May 2024



WELL STREET SURGERY, HACKNEY



CEO statement

Delivering essential healthcare infrastructure to create value for all stakeholders

Assura is a business built for the long-term, enabling better health outcomes to create value for all our stakeholders.

As the leading investor and developer of healthcare buildings in a community setting, Assura is best-placed to meet the critical need for delivery of fit-for-purpose, sustainable healthcare buildings leveraging our extensive sector experience and taking a consistently, disciplined investment approach.

The UK is facing a healthcare crisis, and the nation's ageing population combined with unrelenting hospital waiting lists continues to drive significant demand for investment in healthcare infrastructure.

This demand for investment in improved and more diverse health facilities has received cross-party political support, with countless reports highlighting the need to move services out of hospital and tackle health inequalities within communities in a cost-effective way. 2024 is set to be an election year and the NHS will undoubtedly be a key election topic, already having been granted considerable air time by all the major political parties in recent months. Whichever party is in Government post-election, our expectation is that there will continue to be a desire to demonstrate improvements in health services during the

next parliamentary term. Investment in community healthcare is an obvious way to achieve this – easing pressure on the NHS, benefiting patients, focusing on prevention rather than treatment, and ultimately making the health system more efficient over the long-term.

It is these essential health spaces that Assura invests in and develops, across healthcare markets including for private providers, and our resilient cash flows which have delivered growing dividends to our shareholders, underpinned by long-term healthcare demands.

Our decision making is on a long-term basis too and is why we continue to illustrate discipline in our investment and development activities, waiting for the right opportunities and adapting as our cost of capital has evolved over the past 18 months in response to the macro-economic environment. We have moved on site with five developments in the year as rent negotiations catch up with the current cost of new buildings. We see pockets of improvement in certain locations around the country, generally where demand is strongest, and maintain our push for a wider unlocking.

CEO STATEMENT (CONTINUED)

Recognising the evolving and diversified nature of healthcare demand in communities, we continue to develop opportunities in broader healthcare markets: with NHS Trusts, partnerships with private providers, provision of mental health service infrastructure and expansion into Ireland. We identified all of these areas as demonstrating the same underlying market demand for more investment in health buildings; structural trends that support this demand; offering attractive risk-adjusted investment characteristics with long leases and a secure cash flow stream; and benefitting from Assura's extensive sector experience, expertise and long-term relationships.

We have a strong financial position, with a secure balance sheet, A- investment grade credit rating from Fitch and a debt book, one of the best in the UK listed real estate sector, that is fully fixed at a rate of 2.3% and with a maturity of 6 years. These characteristics position us well for the long-term as we continue to invest in our capabilities to remain best-placed to meet the needs of our customers.

Intrinsic to delivering better outcomes for all our stakeholders is our ESG focus – which underpins everything we do at Assura as we support the communities and environments we serve to deliver associated long-term health benefits.

Our newly refreshed ESG strategy – the Bigger Picture – provides three clear pillars of Healthy Environment, Healthy Communities and Healthy Business, against which to align our strategic decisions, central to which sits Assura's high quality team. Our success would not be possible without this team, and we were delighted to see strong positive results from our staff engagement survey as well as recognition for our gender diversity – being Top 10 for the FTSE 250 Women Leaders 2023 review.

Financial and operational performance

Our business is built on the reliability and resilience of the long-term, secure cash flows from our high-quality £2.7 billion portfolio of 614 properties alongside our efficient capital structure.

We strive to grow the rental income generated from our portfolio...

Assura has consistently demonstrated an ability to identify and secure new opportunities for growth, building on our market-leading capabilities to manage, invest in and develop outstanding spaces for health services in our communities.

We have continued our strong track record of investing with capital discipline. We made one acquisition in Ireland and have closely monitored our on site developments to deliver them on budget. We celebrated our 100th development completion of Prestbury Medical Centre in Wolverhampton, with a total of five completions (£72 million) during the year that also included schemes for private operators such as a state-of-the art day case hospital in Kettering and a cancer care facility in Guildford as well as our first development completion in Ireland: Kilbeggan Medical Centre. These diverse schemes, alongside the contribution from portfolio management, enabled us to deliver 4% growth in net rental income to £143.3 million, and our passing rent roll stands at £150.6 million 5% higher than 12 months ago.

...whilst protecting the quality of our cash flows...

An essential part of our growth strategy is the careful review of every asset for opportunities to increase its lifetime cash flows and impact on the community. Our portfolio management team seek to enhance the value of our assets through agreeing rent reviews, completing lease re-gears, letting vacant space and undertaking physical extensions.

This year, the team completed 307 rent reviews (generated an 8.9% uplift on the rent reviewed), 15 lease re-gears, and invested in eight capital projects and 45 sustainability improvements. Collectively these added £3.4 million to our rent roll, offering attractive growth for modest capital outlay. Our total contracted rental income, which is a combination of our passing rent roll and lease length, stands at £1.8 billion, our weighted average unexpired lease term is 10.8 years and 95% of our income comes from GPs, the NHS, the HSE, pharmacies or established private operators.

...and carefully controlling our balance sheet and cost base...

Despite the impact of inflation, we reduced administrative expenses and our EPRA Cost Ratio fell. The decline in valuation, albeit lower than in the previous year nevertheless resulted in us recording an IFRS loss of £29 million or 1.0 pence per share.

Our balance sheet remains strongly positioned with robust debt metrics of net debt to EBITDA, interest cover and LTV. Our investment grade rating of A- was re-affirmed by Fitch Ratings Ltd in January 2024.

All of our drawn debt has fixed interest, at an average of 2.3%, a weighted average maturity of 6 years and we have no significant refinancings due in the next four years.

...to deliver earnings growth that supports our dividend policy.

These elements have enabled us to continue our track record of growth year on year. Our EPRA earnings have increased by 6% to £102.3 million which translates to an EPRA EPS of 3.4 pence per share.

The strength of our income and the growth we have delivered is reflected in our fully covered dividend payments, which we have now increased for 11 consecutive years. Alongside these results, we announce a 2% increase in the quarterly dividend payment to 0.84 pence with effect from the July 2024 payment, equivalent to 3.36 pence per share on an annualised basis.

Assura outlook

The primary care market remains a challenging environment in which to achieve external growth, with delays in agreeing the rents required for new build developments to be commercially viable. The underlying demand for new buildings remains high, so we are confident that this position will unlock in due course, and pockets of opportunity have started to emerge in some regions. We only move on site when all aspects of a scheme (NHS approval, fixed price construction contract, agreement for lease in place) are agreed in full.

Our focus over the past 12 months has been on efficiently delivering our on site schemes and driving internal growth, as well as continuing to grow our longer term pipeline of opportunities across broader healthcare markets.

We are currently on site with eight developments (remaining spend £42 million) of which six are due to complete in 2024 and so will positively boost our rental income in the coming months, as well as having attractive long term rental growth characteristics.

The make-up of schemes we have completed in recent years is where we have seen change. Our five completions include only two UK medical centres (in Kings Lynn and Wolverhampton) – the others being two treatment centres for private providers (Guildford and Kettering) and one primary care community centre in Ireland (Kilbeggan), building on our successes in recent years with the West Midlands Ambulance Hub and several private day-case hospitals.

CEO STATEMENT (CONTINUED)

Similarly, our eight on site schemes include two UK medical centres (Southampton and Winchester). The others include three Irish schemes (Castlebar, Birr and Ballybay), two buildings for NHS Trusts (Cramlington and Bury St Edmunds) and an NHS children's therapy centre (Fareham).

Our capital markets event in February highlighted the attraction of these broader healthcare markets, with very similar investment characteristics to our existing portfolio – long leases, upward only rent reviews, and, most importantly, underpinned by the long-term health needs in each particular location that gives us a strong underlying occupier covenant. All of these areas offer attractive growth in the future, both short- and long-term, and we expect these, collectively, to become increasingly meaningful contributors to our rental growth and earnings, alongside the strong prospects in the primary care market.

Having completed eight asset enhancement projects (£8.9 million) in the period, we are on site with a further six (total spend £4.0 million). The nature of each of these projects is different – for example, a significant extension and refurbishment of the existing area at Wantage, a sustainability-linked improvement alongside a reconfiguration and lease regear at Ling House in Keighley, and a sustainability linked upgrade in Banbury (conversion to an air source heat pump). Crucially each of these responds to specific local and community needs for health services and associated infrastructure. Delivering projects such as these helps us serve our customers best, as well as driving long-term returns from the assets in our portfolio.

Market outlook

Assura has a vital role as a partner to a range of health providers to ease the pressures faced by the system, whether with GPs, with NHS Trusts, mental health services, private providers or the HSE in Ireland. Our unique set of skills leaves us well-placed to capture opportunities across these identified areas.

"Healthcare providers need a specialist healthcare landlord to develop new premises or to improve their existing estate. Assura can offer a complete, long-term solution."

Health providers need a specialist health care landlord to develop new premises or to improve their existing estate and Assura's long-term relationships in healthcare, focus on social impact and sustainability, and capabilities across development and asset enhancements means we can offer health care providers a complete, long-term solution.

We are the partner of choice for the future: best placed to provide high-quality, sustainable new premises for delivery of health services, to retrofit existing buildings to meet the net zero carbon challenge, partnering with our supply chain to maximise the social value that we create for the communities we operate in and continually evolving our offering through adopting the latest technologies and responding to shifting demand in the healthcare sector.

This approach means we are enabling our customers, and partners, to do what they do best – delivering quality health care services and better patient outcomes.

Jonathan Murphy
CEO

21 May 2024



Spotlight: The Bigger Picture

Our goal is to become the number one listed property business for long-term social impact and sustainability and to have a net zero carbon portfolio by 2040.

The nature of the challenges we face today means our long-term commercial success will be driven by our performance delivering social impact and sustainability. This is at the heart of everything we do.

ESG, social impact, sustainability, CSR. These phrases and words are often interchanged to refer to how we approach this constantly evolving area.

For Assura, this is more than a standalone area of our business – it is fundamental to our long-term prospects:

- Our buildings house medical professionals that provide essential services to society.
- Investing in technology, both energy efficient advancements and in customer service delivery, means our buildings meet the long-term needs of occupiers and patients.
- Minimising our carbon footprint limits our impact on the environment and reduces the running costs of our occupiers.
- Investing in our people means we remain an attractive employer to high quality individuals that push the boundaries in our space.

Our plans continue to evolve. Building on strong progress over the last few years and following engagement with a range of stakeholders, we now launch our refreshed ESG strategy, The Bigger Picture.

This refresh doesn't change what we are doing. Instead it gives us a lens through which to view our decision-making, in the context of The Bigger Picture, broken down into the three pillars of Healthy Environment, Healthy Communities and Healthy Business, all supported by three main targets or areas of focus that prioritise what we are doing.

Despite the challenging macro-environment, we retain our ambitions to maximise the positive impact we can have in the communities in which we operate with stretching targets over the coming years.



READ MORE AT [HTTPS://WWW.ASSURAPLC.COM/ESG-BIGGER-PICTURE](https://www.assurapl.com/esg-bigger-picture)



Healthy Environment

We want to be net zero carbon across our portfolio by 2040. This means reducing the amount of energy used in our buildings and offsetting anything we can't reduce.

TARGETS

55 kWh/m²
portfolio EUI

100%
net zero carbon
developments

100%
EPC B or Better

READ MORE ON PAGE 32



Healthy Communities

We are committed to maximising our positive impact in the communities surrounding our buildings.

TARGETS

£3.50
social value generated per
£1 invested

>750 hours
team volunteering hours
per year

75%
spend with suppliers
signed up to our charter

READ MORE ON PAGE 33



Healthy Business

A sound, ethical approach to how we engage and operate with all our stakeholders underpins our business model.

TARGETS

>80%
customer satisfaction
survey

>75%
employee engagement
survey

15%
ethnically diverse
workforce by 2030

READ MORE ON PAGE 34

Our market

The UK's healthcare system is under significant strain, with the need for critical infrastructure and substantial investment greater than ever. In this environment, community-based healthcare and the private sector have a significant role to play in delivering improved patient outcomes,

by alleviating the resourcing and budgetary pressures faced by the NHS. Assura's market expertise, long-standing relationships and proven track record, mean it is well-placed to meet this diversified demand to tackle the healthcare challenge.

Healthcare system pressures

Ageing population

Under invested estate

Budgetary pressures

Workforce challenges

Implications

Long waiting lists

Increasing health inequalities

Increasing calls for more services in a community setting

Growing demand for services from private providers

Growing demand for modern, net zero carbon facilities

Assura's role

Our sustainable buildings increase capacity in the community that they serve.

This allows a greater number and range of health practitioners, including private providers to deliver services.

All of which:

- Eases pressure on the local hospital and health system;
- delivers a better experience for patients; and
- is more cost-effective for the NHS

OUR MARKET (CONTINUED)

A healthcare system under increasing pressure

Market trend	<p>Ageing population with increasing healthcare needs</p> <p>As people get older, they generally have an increasing frequency and complexity of healthcare requirements. As people live longer, this increases the pressure on the health system.</p>	<p>Underinvested estate; high proportion of NHS estate not fit for purpose and growing maintenance backlog</p> <p>Older, not fit-for-purpose buildings have higher running costs, maintenance costs and limit the type of treatment that can be offered.</p>	<p>Budgetary pressures – short-term focus does not support long-term investment decisions</p> <p>Capital budgets are allocated on an annual basis, but these are often used to plug gaps in operational budgets deemed more urgent. However, this lack of long-term investment simply exacerbates the short-term maintenance requirement.</p>
How this impacts the healthcare sector	<p>>15%</p> <p>UK population of over-75s forecast to increase from 9% currently to over 15% by 2050¹</p>	<p>"Around 2,000 premises have been identified by GPs as not being fit for purpose, and there was strong feedback throughout the stocktake that we do not start thinking about estates early enough in our planning and frequently regret it"</p> <p>Next Steps for Integrating Primary Care, Fuller Stocktake Report May 2022.</p>	<p>"The figure shows that the maintenance backlog has been growing for a number of years. This represents a failure to invest adequately in hospital infrastructure, as well as a tendency to use capital funding to cover shortfalls in day-to-day funding"</p> <p>NHS Funding Resources and Treatment Volumes, Institute for Fiscal Studies, December 2022.</p>
How Assura is helping	<p>Buildings that allow a greater range of services, or community engagement space, can reduce pressure on the local health system, allowing patients to see the most relevant health professional (not necessarily the GP).</p>	<p>Replacement of existing buildings improves the clinical standards, allowing a greater range of services to be provided – such as blood tests or minor operations – and allows the latest energy efficient building technology to be incorporated to reduce the running costs.</p>	<p>Greater healthcare capacity in a community setting reduces the overall cost for the NHS, as it is cheaper to deliver care here compared with in a hospital.</p>

1. Office for National Statistics (<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/tablej11zeronetmigrationnaturalchangeonlyvariantuksummary>)

OUR MARKET (CONTINUED)

A healthcare system under increasing pressure (continued)

Market trend

Workforce challenges

The healthcare sector in the UK faces a skills shortage. Many workers leave the sector each year, with a growing number of job vacancies. For patients, this may mean travelling further or waiting longer to see specialists.

-1.9%²
change in FTE GPs from 2019 to 2022

75%⁴
respondents to RCGP survey said limited space was limiting the number of trainees they can take on

Local facilities that are modern and have the latest technology, allow health practitioners to deliver a greater range of services to help their patients, as well as being a nicer place to work – all of which makes it easier to recruit staff. It also gives GPs the space to become training practices, improving pathways for the next generation of health professionals.

Long waiting lists

Record waiting lists are leading to frustrating patient experiences and a growing willingness to be seen privately.

In addition, longer waiting times mean people's conditions get worse – making them harder and more expensive to treat.



Diagnostic and treatment centres in a community setting (operated by the NHS or private providers) are easier for patients to access and relieve the strain on the local hospital.

Increasing health inequalities

Recent studies³ have highlighted the impact of health inequalities, with fewer GPs per person, shorter consultations, lower use of preventative screening services, and a higher number of avoidable deaths in areas of higher socioeconomic deprivation.

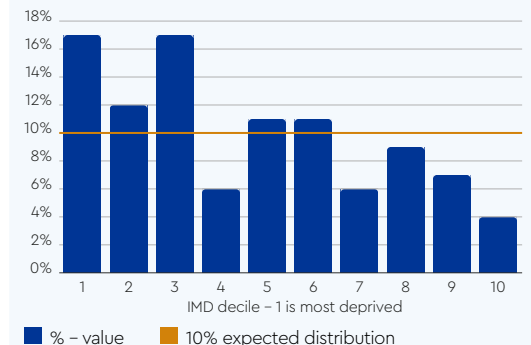
"GP practices in the most deprived areas in England had 2,400 patients for each fully-qualified doctor, compared with 2,100 patients for each fully-qualified doctor in the least deprived areas"

Care Quality Commission

"In England in 2021, people in the ten most socioeconomically deprived local authorities, as measured by the IMD, were over four times more likely to die from an avoidable cause than those in the ten least deprived local authorities"

Oxera

Assura's modern portfolio has a higher weighting to areas of greater health deprivation.



2. <https://ifs.org.uk/publications/nhs-funding-resources-and-treatment-volumes>

3. Economic cost of health inequalities in England, Oxera for Times Health Commission, October 2023 and State of Health Care and Adult Social Care in England, Care Quality Commission, October 2023

4. <https://www.rcgp.org.uk/news/practice-premises-survey>

OUR MARKET (CONTINUED)

A healthcare system under increasing pressure (continued)

Market trend

Increasing calls for more services in a community setting

Moving services out of hospitals and with a greater range of health professionals delivering community-based healthcare.

As well as being lower cost for the NHS, health treatment being delivered in a community setting is more accessible for patients.

How this impacts the healthcare sector

£42⁵
average cost of a GP face-to-face appointment

£418
starting cost for more complex investigation and treatment of patient at A&E

"GP practices should be housed in buildings that facilitate integration by acting as a physical hub where primary and community clinicians, together with other services, are co-located, sharing space for multi-disciplinary practice, planning, and training"

Integrating Primary and Community Care, House of Lords Select Committee December 2023.

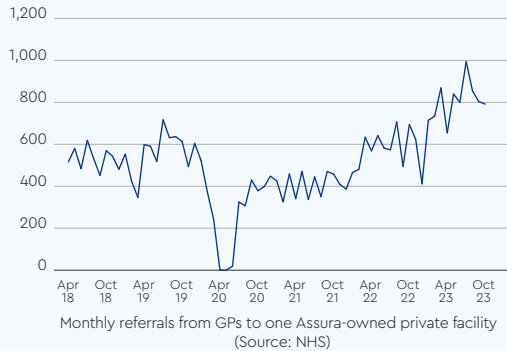
How Assura is helping

As well as GP appointment space, many of our facilities offer specialist rooms for additional procedures needed in that locality – such as the audiologist room at Eagle Bridge, Crewe or the minor operations suite in Timperley. Without these additional rooms, the patient would be required to visit the nearest hospital.

Growing demand for services from private providers

Private providers can ease waiting list pressures in a locality, as well as investing in technologies.

Treatment using the latest technology and investment in efficient service delivery allows for swifter patient flow – adding capacity to the local health system.



The private market continues to grow presenting opportunities for Assura, utilising our unique skill set. Private providers treat patients through NHS referral, self-pay and private medical insurance models. All of these routes give patients greater choice and access to faster treatment.

Growing demand for modern, net zero carbon facilities

Net zero carbon improvements reduce environmental impact and can reduce running costs.

156 kWh/m²
average energy usage intensity (EUI) across Assura's portfolio

55 kWh/m²
EUI on Assura's new development at Fareham

66%
cheaper to run on a £/m² basis

Assura continually invests in improved sustainability standards in buildings – both through new build developments (re-purposing buildings where appropriate) and retrofitting the existing estate.

5. Kings Fund – <https://www.kingsfund.org.uk/insight-and-analysis/data-and-charts/key-facts-figures-nhs>

Investment case

Five reasons to invest in Assura

Purpose

We're delivering our purpose to BUILD for health by deploying capital into schemes which deliver financially and make a difference to the environment and society

£2.7bn

portfolio at March 2024

Experience

We use our extensive sector experience and creative skills to meet the unrelenting, critical need for investment in fit-for-purpose, healthcare buildings

6.4m

patients served from Assura buildings

Innovation

We use the power of design and innovation to create outstanding buildings, ensuring we play our part in a sustainable future striving to create or upgrade energy efficient buildings

45

energy reduction projects delivered in year, estimated to save 1.9 million kWh per annum

Low risk

We have a low risk, growing portfolio and scalable platform that provides a recurring and predictable revenue stream

6%

compound average EPRA EPS growth over last nine years

Performance

We have a strong balance sheet that enables us to invest in our portfolio and provide a sustainable, covered and progressive dividend policy

7%

compound average dividend growth rate over last nine years

Our strategy

To respond to our market drivers, we focus on five strategic priorities, with our ESG strategy, The Bigger Picture, at the heart of everything we do.

Strong market drivers

Demand for more capacity in a community setting is unrelenting: the challenges faced by the NHS have only been exacerbated by growing waiting list pressure, meaning there is growing demand for more services out of hospitals, closer to patients and a greater role for the private sector in meeting this demand.

READ MORE IN OUR MARKET ON
PAGES 14 TO 17

We BUILD for health

As a purpose-driven organisation, we're generating long-term value for our stakeholders and enabling better health outcomes through providing high-quality facilities for our customers, growing financial returns for our shareholders, reducing our environmental impact and delivering lasting social value with communities.

READ MORE IN ASSURA AT A GLANCE
ON PAGE 7

Strategic priorities



OUR STRATEGY (CONTINUED)

01



Leveraging our financial strength

To invest in our portfolio, making each pound invested work harder aiming to generate secure, growing returns for investors.

2024 priorities

- Drive internal growth from asset enhancements and rent reviews
- Use asset enhancement pipeline to drive sustainability improvements and generate accretive returns
- Renew revolving credit facility (RCF), incorporating ESG linkage
- Maintain investment grade rating of A- from Fitch Ratings Ltd

2024 actions and progress

- Rental growth of £3.1 million achieved from rent reviews (8.9% uplift on rents reviewed)
- 15 lease regears completed adding £5.3 million to total contracted rental income
- Upgrading sustainability performance on 45 completed capital projects
- A- investment grade rating and stable outlook reiterated by Fitch Ratings Ltd
- RCF refinanced at reduced all-in-cost, as well as adding sustainability-linked KPIs
- EPRA Cost Ratio maintained at 13%
- Dividend increase for eleventh consecutive year

2025 priorities

- Continue to drive internal growth from asset enhancements (generating accretive returns from sustainability improvements) and rent reviews
- Recycle capital in the form of disposal or joint venture with appropriate long-term capital partner
- Maintain EPRA Cost Ratio at 13%

KPIs

- Financial: EPRA EPS, EPRA NTA & EPRA Cost Ratio, Growing covered dividend, Total Property Return, Total Shareholder Return, Total Accounting Return
- Portfolio: Rental growth from rent reviews
- The Bigger Picture: Customer satisfaction

SEE OUR KPIS ON PAGES 28 TO 34

Risks

- Reduction in investor demand
- Failure to communicate strategy
- Reduction in availability and/or increase in cost of finance
- Failure to maintain capital structure and gearing
- Occupier default
- Lack of rental growth

SEE PRINCIPAL RISKS AND UNCERTAINTIES ON PAGES 62 TO 66



OUR STRATEGY (CONTINUED)

02 Quality of buildings

To deliver the outstanding spaces our customers need, leading to a sustainable future and a net zero carbon NHS.

2024 priorities

- Deliver on site developments and asset enhancement projects
- EPC B across 65% of our portfolio by March 2024
- Increase proportion of on site developments that use Net Zero Carbon Design Guide
- Roll out energy reduction initiatives into portfolio – through occupier communications, LED lighting, PV panels and air source heat pumps

2024 actions and progress

- Eight developments and six asset enhancement projects on site
- Completed developments at Kettering and Guildford allowing private operator occupiers to deliver cutting-edge treatments
- 38% of on site developments having used Net Zero Carbon Design Guide
- 1.9 million annual kWh saving for occupiers following asset enhancement capital projects or planned EPC upgrades
- 66% of portfolio now at EPC B or better

2025 priorities

- Deliver on site developments and asset enhancement projects
- Increase proportion of on site developments that use Net Zero Carbon Design Guide
- Leverage asset enhancement capital projects and lease regears to deliver reduction in portfolio EUI

KPIs

- Portfolio: Rental growth from rent reviews, WAULT, occupier covenant
- The Bigger Picture: net zero carbon developments, Portfolio EUI, EPC ratings

SEE OUR KPIS ON PAGES 28 TO 34

Risks

- Changes to government policy
- Development programmes
- Building obsolescence – digital risks & sustainability

SEE PRINCIPAL RISKS AND UNCERTAINTIES ON PAGES 62 TO 66

OUR STRATEGY (CONTINUED)

03 Quality of service

To deliver on the promises we make to the customers and communities our buildings serve, unlocking the power of design and innovation to tackle their challenges.

2024 priorities

- Continue to maximise the asset enhancement opportunities throughout the portfolio, delivering sustainability improvements
- Share learnings from energy data collected across portfolio with customers, helping to generate savings in energy consumed
- Explore PV panel offering for customers under Power Purchase Agreements (PPA)
- Roll out facilities management offering for customers through partnership with sector-leading technology specialist Macro

2024 actions and progress

- Five developments completed during the year
- Eight asset enhancement capital projects completed and a further six underway
- 15 lease regears completed
- 45 buildings with improved energy efficiency following EPC upgrades
- Creation of new customer focused Group Operations Director role targeting enhanced customer experience & overseeing facilities management delivery
- Specialist customer service training delivered to client-facing team

2025 priorities

- Continue to strive to maximise the asset enhancement opportunities throughout the portfolio, delivering sustainability improvements
- Targeting faster issue resolution and further improvement in availability and resilience of customer response
- As part of plans to enhance customer engagement, share learnings from energy data collected across portfolio with customers, helping to generate savings in energy consumed
- Begin implementation of PV panel offering for customers under Power Purchase Agreements (PPA)

KPIs

- Portfolio: Growth in rent roll, WAULT, customer covenant
- The Bigger Picture: EPC ratings, portfolio EUI, customer satisfaction surveys, social value generated

SEE OUR KPIS ON PAGES 28 TO 34

Risks

- Changes to government policy
- Competitor threat
- Staff dependency

SEE PRINCIPAL RISKS AND UNCERTAINTIES ON PAGES 62 TO 66



OUR STRATEGY (CONTINUED)



People

To attract, retain and develop our high-quality, specialist team, investing in skills and new ways of working.

2024 priorities

- Finalise and roll out people-related metrics focused on improving inclusivity and driving high performance
- Realign the company culture to support a continually flexible workforce as we transition to our new net zero carbon headquarters
- Build on successful implementation of volunteering programme to embed as a team-wide responsibility
- Support our team members through the cost-of-living crisis

2024 actions and progress

- EDI strategy approved for implementation
- Leadership Development Programme delivered to senior managers across the business
- ESG and cyber training delivered to all employees
- Top 10 performer in FTSE 250 Women Leaders 2023 review
- Volunteering participation at 90% with 728 hours delivered
- 32 hours of training delivered per employee

2025 priorities

- Deliver EDI awareness training to all employees
- Build on Leadership Development Programme with equivalent for managers
- Continue to foster a working environment that is inclusive and flexible
- Enhance our wellbeing programme of events

KPIs

- The Bigger Picture: employee engagement survey, staff volunteering, EDI plan implementation

SEE OUR KPIS ON PAGES 28 TO 34

Risks

- Staff dependency

SEE PRINCIPAL RISKS AND UNCERTAINTIES ON PAGES 62 TO 66



OUR STRATEGY (CONTINUED)



Long-term relationships

To build better futures for people and places through our enduring partnerships with them, and delivering lasting social value with communities.

2024 priorities

- Demonstrate value of investment in sustainable buildings to GPs and the NHS, generating savings in terms of energy use and minimising environmental impact
- Roll out social impact and sustainability metrics as criteria across all supplier selection exercises
- Continue to evolve offering for NHS Trusts, mental health services and private providers
- Strengthen relationships in Ireland to develop further pipeline of opportunities

2024 actions and progress

- Broader healthcare markets: Completed buildings for private providers in Kettering and Guildford, with several other projects on site
- Strong progress in Ireland with our first completed development, one acquisition and three on site projects
- £3.40 per pound of social value generated for every grant awarded or project supported during the year
- Social impact programmes rolled out for on site developments, curating bespoke funding packages for local health improving community groups
- 25% of discretionary non-development spend with suppliers that support the Assura Community Fund or have ESG KPIs in their contract

2025 priorities

- Demonstrate value of investment in sustainable buildings to GPs and the NHS, generating savings in terms of energy use and minimising environmental impact
- Increase proportion of suppliers adopting Supplier Framework and aligned ESG principles
- Continue to evolve offering for NHS Trusts, mental health services and private providers
- Strengthen relationships in Ireland to develop further pipeline of opportunities

KPIs

- Portfolio: Growth in rent roll
- The Bigger Picture: portfolio EUI, customer satisfaction survey, social value generated, sustainable supply chain, staff volunteering

SEE OUR KPIS ON PAGES 28 TO 34

Risks

- Changes in government policy
- Competitor threat
- Building obsolescence – digital risks & sustainability
- Development programmes

SEE PRINCIPAL RISKS AND UNCERTAINTIES ON PAGES 62 TO 66



Spotlight: Private asset in Guildford

Broader healthcare markets provide long-term growth avenues

Our recently completed development of a cancer care centre in Guildford highlights how the private sector can create extra capacity in a locality and invest in the latest technology.

As highlighted in our market on pages 14 to 17, growing pressures on the health system in our country has led to longer NHS waiting lists and increasingly complex medical conditions. It also leads to an increased number of patients seeking private healthcare – either through NHS-referral where available, private medical insurance (PMI) or self-pay, all three of which are seeing higher demand over recent years.

At our capital markets event in February 2024, we highlighted some of these trends and showcased our recently completed development in Guildford.

The state-of-the-art cancer care centre, will give local patients access to the latest treatment options. These include highly targeted radiotherapy using a Magnetic Resonance Image Linear Accelerator (MR Linac), and theranostics, an innovative and personalised treatment that combines diagnostic imaging and radionuclide therapy to seek and destroy advanced cancers without damaging healthy tissue.

These treatment options are generally not available to NHS patients, but through a partnership with the Royal Surrey NHS Foundation Trust, the site will host some NHS-referred patients.

The building is expected to achieve a BREEAM rating of Very Good, with Excellent for the Energy component, and an EPC of A. The building includes PV panels, LED lighting throughout and EV charging points. The site also benefits from the creation of a sensory garden for patient and staff wellbeing and we have introduced an education and skills bursary through the University of Surrey, as part of our overall funding approach (read more on page 43).

The building offers Assura shareholders an attractive return through a long-term rental income stream, as well as hitting sustainability and social impact goals, underpinned by a crucial need for these services in the local community to deliver better patient outcomes.



Our business model

Who we are

We are a listed UK real estate investment trust (REIT) specialising in the development of, investment in and management of a portfolio of healthcare buildings across the UK.

Our purpose is that **we BUILD for health.**

Our goal is to become the UK's number one listed property business for long-term social impact and to have a net zero carbon portfolio by 2040.

Our values

- Passion
- Authenticity
- Innovation
- Collaboration
- Expertise

What we do



Managing our portfolio
Maintaining and enhancing our properties

Our property management team looks after the needs of the customers in our existing buildings. This covers a range of offerings: lease renewals, extensions or refurbishments, improving environmental performance, managing building costs or simply sharing their experience with a customer that wants assistance fixing a problem.

Enhancing the building through extension or refurbishment benefits our customers and their patients through higher quality buildings. This allows more services to be delivered, reduces the environmental impact and lowers running costs for occupiers through energy efficient upgrades and provides our investors with a value-enhancing lease regear.

The portfolio management team also liaise with the District Valuer in settling rent reviews, making sure the rents on our leases are at the latest open market rates.



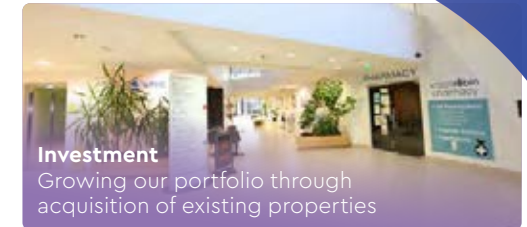
Development
Growing our portfolio through new developments

Our team of development directors work with existing and prospective customers to design and deliver bespoke new healthcare buildings that meet the evolving needs of the communities they serve.

The customers and patients benefit from our strong relationships with our expert healthcare partners, who we work with to incorporate the latest sustainability and design innovations, in line with our Net Zero Carbon Design Guide, targeting net zero carbon development – both for carbon in operation and carbon embodied through construction.

A development only moves on site when everyone is agreed that the project is the highest quality and value for money; the rent is agreed, the customers sign an agreement for lease and our third-party building contractor partners sign fixed price contracts.

Following the 14–20 month build period, we get a long, secure income stream at a return on cost and development margin that reflects the relatively low development risk we take on, and a building that showcases our ability to deliver sustainable solutions that benefit all stakeholders.



Investment
Growing our portfolio through acquisition of existing properties

Our investment team identify opportunities to add existing buildings to our portfolio, whether through a competitive bidding process or an off-market opportunity benefitting from our long-standing reputation as a landlord that owns and operates buildings as a long-term partner to our customers.

Our knowledge of the sector, bespoke database covering all primary healthcare properties in the country, our reputation as a landlord seeking a positive social impact and our long-standing relationships give us strong credentials when sourcing opportunities and speaking to prospective customers, who are often the same people that are selling their building. The investment process considers numerous criteria including the quality of the building, environmental impact and physical climate change risk, asset enhancement opportunities and returns. If a potential opportunity doesn't meet our environmental standards, then the price is adjusted accordingly for the cost of making the required improvements.

The key factor for every investment is the importance of the building to its local health economy – i.e. is this building the right solution for that community in the long term.

OUR BUSINESS MODEL (CONTINUED)

How we do it

A unique offering

We are unique in offering our customers (GPs, the NHS, the HSE, and other healthcare providers) a full property service; we develop new buildings, invest in high-quality existing buildings, look after and enhance our portfolio (manage), and ultimately, own them for the long term. Our internally managed structure provides a highly scalable model and gives us direct relationships with our customers. This enables us to be responsive to their evolving needs; listening to the problems they face before working with them to provide innovative, sustainable solutions; building better futures for people and places.

Reputation for being innovative, sector experts

We have a responsibility not just to meet current NHS specifications for buildings, but also to ensure buildings are fit for future health needs, including for advancing net zero carbon performance. We innovate to incorporate the latest advances in the delivery of care, looking at use of space, technological change and sustainability.

We have a highly knowledgeable and experienced in-house team of surveyors and external expert partners in architecture, sustainability and construction. Our team across development, investment, management and external experts work closely with each other and our customers.

Secure, stable occupier base

We have a secure, long-term rental income stream from our stable customer base made up mainly of GPs, NHS bodies and the HSE who benefit from government reimbursement of their rent, or independent health providers who support the NHS in reducing waiting lists. Our typical leases are 21+ years in length, giving us clear visibility of future income.

Carefully managed balance sheet

The continued support of our shareholders and lenders is crucial to funding future growth in our portfolio. Our balance sheet ratios, unsecured borrowing structure and strong ESG credentials give us access to a wide range of funding options, operating our loan-to-value ratio in and around 40% with a policy that allows us to reach the range 40–50% should the need arise.

As we grow, so the benefits of scale will accrue to shareholders and drive our progressive dividend policy.

Leading for a sustainable future, delivering lasting impact with communities

Our ESG strategy is at the heart of our operations and long-term approach for each building.

Minimising the environmental impact and maximising the positive social impact of each building in our portfolio through our ESG targets is fundamental to our offering for all stakeholders.

Value created for our stakeholders

Our customers



Satisfied customers

GO TO PAGE 40

Our communities



Positive social value and enhanced community healthcare provision

GO TO PAGE 42

Our people



Engaged employees

GO TO PAGE 46

Our suppliers



Healthy supply chain

GO TO PAGE 48

Our investors and lenders



Strong financial returns for investors and debt providers

GO TO PAGE 50

Our environment



Reduced environmental impact

GO TO PAGE 52

Our key performance indicators

Assura is one of the UK's leading healthcare REITs. In order to sustain this position, we need to demonstrate that we can consistently outperform over time. To measure ourselves against this objective we have a wide range of key performance indicators (KPIs).

Our financial KPIs track the performance of the business in terms of the returns we generate for shareholders. Our portfolio metrics measure the quality of our portfolio and our development activities. Our Bigger Picture metrics measure performance against our key targets for our pillars of Healthy Environment, Healthy Communities and Healthy Business. All of these then link back to our strategic priorities and factor into how the executive management team is judged and rewarded.

These KPIs are reflected in both the short-term (annual bonus details on page 100) and long-term management incentive schemes (linked to TSR, growth in EPRA EPS and performance against ESG targets over a three-year period, further details on page 101).

Certain of these measures are considered Alternative Performance Measures (calculations or references provided where appropriate) which, as explained in the CFO review on pages 35 to 38, are provided to help provide relevant information to understand how our business is performing.

Financial metrics

3.4p
EPRA EPS

49.3p
diluted EPRA NTA

13.2%
EPRA Cost Ratio

3.24p
growing, covered dividend

0.4%
Total Property Return

(2.0)%
Total Accounting Return

(6.3)%
Total Shareholder Return

Portfolio metrics

£7.2m
growth in rent roll

10.8 yrs
WAULT

79%
% of customer covenant NHS/GPs

3.9%
rental growth from rent reviews

ESG: The Bigger Picture metrics

156 kWh/m² **70%**
Energy Usage Intensity customer satisfaction

38% **76%**
net zero carbon developments employee engagement

66% **2024**
EPC ratings ethnic diversity target set

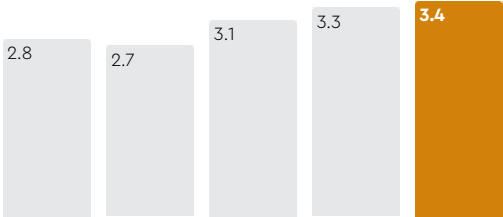
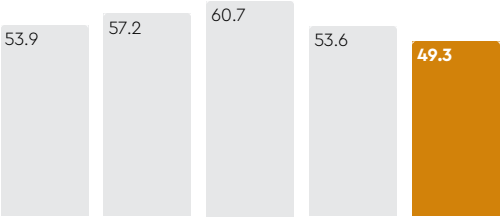

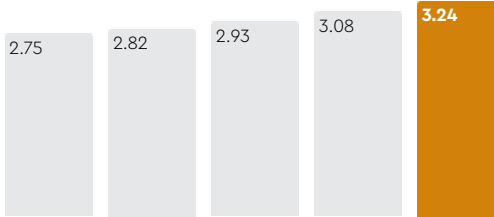
728 hours
staff volunteering

£3.40/£
social value ratio

25%
sustainable supply chain

OUR KEY PERFORMANCE INDICATORS (CONTINUED)

Financial

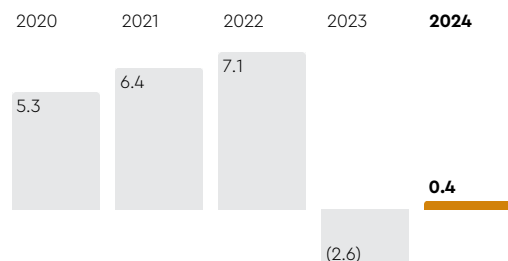
EPRA EPS (p)	Diluted EPRA NTA (p)	EPRA Cost Ratio (%)	Growing, covered dividend (p)
Performance 2020 2021 2022 2023 2024 	Performance 2020 2021 2022 2023 2024 	Performance 2020 2021 2022 2023 2024 	Performance 2020 2021 2022 2023 2024 
Strategic priority 1. Leveraging our financial strength	Strategic priority 1. Leveraging our financial strength	Strategic priority 1. Leveraging our financial strength	Strategic priority 1. Leveraging our financial strength
Definition See Note 6 to the accounts.	Definition See Note 7 to the accounts.	Definition See page 137.	Definition Dividend per share paid out during the financial year.
Commentary EPRA EPS provides an indication of the recurring profits of the Group. EPRA EPS has increased to 3.4 pence despite the challenging macro environment in the year. Growth has come from rent reviews settled and portfolio additions, alongside close cost control.	Commentary EPRA NTA shows the net accounting value of our assets and liabilities, adjusted in accordance with the widely used EPRA guidelines for the real estate industry. As a REIT with a high dividend payout ratio, movements in our EPRA NTA primarily are attributed to asset revaluations, which were negative in the current year following the outward movement in valuation yields.	Commentary EPRA Cost Ratio is the operating efficiency of our model, being the costs incurred as a proportion of rental income. The EPRA Cost Ratio has remained broadly static again, reflecting careful cost management despite the inflationary environment.	Commentary Our dividend policy is for the dividend paid to be progressive and covered by EPRA earnings. Our dividend has increased for the 11th consecutive year, with a compound average growth rate over this period of 7.0%.
Target Grow	Target Grow	Target Maintain or reduce	Target Grow
Linkage to remuneration Short term, long term	Linkage to remuneration No link	Linkage to remuneration No link	Linkage to remuneration No link

OUR KEY PERFORMANCE INDICATORS (CONTINUED)

FINANCIAL (CONTINUED)

Total Property Return (%)

Performance



Strategic priority

1. Leveraging our financial strength

Definition

Net rental income plus revaluation, divided by opening property assets plus additions. See Glossary.

Commentary

Total Property Return measures our success in choosing the right investments and managing these assets over time. The return is made up of two components – the income return (which has remained broadly consistent with previous years) and any valuation movement (which has been negative in the current year, consistent with most property companies).

Target

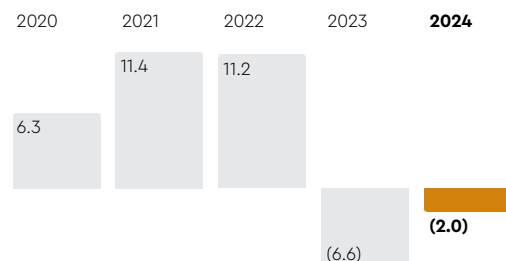
Maintain or grow over long term

Linkage to remuneration

No link

Total Accounting Return (%)

Performance



Strategic priority

1. Leveraging our financial strength

Definition

Movement on EPRA NTA plus dividends paid, divided by opening EPRA NTA. See Glossary.

Commentary

Total Accounting Return measures the returns we have delivered to shareholders in the forms of dividends paid and the growth in NTA. In the current year, the dividend paid has again grown (for the 11th consecutive year), but this has been offset by the negative valuation movement.

Target

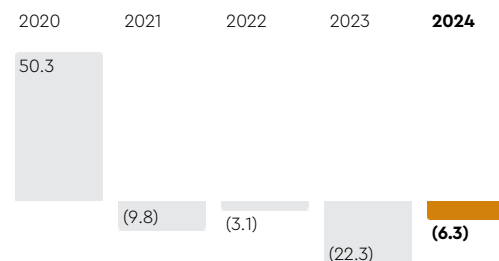
Maintain or grow over long term

Linkage to remuneration

Short term

Total Shareholder Return (%)

Performance



Strategic priority

1. Leveraging our financial strength

Definition

Movement in share price plus dividends paid, divided by opening share price. See Glossary.

Commentary

Total Shareholder Return reflects the value of dividends paid and the relative movement of the share price over the year. In the current year, the dividend paid has again grown (for the 11th consecutive year), although the TSR is negative due to the share price movement, having opened the year at 48.9 pence and closed at 42.3 pence.

Target

Maintain or grow over long term

Linkage to remuneration

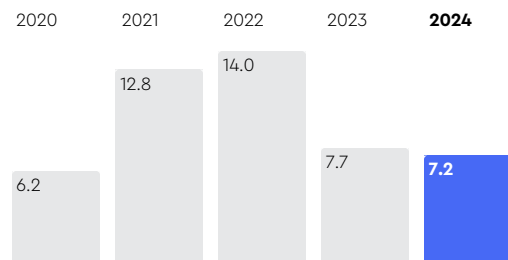
Long term

OUR KEY PERFORMANCE INDICATORS (CONTINUED)

Portfolio metrics

Growth in rent roll (£m)

Performance



Strategic priority

- 3. Quality of service
- 5. Long-term relationships

Definition

Increase in rent roll over the year. See Glossary.

Commentary

Growth in rent roll is a measure of how we are growing our income which in turn should support our dividend policy. Rent roll currently stands at £150.6 million. The £7.2 million increase in the current year reflects additions of £3.8 million and portfolio management activities including rent reviews (£3.4 million).

Target

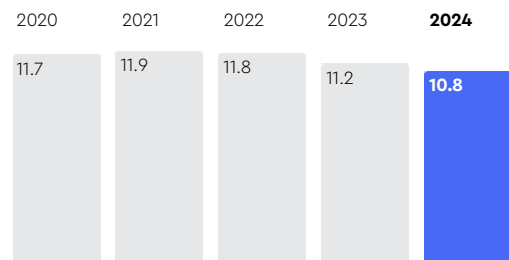
Positive

Linkage to remuneration

No link

WAULT (years)

Performance



Strategic priority

- 2. Quality of buildings
- 3. Quality of service

Definition

Average period until the next available break clause in our leases, weighted by rent roll.

Commentary

Weighted Average Unexpired Lease Term (WAULT) provides a measure of the average time remaining on the leases currently in place on our portfolio. The passage of time would see this figure reduce each year. However, the positive actions we have taken in the year (portfolio additions and asset enhancement activities) have seen this natural decline be offset such that the WAULT has only decreased to 10.8 years.

Target

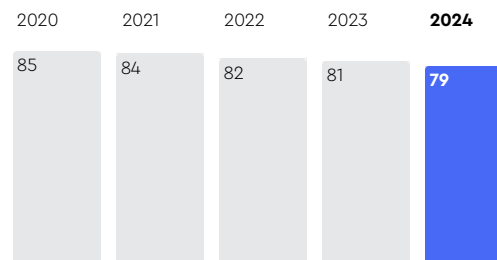
Maintain or grow

Linkage to remuneration

No link

% of customer covenant NHS/GPs (%)

Performance



Strategic priority

- 2. Quality of buildings
- 3. Quality of service

Definition

Proportion of our rent roll that is paid directly by GPs or NHS bodies.

Commentary

The occupier covenant provides an indication of the security of our rental income, reflecting how much is paid directly by GPs or the NHS. The figure has remained strong at approximately 80%, reflecting that the portfolio additions have an occupier mix that is consistent with our existing portfolio and our strategic expansion to work with more private providers in a community setting.

Target

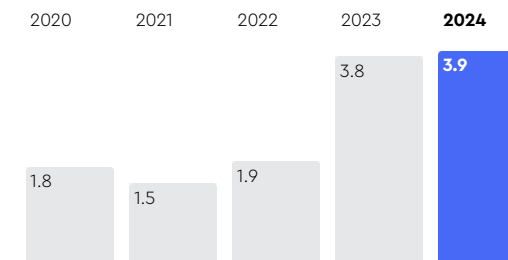
Maintain

Linkage to remuneration

No link

Rental growth from rent reviews (%)

Performance



Strategic priority

- 1. Leveraging our financial strength
- 2. Quality of buildings

Definition

Weighted average annualised uplift on rent reviews settled during the year.

Commentary

Rental growth from rent reviews settled in the year provides a measure of the growth in our rent roll, which we would expect to flow through to our income and support our dividend policy. In the current year we reviewed £34.1 million of existing rent (c.24% of opening rent roll) generating an uplift of £3.1 million. Open market reviews generated an average annual equivalent uplift 1.7% (1.5% in the prior year).

Target

>medium-term inflation

Linkage to remuneration

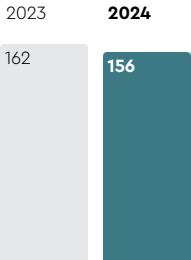
No link

OUR KEY PERFORMANCE INDICATORS (CONTINUED)

ESG: The Bigger Picture metrics
Healthy Environment

Energy Usage Intensity
(kWh/m²)

Performance



Strategic priority

- 2. Quality of buildings
- 3. Quality of service
- 5. Long-term relationships

Definition

Total electricity and gas used in our buildings divided by total floor area.

Commentary

Portfolio EUI gives an indication of how energy efficient our buildings are for our customers and will reduce as our Net Zero Carbon Pathway is implemented. During the year we delivered 45 energy reduction projects which should save 1.9 million kWh per year.

Target

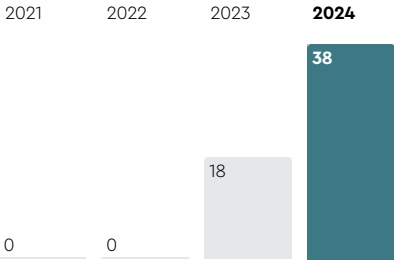
Reduce

Linkage to remuneration

Long term

Net zero carbon developments
(%)

Performance



Strategic priority

- 2. Quality of buildings

Definition

Proportion of on site developments designed to be net zero carbon for construction and operation.

Commentary

We would expect this to be low in the initial years following the launch of our Net Zero Carbon Design Guide and as we learn from our first projects. As well as our existing projects at Fareham and Winchester, we have moved on site with Bury St Edmunds which will be net zero carbon in operation.

Target

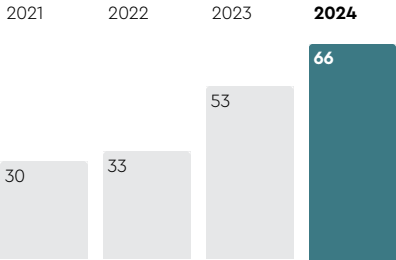
>50% by March 2026

Linkage to remuneration

Long term

EPC ratings
(%)

Performance



Strategic priority

- 2. Quality of buildings
- 3. Quality of service

Definition

Proportion of portfolio buildings that have an EPC rating of B or better, or have improved by at least two bands.

Commentary

During the year, we completed energy improvement projects at 45 buildings, upgrading the lighting or installing PV panels or an air source heat pump.

Target

100% by the end of 2026

Linkage to remuneration

Short term, long term

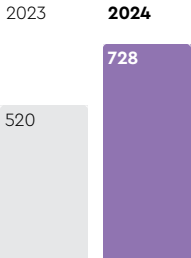
OUR KEY PERFORMANCE INDICATORS (CONTINUED)

ESG: THE BIGGER PICTURE METRICS (CONTINUED)

Healthy Communities

Staff volunteering
(hours)

Performance



Strategic priority

- 4. People
- 5. Long-term relationships

Definition

Volunteering hours delivered by Assura team members in the year.

Commentary

As we continue to evolve our social impact programme, our employees have delivered a total of 728 volunteering hours over the year, generally supporting charities in and around Cheshire.

Target

>500 hours

Linkage to remuneration

No link

Social value ratio
(value generated per £)

Performance



Strategic priority

- 3. Quality of service
- 5. Long-term relationships

Definition

Social value generated per £ invested, calculated using appropriate impact reporting proxies.

Commentary

During the year, a number of projects have been supported through Assura Community Fund (ACF) activities or bespoke community-specific plans linked with our on site development activities.

Target

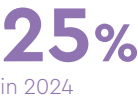
>£3.50

Linkage to remuneration

No link

Sustainable supply chain
(%)

Performance



Strategic priority

- 5. Long-term relationships

Definition

Proportion of non-development spend with suppliers with ESG KPIs or contributing to the ACF.

Commentary

Having implemented ESG-linked KPIs for our facilities management partner and selected our development consultants using ESG factors, this year we increased the suppliers who support our ACF activities.

Target

Grow

Linkage to remuneration

No link

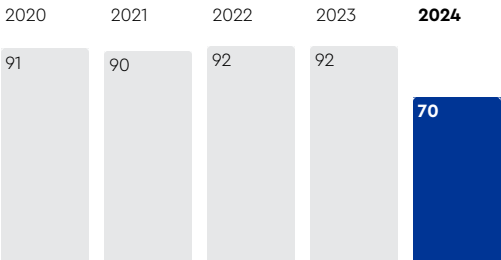
OUR KEY PERFORMANCE INDICATORS (CONTINUED)

ESG: THE BIGGER PICTURE METRICS (CONTINUED)

Healthy Business

Customer satisfaction
(%)

Performance



Strategic priority

1. Leveraging our financial strength
3. Quality of service
5. Long-term relationships

Definition

Proportion of completed customer satisfaction surveys that would consider recommending us as a landlord to others.

Commentary

The satisfaction of the customers in our buildings is a crucial benchmark of the quality of the service we provide. The score obtained from our most recent customer satisfaction survey has fallen following a period of change and transition within the portfolio and facilities management team, with appropriate plans in place to restore this over the coming months.

Target

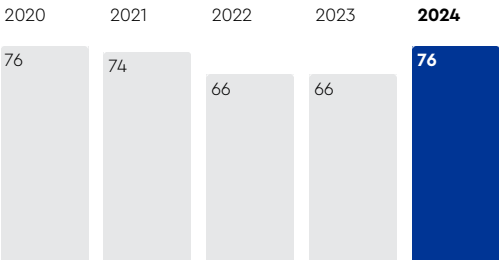
>80%

Linkage to remuneration

No link

Employee engagement survey
(%)

Performance



Strategic priority

4. People

Definition

Proportion of respondents to the employee engagement survey stating they were engaged, satisfied and able to make a valuable contribution to the success of Assura.

Commentary

As with many companies our employee engagement survey results dipped slightly during the pandemic, but we are pleased to have seen an increase in the past 12 months following our office relocation.

Target

Maintain or grow

Linkage to remuneration

No link

EDI strategy implementation

Performance

2024
Plan created

Strategic priority

4. People

Definition

Equality, Diversity & Inclusion is embedded in the company with clear actions and targets agreed.

Commentary

During the year, our EDI strategy has been developed. Over the next 12 months we are targeting all staff to have received training on our priority areas, and we have set a target of having a 15% ethnically-diverse workforce by 2030.

Target

2024: 100% of staff to receive training

Linkage to remuneration

No link

CFO review

A disciplined approach creating growing returns for investors

Despite the turbulent economic backdrop, our portfolio continues to deliver high-quality cash flows, which combine with our disciplined cost control and fixed-rate debt book to deliver growing EPRA earnings.

We have continued to demonstrate our long-term resilience with another year of strong financial performance. Our focus has been on delivering our on site developments and generating internal growth from rent reviews and asset enhancement activities.

This year we successfully refinanced our revolving credit facility with improved terms; increasing the size of the facility, reducing the costs and adding sustainability-linked KPIs. The improved terms are a reflection of the strength of our business, which also saw our A- rating from Fitch reaffirmed with a stable outlook.

Despite the wider macroeconomic uncertainty, with the inflationary environment and increase in interest rates, the strong financial performance highlights the resilience of our assets in generating high-quality cash flows. Our asset class benefits from increasing demand, long leases and a primarily government-backed occupier base, and so it remains attractive regardless of the political or economic backdrop.

This is then enhanced by our disciplined balance sheet management and cost control. The long-term, fixed and sustainable financing in place, and the reduction in administrative expenses, despite the inflationary environment, means the growth in rental income can efficiently flow through to EPRA earnings and the dividend we pay.

All of this means we continue to have high confidence in our future prospects and our ability to deliver attractive returns that benefit all of our stakeholders.

Portfolio highlights:

£2.7bn
current portfolio

10.8 yrs
WAULT

£1.8bn
total contracted rental income

6 yrs
weighted average debt maturity

2.3%
weighted average interest rate on debt



CFO REVIEW (CONTINUED)

Focus on existing portfolio

45

sustainability improvement
projects delivered

£3.4m

uplift in rent roll from rent reviews
and asset enhancement activities

£8.7m

pipeline of asset enhancement
capital projects

Alternative Performance Measures (APMs)

The financial performance for the period is reported including a number of APMs (financial measures not defined under IFRS). We believe that including these alongside IFRS measures provides additional information to help understand the financial performance for the period, in particular in respect of EPRA performance measures which are designed to aid comparability across real estate companies. Explanations to define why the APM is used and calculations of the measures, with reconciliations back to reported IFRS measures normally in the Glossary, are included where possible.

Portfolio as at 31 March 2024 £2,708.3 million (2023: £2,738.0 million)

Our business is based on our investment portfolio of 614 properties (2023: 608).

This has a passing rent roll of £150.6 million (2023: £143.4 million), 79% of which is underpinned by the NHS. The WAULT is 10.8 years (2023: 11.2 years) and we have a total contracted rent roll of £1.76 billion (2023: £1.77 billion).

At 31 March 2024 our portfolio of completed investment properties was valued at a total of £2,652.1 million (2023: £2,667.4 million), which produced a net initial yield (NIY) of 5.17% (2023: 4.87%). Taking account of potential lettings of unoccupied space and any uplift to current market rents on review, our valuers assess the net equivalent yield to be 5.41% (2023: 5.09%). Adjusting this Royal Institution of Chartered Surveyors (RICS) standard measure to reflect the advanced payment of rents, the true equivalent yield is 5.43% (2023: 5.12%).

Our EPRA NIY, based on our passing rent roll and latest annual direct property costs, was 5.08% (2023: 4.77%).

	2024 £m	2023 £m
Net rental income	143.3	138.0
Valuation movement	(131.5)	(215.3)
Total Property Return	11.8	(77.3)

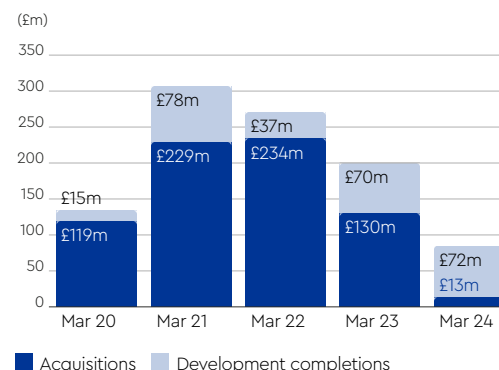
Reflecting the recent unstable macroeconomic backdrop and movement in gilt yields, we, like most real estate companies, recorded a loss on valuation of £131.5 million in the period. This is consequently reflected in our Total Property Return (expressed as a percentage of opening investment property plus additions) which was 0.4% for the year (2023: negative 2.6%).

The net valuation loss represents a 4% movement on a like-for-like basis (prior year 6.4%). However, this was offset by the positive actions we have taken in the year to improve the portfolio – with 15 lease regears, eight capital projects and £3.4 million additional rent from asset enhancement activities.

As a comparison, the 10-year and 15-year UK gilts moved significantly in the year, now standing at 3.93% and 4.23% respectively (2023: 3.49% and 3.78% respectively).

Portfolio additions

We have continued to take a disciplined approach to investment in the period, with primary spending relating to on site developments and asset enhancement capital projects. This follows on from the slowdown in activity which commenced around October 2022 following the economic uncertainty in the UK which preceded an increase in interest rates.



Expenditure in the period can be split between investments in completed properties, developments, forward-funding projects, extensions and fit-out costs enabling vacant space to be let as follows:

	2024 £m
Acquisitions	13.2
Completed developments	71.8
Additions	85.0
Disposals	(3.4)
Asset enhancement and sustainability	15.7
Net investment	97.3

We have completed one acquisition in Ireland, five developments reached practical completion and completed eight asset enhancement capital projects. These activities focused on completing outstanding commitments, and opportunities for generating internal growth.

These additions were at a combined total cost of £85 million with a combined initial passing rent of £3.8 million and a WAULT of 25 years.

Development activity

We completed five developments during the year, with a completion value of £71.8 million. The completions reflected a mix of GP surgeries (two including the 100th development in our 20-year history, Prestbury Medical Practice in Wolverhampton) and broader healthcare markets (two private day case units in Kettering and Guildford, and our first completion in Ireland at Kilbeggan).

Reflecting our disciplined approach in response to the current economic backdrop, only three schemes have moved on site during the year. All three are in broader healthcare markets with two in Ireland and one ambulance hub in Bury St Edmunds, meaning that we have eight schemes on site at 31 March 2024. These eight schemes have a combined development cost of £91.2 million, of which £42.0 million is remaining to be spent as at the year end.

CFO REVIEW (CONTINUED)

Live developments and forward-funding arrangements

	Forward fund/ in-house	Principal occupier	Estimated completion date	Total Development costs £m	Costs to date £m	Size sq.m
Ballybay	FF	HSE	Q4 24	4.3	1.2	1,695
Birr	FF	HSE	Q3 25	15.3	0.9	5,000
Bury St Edmunds	In-house	NHS Trust	Q2 24	11.1	8.0	2,900
Castlebar	In-house	HSE	Q2 25	11.9	1.0	4,200
Cramlington	In-house	NHS Trust	Q2 24	26.7	23.5	6,500
Fareham	In-house	NHS Trust	Q4 24	5.2	2.1	950
Southampton	In-house	GPs	Q2 24	8.3	7.9	1,385
Winchester	In-house	GPs	Q3 24	8.4	4.6	1,353

We continue to source additional schemes for our development pipeline, but the pressures of both rising construction costs and higher costs of finance have led us to proceed with discipline before committing, ensuring all aspects are fixed before we commence. We have an immediate pipeline of five properties (estimated cost £28 million, which we would hope to be on site within 12 months) and an extended pipeline of 34 properties (estimated cost £423 million, appointed exclusive partner and awaiting NHS approval).

Portfolio management

Our rent roll grew by £7.2 million during the year to £150.6 million. The growth came from rent reviews (£3.1 million), acquisitions and development completions (£3.8 million), and asset enhancement activity (£0.3 million).

During the year we successfully concluded 307 rent reviews (2023: 352 reviews) to generate a weighted average annual rent increase of 3.9% (2023: 3.8%) on those properties, which is a figure that includes rent reviews we chose not to instigate in the year. These 307 reviews covered £34.1 million or 24% of our rent roll at the start of the year and, on a like-for-like basis, the absolute increase of £3.1 million is an 8.9% increase on this rent. Our portfolio benefits from a 39% weighting in fixed, RPI and other uplifts which generated an average uplift of 5.2% during the period. The majority of our portfolio is subject to open market reviews and these have generated an average uplift of 1.7% (2023: 1.5%) during the period.

Our total contracted rental income, which is a function of the current rent roll and unexpired lease term on the existing portfolio and on site developments, is £1.76 billion (March 2023: £1.77 billion). We grow our total contracted rental income through additions to the portfolio and getting developments on site, but increasingly our focus has been extending the unexpired term on the leases on our existing portfolio ("regears").

We delivered 15 lease regears in the year covering £0.5 million of current annual rent and adding 10 years to the WAULT for those particular leases and two vacant space lettings adding £0.1 million annual rent (2023: 15 regears, £2.0 million of rent). We have also agreed terms on a pipeline of 33 regears covering £4.4 million of rent roll and these are currently in legal hands.

We have completed eight capital projects in the year (total spend £8.9 million) and are currently on site with a further six (total spend of £4.0 million). These schemes increase the WAULT on those properties by 11 years and improve the sustainability performance of those buildings. In addition, we have 18 asset enhancement projects we hope to complete in the next two years with estimated spend of £8.7 million.

Our EPRA Vacancy Rate was 1.0% (March 2023: 1.0%).

Our current contracted annual rent roll is £150.6 million and, on a proforma basis, would increase to in excess of £161.0 million once on site developments, asset enhancement projects and rent reviews are completed.

Administrative expenses

Administrative expenses in the year were £13.2 million (2023: £13.3 million).

The Group analyses cost performance by reference to our EPRA Cost Ratios (including and excluding direct vacancy costs) which were 13.2% and 11.7% respectively (2023: 13.5% and 12.3%).

We also measure our operating efficiency as the ratio of administrative costs to the average gross investment property value. This ratio during the period equated to 0.48% (2023: 0.48%).

"Our balance sheet and financing position remains strong"

Financing

Our balance sheet and financing position remains strong. We have cash reserves and committed undrawn facilities totalling £235.4 million, and our long-term, drawn facilities have fixed rates in place.

Growth during the period, with net investment of £97.3 million, has been funded by cash reserves.

In October we completed the refinancing of our revolving credit facility for a further three years with the option of extending by a further two. We increased the facility to £200 million, reduced by the all-in cost of the facility and added sustainability-linked KPIs which, if achieved, will result in a five basis-point reduction to the interest, which will be paid to the Assura Community Fund. Following this, 55% of our available facilities are now ESG-linked.

CFO REVIEW (CONTINUED)

Financing statistics	2024	2023
Net debt (Note 22)	£1,217.4m	£1,134.6m
ESG-linked financing	55%	43%
Weighted average debt maturity	6.0 years	7.0 years
Weighted average interest rate	2.30%	2.30%
% of debt at fixed/capped rates	100%	100%
EBITDA to net interest cover	4.8x	4.5x
Net debt to EBITDA	9.4x	9.1x
LTV (Note 22)	45%	41%

As can be seen from the table above, the cash flow based debt metrics of net debt to EBITDA and interest cover remain very strong with our high quality portfolio generating strong recurring cash flows and our fixed debt facilities with long remaining maturity. The metrics are two of the measures used by Fitch in their rating assessment, which was reaffirmed at A- in January 2024 with a stable outlook.

Our LTV ratio currently stands at 45% which has increased over the past two years as a result of negative valuation movements caused by the macroeconomic backdrop. We generally operate with an LTV in and around 40%, and our policy allows us to reach the range of 40–50% should the need arise.

100% of our drawn debt facilities are at fixed interest rates, although this will change as and when we draw on the revolving credit facility which is at a variable rate.

The weighted average debt maturity is 6.0 years, and our longest dated facilities (the Social and Sustainability bonds which mature in 2030 and 2033 respectively) are at our lowest rates (1.5% and 1.625% respectively).

Over the next four years, we have only £250 million of debt that needs refinancing. Assuming these were to be refinanced at a rate of 5.5%, this would only impact EPRA EPS by approximately 0.2 pence on an annualised basis.

Net finance costs presented through EPRA earnings in the year amounted to £27.1 million (2023: £27.3 million).

IFRS loss before tax

IFRS loss before tax for the period was £28.7 million (2023: loss of £119.2 million). The prior year loss was as a result of greater negative valuation movement.

EPRA earnings

	2024 £m	2023 £m
Net rental income	143.3	138.0
Administrative expenses	(13.2)	(13.3)
Net finance costs	(27.1)	(27.3)
Share-based payments and other	(0.7)	(0.6)
EPRA earnings	102.3	96.8

The movement in EPRA earnings can be summarised as follows:

	£m
Year ended 31 March 2023	96.8
Net rental income	5.3
Administrative expenses and other	–
Net finance costs	0.2
Year ended 31 March 2024	102.3

EPRA earnings has grown 6% to £102.3 million in the year to 31 March 2024 reflecting the property acquisitions and developments completed as well as the impact of our asset management activity with rent reviews and new lettings, whilst administrative and other costs have remained flat.

Earnings per share

The basic earnings per share (EPS) on loss for the period was (1.0) pence (2023: loss of (4.0) pence).

EPRA EPS, which excludes the net impact of valuation movements and gains on disposal, was 3.4 pence (2023: 3.3 pence).

Based on calculations completed in accordance with IAS 33, share-based payment schemes are currently expected to be dilutive to EPS, with 1.3 million new shares expected to be issued. The dilution is not material with no impact on EPS figures.

Dividends

Total dividends settled in the year to 31 March 2024 were £96.1 million or 3.24 pence per share (2023: 3.08 pence per share). £10.6 million of this was satisfied through the issuance of shares via scrip.

As a REIT with requirement to distribute 90% of taxable profits (Property Income Distribution, "PID"), the Group expects to pay out as dividends at least 90% of EPRA earnings. Three dividends paid during the year were PIDs and one was a normal dividend (non-PID). It is expected that the majority of future dividends will be PIDs.

The table below illustrates our cash flows over the period:

	2024 £m	2023 £m
Opening cash	118.0	243.5
Net cash flow from operations	102.4	94.1
Dividends paid	(85.5)	(88.9)
Investment:		
Property and other acquisitions	(31.7)	(150.3)
Development expenditure	(69.4)	(57.9)
Sale of properties	3.4	77.8
Financing:		
Net borrowing movement	(1.8)	(0.3)
Closing cash	35.4	118.0

Net cash flow from operations differs from EPRA earnings due to movements in working capital balances, but remains the cash earned that is used to support dividends paid.

The investment activity in the period has been funded from cash reserves and the disposals during the period.

Diluted EPRA NTA movement

	£m	Pence per share
Diluted EPRA NTA at 31 March 2023 (Note 7)	1,586.9	53.6
EPRA earnings	102.3	3.4
Capital (revaluations and capital gains)	(131.1)	(4.4)
Dividends	(96.1)	(3.2)
Other (inc. scrip dividend)	10.5	(0.1)
Diluted EPRA NTA at 31 March 2024 (Note 7)	1,472.5	49.3

Our Total Accounting Return per share for the year ended 31 March 2024 is (2.0)% (2023: (6.6)%) of which 3.2 pence per share (6.0%) has been distributed to shareholders, offset by the 4.3 pence per share (8.0%) reduction in EPRA NTA.

Jayne Cottam
CFO
21 May 2024

Stakeholder engagement and impact



Our customers

The health providers in our buildings benefit from spaces at the forefront of the sector in terms of design, innovation and environmental performance, allowing them to provide the services their communities need.

[GO TO PAGE 40](#)

5
new developments completed



Our communities

The communities that use our spaces have access to a building that meets the bespoke health needs of their local health economy.

[GO TO PAGE 42](#)

6.4m
patients served by our buildings, and over £200,000 distributed by the Assura Community Fund



Our people

Assura employees work in a collaborative, engaging environment that supports their aspirations to develop their skills and provides them with opportunities.

[GO TO PAGE 46](#)

81%
employees taking part in most recent employee engagement survey



Our suppliers

Our supplier partners benefit from a collaborative approach to finding innovative solutions that meet the needs of our customers.

[GO TO PAGE 48](#)

£109m
paid during the year to suppliers for construction, property management and overheads

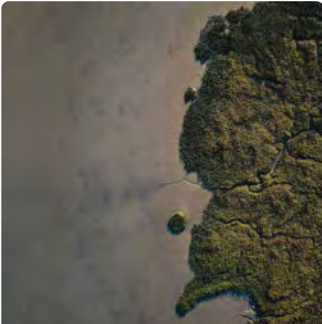


Our investors and lenders

Our financial supporters, both equity and debt, receive a fair financial return derived from rental income from investment in the essential health infrastructure of our country.

[GO TO PAGE 50](#)

3.24p
dividends per share paid during the year, 2.30% weighted average interest rate paid on debt facilities



Our environment

We deliver new premises which limit their impact on the environment, and upgrade the energy efficiency of existing buildings.

[GO TO PAGE 52](#)

45
energy efficient building upgrades delivered in the year

STAKEHOLDER ENGAGEMENT AND IMPACT (CONTINUED)

Our customers

The health providers in our buildings benefit from spaces at the forefront of the sector in terms of design, innovation and environmental performance, supporting improved health outcomes in the communities they serve.

Who they are

- GP practices
- NHS Trusts
- HSE
- Private providers
- Other healthcare professionals

The health services our customers deliver are what make our buildings so vital in the communities and local health ecosystems they serve. The majority of our long-term rental income from our customers is reimbursed by government.

Stakeholder metrics

- Customer satisfaction

How we engage

- Existing relationships with our property managers, asset managers, rent review managers, facilities management provider (Macro), property administrators, and credit controller (ongoing)
- Site visits, meetings and ongoing communications with our Group Operations Director
- Feedback surveys
- Dedicated customer inbox for direct feedback
- Supplier relationships (ongoing)
- Public affairs and communication activities with local influencers (ad hoc)

These approaches allow us to get a sense of how our customers are feeling, the challenges they are facing and the problems they need us to solve.

Monitored by:

Group Operations Director and Customer Communications Manager.

Board members periodically hold meetings with NHS influencers and leaders, join sessions with suppliers and consider feedback from customer surveys.

Issues raised this year

- Rising cost of utilities, and the impact of inflation
- Costs of running and maintaining buildings in an ever-changing climate
- Continuity of service and speed of response to queries
- Meeting the NHS net zero carbon 2045 ambition
- Challenges of moving into a new building



STAKEHOLDER ENGAGEMENT AND IMPACT – OUR CUSTOMERS (CONTINUED)

Achievements in 2024

Through our close relationships with customers, we've been able to progress schemes to add crucial new capacity at some of our buildings. And by phasing schemes and planning work carefully around their operations, we have enabled them to continue providing patient care. At Ling House Medical Centre, West Yorkshire, we've carried out a full reconfiguration and refurbishment, updating 21 existing rooms and converting three administrative rooms into five additional clinical rooms – read more about the sustainability upgrades at Ling House on page 55. Meanwhile, at The Wantage Health Centre in Oxfordshire, we completed our largest-ever asset enhancement and extension, adding much needed additional clinical space, a new unit for the pharmacy and improvements to make the building more energy efficient.

From the initial public and patient engagement events to the official opening and beyond, we've supported three practices, and two private providers move from outdated and unfit properties into our brand new healthcare buildings. We don't just provide the building, we ensure our occupiers have the tools they need to engage and inform their patients and the communities they serve.

Following a period of change within our Property Manager cohort, we have introduced a new structure, with region based roles, and the creation of a Group Operations Director role to oversee Customer Service and Facilities Management Service delivery. We have completed the first year of our Facilities Management partnership with Macro (formerly Mace Group), and whilst still in a transition period we have seen a positive impact on service resilience and availability, including our 24/7 freephone helpdesk, and progress tracking via our portal system. There have also been changes in Health and Safety and compliance, and improved efficiencies within our supply chain to help customers maintain and operate their buildings more effectively.

We have also created and rolled out a bespoke Customer Service training programme which has already been delivered to 47 Assura and Macro staff to ensure our team members put exceptional customers service at the forefront of everything we do.

Our priorities for 2025

In the coming year, our focus will be on our facilities management provision as we enter year two of our partnership with Macro, ensuring this solution is working to provide continuous improvements in customer service, especially in the areas of responsiveness and speedy issue resolution. As part of our customer service action plan, customer engagement will increase through the year with more frequent contact and satisfaction check-ins planned, alongside the creation of useful information resources to assist customers with their most frequent queries.

We'll continue to expand our sustainable offering, providing options to lower utility bills while supporting the NHS ambition to reach net zero carbon by 2045.

88%

of those in unfit buildings said that poor conditions such as an insufficient number of consulting rooms, or rooms of adequate size mean that patients are often kept waiting to be seen by a GP or other healthcare professional.

Royal College of GPs
Premises Survey, May 2023



CASE STUDY

Assura's 100th development

Completed in June 2023, nearly 20 years after Assura's inception, the Prestbury Medical Practice in Wolverhampton became our 100th development completed. A live example of moving care closer to home in a community setting.

The purpose-built centre brought together two local surgeries with more than 14,500 patients, boasting additional training capacity, a greater range of community and out-of-hospital services as well as incorporating a telehealth hub to support digital healthcare delivery.

Our commitment to sustainability has grown from strength to strength across the past two decades with the Prestbury Medical Centre being a prime example. The centre achieved BREEAM 'Excellent' certification and an EPC rating of 'A', through the use of air source heat pumps, EV charging points and natural ventilation.

The Practice was officially opened by the Mayor of Wolverhampton.



Healthy Environment
66% EPCS RATINGS
READ MORE ON PAGE 32

STAKEHOLDER ENGAGEMENT AND IMPACT (CONTINUED)

Our communities

The communities that use our spaces have access to a building that meets the bespoke health needs of their local health economy.

Who they are

- 6.4 million patients who use our buildings and those who live in the communities around our buildings

Patients are the end users of our buildings. Their experiences of the physical space and environment affect the way they engage with health services and their perceptions of the care they receive. We need buy-in from communities to create new health facilities, as this may involve services moving to a different location. And communities are the ultimate custodians of better health: the healthcare delivered by our customers sits within a whole ecosystem of wider local health projects and activities.

Stakeholder metrics

- Assura Community Fund reach
- Developments supporting community activities

How we engage

- Seeking views from Patient Participation Groups, local Healthwatch/Community Health Council members on proposed new development schemes
- Local public engagement events to seek feedback on proposed new developments
- Discussions with councillors, MPs and community organisations on specific issues
- Working with the community resilience, health inequalities and VCSE Alliance leads from a range of Integrated Care Systems to identify priorities for support

- Outreach by the Assura Community Fund to seek funding bids from local health-improving projects, including joining focus groups with community organisations
- Regular contact with strategic leaders from key Voluntary, Community, and Social Enterprise (VCSE) organisations to identify local priorities for social impact activity
- Working with social prescribing link workers to identify gaps in community services where funding would help meet specific needs

All this ensures that our work delivers for those who will receive care in our buildings and those who live in the surrounding community – as this is led by our understanding of local priorities, issues and concerns.

Monitored by:

Head of Social Impact

Board members received feedback on new development schemes progressing through public planning processes when significant issues were raised and heard from those delivering/benefitting from Assura Community Fund projects at every Board meeting.

Issues raised

- Supporting the integration of the voluntary sector into local health systems
- The ongoing and lasting impact of the pandemic on people's mental health and wellbeing
- The funding crisis impacting the ability of the VCSE sector to meet the needs of the community
- Accessibility of medical centre buildings
- New development schemes and their impact on communities
- Car parking at, and transport to, medical centres



STAKEHOLDER ENGAGEMENT AND IMPACT – OUR COMMUNITIES (CONTINUED)

Achievements in 2024

For new development schemes moving through concept and planning stages, we engaged with patients and their communities in a range of ways. Our aim was to help people understand proposals for new healthcare buildings, what this will mean for local health services and how they can be involved with design approaches.

We used dedicated microsites, meetings with patient participation groups, and detailed surveys to offer more opportunities for questions and discussion of new development proposals. One of these was our proposed development of land adjacent to a new housing development in Northumberland to create a new primary care centre. We worked closely with the practice and patient participation group to gather community sentiment and held detailed discussions with the relevant stakeholders who raised questions on key issues such as car parking and sustainable features.

For each of our on site developments we create a bespoke social impact plan to increase the positive impact that a scheme has in a location. In partnership with proposed new occupiers and the local health board, we identify local priorities and develop a plan to support these needs. This could include supporting a health worker garden or funding a bursary to support local training needs, such as at our site in Guildford (see adjacent case study).



CASE STUDY

Development project supports local training programme

As part of our social impact plans for the development of the Guildford Cancer Care Centre, Assura worked with our development partner, Prime plc, and the University of Surrey to develop a bursary programme for students experiencing hardship caused by the cost of living crisis. Together, we have committed £100,000 over four years enabling students to focus on their studies with less worry about their financial difficulties. The first bursaries were issued in 2023/24 to 19 students within the Faculty of Health and Medical Science.

"This bursary means I don't have to take on too many extra shifts to put food on our table and that means I get to spend a little more time with my child. Thank you, from the bottom of my heart."

Sandra
Second-year Nursing student

"Thank you greatly for awarding me the bursary. It means a great deal and will ease the financial burden associated with university. It will allow me to focus more of my time on studying rather than working, which will benefit my education and, in the long run, the patients I encounter."

Ben
Third-year Paramedic Science student

STAKEHOLDER ENGAGEMENT AND IMPACT – OUR COMMUNITIES (CONTINUED)

In the last year, the Assura Community Fund has focused on capacity building and relationship development as part of our strategic partnership with the National Association for Voluntary and Community Action (NAVCA). The foundations have been laid for a strategic and exciting project that will see a total of around £800,000 invested by various organisations including the Assura Community Fund into partnerships between ICS, primary care leadership and the VCSE sector by the end of 2024/25. As well as supporting the continuation of a National Peer Learning Network for the VCSE sector and ICSs, funding has been allocated to several priority regions for projects that address health inequalities.

"Assura has been a huge help to us in these challenging times. Some new money coming into the system when there are so many challenges has been incredibly helpful and even levered some investment from the NHS which otherwise would not have happened. The focus on local health inequalities is creating new relationships between primary care and their communities in a really exciting way. We really hope to build on this work going forwards."

Tim Anfilogoff

Head of Community Resilience for Hertfordshire and West Essex

We have continued to support Dementia UK with the vital support they give to people with dementia and their carers. Our support enables them to keep their helpline open for seven days a week offering a life line to those who need it. We have continued to support Warrington Youth Zone in their work to help young people to thrive and reach their full potential, many of whom have additional needs or are from some of the most deprived neighbourhoods in the country.

The first year of delivery has been completed by organisations supported via our Assura Community Fund, Growth and Impact Funding. This grant round enabled recipients to scale up their successfully delivered projects from previous grant rounds, building on the learning achieved from the smaller grant. Over the two-year funding period, approximately 3,000 people will benefit from the funded activities.



Healthy Communities
£3.40/£ SOCIAL VALUE RATIO
READ MORE ON PAGE 33

"Assura is taking a forward-thinking approach to its social impact work. Offering traditional funding support for grassroots voluntary action to improve the health of communities, combined with strategic support to build, strengthen and sustain the relationships between NHS bodies and local VCSE sector organisations. We're delighted to be supported by Assura on this progressive, needs-led and long-term approach, which responds to the findings of NAVCA and The Kings Fund about how to effectively integrate community action into health systems."

Alex Boys

Deputy CEO for NAVCA

In Hertfordshire and West Essex, projects are being developed in partnership with Primary Care Networks and delivered by small local charities. A range of activities have been funded so far including projects to reduce social isolation for carers, improve young people's mental health and increase prostate cancer screening amongst black men.

The community work we have done this year, across the Assura Community Fund, donations to charity partners and the social impact plans of our on site development schemes has on average generated £3.40 of social value for each £1 invested.

Priorities for 2025

We will work with NAVCA to continue the success of the first year of our Assura Community Fund programme, extending the grant offer to more grassroots organisations with a focus on innovative approaches to meet local needs and reduce health inequalities. The programme will build on the collaborative approach developed in partnership with system leaders so far. In addition, we will provide a further £100,000 of funding to local VCSE groups that are working to address health inequalities within 15 miles of our buildings.

We have committed to becoming a Patron of the Prince's Trust for the next four years, supporting their successful health and social care programme. The aim of the programme is to support young people into sustained employment within the NHS and the wider health and social care sector. Our support will contribute to the continuation of this work, supporting the long-term success of the NHS, and will provide a range of volunteering opportunities for Assura staff.

Building on the success of our workplace volunteering in 2023/24, we will be aiming to complete at least 750 hours of volunteering in 2024/25. We will focus on encouraging team members to explore a wider range of opportunities to volunteer together, as well as use their individual expertise to support SMEs and VCSE organisations.

CASE STUDY

Assura team volunteering

Assura team members have increased the number of hours they volunteered in the community by more than a quarter, completing over 700 hours of volunteering with VCSE groups. 90% of our staff took part in some volunteering either with their team or individually in 2023/24, this has increased from 64% last year. Teams have supported a number of charities, including My Cheshire without Abuse (MyCWA) who offer a whole family approach to domestic abuse support. Two teams have supported MyCWA this year by decorating emergency refuge accommodation for families leaving abusive homes.

"Assura have generously supported us over the past 12 months by dedicating voluntary hours and their valuable time to us here at My CWA. Their recent volunteer project shows their commitment to community welfare. This collaboration not only hugely supported our accommodation team, but also highlights the impact of partnership in creating positive change. We extend our sincere appreciation to Assura for their valuable and ongoing support."

Maria McGregor

Volunteer Lead at MyCWA

STAKEHOLDER ENGAGEMENT AND IMPACT – OUR COMMUNITIES (CONTINUED)

CASE STUDY

Social impact plan supports local priority area

As part of the social impact plans for the West Midlands Ambulance Hub in Oldbury, Assura supported Citizens Advice Sandwell (CAS) with £20,000 of direct funding to increase advice capacity in partnership with two local children's centres. The aim was to alleviate the impact of child poverty, identified as a priority for the area. Our funding enabled over 850 advice sessions to be provided to approximately 300 vulnerable families (with 400 children), accessing around £650,000 in unclaimed benefits and support with £50,000 of debt. The social value created was £266,600, a ratio of 1:13.38.

"It's a weight off my mind that I can keep me and the kids a bit warmer this winter, thank you so much."

A parent to two young children supported by the project



STAKEHOLDER ENGAGEMENT AND IMPACT (CONTINUED)

Our people

Assura employees work in a collaborative, engaging environment that supports their aspirations to develop their skills and provides them with opportunities.

Who they are

- Our 76-strong team around the UK.

Our people are Assura. Their expertise and skills are what allows us to deliver for our customers and work to achieve our purpose.

Stakeholder metrics

- Employee engagement survey
- Annual diversity and inclusion data
- Direct employee feedback via 1-2-1s
- Quarterly feedback from The Voice team representatives with designated employee Non-Executive Director (NED)
- Data on staff turnover, training and sickness trends reported to the Board.

How we engage

- Bi-weekly call with CEO
- 'The Hub', an established employee intranet page with internal and external updates
- Departmental team meetings
- The Voice
- Various team building and site-wide social events
- EDI and Wellbeing programme of events
- Ad hoc HR communications
- Direct 1-2-1s with employees across the business (CPO)
- Annual dinner with the Board and all employees invited

We seek regular feedback from the team representatives' group, the Voice, to understand the effectiveness of our engagement methods. We also track engagement with internal surveys and events to judge their impact.

Monitored by:

CPO.

Board members took part in our annual whole team 'meet the Board' team dinner in September and the March Board meeting included a breakfast round table with the group of managers who report into the Executive Committee (ExCo).

Issues raised this year

- Relocation to new Altrincham office
- Clearer career development
- Enhanced recognition programmes
- Wider range of benefits

90%

of the team took part in some volunteering activities during the year



STAKEHOLDER ENGAGEMENT AND IMPACT – OUR PEOPLE (CONTINUED)

Achievements in 2024 and our priorities for 2025

Learning and Development

A significant investment was made last year in learning and development, with a brand new Leadership Development Programme (LDP) being designed. The LDP, comprising of seven modules was attended by all leaders in the business across a nine-month period covering a wide range of leadership skills and competencies. In addition, as exceptional customer service remains a key focus for us, we are pleased to report that we ran numerous Customer Service training days, with a total of 47 colleagues attending.

We continue to provide learning opportunities to our teams, in particular to support our social impact, sustainability and net zero carbon commitments as well as important training on the governance of our business. Furthermore we have updated our onboarding process which has been very well received.

Last autumn we recruited another two graduates on to a two-year programme rotating around areas in the business. This intake we have one working towards their Royal Institution of Chartered Surveyors (RICS) Assessment of Professional Competence (APC) and another who has commenced a new graduate programme, working towards the Institute of Environmental Management and Assessment (IEMA) Certificate in Environmental Management.

We are pleased to confirm that we will be recruiting a further two graduate students in the coming year, one graduate surveyor and one finance graduate.

We are delighted to be recognised for our gender diversity in our Board and Executive team and were credited as a top performer in this year's FTSE 350 Women Count Report.

"On the back of significant progress, Assura Plc is a new entry this year taking fifth place (out of the Top Ten Best Performers)."

FTSE Women Leaders Review, Feb 2024

In keeping with our positive results in relation to gender diversity, we were proud to promote a number of female colleagues to management positions in the last 12 months as well as recruiting several females to senior leadership positions within the property team.

Gender pay gap reporting is not required for companies employing fewer than 250 employees, but it is becoming increasingly common for listed companies to publish their results. For the whole workforce our gender pay gap is 26% (2023: 38%), having decreased by 12 percentage points in the year, reflecting the increased recruitment of women to more senior roles within the organisation.

Further details are provided in Appendix C on page 138.

Engagement

Our most recent employee engagement survey was conducted by We Love Surveys and we were delighted to see an improved overall engagement score of 76%.

Key themes showed that despite the initial concerns of relocating to Altrincham, the new modern and flexible workspace had been well received. In addition the investment in training and development and a wide range of wellbeing events and initiatives was appreciated.

Areas for development included improved employee recognition and clarity on how the training and development offered can enhance career progression and so these will be priorities for us in the year ahead.

We were particularly pleased to see that the statement "Assura has strong commitments to our social impact in the communities in which we live and work" attained the highest score in the survey of 94%.

To demonstrate our long-term commitment to ESG, we developed a new ESG Graduate programme.

EDI and Wellbeing

As we launch the EDI strategy we will continue to act in the interests of making Assura as inclusive as we can to attract, retain and support our people.

Being diverse and inclusive is important to us and we've partnered with Manchester Pride and are pleased to confirm we've recently completed their Getting Started programme of the All Equals Charter. This Charter is Manchester Pride's programme to help businesses and organisations understand, recognise and challenge any form of discrimination in the workplace. The Charter aims to make the workplace inclusive, diverse and equal for marginalised people and is a positive space for businesses to grow and learn.

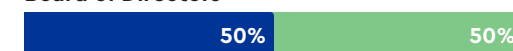
Since the office move we have enhanced our employee wellbeing programme to help the transition and create team building opportunities, ensuring that we include our remote workers as much as possible, for example streaming our regular yoga sessions to allow virtual participation.

Our plans to move to the third floor of our offices will include various improvements such as a Quiet Zone to provide a less distracting space for neurodiverse colleagues or those seeking a more peaceful desk.

Finally, we continue to support the great work of the North West Business Leadership Team (NWBLT) in particular programmes mentoring high potential female and ethnic diverse colleagues.

Gender diversity

Board of Directors



4 Female 4 Male

Senior Management (excluding executives)



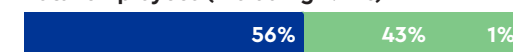
3 female 2 male

Employees



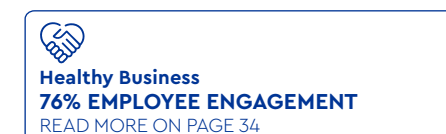
40 female 30 male 1 non-binary

Total employees (including NEDs)



47 female 36 male 1 non-binary

Female Male Non-binary



STAKEHOLDER ENGAGEMENT AND IMPACT (CONTINUED)

Our suppliers

Our supplier partners benefit from a collaborative approach to finding innovative solutions that meet the needs of our customers.

Who they are

A network of businesses and organisations providing the goods and services that enable us to serve our customers.

How we engage

We keep in close contact with our supplier network through our relationships across the business, with key maintenance service relationships now embedded with our facilities management team at Macro. The Executive Committee invites suppliers to meetings from time to time to hear about the latest trends in the sector. We require that all suppliers are Safe Contractor verified, whether for a large repair or for small routine maintenance jobs on a building – ensuring the suitability of health and safety procedures and insurance in relation to all work they are set to complete.

We require all of our suppliers to adhere to our policies on Modern Slavery (including Human Rights) and Anti-Bribery and Corruption, both of which are available to view on our website. We communicate our Quality and Environmental policies (as part of our procedures in relation to our ISO 9001 and ISO 14001 accreditation) to suppliers, as well as making clear our policies in respect of whistleblowing and the prevention of tax evasion.

We incorporate ESG considerations into our supplier selection processes – discussing up front how we can work together and align objectives, and run roundtable events to share ideas and ensure our vision is understood.

Why these methods are effective

Dialogue with our regular suppliers allows us to understand emerging issues and challenges, and to respond accordingly.

Evaluating ESG ambitions of potential suppliers allows us to ensure we are working with partners that are aligned with our own values.

£109m
paid to our suppliers and
contractors

£21m
total tax contribution



STAKEHOLDER ENGAGEMENT AND IMPACT – OUR SUPPLIERS (CONTINUED)

Achievements in 2024 and our priorities for 2025

Working effectively with suppliers in partnership is vital to us maintaining our reputation with our customers, as well as helping us deliver on our ambitious targets relating to The Bigger Picture. It is essential that our suppliers share our values in wanting to deliver high-quality buildings for the benefit of our customers and the communities the buildings support.

Where essential maintenance is required to a property, the works need to be completed efficiently and minimise disruption to the day-to-day operations of the practice. Where we are completing a building improvement project, whether it's a reconfiguration of the space, a sustainable upgrade or a major extension, we work with our customers and suppliers to plan jobs carefully, minimising disruption for patients and staff. Where we are designing a new building, we need to provide the best advice on how the design can help meet the health needs in that community, maximising the social impact and minimising the environmental impact.

In all these cases, our customer want to know we have chosen the right partner – either to provide expert consultation or to deliver the works to a high standard.

Over the past two years, we have rolled out ESG factors as a selection criteria into a number of our major contract awards:

- Pilot LED improvement contract for our EPC upgrade programme
- Facilities management provider Macro
- Development consultant framework

We view these suppliers as long-term partners, and the importance of aligned ambitions allows us to contribute toward each other's targets.

For example, aligned with our target to deliver outstanding customer service, our contract with Macro is based on their strong sustainability and technology credentials to help us further enhance the service we provide to our customers. Our contract with Macro includes a number of ESG related KPIs, such as requiring appointment of companies that pay a Living Wage and performance requirements linked to training, education and volunteering.

This has continued in the current year for a number of contract awards. In respect of our landscaping contract, we reappointed a small family business for the North East region that we have worked with for a number of years. Being a local firm, they were keen to align with the work of the Assura Community Fund, agreeing to make a contribution in the form of completing pro-bono work for suitable charitable projects in and around our buildings.

Similarly, our chosen partners for sustainability linked building improvements, such as LEDs, solar panels and air source heat pumps, are aligned on our social impact aspirations and all are committed to making contributions to the Assura Community Fund.

25%
of non-development spend with suppliers aligned with our ESG goals

CASE STUDY

A shared vision for a healthy future

Last year we ran a process to select our long-term preferred development partners under our Consultant Framework. This covered services such as architectural, mechanical and electrical, quantity surveying and civil and structural engineering.

Alongside the commercial arrangements, suppliers were ranked according to three sustainability and social impact criteria – each designed to ensure alignment with our ambitions – and these were then used as the final selection factors. Specifically, we assessed:

- how potential partners felt they could assist us on our net zero carbon design aspirations (i.e. their credentials to incorporate the latest sustainable technologies into the design process)
- their own organisational carbon reduction plans (i.e. understanding how the organisations were managing their own carbon footprint)
- their ongoing commitment to delivering social value to communities (whether that was through their own social impact initiatives or working with the Assura Community Fund).

In the current year, we ran a roundtable event for all selected partners to explain our long-term vision and to share ideas. As well as our development and project teams, sessions were attended and run by our sustainability and social impact leads to highlight the detail of our plans, and how our supply chain can contribute.



"Getting everyone together in a room is not easy when it is such a wide group of people. It was worth it though – the power of explaining why we are prioritising ESG factors allows our supply chain to understand and share their own passions. We've already had suppliers joining some of our volunteering events and their expertise could unlock some opportunities for training and apprenticeships."

Karen Nolan
Our Head of Social Impact

STAKEHOLDER ENGAGEMENT AND IMPACT (CONTINUED)

Our investors and lenders

Our financial backers, both equity and debt, receive a fair financial return derived from the high-quality cash flows generated from disciplined investment in the essential health infrastructure of our country.

As detailed in the Governance section on page 80, the Board is committed to maintaining an appropriate level of communication with shareholders. The Executive Directors and Investor Relations Director are available throughout the year for investor meetings, and we work with advisors to give investors the opportunity to engage with management at a range of forums. The most important of these are the year-end and interim results presentations, to which our lenders are also invited. Direct feedback is sought from investors following every meeting we hold during the year, through our shareholder engagement platform (Ingage), with a response rate of approximately 30% that gives us valuable insight on our interactions and disclosures. We also held further sessions with Investor Meet Company, a platform that aims to give retail investors appropriate access to management to ask questions and provide feedback.

Relationships with our diverse pool of lenders are also maintained through regular interaction, primarily with the CFO, as well as through our website and financial documents.

Why these methods are effective

Regular dialogue with our investors and lenders allows us to respond to questions, seek feedback and test ideas with our financial stakeholders.

Achievements from 2024 and priorities for 2025

As has been the case in recent years, our focus is on making sure that the senior management team are available to engage with both existing and potential investors, whether equity or debt focused.

The past 12 months has seen a real increase in investor interactions, with over 180 meetings held (prior year 120) as a broader range of investors (generalists, income funds, international) have shown greater interest in our investment case. This has included attendance of a higher number of conferences, attending eight across three countries (UK, USA and the Netherlands), which investors are increasingly perceiving as a good use of time, particularly those with a good attendance list and efficient scheduling.

In February, we hosted our first physical capital markets event, at our newly completed cancer treatment centre in Guildford. As well as showcasing a top class operator from the site and high specification technology, this event allowed us to highlight to investors and analysts the attraction of investing in the growing private provider market.

We also hosted several site tours at various locations in our portfolio with investors and analysts throughout the year.

We have continued to highlight our social impact and sustainability credentials to ESG-focused investors, holding a number of 1-2-1 meetings with ESG specialists, resulting in a growing number of ESG specific funds on our share register. We have placed emphasis on improving our ESG ratings with agencies such as MSCI (rated "AA"), ISS (rated "Prime"), EPRA ("Gold" award) and disclosing to the Carbon Disclosure Project and GRESB for the first time.

In 2025, we will maintain extensive engagement activities – ensuring we continue to identify new potential investors, particularly continuing to build relationships through attendance at efficient conferences, leveraging our relationships with the 13 equity analysts that currently cover Assura and increasing our activities overseas. We will continue to plan a programme of site tour options to showcase our buildings, including upcoming development completions.

Key materials and contact information

Our website (www.assurapl.com) includes all regulatory announcements, financial results, news stories and additional background on our strategy and policies.

The materials are supplemented by videos giving further information.

Interaction with our shareholders and equity analysts is managed by our Investor Relations Director.

180
meetings held with investors



STAKEHOLDER ENGAGEMENT AND IMPACT – OUR INVESTORS AND LENDERS (CONTINUED)

Investor engagement timeline

May 23

- Year-end results presentation
- Results roadshow, London
- Kempen Real Estate Seminar, Amsterdam

June 23

- Morgan Stanley Real Estate Conference, London

July 23

- Trading statement
- AGM, via Investor Meet Company platform
- South Africa roadshow
- Liverpool roadshow

September 23

- Unsecured bond holder call
- Manchester roadshow
- Société Générale Conference, London

October 23

- Trading statement

November 23

- Interim results presentation
- Results roadshow, London & Edinburgh
- UBS Global Real Estate Conference

January 24

- Trading statement
- Barclays European Real Estate Conference
- Netherlands roadshow

February 24

- Capital markets event, Guildford
- London roadshow

March 24

- CitiBank CEO Conference, Miami
- Kempen Real Estate Seminar, New York
- Bank of America EMEA Real Estate Conference, London

STAKEHOLDER ENGAGEMENT AND IMPACT (CONTINUED)

Our environmental impact

We deliver new premises which limit their impact on the environment, and upgrade the energy efficiency of existing buildings.

Our Net Zero Carbon Design Guide sets ambitious targets for both our existing portfolio and new developments to advance our environmental progress for the benefit of all stakeholders under the Healthy Environment pillar of The Bigger Picture. This is all part of our vision for healthcare spaces that lead for a sustainable future, helping our customers through buildings that are cheaper to run and facilitate achievement of their own net zero carbon targets.

Our environmental strategy is fundamental to what we do:

- Ensuring our developments meet the needs of our customers: GPs, the NHS, the HSE, private providers and the communities they serve, whilst ensuring a focus on carbon reduction
- Helping our customers reduce their energy consumption
- Driving value in our portfolio through sustainability-linked asset enhancements giving us extended leases or increased income.

But we also want to go a lot further. We're targeting net zero carbon for our whole portfolio by 2040, with an interim reduction target for 2030.

Sustainability actions are ingrained throughout our team:

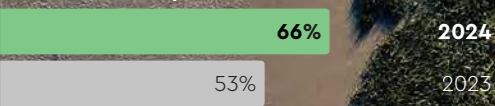
Investment: sustainability and social impact is a key element of the investment criteria, with the Net Zero Carbon Pathway factored into decision making of any acquisition.

Portfolio management: our environmental improvement programme is central to individual property strategies and in all asset enhancements we seek to improve energy efficiency.

Development: the continual evolution of sector-leading development designs enable us to advance our strong BREEAM track record by creating a Net Zero Carbon Design Guide.

Healthy Environment – main KPIs

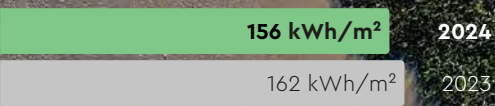
EPC – % area of portfolio EPC B or better



Net zero carbon developments on site

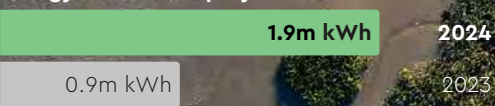


Portfolio EUI

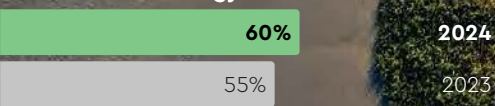


Additional sustainability metrics

Energy saved from projects delivered



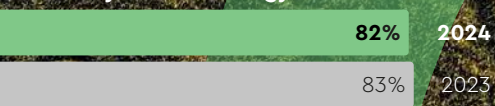
Energy data – % area of portfolio for which we have energy data



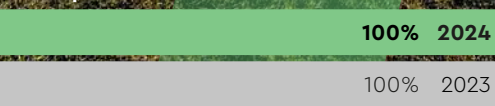
"Achieving net zero carbon is about working collaboratively – helping our occupiers to reduce consumption and then bringing in the right specialists who can advise on technology to introduce."

Paul Warwick
Director – Sustainability and Projects

Renewably sourced energy



BREEAM ratings on completed developments



STAKEHOLDER ENGAGEMENT AND IMPACT – OUR ENVIRONMENTAL IMPACT (CONTINUED)

Long-term plan to achieve net zero across our portfolio

Net Zero Carbon Pathway

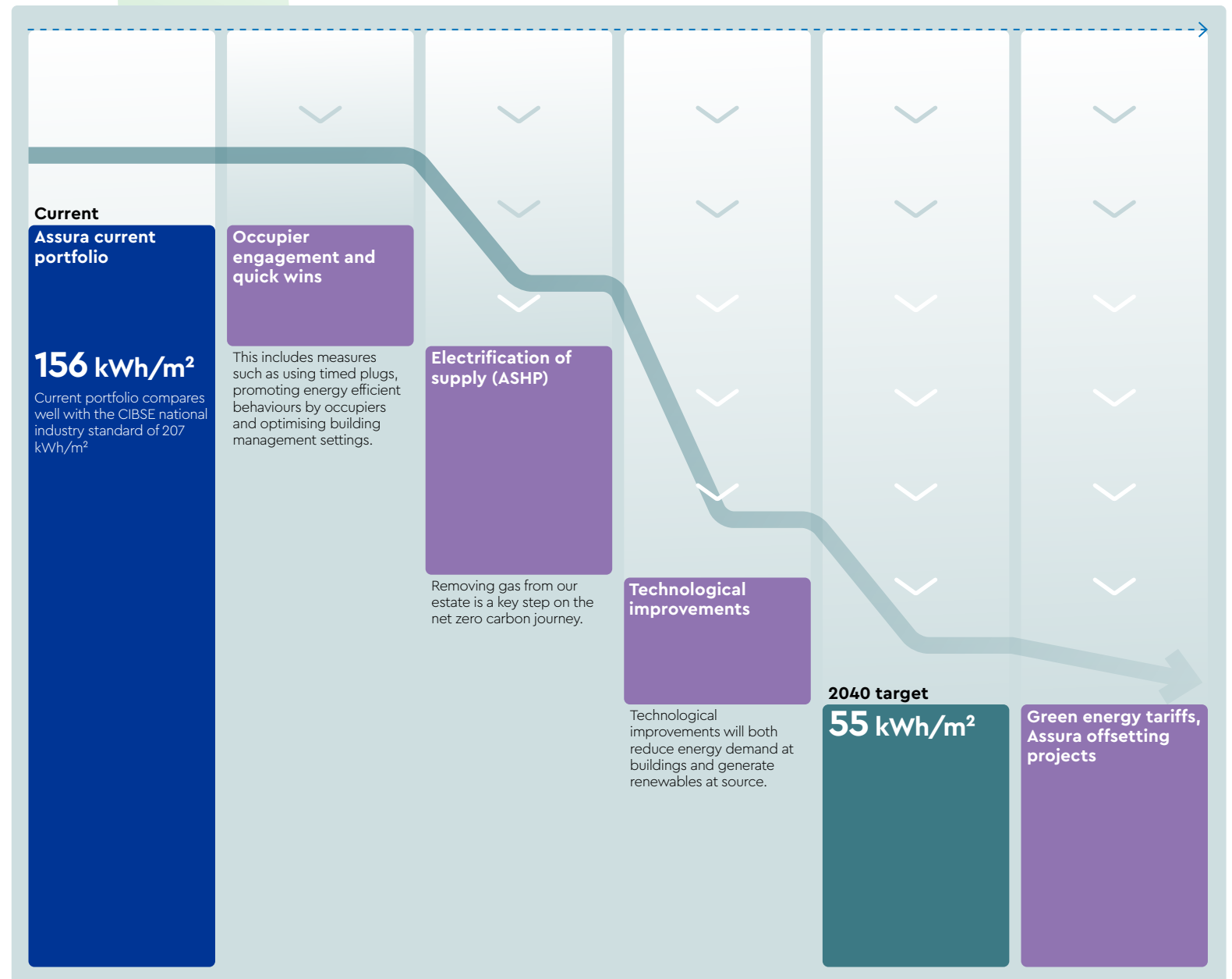
First published in the 2023 Annual Report, the adjacent chart illustrates what is required to achieve our ambitious plan to achieve net zero carbon across our estate by 2040 – ahead of the NHS' own target date of 2045.

To create this we collected energy data on our vast estate and commissioned net zero carbon audits on a representative sample. We then used UK Green Building Council guidance to create appropriate 'Paris-proof' reduction targets and are currently in the process of having these verified by the Science-Based Target initiative (SBTi).

A key part of achieving these goals is ensuring we get an appropriate return on investment – we are seeking higher levels of rents, using our pilot projects to illustrate the benefits to our customers, and exploring other initiatives such as on site renewable energy under Power Purchase Agreements (PPA) or completing works alongside lease regears and asset enhancement projects.

2040

target date for net zero carbon across our portfolio



STAKEHOLDER ENGAGEMENT AND IMPACT – OUR ENVIRONMENTAL IMPACT (CONTINUED)

2024 key actions and progress

- Moved on site two additional net zero carbon developments at Winchester and Bury St Edmunds (operational carbon only)
- All developments completed hit BREEM targets of "Very Good" or better
- 45 sustainability capital projects delivered to reduce energy consumption by 1.9 million kWh per year (Mar 23: 0.9 million)
- Portfolio now 66% at EPC B or better (Mar 23: 53%)
- TCFD disclosures refreshed through evaluation of risk register and scenario analysis (see page 67)

2025 priorities

- All on site developments using our Net Zero Carbon Design Guide
- Utilise sustainability initiatives on all asset enhancement and regear opportunities
- Analysis of portfolio-wide energy consumption to identify highest/lowest efficiency properties for customer engagement activities to drive kWh reductions
- Begin roll out of commercial photo-voltaic solution on our properties

Governance

Overall responsibility for progress against our environmental targets rests with the CEO, Jonathan Murphy.

Progress against the ambitions and pledges is overseen by the Social Impact and Sustainability Steering Group with regular reporting to both the Executive Committee and the Board-level ESG Committee (see page 88). In particular, sustainability efforts are led by our Director of Sustainability and Projects.

Minimising the environmental impact of our existing properties

As a landlord of a large portfolio, our ability to influence the energy consumed in our buildings comes through improving the fabric of the buildings and specifically providing more efficient heating, lighting and ventilation systems for our customers.

A key focus for our approach to net zero carbon has been to understand how energy is used across our portfolio – both collecting the energy data for as many properties as possible and the interventions required to reduce consumption to achieve our net zero carbon ambitions.

We have successfully obtained data on 360 properties (60% by area). This has allowed us to understand the energy usage intensity (EUI) across our portfolio and convert this into absolute energy reduction targets (using UK Green Building Council guidance for a Paris-proof 1.5°C reduction scenario). The priority is to drive down energy consumption, through asset enhancement initiatives and customer engagement, only relying on green tariffs or appropriate schemes to offset the residual carbon emissions as a last resort.

Absolute reduction targets

	2022 baseline	2023	2030 target -25%	2040 target -66%
kWh	117m	115m	88m	40m
EUI (kWh/ m ²)	162	156	122	55
Carbon (kg CO ₂ /m ²)	31	29	23	Net Zero

We have also completed 56 net zero carbon audits (15% by area). This allowed us to understand, across an appropriate cross-section of our portfolio, the necessary interventions to achieve our targets. These are primarily removing any gas supplied into our buildings (installing air source heat pumps) and maximising on site renewables generated (using photo-voltaic panels). However, it is just as important to make sure energy is not being wasted on site – so the first step for most buildings is to work with the occupiers to identify quick wins in each property (i.e. using sensors, switching off equipment when not in use) – following the appropriate energy reduction hierarchy. This approach is outlined in our net zero carbon pathway on page 53.

Improving the EPC ratings of our properties to at least a B is a key stepping stone on our net zero carbon journey, albeit we aim to ensure there is an appropriate return on our capital where possible (combining with asset enhancement or regear) and also ensuring that the EPC works do not conflict with net zero aspirations (i.e. replacement of gas boiler with a more efficient one is counter intuitive).

In 2021 we completed our assessment of the EPC ratings across our portfolio and estimated the cost of the improvement works, being in the range £25–30 million across the portfolio.

Over the past three years, we have completed 45 improvement projects, primarily upgrading lighting in buildings, spending £4.6 million to date with the costs coming in line with our expectations. We also completed 8 energy efficient upgrades in the past 12 months alongside asset enhancement capital projects, combining LED lighting with air source heat pump and PV panel installations.

The following table shows the proportion of certificates in our portfolio in each EPC band, weighted by building area.

EPC band	% of certificates
A/A+	12%
B	54%
C	20%
D	10%
E or lower	4%

For the majority of our portfolio, customers purchase energy directly from utility companies. For these properties, our portfolio management team meets regularly with the customers to understand their needs and concerns around energy usage and works with them to identify energy saving opportunities.

In respect of 53 properties (10% of portfolio), we purchase utilities on behalf of the customers which are recharged, usually through a service charge. In these buildings, energy consumption is dictated by the customer but we are generally in more frequent discussions with these customers to drive down energy consumption. Energy procured by Assura on behalf of customers is via a 100% renewably sourced tariff, and we are exploring maximising the use of electricity produced on site through PV panels.

Our standard leases include green lease clauses that allow us to request data on energy usage, to gain access to make energy performance improvements and to prevent customer works on our buildings that negatively impact the energy performance. We continue to review our standard lease clauses and whether further advancements would be appropriate for our customers.



STAKEHOLDER ENGAGEMENT AND IMPACT – OUR ENVIRONMENTAL IMPACT (CONTINUED)

LING HOUSE MEDICAL CENTRE, KEIGHLEY



CASE STUDY

Ling House – sustainability approach fundamental to asset regear

A 20-year-old building serving over 12,000 patients in Keighley, with three years remaining on the lease, has been enhanced through a reconfiguration and refurbishment, alongside an improvement in sustainability performance, in return for an uplift in the rent and taking the lease back out to 25 years.

Three administrative rooms have been converted into five additional clinical rooms, the existing 21 rooms have been fully refurbished, the lighting has been upgraded to LED throughout and the existing gas boiler has been replaced with an air source heat pump.

As well as improving the investment characteristics, the EPC has been upgraded to a B and 120,600 kWh have been saved, reducing the EUI of the building to 42kWh/m² and the carbon emissions by 68%.

STAKEHOLDER ENGAGEMENT AND IMPACT – OUR ENVIRONMENTAL IMPACT (CONTINUED)

Minimising the environmental impact of our developments

As a developer of buildings, we are focused on ensuring our new buildings are designed to be right at the cutting edge of sustainability within our sector, and we pride ourselves on innovating to advance our environmental performance. One of our KPIs under our Healthy Environment pillar is to advance our developments to be net zero carbon for embodied and operational carbon and to measure the whole life carbon impact of the buildings we develop.

Our approach is to design the buildings to use as little energy as possible, following the principles of our Net Zero Carbon Design Guide, which we finalised in 2022. The Design Guide covers all elements of the development design process, laying out the principles to be applied to every stage – starting with site planning, building structure and fabric, right through to final elements of interior design and post occupancy evaluation. The Design Guide is an organic document evolving in response to feedback in use, changing guidance and technological innovation.


Our first net zero carbon scheme in Fareham is currently on site and due to complete later in 2024 and we are also on site with net zero carbon schemes in Bury St Edmunds (see page 57) and Winchester. The table below details the targets we have set, and we are aiming for this to be standard in all our in-house schemes by 2026.

We are applying this approach to our projects in Ireland where possible, and our development in Castlebar is expected to have an EUI of 55 kWh/m².

We continue to measure our current developments by reference to BREEAM (Building Research Establishment Environment Assessment Method) and also our EPC targets – as described below.

156 kWh/m²
current average energy
usage intensity

Metric/KPI	Baseline	Best Practice (Today)	Exemplary (2025)
Energy in use – EUI	50 kWh/m ² /yr	75 kWh/m ² /yr	50 kWh/m ² /yr
Upfront carbon	600 kg CO ₂ e/m ²	600 kg CO ₂ e/m ²	475 kg CO ₂ e/m ²
Total embodied carbon	780 kg CO ₂ e/m ²	970 kg CO ₂ e/m ²	750 kg CO ₂ e/m ²



CASE STUDY

Eccles – EPC A+ building upgrade

Following acquisition in 2021, we worked with the occupier of this building in Norfolk to increase capacity for the mental health services (specialist education needs) at this site.

Additional rooms have been added, in return for an enhanced rental income, with a focus on minimising the ongoing running costs through energy efficient measures.

The upgrade includes a timber frame structure, solar panels, sun tubes to increase natural light, LED lighting throughout and air source heat pumps for the heating and cooling elements. All of this contributes to an EPC score of A+.

STAKEHOLDER ENGAGEMENT AND IMPACT – OUR ENVIRONMENTAL IMPACT (CONTINUED)

BREEAM

The environmental impact of a new building is something that we consider from the initial design phase and maintain focus on throughout the project. We measure this against BREEAM for which we target a score of "Very Good" or "Excellent" on all our in-house developments.

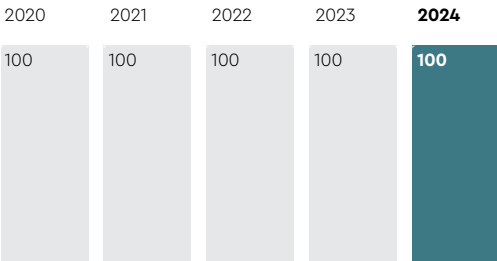
BREEAM is a holistic methodology for assessing the environmental, social and economic sustainability performance of a building. It measures sustainability in a range of categories (such as energy, innovation, materials, pollution, waste and water), assessing factors such as carbon emissions reduction, design durability, adaptation to climate change and protection of ecology and biodiversity.

In practice, this means that we need to select the materials in the right way (BRE produces a Green Guide to Specification from which materials are chosen). We then commission environmental and ecological reports from which the actions are incorporated into our plans, and we work with our customers to ensure that the energy systems installed are both environmentally friendly and cost effective. All of this needs to be completed to a high standard and is independently assessed.

All developments completed in the year met our target of EPC B or better (or the Irish equivalent of BER A). Of the four eligible developments completed during the year, two achieved BREEAM ratings of Excellent, one achieved Very Good and one achieved the Irish equivalent of NZEB, with all four awaiting the final certification.

All the seven eligible on site developments are on track to achieve at least EPC B or BER A and BREEAM Very Good with 86% on track for Excellent or Irish NZEB. 16% of our total portfolio has BREEAM certification.

BREEAM rating (%)



CASE STUDY

The benefit of our approach to sustainability; being awarded an NHS development project in Bury St Edmunds

Following on from our development completion in 2022 of the West Midlands Ambulance Hub in Oldbury, we set our stall on growing our emerging opportunity of working directly with NHS Trusts, bidding to develop a new ambulance hub for East of England Ambulance Service NHS Trust.

A key part of our bid was committing to use our Net Zero Carbon Design Guide, with the 2,900 m² facility designed to be net zero carbon in operation, keeping the running costs as low as possible for the NHS. This is to be achieved through a fabric-first approach to design, where the form factor, combined with the low u-value specification and adoption of smart technologies, mean the building is expected to have a low EUI of 65 kWh/m², which will be reduced to net zero through the installation of 1,000 m² of PV panels.

The project is nearing completion, the keys are due to be handed over in May 2024 when the facility will act as a 'make-ready' central reporting hub for over 30 ambulances helping to deliver an efficient service for the 6.3 million people in the region.

1,000m²

of PV panels installed, generating 172,000 kWh per year to cover all on site regulated demand

STAKEHOLDER ENGAGEMENT AND IMPACT – OUR ENVIRONMENTAL IMPACT (CONTINUED)



Minimising the environmental impact of our employees

The greenhouse gas emission data relates to the environmental impact of Assura employees – specifically electricity consumed at the head office and fuel usage from travelling to visit our properties. In the current year our usage has changed following our move of head office, with no gas now being consumed – resulting in more electricity being used, and an increase in our staff using electric vehicles meaning higher mileage has actually resulted in less carbon for these particular Scope 3 emissions.

ESG policy and greenhouse gas emissions

We have in place an ESG policy (available in the Corporate Governance section of our website) which has been refreshed in the current year and is reviewed on an annual basis by the Board. The policy sets out the commitment we make in addressing environmental risks in the work we carry out, working with suppliers and partners to promote environmentally friendly behaviours, and maintaining our ISO 14001 Environmental Management System certification.

The table below shows the required SECR disclosures, being carbon emissions directly within the operational control of the Group, calculated in line with the GHG Protocol, and solely relating to consumption in the UK.

Scope 1 relates to estimated gas used by homeworkers for heating, Scope 2 relates to grid electricity consumed at the head office and Scope 3 relates to emissions from business mileage, all of which have been converted from the appropriate unit to kg CO₂e using government published conversion factors.

The usage during the year has changed following the move in head office (resulting in no gas being consumed) and the increase in employees using electric vehicles. We would expect carbon emissions to reduce as energy efficient building upgrades are implemented.

Operational control

	2024	2023	Change
Scope 1			
mt CO ₂ e	–	27.4	(100)%
mt CO ₂ e per employee	–	0.34	(100)%
kWh	–	149,910	(100)%
Scope 2			
mt CO ₂ e	50.4	19.5	158%
mt CO ₂ e per employee	0.68	0.24	210%
kWh	232,143	100,890	130%
Scope 3			
mt CO ₂ e	24.2	29.0	(17)%
mt CO ₂ e per employee	0.33	0.36	(9)%
kWh	103,983	121,790	(15)%
Total			
mt CO ₂ e	74.6	75.9	(1)%
mt CO ₂ e per employee	0.74	0.94	6%
kWh	336,126	372,590	(10)%
kWh per employee	4,542	4,657	(2)%

We consider the most appropriate intensity factor to be mt CO₂e per employee, as the size of our team is directly proportionate to the mileage required. During the year we have moved our head office to Altrincham, and are currently implementing fabric and technology improvements to reduce energy consumption, aiming for the building to be fully net zero carbon by March 2025.

45

Sustainability upgrade projects delivered in year

We have also included below what we consider our wider Scope 3 emissions to be – relating entirely to energy consumed by occupiers in our property portfolio. We have data for 60% of the portfolio by area, and for the remainder we have estimated usage based on the age of the building using UK GBC building classifications.

Tenant usage

	2024	2023
Scope 3		
Portfolio – properties where we have the data	60%	55%
Portfolio – properties where we have estimated usage	40%	45%
Total Scope 3 – kWh	115.27m	116.87m
EUI – kWh/m ²	156	162
mt CO ₂ e	21,484	21,665
Kg CO ₂ e/m ²	29	30

As further described on page 53, the energy usage intensity of our portfolio compares favourably with the CIBSE national industry standard of 207 kWh/m².

Further details on this energy data, including how missing figures have been estimated and for where appropriate like-for-like comparisons can be made, can be found in the Sustainability Disclosures on our website: www.assurapl.com

Principal risks and uncertainties

Risk management is the responsibility of the Board, which sets the risk appetite and tolerances for the business, determines the nature and extent of the principal risks the Group is willing to take in achieving its strategic objectives and ensures that risk management and internal controls are embedded in the Group's operations.

Risk appetite

The Group's risk appetite is to target above market, risk adjusted returns in our chosen healthcare real estate assets, by developing assets ourselves (as opposed to purchasing only completed developments) and using debt to gear returns in line with our LTV policy. However, we seek to avoid, trap or heavily mitigate risks in all other areas of the business, including:

- property event risk – by full insurance cover, full due diligence and committed funds for acquisitions
- development risk – by only undertaking developments where there is already an agreement for lease in place with fixed price or capped price build contracts and full due diligence on contractors and main subcontractors
- control risk – by clear management controls and Board reporting

- gearing risk – we maintain an appropriate range of lenders and debt maturities with variable rate debt being restricted to an appropriate level
- political risk – which could limit future growth but does not affect the current business assets
- occupier default risk – by investing in strategically important premises which will be supported by the NHS with ongoing due diligence of our independent occupiers.

Our approach to risk management

The Risk Committee includes senior staff from all areas of the business; together with the CEO and CFO, it met five times in the year, to review the risk register, identify emerging risks and conduct "deep dives" into individual risks to ensure that sound assurance is in place. KPMG, the Group's internal auditor attended four of the Risk Committee meetings in the year.

The regular business of the meetings included:

- identification of emerging risks;
- an IT update with a particular focus on cyber risk and Artificial Intelligence (AI)
- a review of contractors in difficulty (some contractors entered administration in the year affecting several schemes)
- a portfolio management update covering health and safety compliance, reporting of accidents and claims, a review of medical contract issues, and potential occupier debt issues;
- an update of development projects with particular emphasis on potential delays, costs versus rental values, net zero carbon and contractor solvency
- an update on complaints.

Internal audit in the year focused on assurance mapping (advisory), phase 2 of the technology roadmap, data integrity follow up, facilities management, ESG and general follow up on previous audit actions, further detail on their findings is set out in the Audit Committee Report on page 86.

The Risk Committee provides copies of the Risk Committee minutes to the Audit Committee and twice yearly provides a detailed report on its activity to the Audit Committee. The Audit Committee regularly monitors risk management and internal control systems and reports to the Board. The Board has carried out a robust assessment of the principal risks facing the business. These are the risks which would threaten its business model, future performance, solvency or liquidity and are summarised on pages 62 to 66.

The Board has also considered which of the Group's strategic objectives may be affected by these risks and its findings are set out on pages 19 to 24.

Emerging risks

Emerging risks were considered by the Committee, including:

- The continued war in Ukraine/Russia – raising the cyber security risk and the impact on customers of rising utility costs
- The potential impact of AI increasing cyber security threats
- Increased development costs, contractor insolvency and the impact on scheme viability
- Continued review on the impact of inflationary pressures on costs of living and impact on cash collection/potential for bad debts, supplier solvency and staff wellbeing
- Impact of the office move on our ability to retain staff and recruit in the short term and the potential for business disruption during the move. Staff with increased travel costs because of the office move were provided with two payments (July and January) to assist with the increases in the short term
- Impact of the outsourcing of our portfolio management team to Macro and the management of the contract to ensure customer service is maintained
- Continued uncertainty in the pharmacy sector
- Investment valuation pressures and the impact on investment opportunities and funding given the macro position on inflation and interest rates

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Brexit, cyber and climate

As during the previous financial year, the Risk Committee, the Audit Committee and the Board considered the impact of Brexit on the business and again concluded, on the basis that the Group is a wholly UK-based operation with no reliance on exports and limited reliance on imports for building products, that Brexit did not, in itself, constitute a significant risk to the business. The review again examined a number of potential areas where business operations could be impacted, including property valuations, interest rates and the supply chain, with the conclusion being that the impact from the specific risk factor was not material.

Cyber security was also kept under close review recognising the heightened risk of cyber-attacks on staff working remotely, the threat of state-sponsored attacks and the proliferation of AI generated attacks. Penetration testing, cyber awareness training, disaster recovery tests and social engineering simulations were completed in the year. The Group maintains its managed assurance service to cover email phishing, external vulnerability scanning, online security awareness training, penetration testing and cyber health check-ups. The Group continues to focus on achieving reputable cyber security accreditations, with Cyber Essentials Plus obtained in June 2022. Given this increased protection it was considered that an appropriate level of risk mitigation was in place.

Following on from the TCFD disclosures on pages 67 to 69 we have considered how climate affects each of our principal risks and added linkage to TCFD on pages 63 to 66.

The culture of working collaboratively, freedom to raise concerns and all departments being represented on the Risk Committee means risks are quickly and easily identified.

Special focus reports

A report was made to the Risk Committee on the Corporate Criminal Offences Act to remind all staff of their duties under the act. A separate risk register is maintained to manage the potential risks and staff updates are carried out regularly.

The Committee received regular updates on the work being carried out to ensure that Assura complies with the disclosure requirements of the Task Force for Climate-related Disclosures (TCFD). A separate Net Carbon Zero/TCFD risk register is in place to monitor and manage the potential risk.

Ukraine

We continue to monitor materials cost inflation which may impact development start dates, and Assura's IT team have reconfirmed our disaster recovery and business continuity plan, clarified the roles and responsibilities in the event of a business interruption and continue to engage with our IT partners and the NCSC for best practice or emerging threats.



HADRIAN HEALTH CENTRE, WALLSEND

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk management framework

The Board has established a clear risk management framework that defines responsibilities for risk management across the Group. The framework provides an effective process for the identification, assessment, monitoring, and reporting of risk, with a strategic top-down approach to risk management and a bottom-up operational management of risk by the business. This framework is regularly reviewed by the Board to ensure its effectiveness and has been in place for the financial year ended 31 March 2024 and to the date of approval of this report.

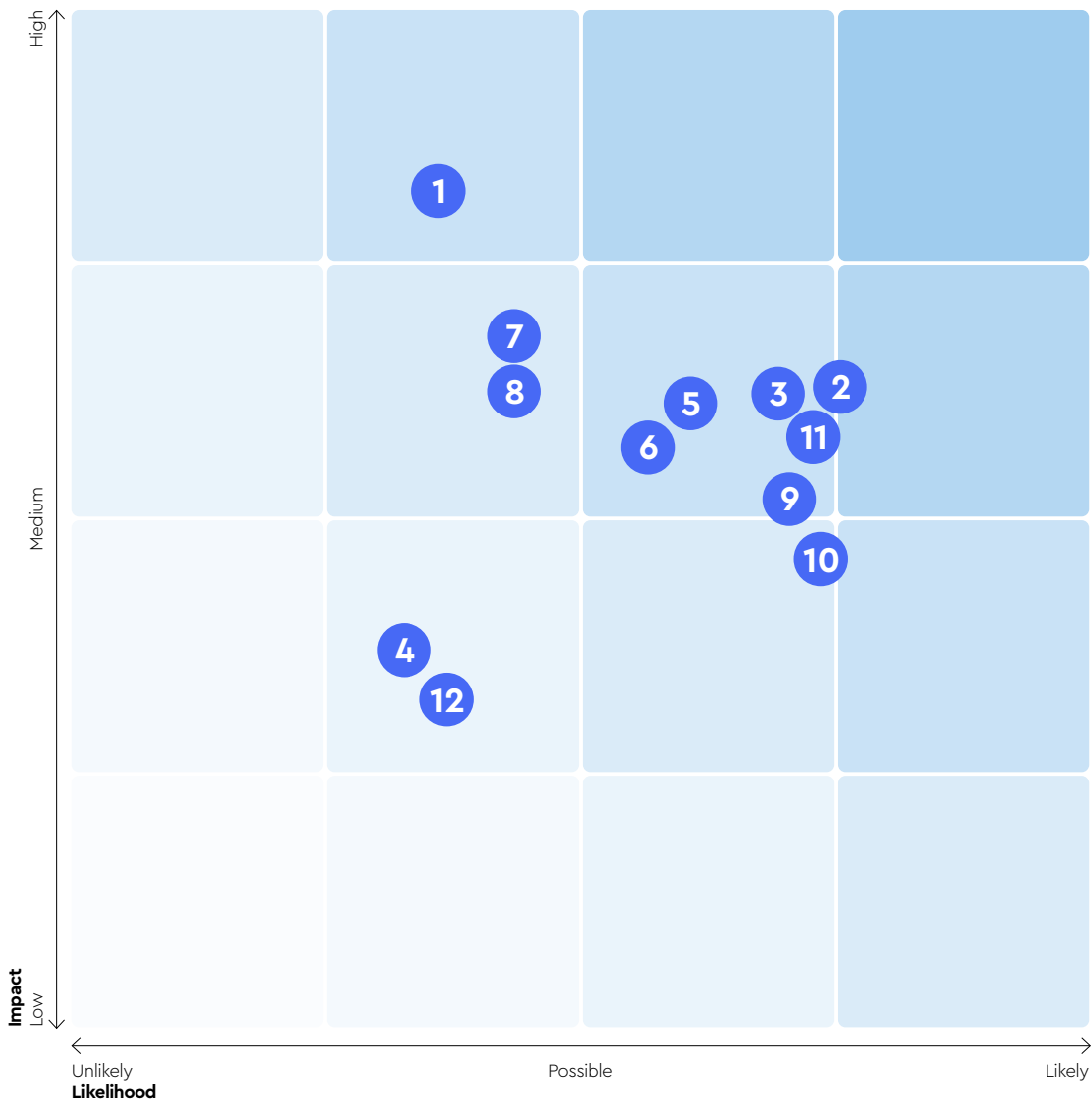


PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk heat map

The gross risk exposure of the Company's principal risks are shown in the heat map which plots likelihood of a risk occurring against potential impact if it does, before likelihood is reduced due to mitigation in place.

- 1 Changes to Government policy
- 2 Competitor threat
- 3 Reduction in investor demand
- 4 Failure to communicate strategy
- 5 Reduction in availability/increased cost of finance
- 6 Failure to maintain capital structure and gearing
- 7 Building obsolescence – digital risks
- 8 Building obsolescence – sustainability
- 9 Development programmes
- 10 Staff dependency
- 11 Lack of rental growth
- 12 Occupier default



Movements in principal risks

The Board has carried out a robust assessment of the principal risks facing the business. These are the risks which would threaten its business model, future performance, solvency or liquidity.

The gross risk exposure of the principal risks is unchanged from last year.

The gross risk (prior to any mitigation) and net risk (post mitigation) exposure of each risk is set out in the tables on the following pages which do not list such risks in order of priority or concern.

The Board considers that the top risks the business faces are those with a net risk rating of medium and above, being, change in government policy, competitor threat, reduction in investor demand, reduction in availability and/or increase in cost of finance and lack of rental growth.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Strategic risks






1 CHANGES TO GOVERNMENT POLICY		2 COMPETITOR THREAT		3 REDUCTION IN INVESTOR DEMAND	
Gross risk rating	M	Gross risk rating	M	Gross risk rating	M
Net risk rating	M	Net risk rating	M	Net risk rating	M
Risk owner	CEO	Risk owner	CEO	Risk owner	CEO AND CFO
Link to Strategy	02 QUALITY OF BUILDINGS 03 QUALITY OF SERVICE 05 LONG-TERM RELATIONSHIPS	Link to Strategy	03 QUALITY OF SERVICE 05 LONG-TERM RELATIONSHIPS	Link to Strategy	01 LEVERAGING OUR FINANCIAL STRENGTH
Link to TCFD	RISK MONITORED	Link to TCFD	NO LINK	Link to TCFD	RISK MONITORED
Risk Reduced funding for primary care premises' expenditure could lead to a reduction in our development pipeline and growth prospects. A change to the reimbursement mechanism for GPs could lead to a change in the risk profile of our underlying occupiers.		Risk Increased competition from new purchasers could lead to a reduction in our ability to acquire new properties and a general increase in prices across the sector.		Risk Reduced investor demand for UK primary care property could lead to a falling share price and difficulty raising equity to fund our strategic plans. This could arise from: <ul style="list-style-type: none">– Changes in NHS policy– Health of the UK economy– Availability of finance– Relative attractiveness of other asset classes– ESG expectations	
Avoid The Group proactively engages with the Government over policy that could impact the business, both directly and through the Healthcare Committee of the British Property Federation and the CBI.		Avoid We maintain our specialist knowledge, team structure and strong brand recognition with GPs, and focus heavily on customer care.		Avoid We are open in communicating our strategy to investors and maintain a balance sheet structure in line with our communicated policy.	
Trap The Board monitors changes in government policy and management reports to the Board at every meeting.		Trap The Board receives regular property reports, highlighting where we have lost to competitors and when new entrants are identified. The market is increasingly competitive, and every proposed transaction is reviewed by our Investment Committee to ensure that the prospective returns are adequate.		Trap The overall economy and its impact on the Group's operations are regularly assessed and considered in reviewing the Group's strategy. The Board receives regular reports on investor relations and the development of our share register.	
Mitigate Active engagement with Government, where appropriate. Building relationships with key contacts responsible for NHS property at a strategic level.		Mitigate Continuing use of our specialist expertise.		Mitigate The dividend yield and the underlying strength of the cash flows supporting it remain attractive relative to other asset classes.	
Comment There continues to be significant support for sustainable healthcare infrastructure. The COVID-19 pandemic and consequent lengthening waiting lists in the NHS has only further highlighted the shortage of appropriate health services in a community setting, in quality, fit-for-purpose premises. Proposed revisions to the NHS premises cost directions show no material change to the system of GPs rent reimbursement. Government sentiment on the idea of giving GPs' the option of becoming NHS contractors does not signal any negative change to third-party premises ownership.		Comment Increase in asset prices and debt costs increases the risk of these returns not achieving our required level and our rate of acquisitions slowing significantly. While sector specialists and other low risk income-focused funds continue to drive competition and pricing in the sector, our investment team closely monitors market activity.		Comment The fundamentals for our sector remain very strong, as do the longevity and security of our cash flows that flow through to the dividend paid to shareholders.	






Risk
H High M Medium L Low






Risk levels
 Increased No change Decreased

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

STRATEGIC RISKS (CONTINUED)

4 FAILURE TO COMMUNICATE STRATEGY		
Gross risk rating		 
Net risk rating		 
Risk owner	CEO AND CFO	
Link to Strategy	01 LEVERAGING OUR FINANCIAL STRENGTH	
Link to TCFD	NO LINK	
Risk Failure to adequately communicate the Company's strategy and explain performance may result in an increased disconnect between investors' perceptions of value and actual performance.		
Avoid Strategic priorities are clearly articulated in corporate communications and the Group's performance is transparently reported. We communicate regularly with investors and analysts.		
Trap The Board receives regular reports on investor attitudes and the market. The Group maintains close links with its two brokers, which communicate investor thoughts and concerns.		
Mitigate Investor communication, particularly through face-to-face meetings, remains a key priority.		
Comment 180 meetings have been held during the year with investors and analysts via a range of mediums – including physical and virtual meetings with investors based in several financial centres, property tours and attendance at appropriate investor conferences.		

5 REDUCTION IN AVAILABILITY AND/OR INCREASE IN COST OF FINANCE		
Gross risk rating		 
Net risk rating		 
Risk owner	CFO	
Link to Strategy	01 LEVERAGING OUR FINANCIAL STRENGTH	
Link to TCFD	NO LINK	
Risk A reduction in available financing could adversely affect the Group's ability to source new funding and refinance existing facilities. This could delay or prevent the development of new premises. Increasing financing costs could increase the overall cost of debt to the Group and so reduce underlying profits.		
Avoid The Group has a number of long-term facilities which reduce these refinancing risks, choosing to take fixed interest rates where possible.		
Trap The Group regularly monitors and manages its refinancing profile and cash requirements.		
Mitigate The Group actively engages with a range of funders to ensure a breadth of funder and maturity profiles. We continue to explore financing options with other lenders as well as maintaining strong relationships with existing lenders.		
Comment Current market conditions have meant that capital markets are more volatile and debt is more expensive. However, all drawn debt has fixed interest (average 2.3%) with long maturity (weighted average 6.0 years) and Fitch Ratings have reaffirmed our A- rating with a stable outlook. As at the year end, cash and undrawn facilities stood at £235.4 million.		

6 FAILURE TO MAINTAIN CAPITAL STRUCTURE AND GEARING		
Gross risk rating		 
Net risk rating		 
Risk owner	CFO	
Link to Strategy	01 LEVERAGING OUR FINANCIAL STRENGTH	
Link to TCFD	NO LINK	
Risk Property valuations are inherently uncertain and subject to significant judgement. A significant fall in property values or income could adversely affect bank covenants. Breach of covenants could lead to forced asset disposals which could reduce the Group's net assets and profitability.		
Avoid Valuations and yields are regularly benchmarked against comparable portfolios. All financial forecasting, including for new acquisitions, considers gearing and covenant headroom.		
Trap The Group engages three external valuers to review property valuations. The valuations are formally reviewed by the Board twice a year. Covenant headroom and gearing are regularly monitored with reference to possible valuation movements and future expenditure. The Board regularly reviews the capital structure of the Group.		
Mitigate It is possible to dispose of properties to preserve covenants as the majority of properties are unsecured.		
Comment The Group operates within conservative guidelines on debt metrics (net debt to EBITDA, interest cover, LTV), and whilst there has been negative valuation movement in the year the Group remains comfortably within guidelines and covenants.		

Risk

 High  Medium  Low

Risk levels

 Increased  No change  Decreased

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

STRATEGIC RISKS (CONTINUED)

7 BUILDING OBSOLESCENCE – DIGITAL RISKS	
Gross risk rating	<div>M</div>
Net risk rating	<div>L</div>
Risk owner	CEO
Link to Strategy	02 QUALITY OF BUILDINGS
Link to TCFD	NO LINK
Risk The shift in service delivery towards more digital consultations could reduce overall demand for medical centre buildings and could increase the risk of our buildings being no longer fit for purpose if we fail to implement latest standards and guidance or equip them for remote consultations.	
Avoid We work closely with our GPs to keep our buildings up to current standards and provide adaptable solutions for healthcare access.	
Trap We carefully monitor the latest standards and digital solutions.	
Mitigate We seek to future proof our new developments for digital readiness, for example through provision of remote consultation rooms where clinicians can contact patients remotely in a confidential manner. We are also mitigating through a structured approach to understanding the market and developing our strategic response to digital health.	
Comment Our surgery of the future concept embraces digital health solutions which we consider on each new development. We see digital health as an opportunity for our business and are working with the local AHSN on our new scheme in Winchester to study emerging trends.	

8 BUILDING OBSOLESCENCE – SUSTAINABILITY	
Gross risk rating	<div>M</div>
Net risk rating	<div>L</div>
Risk owner	CEO
Link to Strategy	02 QUALITY OF BUILDINGS
Link to TCFD	RISK MONITORED
Risk Increasing requirements for energy efficiency and carbon reduction could reduce the value of buildings if we fail to achieve net zero carbon aspirations for the estate.	
Avoid We work closely with our GPs and other partners to keep our buildings up to current standards. Sustainability forms a key metric in the investment appraisal process and EPC ratings of all buildings are closely monitored.	
Trap We carefully monitor the latest standards. We have published our Net Zero Carbon Pathway. A Net Zero Carbon Design Guide is used to guide all new developments and a roadmap has been developed to ensure the portfolio achieves the EPC Band B target.	
Mitigate Working closely with professional advisers, we are continually monitoring the estate for compliance with EPC Band B by 2026 as well as implementing best practice into new development projects.	
Comment We continue to stretch the possibilities on both our new buildings (incorporating our Net Zero Carbon Design Guide) and in our plans to achieve net zero carbon across our entire portfolio by 2040.	

Risk

H

 High

M

 Medium

L

 Low

Risk levels

⬆

 Increased

➡

 No change

⬇

 Decreased

Operational risks

9 DEVELOPMENT PROGRAMMES	
Gross risk rating	<div>M</div>
Net risk rating	<div>M</div>
Risk owner	GROUP DEVELOPMENT DIRECTOR
Link to Strategy	02 QUALITY OF BUILDINGS 05 LONG-TERM RELATIONSHIPS
Link to TCFD	RISK MONITORED
Risk Development risk could adversely impact the performance of the Group as a result of cost overruns and delays on new projects.	
Avoid The Group has continued to source new opportunities to add to the development pipeline. The Group's policy is to engage in developments that are substantially pre-let with fixed price or capped price build contracts.	
Trap A high level of due diligence is undertaken before works commence and detailed designs are negotiated to prevent variations. Regular reviews are conducted of latest cost estimates as each project progresses and contractor financial health is closely monitored before contract award and throughout development projects.	
Mitigate We remain confident in our ability to manage this risk through our experienced team of development surveyors and professional advisers. Internal cost reviews have been enhanced and we continue to reduce the potential risk through the use of fixed price contracts and the use of performance bonds. A performance bond insures against the risk of the main contractor becoming insolvent.	
Comment In a high-inflationary environment, we have paid particular attention to contractor costs and then rent negotiations to ensure the finances on each development remain attractive. Our five completed developments were in line with our expected cost appraisals and on site developments remain on track.	

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

OPERATIONAL RISKS (CONTINUED)

Risk
H High M Medium L Low

Risk levels
⬆ Increased ⬇ No change ⬆ Decreased

10 STAFF DEPENDENCY	11 LACK OF RENTAL GROWTH	12 OCCUPIER DEFAULT
Gross risk rating M	Gross risk rating M	Gross risk rating L
Net risk rating M	Net risk rating M	Net risk rating L
Risk owner CPO	Risk owner CEO	Risk owner CEO
Link to Strategy 03 QUALITY OF SERVICE 04 PEOPLE	Link to Strategy 01 LEVERAGING OUR FINANCIAL STRENGTH	Link to Strategy 01 LEVERAGING OUR FINANCIAL STRENGTH
Link to TCFD OPPORTUNITY	Link to TCFD OPPORTUNITY	Link to TCFD NO LINK
Risk Failure to recruit, develop and retain staff and Directors with the right skills and experience may result in underperformance.	Risk Not all rent reviews are upwards only and challenges to reviews and appeals could lead to lack of rental growth.	Risk Loss of income could arise from failing practices handing back GP contracts and losing the right to rent reimbursement or from financial pressures on pharmacy and other independent occupiers putting pressure on their business and becoming unable to meet their financial obligations under the lease.
Avoid Competitive salary and benefit packages are aligned with appropriate peer groups and periodically benchmarked. Professional development and training are encouraged and costs are met by the Group. Succession plans are in place for each department. Long-term incentive plans span three-year periods to encourage retention of staff.	Avoid The Group engages experienced third parties to conduct rent reviews.	Avoid The strategic importance of a practice to its location is a key investment decision. We undertake financial due diligence on independent providers prior to granting a lease or making an acquisition.
Trap Succession planning, team structure and skill sets are regularly evaluated and planned. The appraisal process acts as a two-way discussion forum to identify employee aspirations and any dissatisfaction. Any employee resignations are reported at each Board meeting.	Trap Leases are carefully reviewed on acquisition and the Group does not acquire any new leases with an occupier right to trigger a downward rent review.	Trap We are in regular contact with GPs to ensure there are no financial issues and carefully monitor the financial health of non-GP occupiers, including pharmacies and independent providers during the term of the lease.
Mitigate Continual review of culture and offer beyond pay and benefits and engagement of the team in various ways to understand views and feedback.	Mitigate For new developments, the Group targets initial rents that create positive open market rental evidence for the region. Open market rent reviews are either upwards-only or have a landlord-only trigger. Where the occupier is amenable, the Group will look to agree index-linked rent reviews as an alternative to open market reviews. Specialist internal and external team in place to focus on maximising growth opportunities.	Mitigate We liaise with GPs and NHS commissioning bodies to ensure continuing provision of services from that practice. GPs remain personally liable as named individuals under the lease. We review financial information on our independent occupiers and as part of the acquisition due diligence and during the term of the lease.
Comment The average number of employees in the year was 73 (2023: 87). Several members of staff are currently working towards professional qualifications. As hybrid working becomes the norm we have worked hard to support employees changing needs and to address changing expectations in the job market.	Comment The commission-driven agreements with our team of designated rent review agents and internal improvements to the rent review process with better data capture and analysis, continues to drive rental growth. In addition, specialist property team members focus on driving value through the rent review process and we have grown this specialist team this year.	Comment Approximately 31% of leases have fixed uplifts or are linked to RPI. Less than 5% of leases have occupier ability to trigger a downward rent review. We are aware of increased inflationary pressures on our occupiers and we have increased focus on occupier profile reviews in response. 79% of our rent is directly or indirectly reimbursed by the NHS. There are very limited cases of GPs handing back medical contracts and we are in active discussion with the occupiers and NHS commissioning bodies in these cases.

Compliance statements

TCFD disclosures

Our sustainability plans, including our net zero carbon ambition and EPC improvement plans, leave us well-placed to meet emerging climate-related risks.

March 2021	<ul style="list-style-type: none"> – First disclosures, one year ahead of requirement – Initial assessment of risks and opportunities
March 2022	<ul style="list-style-type: none"> – Mandatory disclosure for premium-listed companies, Assura's second disclosures – Detailed workshops to assess risks and opportunities, including potential impacts, and development of plan for completing scenario analysis
March 2023	<ul style="list-style-type: none"> – Completion of qualitative scenario analysis, including 1.5°C scenario
March 2024	<ul style="list-style-type: none"> – Re-evaluation of risks and opportunities identified – Annual review of TCFD plan, monitoring of changes to risks assessed or emerging areas and any proposed actions
March 2025	<ul style="list-style-type: none"> – Annual review of TCFD plan, monitoring of changes to risks assessed or emerging areas and any proposed actions including development of quantitative scenario analysis

The Board recognises the importance of combatting climate change and the role that Assura must play due to the buildings we own and through our direct operations. This is reflected in the sustainability strategy we have for our buildings, targeting net zero carbon across our portfolio by 2040, with appropriate interim targets, and implementing plans to improve the EPC ratings to 100% B by 2026.

On this page we set out our disclosures in accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD), as required by listing Rule 9.8.6(R)8. We have taken into account all guidance stipulated by the listing rules and our disclosures are consistent with the recommendations, including the addition of qualitative scenario analysis in the current year.

Governance

The Board review climate-related risks and opportunities within our existing reporting and governance structure as detailed on page 75. This is typically in the form of update papers presented to the Board at each meeting by relevant members of the Executive Committee, specific review of materials by the ESG Committee, and through the Risk Committee reporting into the Audit Committee.

At each Board meeting, the Board receives an update of progress against our social impact and sustainability plans, which includes pledges to minimise our environmental impact, and our wider sustainability efforts. During the year the Board has also received specific updates in respect of TCFD progress.

Strategic papers presented to the Board for consideration (such as recommended acquisitions or proposed actions within a particular team) include specific consideration of any climate-related risks identified as well as the anticipated social and sustainability impact. The annual budget process includes specific consideration of the sustainability plan for the coming year including any capital or operating spend required to address climate-related risks, which is first presented through the ESG Committee.

Overall responsibility for climate-related risks and progress against ESG targets rests with the CEO, Jonathan Murphy. Operational and specific initiatives are led by the Director of Projects and Sustainability supported by the Social Impact and Sustainability Steering Group. The Group comprises of the executive directors and senior managers across the business, through which management are informed of emerging climate-related issues and which monitors progress against specific plans and targets. The Social Impact and Sustainability Steering Group reports into the ESG Committee, which is a sub-Committee of the main Board as described on page 75.

COMPLIANCE STATEMENTS (CONTINUED)

TCFD DISCLOSURES (CONTINUED)

Strategy

Our assessment of climate-related risks and opportunities considers the short (1–3 years, up to 2027), medium (3–6 years, up to 2030) and long term (>6 years, beyond 2030 and up to 2040) time horizons, and incorporates consideration of both transitional and physical climate risks.

Most of the climate-related risks facing our business are relatively limited in the short term, with growing potential exposure over time. This is because the nature of our business (as a landlord with long-term occupiers with whom we have strong relationships) and our existing ESG strategy (i.e. placing short-term emphasis on improving buildings in our existing portfolio to EPC B, ensuring our new developments are designed to high energy performance standards and targeting net zero carbon across our portfolio by 2040) means most of the climate-related risks fall into the “monitor” category where we continue to observe emerging trends that may identify properties at higher risk. Clearly, if risks escalate this could result in future higher operating costs or capital spend on our properties to ensure they meet potential regulatory requirements or physical risks.

The risks highlighted on page 69 were deemed to be the highest specific climate-related risks on our risk register. These were assessed by senior team members across the team, with external support as appropriate, using the same profile and terminology as all risks on the register, and were deemed to have the highest net risk rating following assessment of the likelihood, financial impact and mitigating actions. Our assessment included consideration of other risks such as carbon taxing, energy price fluctuations and long-term increases in the cost of materials, among others, and concluded no additional disclosures in respect of these were deemed necessary in the current year.

Our ESG strategy, The Bigger Picture, focuses on the areas we believe are most relevant and material for our business, including short-term targets such as the plan to upgrade our portfolio to EPC B. This includes targeting improvements to our portfolio from a regulatory perspective (i.e. ensuring compliance with expected minimum energy efficiency regulations and advancing our development process to minimise carbon embodied in construction) and is reflected in our business planning and budgeting as appropriate.

Strategic resilience

In the year to March 2023, we completed a qualitative scenario analysis exercise, considering three scenarios of climate change and the response of policy makers: a 1.5°C scenario, a 2°C scenario and a 4°C scenario. In the current year, we have reviewed this scenario analysis to ensure it remains relevant and incorporates any changes in perceived risks. For each of these scenarios, we considered the possible transition and physical risks over the short, medium and long term and evaluated the impact across our business (on revenues, costs, operations, supply chain, capital expenditures etc.).

From this exercise, we have not identified any significant changes to our current business model in the short term and as such we believe our current plans provide the business with appropriate resilience. Instead we have identified a number of factors to monitor over time for potential indicators of a material response or change to our business model being required. This includes signs such as changes in our ability to source insurance for our buildings, or delays in the supply chain for particular equipment or materials.

The nature and location of our assets means we believe that we face limited exposure to physical risks. Transition risks represent a greater area of focus, as potential future changes in policies or regulations may require adaptations to our portfolio to meet emerging standards. This may be in the form of an advancement to the current MEES regulations requiring EPC B across all commercial properties by 2030 – albeit we are already well positioned to meet this with our existing strategy and our net zero carbon targets for 2040, see page 53, going well beyond current expectations.

Risk management

Our assessment of climate-related risks follows the existing processes of the Risk Committee, as detailed on pages 59 to 66, including escalation to the Audit Committee as appropriate and decisions on assessing the size and materiality of each risk, mitigations in place, risk owner and proposed actions.

Our process for identification of risks and opportunities, assessment of the relative significance and prioritisation includes team members from across our organisation and property team, with appropriate support from environmental consultants as appropriate. Typically, this is run as a workshop exercise, with perspectives shared from across the business, and the results fed into the Risk Committee for comment and challenge.

During the year, the Risk Committee has received specific updates in respect of our TCFD processes and a formal paper has also been presented to the ESG Committee.

The output of this work has included a consideration of the linkage and impact of specific climate risks and opportunities on the principal risks and uncertainties facing the business. We have reflected this in the table on page 69.

Targets and metrics

Key metrics and targets relating to climate-related risks and opportunities are primarily those within our Bigger Picture KPIs, which includes three main KPIs for each pillar (Healthy Environment, Healthy Communities, Healthy Business).

The table on page 69 highlights the specific metrics that indicate exposure to the risks or performance against opportunities below, with targets set as appropriate.

The Group’s disclosure of Scope 1, 2 and 3 emissions can be found in the environmental analysis on page 58, with further detail also provided in respect of our Scope 3 emissions in our ESG Disclosures available on our website.

Appropriate climate-related performance measures have been included within the remuneration targets for the Executive Directors, in respect of both the short-term and long-term incentives. Further details are provided in the Remuneration Committee Report on pages 90 to 106.

COMPLIANCE STATEMENTS (CONTINUED)

TCFD DISCLOSURES (CONTINUED)

CLIMATE-RELATED RISKS	IMPACT ON BUSINESS STRATEGY AND FINANCIAL PLANNING	LINK TO PRINCIPAL RISKS	SPECIFIC METRICS THAT MONITOR THIS RISK
Regulatory requirements for minimum energy efficiency and potential future changes in regulations – medium term	<p>Energy performance certificates for every building obtained and action plans created to improve where necessary.</p> <p>Financial impact would be through lost revenue or negative valuation movement where a building is not able to be re-let.</p>	<ul style="list-style-type: none"> Changes to Government policy Building obsolescence 	<p>% of portfolio at EPC B or better (see KPI on page 32)</p> <p>Current: 66% (2023: 53%)</p> <p>Target 100% by March 2026</p> <p>Portfolio energy usage intensity: 156 kWh/m² (2023: 162 kWh/m²)</p> <p>Target 25% reduction from 2022 year baseline by 2030, and 66% reduction by 2040</p>
Risks to buildings from climate-related events such as flooding and temperature rise affecting water supply temperature – long term	<p>Individual building strategies incorporate risks for each property. Financial impact would be through additional insurance requirements or property maintenance required to meet water supply obligations.</p> <p>This may also affect requirements for new developments including availability of appropriate materials.</p>	<ul style="list-style-type: none"> Building obsolescence (sustainability) Development programmes 	<p>% of portfolio (by area) identified as higher risk of flood by insurers:</p> <p>Current: 1.8% (2023: 1.8%)</p> <p>Target: 0%</p>
Failure to appropriately address climate-related expectations of stakeholders could result in lower investor demand – short term	<p>Comprehensive ESG policy and sustainability strategy in place and continual improvement plan in place relating to ESG related disclosures.</p> <p>Financial impact from lower investor demand (both equity and debt) would be higher cost of finance and/or capital.</p>	<ul style="list-style-type: none"> Reduction in investor demand Reduction in availability and/or increase in cost of finance 	<p>ESG rating assigned by appropriate ratings agencies:</p> <p>MSCI: AA (2023: AA)</p> <p>Target: AAA</p> <p>EPRA: Gold (2023: Silver)</p> <p>Target: Gold</p>
CLIMATE-RELATED OPPORTUNITY	IMPACT ON BUSINESS STRATEGY AND FINANCIAL PLANNING	LINK TO PRINCIPAL RISKS	SPECIFIC METRICS THAT MONITOR THE OPPORTUNITY
Enhanced reputation with GP occupiers and the NHS through better, more energy efficient buildings could lead to more development opportunities and higher rents – medium term	<p>We continue to ensure our buildings provide the latest technology and innovation for our customers. Being at the forefront will ensure our customers continue to demand our spaces. Financial impact would be through portfolio growth and increased rent roll.</p>	<ul style="list-style-type: none"> Lack of rental growth (i.e. this opportunity may provide evidence for rental growth in the future) Staff dependency (i.e. strong ESG performance could aid recruitment) 	<p>% of completed developments hitting BREEAM and EPC targets:</p> <p>Current: 100% (2023: 100%)</p> <p>Target: 100%</p> <p>On site developments designated net zero carbon (see KPI on page 32):</p> <p>Current: 38% (2023: 18%)</p> <p>Target 100% by 2026</p>

COMPLIANCE STATEMENTS (CONTINUED)

Viability statement

In accordance with provision C.2.2 of the UK Corporate Governance Code 2014, the Board has conducted a review of the Company's current position and principal risks to assess the Company's longer-term viability.

The Board believes the Company has strong long-term prospects, being well-positioned to address the need for better healthcare buildings in the UK and the company culture placing emphasis on long-term relationships and market understanding.

The business model (see page 26) and strategic priorities (see page 19) are designed to identify, assess and meet the evolving needs of our occupiers and other stakeholders through the lifecycle of our buildings, utilising our balance sheet strength and capital discipline (as reflected in our current rating of A- from Fitch Ratings Limited).

In completing the assessment of viability, the Board has considered the principal risks of the Group, as set out on pages 62 to 66, as well as historical performance, in developing sensitivities that have been applied to financial forecasts covering the five-year assessment period.

Specific scenarios modelled	Link to principal risks
Prolonged downturn in property valuations (100bps over two years with no further growth in the business)	Strategic risks – competitor threat and investor demand
Increase in interest rates (modelled at 5% throughout the five-year period)	Financial risks – increase in cost of finance
Sustained absence of rental growth (assumed 0% open market rental growth) and increased risk of occupier default (assumed bad debt at 3% of rent roll per annum)	Operational risks – underperformance of assets

This assessment has not assumed any significant changes to Government policy with respect to NHS estates strategy or the GP reimbursement model, which we consider to have a low likelihood.

In respect of climate change, the Group modelling includes capital expenditure improvements to our current portfolio in line with our current environmental targets (i.e. to achieve EPC B).

In addition, it has been assumed that debt facilities can be refinanced as required in normal market lending conditions. Throughout the forecast period, we have assumed a base rate of 5% for both short- and long-term borrowings.

Company forecasts are prepared using a comprehensive financial model which projects the income statement, balance sheet, cash flows and key performance indicators (including covenant compliance) over the relevant timeframe. The model allows various assumptions to be applied and altered in respect of factors such as level of investment, investment yield, availability and cost of finance, rental growth and potential movements in interest rates and property valuations.

A five-year period is considered appropriate for this review as this corresponds with the Company's strategic planning timeframe. Whilst the long-term nature of leases and debt facilities would support an assessment over a longer period, the reliability of the forecasts would be compromised.

The forecasts prepared (including application of the specific scenarios detailed above in aggregate) showed that the business remained viable throughout the forecast period. In addition, a reverse stress test was completed to consider by how much valuations would need to fall (17%, prior year 25%) and how much rental income would need to be removed (64%, prior year 64%) for covenants to be breached.

Based on this consideration of principal risks and the forecasting exercise completed, the Board has a reasonable expectation that the Company will be able to withstand the impact of the specific scenarios considered over the five-year period assessed. The Board considers that the long-term nature of the leases and financing arrangements in place mean that the business model would remain viable in the event that further growth of the business was not achieved.

Going concern

Assura's business activities together with factors likely to affect its future performance are set out in the CFO review on pages 35 to 38. In addition, Note 22 to the accounts includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposure to credit risk and liquidity risk.

In addition to surplus available cash of £35.4 million at 31 March 2024 (2023: £118.0 million), the Group has undrawn facilities of £200 million at the balance sheet date, with commitments as at year end of £43.9 million (see Note 23).

The Group has borrowing facilities from a number of financial institutions and the public debt markets, with no refinancing of drawn debt due before October 2025.

The Group's primary care property developments in progress are all substantially pre-let and operate with fixed price construction contracts where possible.

The Group has adequate headroom in its banking covenants. The Group has been in compliance with all financial covenants on its loans throughout the year.

The Group's properties are substantially let with rent paid or reimbursed by the NHS and they benefit from a WAULT of 10.8 years. They are diverse both geographically and by lot size and therefore represent excellent security.

The Group's financial forecasts (including the financial models prepared in relation to the viability statement) show that borrowing facilities are adequate and the business can operate within these facilities and meet its obligations when they fall due for the foreseeable future. The Directors believe that the business is well placed to manage its current and reasonably possible future risks successfully.

In reaching its conclusion, the Directors have considered the specific impact in respect of the ongoing situation in Ukraine and the Middle East as well as the current macroeconomic backdrop, none of which, in themselves, are considered significant risks to the business based on the current position. The Directors continue to monitor these, and any other emerging risks including climate change, as appropriate.

Accordingly, the Board considers it appropriate that the financial statements have been prepared on a going concern basis of accounting and there are no material uncertainties regarding the Company's ability to continue to prepare them over the period to 31 May 2025.

COMPLIANCE STATEMENTS (CONTINUED)

s172 statement

The Board is required to understand the views of the Group's key stakeholders and describe in the annual report how their interests and the matters set out in s172(1) of the Companies Act 2006 have been considered in Board discussions and decision-making.

Making long-term decisions

The very nature of what we do requires us to consider the long-term impact of our decisions.

We adopt a long-term approach to holding our assets as set out in our strategy and business model on pages 26 and 27. Our investment decisions consider how crucial an asset is to the local health economy for the long term. We strive to build lasting relationships with our occupiers as the standard length of our leases is 21 years. We seek to improve and enhance existing assets so they remain fit for purpose by working collaboratively with our occupiers, for example this year with asset enhancement projects at our properties in Keighley and Eccles (see pages 55 and 56) and our EPC B upgrade programme (see page 54), and aim to develop new properties that incorporate future-proof technology and environmental measures (see page 56).

We maintain a conservative funding structure and our dividend policy is based on paying out a proportion of recurring earnings (see our CFO review page 38).

A Board strategy day is held each year where the Board discusses long-term strategy.

Understanding and responding to stakeholder concerns

Pages 39 to 51 describe how we have engaged with and responded to matters raised by employees, suppliers, customers, investors and communities. We have engaged extensively with our employees in the design of our new head office in Altrincham – read more on page 80.

The Board considers stakeholder interests when determining the level of dividend and in all strategic decisions.

Our impact on the environment

Pages 52 to 58 set out our approach to minimising our impact on the environment, including climate change. This year we have delivered 45 energy efficient upgrades to properties, with an estimated saving of 1.9 million kWh per year, and 66% of our portfolio is now rated EPC B or better. We are on site with three developments designed in line with our Net Zero Carbon Design Guide and all completed developments have hit our targets relating to BREEAM (or the Irish equivalent).

Our ESG Board Committee continues to oversee all ESG matters for the Group. See more on page 88. The Board considers ESG matters in every decision it makes and receives regular ESG updates.

Maintaining high standards of business conduct

We believe good governance is crucial to ensuring high standards of business conduct are maintained (see our Governance Report on pages 72 to 109). We have a clear purpose that is embedded through our culture and values of innovation, expertise, authenticity, collaboration and passion. We aim to work with our suppliers to ensure their values on social impact and sustainability align with ours. In the year the tenders for our new Consultant Framework included a two-stage process with the second stage focused solely on criteria for social impact and sustainability and all framework consultants were specifically chosen for their commitment to ESG. Our team are also working with colleagues from Macro to ensure the highest levels of ESG and social value are included in the selection of the facilities management providers working on our buildings. The Board and the Audit Committee oversee the Company's risk management framework and the actions that are in place to mitigate risk in the short, medium and long term.

The Board considers that throughout the year, it has acted in a way and made decisions that would most likely promote the success of the Group for the benefit of its members as a whole and the case study on page 81 demonstrates this further.

Chair's introduction to governance

Dear shareholder,

This is our Corporate Governance Report, which sets out how the Board and its Committees operate and how we are committed to maintaining the highest level of corporate governance to enable better health outcomes.

Leadership

The Board is collectively responsible for the effective leadership and long-term success of the Group.

We held a strategy day with the ExCo specifically considering the long-term future of primary care, risk reward profiles of investments and organic and external growth opportunities with external speakers providing insights to capital market trends and the broader healthcare markets.

The Board believes that its legacy should be as a dynamic partner to the NHS and a leading social impact business, playing a key role in modernising and improving community healthcare infrastructure whilst delivering consistent long-term shareholder returns.

Culture

Our purpose has evolved and is now captured in the revised language that "We BUILD for Health". Our strong culture supports our purpose and strategy and promotes employee engagement, retention and productivity.

We are authentic and passionate about what we do, working collaboratively and using our expertise to find innovative quality solutions for our occupiers and the people who use our buildings.

Governance at a glance

Key board decisions

- Reviewing our strategy
- Approving our public affairs plan
- Approving a new revolving credit facility
- Considering the new people strategy proposed by CPO
- Supporting the team in the move to the new head office location
- Considering the benefits of becoming a B-Corp
- Receiving an update from PI Labs on technology deployment
- Reviewing the success of the FM outsource

Key Board activities

Board strategy day considering markets, opportunities and risk/return profiles

Ongoing review of cost of capital

Employee engagement through our designated NED

SEE PAGE 82

Meetings to review the results of the employee engagement survey and customer satisfaction survey

How we are enabling better outcomes

SEE PAGES 3 TO 6

CHAIR'S INTRODUCTION TO GOVERNANCE (CONTINUED)

"Our strong culture supports our purpose and strategy and promotes employee engagement, retention and productivity"

The Board leads by example, focusing on our purpose and values in all decision-making and demonstrating the behaviours we encourage and support in everyone at Assura.

Board collaboration with external experts is supported by informal Board dinners where Board members share their expertise and experience, and the wider market perspective is gained from external speakers. The Board members also collaborate with the wider business through mentoring individual members of ExCo and senior managers.

Culture is measured through the results of our employee engagement surveys, absenteeism, staff turnover, whistleblowing reports, health and safety incidents and initiatives, and customer satisfaction.

Our executive pay policies are fully aligned to Assura's culture through the use of metrics in both the annual bonus and PSP that measure how we perform against our targets that directly underpin the delivery of our strategy. The incentive schemes are aligned with our strong performance culture and are linked to a strategy to support the clear social purpose of Assura's business.

Employee and other stakeholder engagement

Louise Fowler has responsibility for workforce engagement and regularly meets with the employee representative group "the Voice", feeding their comments back to the Board so that their views can be understood and considered in Board decisions. You can read more on their interaction on page 82.

All Board meetings in the year have been face-to-face and every other Board meeting is held at the head office in Altrincham where Board members "walk the floor" and engage with employees. In addition, employees will get direct feedback from the Board when they present Board papers and accompany them on site visits.

The Board also enjoys an informal dinner with employees once a year. The Board specifically engages with ExCo and senior managers at the strategy days and through mentoring. The Board held an informal breakfast meeting with ExCo and senior managers in March 2024 to understand and discuss the current priorities for the business.

The Board factors stakeholders into all our decisions and management regularly updates the Board on the implementation of our strategy with a particular focus on stakeholders and the risks and opportunities which have arisen in the year in relation to these groups.

Performance evaluation

The Board Review carried out by Weva Ltd in 2022 highlighted the strengths of the Board and made several recommendations as to how the Board could further enhance its effectiveness as part of its approach to continuous improvement. Weva Ltd also provides development support to ExCo when required.

The Board has continued to make progress in all areas and has demonstrated particular strength in creating a collaborative, productive Board climate and proved its capability in terms of effective oversight and assurance of strategy to support long-term, purpose-led growth.

The Board has adopted all the review's recommendations and this year has focused on:

- Development of the Board as a team including: regular Board dinners and strategy days; a refresh of the Board's purpose and legacy and clarity on the Board's role in supporting a culture that will enable delivery of the Company's purpose and strategy.

- Gaining assurance that the Company culture supports the purpose and strategy and that staff are actively engaged in the discussion to embed desired behaviours.
- Gaining assurance that the Board and ExCo have the capability required to deliver the strategy; ensuring formal succession plans reflect this.

A review of the stakeholder map, materiality assessment and engagement strategy to align with the purpose and strategy, and to enhance the Board's collective understanding of Assura's outside world has been carried over to next year.

Remuneration

We received over 97% of votes in favour of our Remuneration Policy and Remuneration Report at the 2023 AGM and I am grateful to shareholders for the level of engagement and support during the year.

Effectiveness

I believe that the Board has an effective, well-balanced structure. Board members have a wealth of skills and experience, as shown on pages 76 and 77, which enable them to challenge, motivate and support the business, for example, in NHS strategy and technology, capital markets, governance, investor relations, strategy, finance and risk, leadership, people and change management, business development as well as social purpose and ethical focus.

I am pleased to report that all the Directors continue to devote sufficient time to discharging their duties to a high standard and remain committed to their roles.

CHAIR'S INTRODUCTION TO GOVERNANCE (CONTINUED)

Diversity

The Board believes that a diverse workforce and management team improve the performance and culture of the organisation and add value to the business as a whole. The Board is fully supportive of the recommendations of both the FTSE Women Leaders Review (the successor to the Hampton-Alexander Review) and the Parker Review, and of the new requirements of the LR 9.8.6R(9).

Female representation on the Board remains at 50% and we are so proud that the Group came 4th (up from 33rd) for Women on Boards and in Leadership for FTSE 250 companies and 1st (up from 6th) for Women on Boards and in Leadership in the FTSE 350 Real Estate Sector Rankings in the FTSE Women Leaders Review, the successor phase to the Hampton-Alexander Review. This shows our ongoing commitment to gender diversity throughout the organisation.

We are committed to supporting diversity and to creating an inclusive culture that attracts the best individuals to our workforce. The Board has set itself a target of having at least one Board member with an ethnically diverse background by December 2024 in accordance with the recommendations of the Parker review and although we have not yet made an appointment we have renewed our board fellowship programme to widen the candidate pool for potential board appointment.

The Board will continue to consider gender and wider aspects of diversity such as industry experience, nationality, disability, gender reassignment, race, religious or spiritual beliefs, sexual orientation, marital and civil partnership status and education or social background and age in any future Board appointments and recruitment firms are instructed to include a diverse list of candidates for the Board's consideration. Final appointments will always be made on merit.

Further details of our activities to promote equality and diversity can be found in our Nominations Committee Report on page 83 and on page 47 (our people).

Implementing the 2018 Code (Code)

In accordance with the Listing Rules, I am very pleased to confirm that as at 31 March 2024, the Company was compliant with all the provisions of the Code. There was full compliance with all provisions throughout the entirety of the financial year under review.

This Report explains how the Board has applied the other principles of the Code.

Ed Smith, CBE
Non-Executive Chair
21 May 2024

GOVERNANCE IN NUMBERS

Board composition

1
Chair

2
Executive Directors

5
Non-Executive Directors

Meetings per year

6
Board

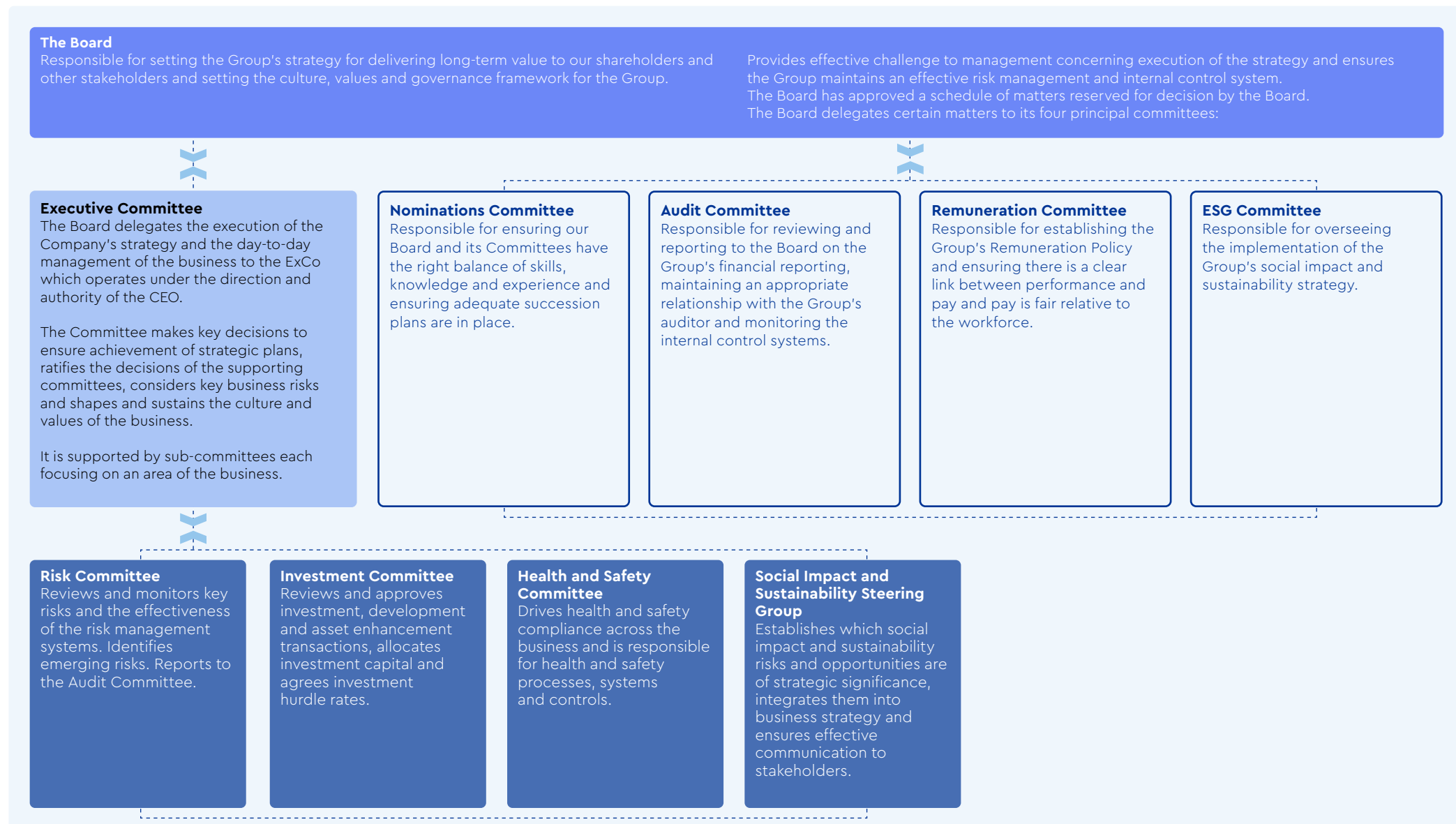
4
Audit Committee

1
Nominations Committee

6
Remuneration Committee

3
ESG Committee

Our governance framework



Board of Directors

Board tenure (in current role)



4 0-4 years (67%)



4 4+ years (33%)

Board gender balance



4 Male 4 Female

Executive Committee gender balance



2 Male 2 Female

Female Male



ED SMITH CBE
Non-Executive Chair

APPOINTED
October 2017

SKILLS AND EXPERIENCE

As an experienced Chair, Ed has extensive governance skills in both the private and public sectors including as former Chair of NHS Improvement and Deputy Chair of NHS England.

Ed's skills include strategy and operational excellence as he was the former Global Assurance Chief Operating Officer and Strategy Chair of PricewaterhouseCoopers (PwC), with broad experience in finance and accounting, capital markets and customer focus.

Ed is currently Non-Executive Director at Saxton Bampfylde.



JONATHAN MURPHY
CEO

APPOINTED
February 2017

SKILLS AND EXPERIENCE

Jonathan joined Assura in 2013 as Finance Director and became CEO in 2017, bringing with him broad experience in finance and accounting, corporate finance, capital markets and real estate investment having previously worked as finance director for the fund management business of Brooks Macdonald and Braemar Group plc, and in commercial and strategic roles at Spirit Group and Vodafone.

Jonathan is a Non-Executive Director for the British Property Federation and chairs their Healthcare Committee, sits on the Advisory Board of EPRA and is Deputy Chair of the North West Business Leadership Team. He is also Non-Executive Director of Rugby League Commercial.



JAYNE COTTAM
CFO

APPOINTED
September 2017

SKILLS AND EXPERIENCE

Jayne joined Assura from Morris Homes, one of the UK's largest private national housing developers where she was the Finance Director for Operations, heading up the operational finance team across the Group and providing financial and strategic support as a member of the Board for each of the three operating regions.

Jayne was previously Director of Finance for the Continental Europe Division of European Metal Recycling Limited, one of the world's largest metal recyclers, and before that held a number of other senior finance positions. Jayne sits on the North West Regional Council of the CBI (Confederation of British Industry) and the Finance Committee of the British Property Federation.



JONATHAN DAVIES
Senior Non-Executive Director

APPOINTED
June 2018

SKILLS AND EXPERIENCE

Jonathan is Deputy Chief Executive and Chief Financial Officer of SSP Group plc and has extensive experience of finance, mergers and acquisitions and corporate governance. Jonathan took SSP private in 2006, listed it on the London Stock Exchange in 2014 and has undertaken numerous debt and equity raises since then.

His skills in strategy, commercial and financial management were built in his earlier roles with Unilever plc, OC&C and Safeway plc. Jonathan chairs our Audit Committee and is our Senior Independent Director.

BOARD OF DIRECTORS (CONTINUED)



EMMA CARIAGA
Non-Executive Director

APPOINTED
May 2021

SKILLS AND EXPERIENCE

Emma is the Joint Head of Canada Water, one of the largest regeneration schemes in London, and Head of Residential with British Land where she also sits on their Executive Committee. Her 20 years of experience in the property sector span residential, retail, commercial and leisure with previous roles at Landsec, Barratt Homes and Crest Nicholson.

Emma was previously on the Board of Thames Valley Housing Association where she chaired the Investment Committee, and is currently a non-executive with TEDI-London – a higher education provider for engineering.



LOUISE FOWLER
Non-Executive Director

APPOINTED
June 2019

SKILLS AND EXPERIENCE

Louise's customer, marketing and digital experience is drawn from her time as a senior executive in regulated services industries. She spent the first part of her executive career in travel and tourism working for British Airways and was CEO of Brymon Airways before moving into roles with Barclays, the Co-operative Group, First Direct and the Post Office.

Now an independent consultant advising consumer brands such as M&S, Barclays, Costa Coffee and ITV, Louise also serves as a Non-Executive Director on the boards of a number of publicly listed businesses. She is honorary professor of Marketing at Lancaster University Business School and chairs our Remuneration Committee.



NOEL GORDON
Non-Executive Director

APPOINTED
May 2021

SKILLS AND EXPERIENCE

Having led significant restructuring programmes to enable banks to adopt new digital channels, Noel brought that experience to NHS England and NHS Digital, reshaping their approach to digital change and new models for healthcare delivery.

Noel's former board roles include, Chair of NHS Digital, Chair of Healthcare UK and Non-Executive Director on the Board of NHS England.

Noel is a Non-Executive Director of Bestway Panacea Holdings and on the Bank of England RTGS/CHAPS Board. He chairs our ESG Committee.



DR SAM BARRELL CBE
Non-Executive Director

APPOINTED
May 2021

SKILLS AND EXPERIENCE

Sam is the Deputy Chief Executive Officer of the Francis Crick Institute – a world-leading biomedical research organisation which she joined from a career in the NHS as a noted healthcare leader. Sam was CEO of the Taunton and Somerset NHS Foundation Trust and before that, established and led the South Devon and Torbay CCG. Earlier in her career, as a practising GP, she led the formation of a practice based commissioning consortium.

Sam was a National Advisory Council Member of the King's Fund, an active Mentor for the NHS Innovator Accelerator Programme and was awarded the CBE in 2014 for services to healthcare.



ORLA BALL
Company Secretary

APPOINTED
April 2015

SKILLS AND EXPERIENCE

Orla is a lawyer, qualified Chartered Secretary and an Associate of ICSA whose skills include corporate governance and managing legal risk. She qualified as a solicitor with Eversheds Manchester and gained significant legal, mergers and acquisitions and capital markets experience as a corporate lawyer for more than 14 years.

Orla's move in-house to Braemar Group plc, subsequently acquired by Brooks Macdonald plc, provided her with real estate skills as she looked after the legal matters for its property management and property funds business.

Orla chairs our Risk Committee and is a member of the Executive Committee.

BOARD OF DIRECTORS (CONTINUED)

Division of responsibilities

CHAIR

- The effective running of the Board
- Ensuring the Directors receive accurate and timely information
- Promoting high standards of Corporate Governance
- Ensuring Board agendas take full account of relevant issues and Board members' concerns
- As Chair of the Nominations Committee, ensuring effective Board succession plans are in place

CEO

- Running the Company's day-to-day operations
- Implementing the business strategy and culture
- Regularly updating the Board on progress against approved plans
- Providing effective leadership of the Executive Committee to achieve agreed strategies and objectives

CFO

- Responsible for the preparation and integrity of financial information
- Operating effective systems of risk management and control
- Developing and implementing financial strategy and policies

SENIOR INDEPENDENT DIRECTOR

- Acting as Chair of the Board if the Chair is conflicted
- If necessary, acting as a conduit to the Board for communicating shareholder concerns
- Ensuring the Chair is provided with effective feedback on performance
- Serving as an intermediary for other Directors when necessary

NON-EXECUTIVE DIRECTORS

- Challenging and helping to develop proposals on strategy
- Satisfying themselves as to the integrity of the financial information and that there are effective systems of risk management and financial control
- Chairing and/or serving on relevant Committees

COMPANY SECRETARY

- Ensuring good information flow within the Board and Committees
- Facilitating induction and training of Board members
- Advising the Board on all governance matters

BOARD OF DIRECTORS (CONTINUED)

The commitments and independence

Other directorships of the Board members are set out on pages 84 and 85. Executive Directors would be permitted to serve on one other Board if this would not interfere with their time commitment to the Company. Jayne Cottam does not hold any Non-Executive Director positions. Jonathan Murphy is a Non-Executive Director of Rugby League Commercial and is also the deputy chair of the North West Business Leadership Team.

The Board regularly considers the independence of our Non-Executive Directors and all Directors are required to declare any relationships or interests which may constitute a conflict of interest at the commencement of each Board meeting.

Skills and experience	Number of Non-Executive Directors (including the Chair)	Number of Executive Directors
Executive and strategic leadership	6	2
Financial accounting, reporting or corporate finance	3	2
Property development, investment or real estate management	3	2
Governance and compliance	6	2
Social impact, people or charities	4	2
Health and safety, risk management or internal controls	4	2
Investor relations and engagement	2	4
Prior remuneration committee experience and or experience in remuneration	3	2

Re-election of Directors

In accordance with Corporate Governance best practice, it is the Company's policy that all Directors will submit themselves for re-election at the 2024 AGM and the Notice of AGM will explain why their contribution remains important to the Company's long-term sustainable success.

In order to deliver the Group's purpose and strategy, the Board believes the following mix of skills within our leadership team is required:

Committee meeting attendance	Board	Audit	Nom	Rem	ESG
Ed Smith	6/6	4/4	1/1	6/6	n/a
Jonathan Murphy	6/6	4/4	1/1	6/6	3/3
Jayne Cottam	6/6	4/4	1/1	6/6	3/3
Jonathan Davies	6/6	4/4	1/1	6/6	n/a
Louise Fowler	5/6	3/4	0/1	6/6	n/a
Emma Cariaga	6/6	4/4	1/1	n/a	n/a
Noel Gordon	6/6	4/4	1/1	n/a	3/3
Sam Barrell	5/6	n/a	1/1	5/6	2/3

Reporting table on sex/gender representation

As at 31 March 2024	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	50	3	3	43
Women	4	50	1	4	57
Not specified/prefer not to say	–	–	–	–	–

No changes from 31 March 2024 to the date of the approval of the report on 21 May 2024.

Reporting table on ethnicity representation

As at 31 March 2024	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	8	100	4	7	100
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

No changes from 31 March 2024 to the date of the approval of the report on 21 May 2024.

SEE THE NOMINATIONS COMMITTEE REPORT
ON PAGES 83 TO 85

Key Board activities

A new sustainable head office

Several years ago, we pledged to meet the World Green Buildings Council's Net Zero Carbon Buildings Commitment. That means that by 2030, we commit to achieving net zero carbon in the healthcare buildings we buy and build, and also in the buildings we use as office space.

As a listed building with a multitude of insulation, energy and design limitations, we realised that we wouldn't be able to do that at our previous head office which was in Warrington with no public transport links and only a few years left on the lease.

The move to hybrid-working also highlighted how we might use our office space differently and the need for a bespoke space, that allows for team expansion, champions wellbeing in its design, supports improved cross-team collaboration and helps us reach all our health and safety requirements.

We also wanted to have a base that enables us to lead by example, allowing us to trial the latest technologies and new ways of working – asking our other building occupiers to trial them as well and showcasing to our customers, the net zero carbon standards we're pushing to see across all of our healthcare premises.

After an extensive search across the region, the new head office in Altrincham was chosen for the building's adaptability to net zero carbon, flexibility of ownership, its great location to the local transport networks (a 400-metre walk from a direct tram stop from Manchester) and the fantastic local amenities.

We carried out a full consultation process with our team and provided monetary compensation for colleagues with additional travel costs. Staff input was gathered on the design and layout of the office including the hybrid working break out areas, the furnishings and greenery, all of which were chosen to create a great working environment.

We moved to a temporary location on the first floor of the new office in July 2023 and, in January 2024, secured planning permission to add a rooftop extension to create amenity space, improve the glazing and introduce a green wall – all of which will improve the building's energy efficiency and work towards making it carbon neutral as well as improving the appearance of the building and street, and helping the mental health of everyone working here.

We are excited to commence these works over the summer and move to our permanent bespoke Assura flagship HQ in early 2025.



KEY BOARD ACTIVITIES (CONTINUED)

Building strategic partnerships – Northumbria Health and Care Academy

Creating long-lasting relationships is fundamental to the delivery of our purpose. A clear example of this is our soon to complete development in Northumberland – The Northumbria Health and Care Academy.

The Academy is the first phase of a 7,500 square metre development at the Northumbria Specialist Emergency Care Hospital and has been delivered in partnership with Northumbria Healthcare NHS Foundation Trust.

Our largest in-house development to date, the Academy will be a hub for the local community including primary and community care services, conference facilities, meeting rooms, an on-site pharmacy and a coffee drive-through.

Additionally it will feature a bespoke training centre for nursing, midwifery and allied health professionals. The training centre in partnership with the University of Sunderland is a key part of the Trust's strategy to support continuous training and career development so that staff can continue to provide high-quality care to its patients. Students will have access to cutting-edge training tools including an immersive suite and clinical skills ward in a dedicated and vibrant environment within the hospital campus itself.

The project was conceived in 2019 and developed over the course of the COVID-19 pandemic, meaning NHS staff safety and wellbeing became an even more crucial design criterion. With that in mind, the building is on track to become the first UK healthcare building to achieve the IWBI WELL Standard. Globally recognised, WELL is a performance-based system for measuring, certifying and monitoring features of the built environment that impact human health and wellbeing through air, water, nourishment, light, fitness, comfort and mind.

The size and scale of this project allowed the Group to support an extended programme of social impact activities, including a nature trail, developed on the adjacent site, funding for targeted youth services, a specialist dementia nurse and a social prescribing activity fund. A contribution of £18,000 was also made to Northumbria University for 'cost of living' bursaries for four 'Assura Scholars', all studying nursing and midwifery courses and all from the Cramlington area.

Once complete, the centre will be a leading example of healthcare infrastructure that is fit for the future.



Q&A with **Louise Fowler** Non-Executive Director

Have there been any changes to the Voice this year?

The Voice membership has been refreshed with a great mix of new and longer-serving participants, all of whom are very active in representing colleagues' views and raising topics to discuss.

How did the team feel about departmental changes towards the end of last year?

To be honest, the changes were pretty disruptive at the start and the team had some initial concerns about them, but we are through implementation now and there is some real positivity overall: a feeling that the revised team structures are clearer and the new team members are a great addition. More experienced colleagues are valued for their knowledge and expertise, and they are actively involved in providing training to new colleagues.

How has the new office been received?

The new office provides a great working environment, and it quickly gets full, showing that more people are embracing office working again. Most colleagues enjoy working in the same physical space and there is a real buzz when the office is busy.

What was the hottest topic discussed in the meetings?

Obviously, last year's restructure, and there have also been concerns raised around the Facilities Management outsourcing, where we have experienced some issues as the new service beds in. That said, there was an appreciation for the efforts being made to resolve these issues.

How are colleagues feeling generally at the moment?

Obviously, colleagues are aware of the more difficult market environment, with higher interest rates affecting valuations and transactions, but everyone remains focused on important work such as asset enhancement, facilities management and ESG initiatives and I think there is a real sense of purpose and commitment behind the work everyone is doing.





Nominations Committee Report

Committee members	Attendance*
Ed Smith CBE (Committee Chair)	1/1
Jonathan Davies	1/1
Louise Fowler	0/1
Dr Sam Barrell CBE	1/1

* Out of the maximum possible meetings.

Additional attendees*

- Orla Ball – Company Secretary
- Jonathan Murphy – CEO
- Emma Cariaga – Non-Executive Director
- Noel Gordon – Non-Executive Director

* As appropriate.

Meetings in the year:

1

Terms of Reference
<https://www.assurapl.com/investor-relations/shareholder-information/sustainability-and-corporate-governance-policies>

Dear shareholder
The Committee continues to play a crucial role in supporting Assura's strategy by ensuring the Board and its Committees have an appropriate balance of skills, experience and knowledge, with succession plans in place, maintain a diverse pipeline for Board and senior management positions and a robust evaluation process to ensure the Board and Committees are working effectively.

Board composition
There have been no changes to the Board composition in the year and I would like to personally thank all Board members for their exceptional contribution particularly in mentoring members of ExCo and senior managers.

Succession planning
The Committee maintains regular focus on succession planning for both Board and senior leadership roles. Our talent pipeline of high performing individuals are identified as part of the annual appraisal process. A formal succession planning exercise is undertaken biannually and seeks to identify training needs, high potential employees and risks to the organisation across a three-year horizon. External consultants are engaged to provide executive coaching and 360 feedback where appropriate. Internal secondment opportunities are also available. This overarching approach dovetails with the quarterly business planning activity which seeks to set targets which enhance business performance and people management and development approaches.



NOMINATIONS COMMITTEE REPORT (CONTINUED)

Induction and training

Aamir Aziz undertook a full, formal and tailored induction programme as part of the board fellowship programme. Training needs are reviewed annually as part of the Board evaluation. Each Board member is permitted to take professional advice on any matter which relates to their position, role and responsibilities as a Director at the cost of the Company, and have access to the advice and services of the Company Secretary.



Aamir Aziz
Board Fellow

Diversity

The Board believes that a diverse workforce and management team improve the performance and culture of the organisation and add value to the business as a whole. The Board is fully supportive of the recommendations of both the FTSE Women Leaders Review (the successor to the Hampton-Alexander Review) and the Parker Review, and of the new requirements of the LR 9.8.6R(9).

The Committee is mindful of the new Listing Rules and amendments to the Disclosure Guidance and Transparency Rules, which came into effect for accounting periods starting on or after 1 April 2022.

As at 31 March 2024, the Board had already met two out of the three criteria set out in the Listing Rules, as at least 40 per cent of the Board members are women and Jayne Cottam is the CFO. The Company collects the data used for the purposes of making this disclosure from Directors and executive management on a voluntary basis see relevant charts on page 79.

We are committed to supporting diversity and to creating an inclusive culture that attracts the best individuals to our workforce. The Board has set itself a target of having at least one Board member with an ethnically diverse background by December 2024 in accordance with the recommendations of the Parker review and while we have not yet made this appointment we have renewed the board fellowship programme to widen the pool of potential candidates.

We are working again with Warren and Partners to build the pipeline of ethnically diverse Board talent and in November 2023 we invited our second ethnically diverse Board fellow to sit on the Board pro bono (save for expenses) for one year to gain first-hand experience of a FTSE 250 Board and receive mentoring from myself. Following the overwhelming success with our first Board fellow, Lara Naqushbandi, who made valuable contribution to Board discussions, particularly around technology and ESG and who secured a board position externally at the end of her fellowship, Aamir Aziz brings considerable expertise and experience in the fields of technology and strategy development and we are excited about the valuable contribution that Aamir will make over the coming months. Aamir receives full Board papers and takes an active part in Board discussions with the aim of going on to secure a permanent FTSE 250 Board appointment at Assura or elsewhere at the conclusion of their fellowship.

We made considerable progress on leadership gender diversity in the year. Female representation on the Board remains at 50% and I am delighted that the Group came 4th (up from 33rd) for Women on Boards and in Leadership for FTSE 250 companies and 1st (up from 6th) for Women on Boards and in Leadership in the FTSE 350 Real Estate Sector Rankings in the FTSE Women Leaders Review, the successor phase to the Hampton-Alexander Review.

The Committee will continue to consider gender and wider aspects of diversity such as industry experience, nationality, disability, gender reassignment, race, religious or spiritual beliefs, sexual orientation, marital and civil partnership status and education or social background and age when recommending any future Board appointments and recruitment firms are instructed to include a diverse list of candidates for the Committee's consideration. Final appointments will always be made on merit.

"The Board believes that a diverse workforce and management team improve the performance and culture of the organisation."

Ed Smith CBE
Non-Executive Chair

Board diversity policy

The Committee is responsible for monitoring the effectiveness of the Board Diversity Policy (the Policy), available to view on the Company's website, www.assurapl.com, which sets out the Company's approach to diversity in respect of the Board of Directors.

The Policy incorporates a broad range of diversity factors as set out in the Disclosure Guidance and Transparency Rules, specifies targets with which the Board aims to comply, and considers how the Policy is applied to the Audit, Nominations and Remuneration Committees as well as the Board as a whole. It was last updated during 2022. The Committee considers that the Policy is appropriate and aligned with best practice and will keep it under periodic review.

NOMINATIONS COMMITTEE REPORT (CONTINUED)

Diversity overview

The Committee will continue to consider all aspects of diversity such as industry experience, gender, nationality, disability, and age when recommending any future Board appointments. Recruitment firms are instructed to follow our recruitment Code of Conduct and our diversity goals to encourage applicants from minority backgrounds when shortlisting for Committee's consideration. In order to widen the pool for selection, candidates are not required to have previous FTSE board experience. Final appointments will always be made on merit.

Further details of our activities to promote equality and diversity can be found on page 47 but in summary this year we have:

- Created an ED&I Strategy to add greater focus to our ambition to become more diverse and to create an inclusive workplace.
- Conducted an Employee Engagement survey with We Love Surveys which included separate sections focussing on ED&I reporting and our ESG initiatives.
- Commenced an Employee Wellbeing programme of events, including Yoga classes and engagement events.
- Arranged training for Managers on Mental Health Awareness.
- Appointed two new Graduates, including a new ESG Graduate programme.
- Conducted a company-wide Training Needs Analysis to assess learning & development needs.
- Provided a six month secondment for a law student as part of their professional development.

In the coming year, we intend to:

- Implement the actions in the ED&I Strategy against key targets set.
- Create a training programme for the year, prioritising essential learning & development.
- Develop career development pathways to outline opportunities for progression.
- Design innovative work spaces in our new office to be more inclusive.

External Board evaluation

The externally facilitated Board review in 2022 was carried out by Weva Ltd – a specialist board and leadership consultancy which is also engaged in individual and team coaching work for ExCo.

The review followed the Board effectiveness framework ("the Framework") already in use by the Board. The Framework is regularly reviewed by the Board as part of the internal Board evaluation process and is used as the basis for annual self-evaluation by the Board. This allows the Board to identify any required changes in focus or priority and to agree future actions for Board effectiveness.

The Board is progressing the recommended actions from the review as follows:

Outside world

ExCo will be undertaking a stakeholder review to include strategic/power map, materiality assessment and engagement strategy plus feedback on stakeholder engagement which will be brought to the Board.

External speakers at the strategy day and at Board dinners provide a valuable insight to other markets.

Creating the future

The Board capability map was refreshed against the strategy to include the three new NEDs and it confirmed that the Board has the capabilities it needs to oversee strategy delivery.

Board team effectiveness

The Board continues to invest in itself as a team with Board dinners before each Board meeting and relationships continue to be built through 1–2–1s and Board strategy days. Mentoring ExCo and senior managers also aids the Board members' understanding of the business.

The strategy day in September explored the Board's purpose, legacy, role and culture in the context of the strategy.

The Board reviewed its existing self-evaluation process to ensure it is simple to use and encourages reflection and action around the Board's continuous improvement. The Framework is regularly considered at Board meetings to identify any required changes in focus or priority.

Nurturing identity

The Board has sought appropriate assurance from ExCo that the company culture will support the purpose and strategy. The Board will also seek assurance that the culture required to deliver the strategy is clearly articulated and staff actively engaged in the discussion to embed desired behaviours.

As part of the discussion on Board purpose, the Board will consider its role in supporting a culture that will enable delivery of the strategy. This role will include actively nurturing the culture through conscious role modelling of Assura's values and behaviours.

Managing the present

The Board worked with ExCo to refresh the KPI pack and ensure alignment to the strategy.

Risk analysis was included in the strategic framework reviewed at the September strategy day and the risk assurance process will also be reviewed to ensure a formalised risk assessment process and documentation is in place in the context of the strategy.

Ed Smith, CBE

Chair of the Nominations Committee

21 May 2024

Audit Committee Report

Committee members	Attendance*
Jonathan Davies (Committee Chair)	4/4
Emma Cariaga	4/4
Louise Fowler	4/4
Noel Gordon	4/4

* Out of the maximum possible meetings.

Additional attendees*

- EY LLP as external auditor
- CBRE, Cushman & Wakefield and Jones Lang LaSalle as valuers
- KPMG LLP as internal auditor
- Ed Smith, CBE – Non-Executive Chair
- Jonathan Murphy – CEO
- Jayne Cottam – CFO
- Orla Ball – Company Secretary
- David Purcell – Investor Relations Director
- Owen Roach – Finance Director

* As appropriate.

Meetings in the year:

4

Terms of Reference

<https://www.assurapl.com/investor-relations/shareholder-information/sustainability-and-corporate-governance-policies>

Dear shareholder,

In my fifth year as Chair of the Audit Committee ("the Committee") I have pleasure in setting out below the formal report on its activities for the year ended 31 March 2024.

During the year, the Committee comprised myself and three other Non-Executive Directors, with attendance from additional individuals and external advisors as appropriate. I confirm I have recent and relevant financial experience as CFO of SSP Group plc.

Matters discussed

We met four times in the year and the key matters considered by the Committee at each meeting were as follows:

May 2023

- Reviewed the external portfolio valuations for the financial year ended 31 March 2023
- Received a report from EY on the audit and the annual report and accounts
- Reviewed use of EY for non-audit work, confirmed their independence and completed a review of their performance
- Reviewed the draft annual report and accounts, including TCFD disclosures
- Reviewed the viability and going concern statements and assumptions
- Received an interim progress update from the internal auditor

November 2023

- Reviewed the half year external portfolio valuations
- Reviewed the interim report and accounts and auditor's report
- Carried out a detailed review of going concern
- Received an update report from the internal auditor in respect of assurance mapping

February 2024

- Approved the agenda items and schedule of Committee meetings for the upcoming calendar year
- Approved the terms of reference for the Committee
- Reviewed the December portfolio valuation
- Received a progress update from the internal auditor and reports in respect of information management and technology roadmap

March 2024

- Approved the external audit plan and fee
- Received an update on cyber risk
- Received an update on progress of actions recommended by internal audit and approved the processes to be reviewed by internal audit this calendar year
- Approved the draft viability statement and assumptions used in modelling

Audit meetings are held in advance of the Board meeting and I provide a report to the Board of the key matters discussed, giving the Board the opportunity to consider any recommendations proposed by the Committee.

Subsequent to the year end, the March 2024 annual report and accounts were reviewed at the May 2024 Audit Committee meeting along with accounting papers in respect of going concern and viability, and including a review of the report from EY as external auditor.

Fair, balanced and understandable assessment

The Committee performed a detailed review of the content and tone of the annual report and half year results and has satisfied itself that there are robust controls over the accuracy and consistency of the information presented, including comprehensive reviews undertaken by the Board, senior management and the auditors. Accordingly, the Committee has advised the Board that the annual report taken as a whole is "fair, balanced and understandable" and provides the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.

AUDIT COMMITTEE REPORT (CONTINUED)

Significant financial reporting matters

During the year, the Committee reviewed the following significant financial reporting judgements:

- Valuation of investment properties, including those under construction – valuations and yields are discussed with management and benchmarked against comparable portfolios. This has been given increased focus in the current year given the fast-evolving macroeconomic backdrop and challenging the assumptions on yields given the changing interest rate environment.
- The three external valuers, CBRE, Cushman & Wakefield and JLL, presented and discussed their findings with the Committee. EY separately discuss the valuations and the assumptions they are based on with the valuers, and the Committee is satisfied that EY apply appropriate professional scepticism in this area through the use of appropriate internal property valuation experts.
- Validity of the going concern basis and the availability of finance going forward – the Committee considers the financing requirements of the Group in the context of committed facilities, evaluates management's assessment of going concern and challenges the assumptions made. The external auditor also reports to the Committee following its review. The going concern statement which confirms the going concern status of the business is on page 70.
- Viability statement – the Committee considered the viability statement proposed for inclusion in the annual report and the supporting analysis produced by management. The statement was approved for inclusion in the 2024 report and appears on page 70. The Committee reviewed and challenged the various assumptions adopted by management in the exercise, including the period covered by the viability statement and assumptions around availability and cost of finance. The Committee continues to consider a five-year period to be the most appropriate timespan in this regard and believes other assumptions and sensitivities applied are also appropriate.

- Revenue recognition – the Committee considers this risk to be appropriately addressed by the control environment in place, and upgrades to the accounting system in the current year have added further automation to the controls in this area.

Other financial reporting matters

In addition to the significant financial reporting matters discussed above, the Committee considers other financial reporting matters as and when they arise to ensure appropriate treatment in the accounts, receiving appropriate briefings on emerging regulations and standards from management and EY.

We are satisfied that there were no matters arising from any of the above that we wish to draw to the attention of the shareholders.

Risk and internal controls

The Committee is aware of the Code's requirements in relation to risk and the monitoring of internal control systems and the risk assessment and internal control processes are a key consideration of the Committee. The Board has established a framework of financial reporting and controls to provide effective assessment and management of risk as set out on page 61. During the year the Committee received minutes from the meetings of the Risk Committee, reviewed the principal risk register and monitored the Group's risk management and internal control systems. The Committee has not identified any significant failings or material weakness in these control systems during the year. The risk report is set out in full on pages 62 to 66.

The Group's internal control systems are codified in policies and procedures which are regularly reviewed and include a detailed authorisation process, formal documentation of all transactions, a robust system of financial planning (including cash flow forecasting and scenario testing), regular financial reporting and reports to the Board from the CEO and CFO and a robust appraisal process for all property investments (including acquisitions,

developments and asset enhancement projects). Changes to internal controls, or controls to respond to changing risks identified are addressed by the Risk Committee with appropriate escalation to the Audit Committee as required.

Internal audit

The Committee appointed KPMG as internal auditor to complete reviews of specific internal processes on a rolling basis. The Committee agreed that the processes to be reviewed last calendar year were assurance mapping, technology roadmap, information management and progress against previous reports received. The Committee received detailed reports on the work completed and the KPMG internal audit partner attended Audit Committee meetings to present their findings and answer questions. Improvements were identified for each of these processes which are in the process of being implemented and will be monitored on an ongoing basis. Additional work is in progress in respect of ESG and facilities management. The Committee has agreed that the processes to be reviewed this calendar year are health and safety, cyber security, rent collection process and a follow up on information management.

Save for commissioning specific processes for review, the Committee is satisfied that the correct level of control and risk management within the business adequately meets the Group's current needs.

Audit/non-audit fees payable to external auditor

The fees paid to the external auditor are disclosed in Note 4(a) to the accounts, and the policy for non-audit services is in the Audit Committee Terms of Reference available on our website. In the year ended 31 March 2024, the auditor provided non-audit non-statutory services in the form of a review of the interim report, being a service closely related to assurance.

"Management continue to place an appropriate emphasis on the control environment, including in respect of emerging risk areas."

Jonathan Davies
Chair of the Audit Committee

The Committee is satisfied that the Company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 published by the CMA on 26 September 2014.

Effectiveness of external audit process

The Committee assessed the effectiveness of the external audit process, initially reviewing and challenging the audit planning memorandum prepared by EY and then monitoring fulfilment of this plan. The Committee received regular feedback from management on the service provided by EY, specifically reviewed this at the May 2023 Audit Committee meeting and concluded that the external audit was carried out efficiently and effectively with objective, independent challenge.

We receive regular updates on potential regulatory changes affecting the audit industry and are assessing their impact on the Company and the work of the Committee.

Jonathan Davies
Chair of the Audit Committee
21 May 2024

ESG Committee Report

Committee members	Attendance*
Noel Gordon (Committee Chair)	3/3
Sam Barrell	2/3
Jonathan Murphy	3/3
Jayne Cottam	3/3

* Out of the maximum possible meetings.

Additional attendees*

- Orla Ball – Company Secretary
- Paul Warwick – Director, Projects and Sustainability
- Karen Nolan – Head of Social Impact
- David Purcell – Investor Relations Director

* As appropriate.

Meetings in the year:

3

Terms of Reference

<https://www.assurapl.com/investor-relations/shareholder-information/sustainability-and-corporate-governance-policies>

Dear shareholder,

Following the establishment of the ESG Committee (the Committee) in the prior year, I am pleased to be able to share with you our second report setting out activities for the year ended 31 March 2024.

During the year, the Committee comprised myself and one other Non-Executive Director, in addition to the two Executive Directors and appropriate representatives from the business.

Committee objectives and purpose

Assura has long-standing ESG commitments which are ingrained in the purpose and business model, and have underpinned the strategic priorities of the Group for a number of years. This Committee was created to strengthen and formalise the oversight provided at Board-level in this area.

The terms of reference detail the specific mandate of the Committee, which includes the following:

- Reviewing and approving the Healthy Environment (E) and Healthy Communities (S) strategies, including budgeted costs
- Monitoring progress against the designed performance metrics of these strategies and reporting to the Board on their progress
- Reviewing external disclosures relating to ESG matters prior to publication, being relevant sections of the Annual Report including TCFD disclosures, sustainability disclosures and documents such as the Net Zero Carbon Pathway
- Assisting the Nominations Committee in monitoring the implementation of diversity and inclusion policies
- Staying up to date with emerging trends and ensuring the business strategy appropriately reflects these
- Monitoring emerging property and sustainability technologies, leveraging our investment in Pi Labs.

Matters discussed

The Committee met three times in the year and the key matters considered at each meeting were as follows:

April 2023

- Reviewed and approved ESG disclosures
- Approved Net Zero Carbon Pathway targets
- Reviewed ESG sections of the Annual Report, including TCFD, recommending the Board approve these
- Recommended ESG-specific performance objectives to the Remuneration Committee

September 2023

- Half-year review of ESG performance to date
- Review of proposed sustainability-linked performance objectives for the RCF renewal

March 2024

- Year-end review of performance against ESG targets and implementation of Bigger Picture strategy
- Review and recommendation for approval to Board of ESG-related budget for the 2024/25 financial year
- Approval of Committee Terms of Reference

In addition, a Committee meeting was held in May 2024, where the proposed ESG disclosures, including those within this Annual Report covering both sustainability and TCFD, were reviewed and approved.

The Committee is scheduled to meet three times in the coming year.

ESG COMMITTEE REPORT (CONTINUED)

Committee priorities 2023/24

The Committee is pleased to report on a year of strong progress, in particular the launch of The Bigger Picture, providing a strong framework for the business to discuss ESG activities both internally and externally. The Committee has awareness of the activities and reporting around the Healthy Business (Governance) pillar whilst noting that decision-making and guidance in this area resides with the main Board.

Following the launch of the Net Zero Carbon Pathway in May 2023, the Committee is pleased to report that the business has progressed with the implementation of the energy reduction initiatives across the portfolio, which are initially intertwined with the EPC improvement programme, completing 45 projects during the year and 66% of the portfolio now having an EPC rating of B or better.

We also now have in place targets relating to social value generated from our Healthy Communities activities, including grants awarded by the Assura Community Fund and the bespoke social impact plans created around each of our on site development schemes, as well as the Assura team increasing the number of volunteering hours delivered.

This progress was also reflected in the scores received from external agencies, including MSCI, EPRA and GRESB, all of which have improved during the year.

Committee priorities 2024/25

The priority for the Committee is to provide appropriate oversight over the proposed strategic actions for the next 12 months, primarily relating to both Healthy Communities and Healthy Environment, as they relate to the long-term strategic objectives.

Healthy Communities – The priorities include continuing the great work of the Assura Community Fund with the next round of grants again focusing on NHS priority areas with NAVCA, continuing our community programme for development schemes, maximising our social value generated and rolling out our supply chain framework to an increasing proportion of partners.

Healthy Environment – Following the data collection and net zero carbon audits completed over recent months and the creation of our Paris-proof energy reduction targets, priorities for the coming year are rolling out energy reduction initiatives through our portfolio (aiming to turn this into a commercial offering with appropriate return on investment), increasing the proportion of on site developments meeting our net zero carbon design guide targets, and implementing the next phase of our EPC upgrade programme.

I look forward to updating on progress in the 2025 Annual Report.

Noel Gordon
Chair of the ESG Committee
21 May 2024

"Assura has long-standing ESG commitments which are ingrained in the purpose and business model"

Noel Gordon
Chair of the ESG Committee

Directors' Remuneration Report

Committee members	Attendance*
Louise Fowler (Committee Chair)	6/6
Ed Smith CBE	6/6
Jonathan Davies	6/6
Dr Sam Barrell CBE	5/6

* Out of the maximum possible meetings.

Additional attendees*

- Jonathan Murphy – CEO
- Jayne Cottam – CFO
- Orla Ball – Company Secretary
- Sarah Taylor – Chief People Officer
- Emma Cariaga – Non-Executive Director
- Noel Gordon – Non-Executive Director
- Korn Ferry

* As appropriate.

Meetings in the year:

6

Terms of Reference

<https://www.assurapl.com/investor-relations/shareholder-information/sustainability-and-corporate-governance-policies>

Dear shareholder,

On behalf of the Board, I am pleased to introduce the Directors' Remuneration Report for the year ended 31 March 2024.

This report is split into three parts:

- This **Annual Statement** – in which I explain the work of the Remuneration Committee during 2023/24 and the key decisions taken during the year;
- A summary of the **Directors' Remuneration Policy** – as approved by shareholders at the AGM in 2022; and
- The **Annual Report on Remuneration** – which details the link between Company performance and remuneration and includes payments and awards made to the Directors for 2023/24 and information on how we intend to implement the Remuneration Policy for 2024/25.

At the AGM to be held on 4 July 2024, you will be asked to approve this Annual Statement and the Annual Report on Remuneration by way of the usual advisory resolution.

Interim Review of the Directors' Remuneration Policy

The remuneration of the Executive Directors is governed by the Directors' Remuneration Policy. During the year the Remuneration Committee considered in detail the operation of the Policy following the significant changes to the macroeconomic environment since the Policy was approved by shareholders in July 2022. The current Policy has a conventional structure, with fixed remuneration supplemented by an annual bonus plan and a long-term incentive, the Performance Share Plan (PSP). Although the Policy has many positive features and a strong level of shareholder support, we have reflected on whether it is working as well as it could be in the context of challenging external circumstances. These have required management to put considerable effort into development and asset enhancement, as well as pursuing suitable investment opportunities, and the Committee feels that these efforts are not fully recognised within the remuneration structures currently in

place and that there is, therefore, a risk to the business which we must take reasonable steps to mitigate.

After careful consideration of some possible alternative approaches (including the potential merits of restricted shares), we decided to defer making any immediate Policy changes this year. We will commence our full review later in 2024 with a view to agreeing a new Policy for the three-year period from 2025. As normal, major shareholders will be consulted on our proposals before we reach our final decisions.

Directors' Remuneration in 2024/25

Ahead of the full Policy review, the Remuneration Committee has reviewed the incentive measures for the year ahead in the context of Assura's evolving strategy and has decided to make minimal changes at this stage.

The annual bonus plan for 2024/25 will continue to operate with challenging targets measuring performance against key financial and non-financial goals. There will be a 70% weighting on financial measures, split between EPRA earnings, total accounting return and net rental income. The non-financial element will comprise the remaining 30% and will again include ESG, strategic and individual metrics. The specific targets are currently considered commercially confidential but will be disclosed in full in next year's report.

For the PSP grant to be made in 2024, we have agreed performance targets closely tied to our ambitious growth plans for the next three-year period. The chosen metrics mirror those for the 2023 award, namely TSR, total accounting return and ESG. The targets for this award are the same as those which applied last year and are set out on page 106. The PSP award will include the normal two-year post-vesting holding period. The award level will be 150% of salary, in line with the Remuneration Policy and our normal annual approach.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

During the year we also reviewed the basic salary levels of the Executive Directors, taking into account their responsibilities, relevant market positioning and whether the salaries are a fair reflection of the contribution and experience of the Directors.

For Jayne Cottam, the CFO, we have agreed an increase of 12%, taking her salary for 2024/25 to £344,400. You will recall that we had made adjustments to Jayne's salary in prior years, following her appointment as CFO in 2017. As we have previously explained, we did not appoint Jayne on a "market" salary given Assura was her first plc CFO role. Rather, in line with best practice, we have applied a series of increases over time as Jayne has progressed in the role.

Given some of the changes to the requirements of her role, and the market in which we operate, it is the Committee's view that, despite historical adjustments, her salary still does not fully reflect her role, capabilities or performance as one of the leaders of a FTSE 250 company. Jayne remains one of the lowest-paid CFOs among REITs of a similar size to Assura, which poses some retention risk, and we are also concerned that there may be a risk of perceived discrimination, in that Jayne is on a demonstrably below-market salary for a CFO in a role which, at other companies in the peer group, is performed exclusively by men. We also highlight that even following the change, her salary remains below the median paid to CFOs of other similarly-sized REITs (c. £368,000). Total remuneration – when considering the incentive offering (bonus plan and PSP) – remains well below market.

We are mindful that increases in Directors' salaries that are greater than those offered to the wider workforce require very careful consideration. The Committee has sought to assure itself that the increase is necessary, justified and that the approach taken is aligned with the Company-wide policy of awarding exceptional increases where the salary is considered inconsistent with the scope of

the role, where there is a need to recognise performance or development, or where the salary is considered to be materially below market levels.

For 2024/25, the salary of Jonathan Murphy, the CEO, will be increased by 3%, which is consistent with the average increase for the wider workforce. While Jonathan continues to perform very strongly, his salary positioning does not present the Committee with the same issues as that for Jayne, and hence there is less need for a higher increase at this time.

Towards the end of the financial year I wrote to major shareholders and the main proxy advisory bodies notifying them of the salary decisions for 2024/25. Although a couple of respondents had some comments and questions, no fundamental concerns were raised and there was general acceptance that the new salary for the CFO is in line with market norms for a company of Assura's size.

One further change we have made for the year ahead is to bring the Executive Directors' service contracts into line with standard market practice and increase their notice periods from six to 12 months, thus aligning with the vast majority of other listed companies. This also has the benefit of providing additional protection for the Company in the event of a resignation.

The Approach to Wider Workforce Remuneration

As normal, the Committee has reviewed wider workforce remuneration issues in detail over the course of the year under review. Although 2023/24 saw a lessening of some of the immediate pressures caused by the rising inflation levels of the prior year, it was recognised that the cost of living continues to be a matter of concern, particularly for lower paid staff. As such, the average salary increase across the wider workforce was set at 4% for 2023/24, with more senior colleagues (including the Executive Directors) receiving lower increases of 2.5%.

For 2024/25, and as noted above, the average increase across the business is 3%. The business continues to invest in ensuring that employees at all levels are provided with suitable compensation packages. Assura continues to be an accredited Living Wage Employer. In addition to basic salary, Assura continues to offer a comprehensive and competitive benefits programme for all employees. To help foster a collaborative team culture, the annual bonus arrangements for colleagues have been revised for the year ahead such that we will operate a profit share approach for the majority of staff, with all employees encouraged to work towards the achievement of the Company's targets for the year. Specific financial targets will apply to the bonuses of more senior colleagues, reflecting their role within the organisation.

Certain senior staff receive equity awards in the form of restricted shares and all colleagues are encouraged to participate in the Share Incentive Plan (SIP). We have also taken the step of making a one-off award of free shares worth £2,000 under the SIP to all permanent employees. This award is intended to further support the culture of collaboration and ensure all staff become shareholders, thus further aligning them with Assura's strategy.

The Committee has considered carefully the Executive Directors' remuneration in the context of wider workforce pay, including in respect of the CFO's salary increase, as discussed above. More broadly, the pay levels and incentive opportunities of the Executive Directors reflect their roles and responsibilities in running a listed company and are informed, among other things, by the remuneration for equivalent roles at relevant comparator companies. The Committee is comfortable with the Directors being the only employees who receive awards of performance shares given their Group-wide roles and standard practice for senior executives at UK-listed companies.

During the year I held further discussions with The Voice, the internal body which includes a representative sample of Assura colleagues. Once again, these were very interesting and rewarding discussions, covering a range of topics impacting colleagues across the business. As part of these conversations we touched on matters such as compensation at Assura (including executive remuneration), and will continue to do so in the future.

The UK Corporate Governance Code recommends that we consider the appropriateness of Directors' remuneration using internal and external measures such as pay ratios. In this report, we are again voluntarily reporting the ratio of the CEO's pay to the remuneration of employees more broadly, in line with best practice and the expectations of investors. The ratio is set out on page 105, alongside the supporting detail as required by the relevant regulations. The median pay ratio this year is higher than last year as there has been an increase in the CEO's total pay, but it remains aligned with the ratio in previous years, reflecting a consistent approach to executive and wider employee remuneration over time.

Remuneration in 2023/24

For the year under review, Executive Directors' pay was consistent with the terms of the Directors' Remuneration Policy and the statements on intended implementation in last year's report. The annual bonus plan for the year was structured with a mix of financial and non-financial objectives. As explained last year, there was a change to the financial measures with the adoption of a net rental income metric in place of contracted rent roll. There was a good level of performance against this new metric and against the separate EPRA earnings targets. Unfortunately total accounting return performance was below the minimum threshold for this element of the bonus. In total, the bonus payable for financial performance was 40% of the total amount.

For the non-financial portion of the bonus, the Executive Directors had a number of shared objectives linked to areas of specific importance,

DIRECTORS' REMUNERATION REPORT (CONTINUED)

including the EPC rating of the estate, the GRESB score achieved by Assura during the year, the diversification of sources of capital and operational efficiency. Overall performance was strong, with the Executive Directors demonstrating clear progress against the various objectives set. In addition, a small portion of each bonus was based on targets specific to the individual Directors. These targets were exceeded. In total, the bonus payable for performance against the non-financial measures was 24% of the total bonus amount.

In total, bonuses were earned at a level of 64% of the maximum for both Executive Directors. This equated to 96% of basic salary for Jonathan Murphy and 86% of basic salary for Jayne Cottam. The Remuneration Committee considered this to be a fair reflection of an exceptional level of performance and contribution by the Executive Directors during a year of ongoing challenges and, accordingly, has not exercised any discretion to adjust the outcome. In line with the Remuneration Policy, one-third of the bonus payments must be invested in Assura shares.

The Committee assessed the outcome of the 2021 PSP award shortly after the end of the financial year. Unfortunately, given the significant change in the broader market environment since 2022, the financial elements of this award have not vested at the levels hoped for at the time the award was granted. In light of negative TSR over the period, this element vested at zero. For the separate EPS element, performance over the three years was above threshold, resulting in a small amount of vesting.

The final third of the award was based on the satisfaction of key ESG targets. One half of the ESG element involved an assessment of the proportion of the portfolio receiving an EPC rating of B or higher by the end of 2023/24. By the end of the period, a total of 66% of the portfolio had a rating of B or higher, resulting in a vesting level at just above target. The other half of this ESG portion of the PSP award required a Remuneration Committee assessment of the overall success of the social impact strategy over the performance period.

Noting the very strong performance during the first two years of the period – as explained last year in the assessment of the 2020 PSP award – the Committee reflected on how well this had been maintained up to the end of the 2023/24 financial year. The Committee concluded that performance over the full period to the end of the year had been exceptional, with clear value continuing to be evidenced through the social impact strategy. This part of the ESG portion of the PSP award vested in full. More details can be found on page 100. The total level of vesting for the 2021 PSP award was 35%. The Committee has not exercised any discretion to adjust this outcome of the formulaic calculation. The awards will vest in July 2024 and, in line with the Remuneration Policy the shares will be subject to a two-year post-vesting holding. As permitted by the Policy, this holding period does not apply to those shares required to be sold to pay tax at the point of vesting, or any proceeds donated to the Assura Community Fund.

Early in the 2023/24 financial year, a further award was granted under the PSP. As explained in last year's report, this award has performance measures linked to TSR, total accounting return and ESG, with the ESG element split into portions based on net zero carbon developments and reductions in energy usage intensity. The targets for this award are considered suitably stretching in the context of the market conditions in place at the time of grant. As noted last year, the award was granted in July 2023 at the normal level of 150% of basic salary. The Committee was aware that the share price at the time of grant was lower than the price at the time of the PSP award in 2022. However, given the challenging performance conditions and the policy of maintaining grant levels at the same proportion of salary (notwithstanding market cyclicity and the impact on the share price, up or down), the Committee did not believe it was appropriate to scale back the award size at the time of grant. The size of the award will be considered again by the Committee at the time of vesting in 2026, alongside the performance achieved. This will include an assessment of whether any windfall gain has accrued.

UK Corporate Governance Code

The Board supports the UK Corporate Governance Code and remains committed to adopting the principles and provisions of the Code. The Remuneration Policy and its implementation remain consistent with the six factors set out in Provision 40 of the Code:

- **Clarity** – our Policy is well understood by the management team and has been clearly articulated to our shareholders, proxy advisers and investor representative bodies. The Policy was approved by an overwhelming majority of shareholders at the AGM in 2022. A summary of the Policy and full details of its implementation in 2023/24 are provided in this Directors' Remuneration Report;
- **Simplicity** – the Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, one of the Committee's objectives is to ensure that our executive remuneration policies and practices are straightforward to communicate and operate. Although there are multiple performance metrics used in the annual bonus scheme and PSP, all are linked to strategic objectives and are clearly understood internally. One element of our review of the Policy over the coming year will be to consider the choice of metrics for future years;
- **Risk** – our Remuneration Policy is designed to ensure that inappropriate risk-taking is discouraged and will not be rewarded. This is done through (i) the balanced use of both short- and long-term incentive plans which employ a blend of financial, non-financial and shareholder return targets, (ii) the significant role played by equity in our incentive plans (together with shareholding guidelines), (iii) the Committee's ability to override the formulaic outcome of incentive schemes, and (iv) the malus/clawback provisions in place;
- **Predictability** – our incentive plans are subject to individual caps, with our share plans also subject to market standard dilution limits;
- **Proportionality** – there is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/'at-risk'

pay, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded; and

- **Alignment to culture** – our executive pay policies are fully aligned to Assura's culture through the use of metrics in both the annual bonus and PSP that measure how the business performs against targets that directly underpin the delivery of strategy. The incentive schemes are aligned with our strong performance culture and, as noted above, are linked to a strategy to support the clear social purpose of Assura's business.

We are fully compliant with the remuneration elements of the Code.

The Committee noted the publication in January 2024 of the new UK Corporate Governance Code. The new Code applies to Assura for the financial year beginning 1 April 2025, and as part of the Remuneration Policy review over the coming year we will consider how our practices and disclosures may need to evolve to remain aligned with the Code.

Concluding remarks

The Committee has a busy year ahead as we review the Directors' Remuneration Policy, and we will seek shareholder feedback on our proposals at the appropriate time. Ahead of this review, I hope you will agree that the remuneration outcomes for 2023/24 are well aligned with the performance of the business over the past year, and that the decisions we have taken for 2024/25 are sound and in the best interests of shareholders. We look forward to receiving your support for the Directors' Remuneration Report resolution at the forthcoming AGM. Ahead of the meeting, I would be delighted to receive any feedback or comments you may have on our approach. I can be contacted via the Company Secretary.

Louise Fowler
Chair of the Remuneration Committee
21 May 2024

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Remuneration at a glance

What our Executive Directors earned during 2023/24

The following table provides a summary single total figure of remuneration for 2023/24. Further details are set out in the Annual Report on Remuneration.

£'000	Salary	Pensions	Benefits	Bonus	LTIs	Other	Total
Jonathan Murphy	502	30	16	482	167	2	1,198
Jayne Cottam	308	18	14	266	94	2	702

How our Executive Directors will be paid in 2024/25

A summary of how the Committee intends to operate the Remuneration Policy for 2024/25 is as follows. There are no changes to the Directors' Remuneration Policy for the year ahead:

Component	Jonathan Murphy	Jayne Cottam
Basic salary	£516,900 (Increased by 3% from 1 April 2024)	£344,400 (Increased by 12% from 1 April 2024)
Pension allowance (% of salary)	6%	
Annual bonus max (% of salary)	150%	135%
Annual bonus deferral	One-third of any bonus payable must be invested into Assura shares which must be held for a minimum of two years	
Annual bonus metrics	30% EPRA earnings, 20% total accounting return, 20% net rental income, 30% key non-financial/strategic objectives, including ESG	
PSP (% of salary)	150%	
PSP performance conditions	33% TSR, 33% total accounting return and 33% key ESG measures	
Post-vesting holding period	Two years	
Shareholding guidelines (% of salary)	300%	200%
Post-employment shareholding guidelines	Apply for a minimum of two years at the lower of (1) the shareholding requirement in place prior to departure and (2) the actual shareholding at the point of departure	

Remuneration scenarios for 2024/25

The charts on page 98 show how total pay for the Executive Directors varies under four different performance scenarios: Minimum; Target; Maximum; and Maximum with share price growth.

Summary of the Directors' Remuneration Policy

Introduction

The Directors' Remuneration Policy sets the framework for the remuneration of the Chair, Executive Directors and Non-Executive Directors, and has been prepared in line with the relevant legislation for UK companies. The Policy was presented for shareholder approval at the AGM in July 2022 and was passed with a 98.11% vote in favour. The intention is that the Policy will remain in place for three years from the date of its approval, and will therefore be subject to renewal at the AGM in 2025.

Payments to Directors and payments for loss of office can only be made if they are consistent with the terms of the approved Remuneration Policy. The Committee will be required to seek shareholder approval for an amendment to the Policy if it wishes to make a payment to Directors which is not envisaged by the approved Policy. No changes to the Policy are proposed at the 2024 AGM.

A summary of the key features of the Policy is included below for informational purposes. The full Policy is included in the Annual Report for the financial year ended 31 March 2022, available on Assura's website at www.assurapl.com. If there is any discrepancy between the summary and the full Policy, the full Policy will prevail.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Policy table for Executive Directors

Objective and link to strategy	Operation	Maximum opportunity	Performance measurement and assessment
Fixed remuneration			
Basic salary Core element of remuneration set at a level that recognises the size and complexity of the Company and, when combined with the performance based variable remuneration potential, can attract and retain Executive Directors of the quality to execute the Company's strategy.	An Executive Director's basic salary is considered by the Committee on appointment and then reviewed periodically or when an individual changes position or responsibility.	Any increase in salary for Executive Directors will normally be in line with the annual average increase for the wider workforce, although a different approach may be taken if considered appropriate.	None.
	Any changes normally take effect from 1 April each year.		
	When making a determination as to the appropriate salary level, the Committee first considers remuneration practices within the Group as a whole and, where considered relevant, reviews objective research on relevant peer comparators.	Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted Policy level until they become established in their role. In such cases subsequent increases in salary may be higher than the general workforce increase.	
	It should be noted that the results of any benchmarking will only be one of many factors taken into account by the Committee. Other factors include: <ul style="list-style-type: none"> - individual performance and experience; - pay and conditions for employees across the Group; - the general performance of the Company; and - the economic environment. 		
	No recovery provisions apply to basic salary.		

Objective and link to strategy	Operation	Maximum opportunity	Performance measurement and assessment
Benefits The Company provides benefits in line with market practice.	Executive Directors may receive a benefits package which includes: <ul style="list-style-type: none"> - health insurance; - death in service benefits; - company car allowance; and - other benefits as provided from time to time. 	Benefit values vary year-on-year depending on premiums and the maximum value is the cost of the provision of these benefits. The Committee will monitor the costs of benefits in practice and will ensure that the overall costs do not increase by more than the Committee considers appropriate in all the circumstances.	None.
	Benefits are reviewed periodically to ensure that they remain market competitive.		
	Any reasonable business-related expenses may be reimbursed (and any tax thereon met if deemed to be a taxable benefit).		
	Benefits payments are not included in salary for the purposes of calculating the level of participation in incentive arrangements.		
	No recovery provisions apply to benefits.		
Pension The Company provides a level of pension contribution in order to be competitive and to ensure that it has the ability to recruit and retain Executive Directors.	Executive Directors may receive pension contributions to personal pension arrangements or a cash supplement.	Until 31 December 2022, the maximum employer's pension contribution was 13.5% of basic salary for the current Executive Directors. With effect from 1 January 2023, this reduced to the contribution rate payable to the wider workforce (currently 6%).	None.
	Pension-related payments are not included for the purposes of calculating the level of participation in incentive arrangements.		
	No recovery provisions apply.		
		For any new Executive Director appointments to the Board, pension provision will be aligned with the contribution rate payable to the wider workforce.	

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Objective and link to strategy	Operation	Maximum opportunity	Performance measurement and assessment
Performance-based variable remuneration			
Bonus Incentivises the achievement of a range of key performance targets that are key to the success of the Company.	Awards may be made annually based on the achievement of performance targets.	The maximum annual bonus for Executive Directors is 150% of salary. At threshold performance 0% of maximum can be earned. At on-target performance, 50% of maximum can be earned.	Performance is measured over one financial year.
	Two-thirds of any bonus is payable in cash. The remaining third must be invested in shares which must be held for a minimum period of two years. If a Director voluntarily donates a portion of his or her bonus to the Assura Community Fund, these deferral requirements apply to bonuses net of any such donations.	The CEO has a maximum bonus opportunity of 150% of salary and an on-target level of 75% of salary.	Performance measures are set annually based on a number of financial and strategic measures which may include (but are not limited to) for example: <ul style="list-style-type: none"> – delivering specific added value activities; – delivering financial goals; – improving operational performance; and – developing the performance capability of the team.
	Bonus payments are not pensionable, but are subject to malus and clawback provisions.	The CFO has a maximum bonus opportunity of 135% of salary and an on-target level of 67.5% of salary.	The Committee will determine the weighting between specific metrics each year. In any specific year there will always be a majority weighting on financial measures.
			The Committee has the discretion to vary the performance targets depending on economic conditions and Company-specific circumstances that may occur during the year.
			At the end of each financial year the Committee takes into account the Company's financial performance and achievement against the key short-term objectives established at the beginning of the year. The Committee has the discretion to adjust the bonus outcome where it believes this is appropriate, including (but not limited to) where the outcome is not reflective of the underlying performance of the business or the experience of the Company's shareholders, employees or other stakeholders.

Objective and link to strategy	Operation	Maximum opportunity	Performance measurement and assessment
Long-term Incentives To motivate and incentivise delivery of sustained performance over the long-term, and to promote alignment with shareholders' interests, the Company operates the Performance Share Plan (PSP).	Awards under the PSP may be granted as nil/nominal cost options or conditional awards which vest to the extent performance conditions are satisfied over a period of at least three years.	The PSP allows for awards over shares with a maximum value of 150% of basic salary per financial year.	The Committee may set such performance conditions on PSP awards as it considers appropriate (whether financial or non-financial and whether corporate, divisional or individual).
	Executive Directors are then required to hold their vested shares for a further two years (other than shares which are required to be sold to pay tax due at the point of vesting, or shares which are sold for the purposes of making a donation to the Assura Community Fund).		Performance periods may be over such periods as the Committee selects at grant, which will not be less than (but may be longer than) three years.
	In exceptional circumstances, vested awards may also be settled in cash.		No more than 25% of awards vest for attaining the threshold level of performance conditions.
	PSP awards may be increased to reflect the value of dividends that would have been paid in respect of any ex-dividend dates falling between the grant of awards, and the expiry of any vesting period and any holding period.		In addition, while performance measures and targets used in the PSP will generally remain unaltered once set, if in the Committee's opinion, circumstances are such that a different or amended target would be a fairer measure of performance, such amended or different target can be set provided that it is not materially more or less difficult to satisfy than the original target was at the time it was set.
	Malus and clawback provisions apply to PSP awards.		The Committee has the discretion to adjust the outcome of vesting where it believes this is appropriate, including (but not limited to) where the outcome is not reflective of the underlying performance of the business or the experience of the Company's shareholders, employees or other stakeholders.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Objective and link to strategy	Operation	Maximum opportunity	Performance measurement and assessment
Other			
All-employee Share Incentive Plan (SIP) Provides employees with the opportunity to participate in a tax-advantaged share plan and increases the level of alignment with shareholders.	<p>Awards under the SIP may be offered annually to all eligible employees, including Executive Directors.</p> <p>Participants can receive awards of free shares and also benefit from additional matching shares in the event of their voluntary investment in additional shares.</p>	Executive Directors can participate in the SIP subject to the limits prescribed under the applicable legislation governing this type of plan.	N/A

Objective and link to strategy	Operation	Maximum opportunity	Performance measurement and assessment
Shareholding requirement To ensure alignment between Executive Directors and shareholders' interests over a long-term time horizon.	<p>The Committee operates shareholding guidelines to encourage long-term share ownership by the Executive Directors.</p> <p>Other than shares required to be sold to pay tax due at the point of vesting or PSP shares sold for the purposes of making a donation to the Assura Community Fund, Executive Directors may not sell any shares acquired via any share-based incentive plan if the sale would take their shareholding below the shareholding requirement.</p>	<p>The minimum shareholding which should be built up by an Executive Director is equivalent to 200% of basic salary.</p> <p>Where an Executive Director participated in the former Value Creation Plan, the requirement is 300% of salary.</p> <p>Executive Directors must also maintain a minimum level of shareholding for a period of at least two years following cessation of employment, at the lower of (1) the shareholding requirement in place prior to departure and (2) the actual shareholding at the point of departure. Any shares purchased by the Executive Director are excluded from these arrangements, as are any shares which vest prior to the date on which this Remuneration Policy was approved by shareholders.</p>	N/A

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Notes to the Policy table for Executive Directors

Discretion

The Committee has discretion in several areas of the Policy as set out in this report. The Committee may also exercise operational and administrative discretions under the relevant plan rules approved by shareholders. In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval. In addition, for the avoidance of doubt, in approving this Policy, authority is given to the Company to honour any commitments entered into with current or former Directors prior to the adoption of this Policy.

Malus and clawback

The Committee retains the power to reduce the annual bonus or the potential vesting of unvested PSP awards (including to zero) (often referred to as malus) or to recoup the value of previously paid or vested awards from an individual within two years of vesting if it considers it appropriate to do so (often referred to as clawback).

Approach to recruitment remuneration and promotions

The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role. The remuneration package for any new recruit will take into account the various components of remuneration as set out in the Policy table on pages 94 to 96.

Approach to service contracts and cessation of employment

The service contracts for the Executive Directors were reviewed during 2023/24 and have been updated in line with conventional market practice. Both of the Executive Directors now have a contract which is terminable by the Company on 12 months' notice and by the Director on 12 months' notice. Jonathan Murphy's contract is dated 14 May 2024 and Jayne Cottam's contract is dated 14 May 2024. The service contracts are available for viewing at the Company's registered office.

The service contract for any new Executive Director would be expected to include a similar notice period. No Director will be appointed with a notice period that exceeds 12 months' notice.

When determining any loss of office payment for a departing Director, the Committee will always seek to minimise cost to the Company whilst complying with the contractual terms and seeking to reflect the circumstances in place at the time. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

The Committee has discretion to determine whether an individual is a "good leaver" under the Company's incentive plans. Where the Committee uses its general discretion to determine that an Executive Director is a good leaver, it will provide a full explanation to shareholders of the basis for its determination.

Remuneration for other employees

The Remuneration Committee takes into account the pay and conditions of other employees of Assura when setting the Remuneration Policy for Directors and making decisions on the implementation of the Policy. The Company has a relatively small number of employees and there are some obvious differences between Executive Director pay and the arrangements for other colleagues. However, there is a strong focus on performance and on remuneration structures which are aligned with the specific needs of the business.

Although the levels of remuneration of the Executive Directors are higher than those of other employees, reflecting their specific roles and responsibilities, the Committee is comfortable that in general there is an appropriate level of alignment between their remuneration and the pay for other employees in the Company. Fixed remuneration is structured in a broadly similar way, including in respect of pension contributions. The Committee is satisfied that Assura offers an appropriately competitive benefits package for employees.

All permanent staff are eligible to participate in annual bonus arrangements, which for most colleagues for 2024/25 will operate as a profit share arrangement, with employees encouraged to work towards the achievements of the Company's targets for the year. Equity incentives (in the form of awards of restricted shares) are limited to more senior members of staff, reflecting standard practice. However, all permanent employees are eligible to participate in the Share Incentive Plan, and this has recently been enhanced with a one-off award of free shares worth £2,000 for each permanent employee.

Although the Committee takes into account the pay and conditions of other employees, the Company did not directly consult with employees on the terms of the Directors' Remuneration Policy. However, the Chair of the Committee maintains regular contact with employees in her role as the designated Non-Executive Director for workforce engagement. During the year she discussed executive remuneration and the work of the Remuneration Committee with The Voice, Assura's representative group of colleagues.

Consideration of shareholder views

The Committee takes the views of shareholders seriously and these views are taken into account in shaping the Directors' Remuneration Policy and its implementation. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee has a long-standing practice of consulting with major shareholders prior to any significant changes to the Policy. During 2021/22, the Committee engaged with shareholders on the proposals for the revised Remuneration Policy and its implementation and, in response to comments received, made a number of changes to the proposed approach.

The Committee will continue to engage with major shareholders as required during the lifetime of the Policy, as it did during the year under review in respect of the implementation of the Policy for 2024/25.

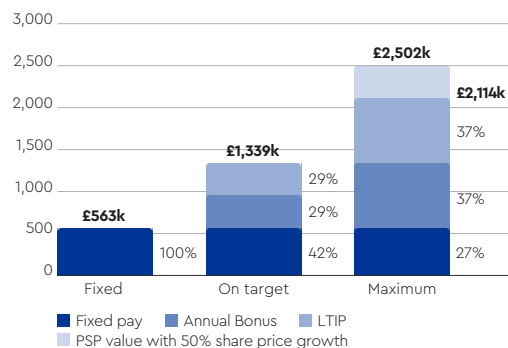
DIRECTORS' REMUNERATION REPORT (CONTINUED)

Illustrations of application of the Remuneration Policy

The composition and total value of the Executive Directors' remuneration package for the financial year 2024/25 at minimum, on-target and maximum performance scenarios are set out in the charts below:

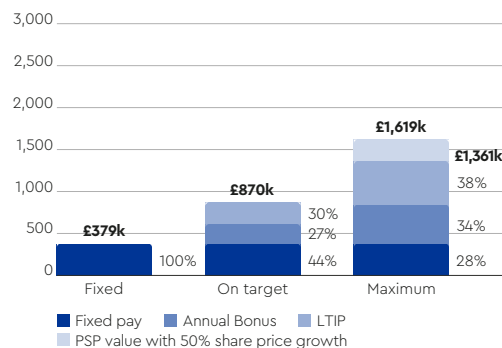
CEO

(£'000)



CFO

(£'000)



Assumptions used in determining the level of payout under given scenarios are as follows:

- **Minimum** – Basic salary at 1 April 2024, estimated 2024/25 benefits and pension (or cash allowance) calculated at 6% of salary.
- **On-target** – Based on what the Director would receive if performance were on-target (excluding share price appreciation and dividends):
 - Annual bonus: consists of the on-target bonus (75% of salary for Jonathan Murphy and 67.5% of salary for Jayne Cottam).
 - Long-term incentive: consists of the midpoint level of vesting (50% vesting) under the PSP.
- **Maximum** – Based on the maximum remuneration receivable (excluding share price appreciation and dividends):
 - Annual bonus: consists of the maximum bonus of 150% of salary for Jonathan Murphy and 135% of salary for Jayne Cottam.
 - Long-term incentive: consists of the face value of awards (at 150% of salary).
- **Maximum with share price growth** – As per maximum but with a 50% share price growth assumed on PSP awards.

Policy table – Non-Executive Directors

Objective and link to strategy	Operation	Maximum opportunity	Performance measurement and assessment
The Company sets fee levels necessary to attract and retain experienced and skilled Non-Executive Directors to advise and assist with establishing and monitoring the strategic objectives of the Company.	<p>Fee levels are sufficient to attract individuals with appropriate knowledge and experience.</p> <p>The Board Chair is paid a fee reflective of the responsibilities of the role.</p> <p>Other Non-Executive Directors are paid a base fee and additional fees for Chairmanship of Committees and/or acting as the Senior Independent Director.</p> <p>Fees are reviewed periodically with any changes generally effective from 1 April.</p> <p>In exceptional circumstances, fees may also be paid for additional time spent on the Company's business outside of the normal duties.</p> <p>Non-Executive Directors do not receive a bonus, do not participate in awards under the Company's share plans, and are not eligible to join the Company's pension scheme.</p> <p>The Company reserves the right to provide benefits (including travel and office support) to the Non-Executive Directors. The Company may also settle any tax incurred in relation to business expenses that are deemed taxable.</p>	<p>Fees will take account of fee levels of comparable listed real estate companies and other companies of comparable size and complexity.</p> <p>The aggregate fees and any benefits of Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees (currently £700,000 p.a. in aggregate).</p>	None.

The Company's practice is to appoint the Non-Executive Directors, including the Chair, under letters of appointment, terminable by either party on three months' notice. Their appointment is usually for a term of three years subject to annual re-election by the shareholders at the Company's AGM.

The letters of appointment for the current Non-Executive Directors are available for inspection at the Company's registered office. The dates of the letters of appointment are October 2017 for Ed Smith, June 2018 for Jonathan Davies, June 2019 for Louise Fowler and May 2021 for Emma Cariaga, Noel Gordon and Sam Barrell.

Any new Non-Executive Director would be recruited on the terms set out in the Policy table above.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Annual Report on Remuneration

This Annual Report on Remuneration contains details of how the Company's Remuneration Policy for Directors was implemented during the financial year ended 31 March 2024. This report has been prepared in accordance with the provisions of the Companies Act 2006 and the associated reporting regulations. An advisory resolution to approve this report will be put to shareholders at the 2024 AGM.

Consideration by the Committee of matters relating to Directors' remuneration

The members of the Committee during 2023/24 were Louise Fowler (Committee Chair), Ed Smith, Jonathan Davies and Sam Barrell. The members of the Committee have no personal financial interest, other than as shareholders, in matters to be decided, and no potential conflicts of interest arising from cross-directorships. The Non-Executive Directors have no day-to-day involvement in running the business.

The Committee is responsible for recommending to the Board the Remuneration Policy for Executive Directors and for setting the remuneration packages for each Executive Director and the executive tier directly below Board. The Committee also sets the fees of the Chair, while the fees for the Non-Executive Directors are set by the Chair in conjunction with the CEO. The Committee also has oversight of the remuneration policies and packages for other senior members of staff and of the overall approach to remuneration across the Company as a whole. The written Terms of Reference of the Committee are available on the Company's website and from the Company on request.

The Committee held six meetings during the year. Its activities during and relating to the financial year 2023/24 included:

- Interim review of the operation of the Directors' Remuneration Policy
- Consideration of annual salary increases
- Consideration of objectives and targets for annual bonuses
- Consideration of targets and awards under the PSP
- Agreement on incentive outcomes for the year
- Oversight of pay levels and incentives for the Executive Committee
- Preparing this report.

Advisors to the Committee

Korn Ferry continued to serve as independent advisors to the Remuneration Committee during 2023/24, having been appointed with effect from 1 January 2020.

Korn Ferry is a member of the Remuneration Consultants Group and, as such, voluntarily operates under its code of conduct in relation to executive remuneration consulting in the UK. The Committee reviewed the nature of the services provided by Korn Ferry during the year and was satisfied that no conflict of interest exists or existed in relation to the provision of these services. The total fees paid to Korn Ferry for services provided to the Committee during the year were £60,658 (ex VAT). Fees were determined based on the scope and nature of the projects undertaken for the Committee. No other services were provided to the Company by Korn Ferry during the year.

During the year under review, Committee meetings were also attended by Jonathan Murphy (CEO), Jayne Cottam (CFO), Orla Ball (Head of Legal and Company Secretary), Emma Cariaga (Non-Executive Director), Noel Gordon (Non-Executive Director), Lara Naqushbandi (Board Fellow until 15 September 2023) and Aamir Aziz (Board Fellow from 1 November 2023). No Director was present when his or her own remuneration was discussed.

Single total figure of remuneration – Executive Directors (audited)

The remuneration of Executive Directors showing the breakdown between components with comparative figures for the prior year is shown below. Figures provided have been calculated in accordance with the reporting regulations:

£'000	Year	Salary	Pensions	Taxable benefits	Bonus ¹	Long-term incentives ^{2,3}	Other ⁴	Total	Total fixed	Total variable
Jonathan Murphy	2023/24	502	30	16	482	167	2	1,198	547	651
	2022/23	490	57	15	296	82	2	940	562	378
Jayne Cottam	2023/24	308	18	14	266	94	2	702	340	362
	2022/23	285	33	14	150	46	2	528	332	196

1. For both Jonathan Murphy and Jayne Cottam, one-third of the 2023/24 annual bonus is required to be invested in shares, in line with the Directors' Remuneration Policy, as explained on page 95.
2. The long-term incentive value for 2023/24 reflects the outturn for the 2021 PSP which vests in 2024 at 35%. The vesting share price has been estimated at 43.48 pence, based on the three-month average share price ended 31 March 2024. Further details are set out below. The long-term incentive value for 2022/23 reflects the outturn for the 2020 PSP which vested in 2023, and has been restated to reflect the value of the shares (inclusive of dividend equivalents) at the time of vesting, being 44.44 pence on 7 July 2023.
3. None of the 2023/24 figure for Jonathan Murphy and Jayne Cottam is attributable to share price appreciation since the date of grant. The Committee has not exercised any discretion in relation to this matter.
4. This relates to the value of matching shares awarded under the terms of the Share Incentive Plan.

Total pension entitlements

During the year the Executive Directors received payments in lieu of pension contributions equivalent to 6% of salary, in line with the average for the wider workforce.

Benefits

Taxable benefits comprised health insurance, death in service benefits, critical illness, group income protection and company car allowance.

DIRECTORS' REMUNERATION REPORT (CONTINUED)**2023/24 annual bonus plan outcome**

For 2023/24 the maximum potential bonus awards were 150% of salary for Jonathan Murphy and 135% of salary for Jayne Cottam, in line with the Directors' Remuneration Policy.

The bonus scheme for 2023/24 was based on a mixture of challenging financial (70%) and non-financial (30%) targets. As disclosed last year, the financial measures for the bonus were EPRA earnings, total accounting return and net rental income (this latter measure replacing the contracted rent roll metric used in previous years). The specific targets were set taking into account estimates of expected performance over the course of the year and the business environment within which Assura was operating. The table below sets out details of the targets and the extent to which they were achieved.

Metric	Weight	Threshold	Target	Maximum	Result	Bonus achieved
Financial measures						
EPRA earnings	30%	£96.0m	£99.0m	£104.6m	£102.3m	24%
Total accounting return	20%	0.0%	1.3%	2.6%	(2.0%)	0%
Net rental income	20%	£139.4m	£140.7m	£145.0m	£143.3m	16%
Total bonus for financial measures	70%					40%

For the non-financial measures, both Executive Directors had a series of shared specific objectives linked to ESG metrics and other key strategic goals, recognising the responsibilities of both Executive Directors to drive performance in these areas. In addition, each Director had an additional target linked to their particular area of responsibility.

The shared objectives are set out below, along with a summary of performance achieved:

Metric	Weight	Performance assessment	Result	Bonus achieved
Non-financial measures				
EPC rating improvement in proportion of portfolio by area receiving an EPC rating of B	7.5%	– As at the end of the year, 66% of the portfolio has an EPC rating of B or higher, a significant increase on 53% at the end of 2022/23 and above the 65% target set at the start of the year	Above target	4.5%
GRESB score improvement in rating	7.5%	– There was a material improvement in the GRESB score over the year, from 52 to 62, reflecting a very positive level of external recognition of Assura's activities – This was above target but below the stretch goals set at the start of the year	Above target	6%
Capital diversification of sources of capital through identification of new or increased debt funders, equity investors, JV partners or capital recycling	5%	– Relentless pursuit of new capital opportunities and capital recycling despite ongoing market challenges – Joint venture with USS confirmed and announced at year end; anticipated to bring material benefits to Assura over the coming years	Stretch	5%
Efficiency and cost saving drive operational efficiency and deliver on targeted cost savings, as evidenced through EPRA cost ratio	5%	– Focus on disciplined cost management and efficiencies throughout the business – Achievement of annualized cost savings of £800k – Reduction in EPRA cost ratio from 13.5% to 13.2%	Above target	3.5%

The additional individual target for Jonathan Murphy is set out below.

Metric	Weight	Performance assessment	Result	Bonus achieved
Individual target				
Team improvement in staff satisfaction, as evidenced by results of staff survey	5%	– Results of staff survey demonstrated 9% increase in overall engagement and 7% improvement in CEO's personal ratings – The Board considers that Jonathan's leadership of the team over the year has been exceptional	Stretch	5%

The additional individual target for Jayne Cottam is set out below.

Metric	Weight	Performance assessment	Result	Bonus achieved
Individual target				
New debt facilities Secure amended or new facilities at a level at or above the current facilities	5%	– Revolving credit facility successfully refinanced during the year; increased from £125m to £200m at a reduced margin and overall cost – Sustainability-linked KPI added which, if achieved, will result in a 5 basis-point reduction to the interest, which will be paid into the Assura Community Fund	Stretch	5%

DIRECTORS' REMUNERATION REPORT (CONTINUED)

The total bonus payable to Jonathan Murphy in light of his performance against both financial and non-financial measures was equivalent to 64% of the maximum payable (96% of his basic salary for the year).

The total bonus payable to Jayne Cottam in light of her performance against both financial and non-financial/strategic measures was equivalent to 64% of the maximum payable (86% of her basic salary for the year).

In line with the provisions of the Directors' Remuneration Policy, two-thirds of the bonus is payable in cash, with the remaining third invested in shares which must be held for a minimum period of two years.

Vesting of long-term incentive awards based on performance to 31 March 2024

The value for long-term incentives included in the single figure relates to the awards granted to Jonathan Murphy and Jayne Cottam in July 2021. These awards will vest in July 2024 based on the achievement of conditions linked to TSR, EPRA EPS and ESG performance measured to 31 March 2024.

Under the TSR performance target (one-third of the award), which uses a sliding scale, 10% of this part of an award vests for TSR of 5% p.a., increasing pro-rata to full vesting for TSR of 15% p.a., measured over the three years to 31 March 2024:

Performance target	Threshold TSR	Maximum TSR	Actual TSR	Vesting % (max 100%)
TSR (33% of the award)	5% p.a.	15% p.a.	(11.2)%	0%

Under the EPRA EPS performance target (one-third of the award), which uses a sliding scale, 10% of this part of an award vests for EPRA EPS growth of 5% p.a., increasing pro-rata to full vesting for EPRA EPS growth of 15% p.a., measured over the three years to 31 March 2024:

Performance target	Threshold EPS growth	Maximum EPS growth	Actual EPS growth	Vesting % (max 100%)
EPRA EPS (33% of the award)	5% p.a.	15% p.a.	7.1%	28.9%

For the ESG performance target (one-third of the award), the award was split into two halves. For the first half, vesting depended on the proportion of buildings receiving an EPC rating of B or higher, as set out below:

Proportion of portfolio receiving an EPC rating of B or higher by 31 March 2024	Vesting schedule (% of the EPC element which vests)
<45%	0%
45%	10%
Between 45% and 65%	Pro-rata between 10% and 50%
65%	50%
Between 65% and 100%	Pro-rata between 50% and 100%
100%	100%

The actual proportion of the portfolio receiving an EPC rating of B or higher as at 31 March 2024 was 66%, resulting in a vesting level of 52% for this portion of the award.

For the second half of the ESG element, vesting depended on the Remuneration Committee's assessment of the success of Assura's social impact strategy over the performance period, with the Committee judging the extent to which targets linked to the main elements of the strategy had been met over the period. The Committee reviewed various indicators linked to different aspects of the strategy and judged how far the business had made progress over the three-year period. The Committee concluded that over the period ending in March 2024 Assura continued to make considerable progress with the market-leading social impact strategy, fully integrating the strategy into business operations. The strategy remains a key differentiator for Assura and central to the value proposition. Specific achievements over the period include:

- The Net Zero Carbon Design Guide is now fully integrated into all asset enhancement and development activity, providing a clear and ambitious framework for sustainable buildings. The first net zero carbon scheme went live during the performance period, and the design principles were also applied to two additional significant developments, despite the original design being completed before the guidelines were finalised. The first net zero carbon scheme in Ireland is due to commence soon. The Net Zero Carbon Pathway, launched during the performance period, sets a path to reaching net zero across the entire portfolio by 2040.
- We have continued to emphasise the ESG focus in our interactions with capital markets. The proportion of the share register held by specific ESG-rated funds has continued to increase, rising to 5.2% as at the end of the performance period – a significant premium to market norms. During 2023/24, the management team successfully refinanced the revolving credit facility which, as previously noted, added a sustainability-linked KPI. This followed the issue of the first Sustainability Bond in 2021/22.
- The Assura Community Fund has continued to successfully support a number of projects linked to improving the health of local communities around our buildings. To date, the Fund has distributed more than £1.8m and reached almost 209,000 people.
- We have continued to be very successful in having our progress recognised by external ratings agencies. Over the last year, our MSCI rating has been retained at AA, the EPRA sustainability grade has improved to Gold and our GRESB score has increased significantly to 62. We have also achieved accreditation as a B Corp.

Taking the above into account, the Committee determined that the vesting level for this half of the ESG element should be 100%. This is equivalent to 16.67% of the whole PSP award.

As a result of the achievements against all of the performance targets as set out above, the overall vesting level for the 2021 PSP award was agreed at 35%. The Committee determined that this was a fair reflection of Assura's overall financial and business performance over the course of the performance period and did not exercise any discretion in relation to this outcome.

The gross value of PSP awards expected to vest in 2024 is as follows:

	Share price at 31 March 2024 ¹	Proportion to vest	Shares to vest	Dividend equivalents ²	Total shares to vest	Total £
Jonathan Murphy	£0.43	35%	328,400	55,940	384,340	167,111
Jayne Cottam	£0.43	35%	184,569	31,439	216,008	93,920

1. The share price is based on a three-month average to 31 March 2024.
2. Additional shares awarded in respect of dividend equivalents accrued over the vesting period. This represents the position as at 31 March 2024. The precise number of additional shares awarded as dividend equivalents will depend on the share price at the time of vesting. Participants will also have an entitlement to additional shares in respect of any further dividends declared prior to the vesting date.

DIRECTORS' REMUNERATION REPORT (CONTINUED)**Scheme interests awarded during the year (PSP)**

The following awards were made under the PSP to the Executive Directors during the year:

	Date of grant	Basis of award	Face value of award £	Number of shares awarded	End of performance period
Jonathan Murphy	6 July 2023	150% of salary	752,768	1,630,779	31 March 2026
Jayne Cottam	6 July 2023	150% of salary	461,250	999,242	31 March 2026

1. The above awards were granted using the average mid-market share price on the three dealing days prior to the date of grant (46.16 pence). The awards were granted as nil-cost options and the exercise price is nil.

Details of outstanding PSP awards

Executive	Date of grant	Awards outstanding at 01/04/23	Awards granted during the year	Awards vested during the year ¹	Awards lapsed during the year	Interests outstanding at 31/03/24	Normal vesting/ exercise date
Jonathan Murphy	7 July 2020	764,145	–	159,935 ²	604,210	–	From 7 July 2023
	6 July 2021	939,091	–	–	–	939,091	From 6 July 2024
	6 July 2022	1,130,205	–	–	–	1,130,205	From 6 July 2025
	6 July 2023	–	1,630,779	–	–	1,630,779	From 6 July 2026
Jayne Cottam	7 July 2020	429,469	–	89,887	339,582	–	From 7 July 2023
	6 July 2021	527,793	–	–	–	527,793	From 6 July 2024
	6 July 2022	657,895	–	–	–	657,895	From 6 July 2025
	6 July 2023	–	999,242	–	–	999,242	From 6 July 2026

1. Excludes additional shares awarded in respect of dividend equivalents accrued over the vesting period.
2. Jonathan Murphy sold 18,389 of the shares which vested for the benefit of the Assura Community Fund.

Outstanding PSP awards vest based on performance against targets which encourage the generation of sustainable long-term returns to shareholders over a three-year performance period commencing at the start of the financial year of grant. The performance targets in place for the 2021 awards are summarised on the previous pages.

For the 2022 PSP awards, the following targets apply:

33% of awards		33% of awards	
Absolute average annual compound TSR	Vesting schedule (% of the TSR part which vests)	EPRA EPS growth	Vesting schedule (% of the EPS part which vests)
<5% p.a.	0%	<5% p.a.	0%
5% p.a.	25%	5% p.a.	25%
Between 5% and 12.5% p.a.	Pro-rata between 25% and 100%	Between 5% and 10% p.a.	Pro-rata between 25% and 100%
12.5% p.a. or more	100%	10% p.a. or more	100%

The final 33% of these awards, relating to ESG, is split into two halves. For the first half, vesting depends on the proportion of buildings receiving an EPC rating of B or higher, as set out below.

Proportion of portfolio receiving an EPC rating of B or higher by 31 March 2025	Vesting schedule (% of the EPC element which vests)
<50%	0%
50%	25%
Between 50% and 70%	Pro-rata between 25% and 50%
70%	50%
Between 70% and 100%	Pro-rata between 50% and 100%
100%	100%

For the second half of the ESG component, vesting depends on the extent to which Assura is making progress with net zero carbon developments, as set out below.

Proportion of in-house development schemes commencing in the year to 31 March 2025 which have been designed to hit Best Practice as defined in Assura's Net Zero Carbon Design Guide	Vesting schedule (% of the net zero element which vests)
<50%	0%
50%	25%
Between 50% and 75%	Pro-rata between 25% and 100%
75%	100%

"Best Practice" as outlined in the Guide is defined as follows:

	Best Practice as defined in the NZC Design Guide	RIBA 2030 Climate Challenge target
Upfront carbon (A1-A5)	475 kg CO ₂ e/sqm	475 kg CO ₂ e/sqm
Embodied carbon	750 kg CO ₂ e/sqm	750 kg CO ₂ e/sqm
Operational energy	50 kWhr/sqm/yr	55 kWhr/sqm/yr

For the 2023 PSP awards, the following targets apply. As explained last year, EPRA EPS was replaced with total accounting return for these awards, and a new ESG measure linked to energy reduction targets was introduced in place of EPC.

33% of awards		33% of awards	
Absolute average annual compound TSR	Vesting schedule (% of the TSR part which vests)	Total accounting return compound growth	Vesting schedule (% of the TAR part which vests)
<5% p.a.	0%	<4% p.a.	0%
5% p.a.	25%	4% p.a.	25%
Between 5% and 12.5% p.a.	Pro-rata between 25% and 100%	Between 4% and 8% p.a.	Pro-rata between 25% and 100%
12.5% p.a. or more	100%	8% p.a. or more	100%

DIRECTORS' REMUNERATION REPORT (CONTINUED)

The final 33% of these awards, relating to ESG, is split into two halves. For the first half, vesting depends on energy reduction targets, measured on the basis of reductions in energy usage intensity (EUI) across the portfolio.

Reductions in energy usage intensity (kWh/m2) by 31 March 2026	Vesting schedule (% of the energy reduction element which vests)
<4%	0%
4%	25%
Between 4% and 7%	Pro-rata between 25% and 50%
7%	50%
Between 7% and 10%	Pro-rata between 50% and 100%
10%	100%

For the second half of the ESG component, vesting is based on the extent to which Assura is making ongoing progress with net zero carbon developments, as set out below. This is the same metric as used for the 2022 PSP award:

Proportion of in-house development schemes commencing in the year to 31 March 2026 which have been designed to hit Best Practice as defined in Assura's Net Zero Carbon Design Guide	Vesting schedule (% of the net zero element which vests)
<50%	0%
50%	25%
Between 50% and 75%	Pro-rata between 25% and 100%
75%	100%

Single total figure of remuneration – Non-Executives (audited)

The remuneration of Non-Executive Directors for 2023/24 showing the breakdown between components, with comparative figures for the prior year, is shown below. Figures provided have been calculated in accordance with the reporting regulations:

Non-Executive Director (£'000)		Basic fees	Additional fees ¹	Total fees	Total fixed	Total variable
Ed Smith	2023/24	170.2	–	170.2	170.2	–
	2022/23	166.0	–	166.0	166.0	–
Jonathan Davies	2023/24	43.8	19.8	63.6	63.6	–
	2022/23	42.7	19.3	62.0	62.0	–
Louise Fowler	2023/24	43.8	9.9	53.7	53.7	–
	2022/23	42.7	9.7	52.4	52.4	–
Sam Barrell	2023/24	43.8	–	43.8	43.8	–
	2022/23	42.7	–	42.7	42.7	–
Emma Cariaga	2023/24	43.8	–	43.8	43.8	–
	2022/23	42.7	–	42.7	42.7	–
Noel Gordon	2023/24	43.8	–	43.8	43.8	–
	2022/23	42.7	–	42.7	42.7	–

1. Additional fees represent Senior Independent Director and Chair of Board Committee fees.

Statement of Directors' shareholding and share interests (audited)

Directors' share interests and, where applicable, achievement of shareholding requirements are set out below. In order that their interests are aligned with those of shareholders, Executive Directors are expected to build up and maintain a personal shareholding equal to 300% of their basic salary in the Company if they participated in the former Value Creation Plan (i.e. Jonathan Murphy), or 200% of salary for other Executive Directors (i.e. Jayne Cottam). The Remuneration Committee notes that Jayne Cottam is building her holding in Assura shares. The Remuneration Committee notes that as at the year end Jonathan Murphy's beneficial holding was below that required to meet the 300% guideline. This is a reflection of the year-end share price and is not considered to be a major issue of concern, particularly as Jonathan's beneficial holding has continued to increase in absolute terms.

Shareholding and other interests at 31 March 2024

Director	Shares required to be held (% of salary)	Number of shares required to hold ¹	Number of beneficially owned shares ²	SIP shares ³	Shareholding requirement met?	Total number of scheme interests ⁴
Jonathan Murphy	300%	3,557,502	2,933,159	13,647	No	3,700,075
Jayne Cottam	200%	1,453,214	695,595	13,647	No	2,184,930
Ed Smith	–	–	110,648	–	n/a	–
Jonathan Davies	–	–	213,360	–	n/a	–
Louise Fowler	–	–	16,267	–	n/a	–
Sam Barrell	–	–	32,532	–	n/a	–
Emma Cariaga	–	–	–	–	n/a	–
Noel Gordon	–	–	6,130	–	n/a	–

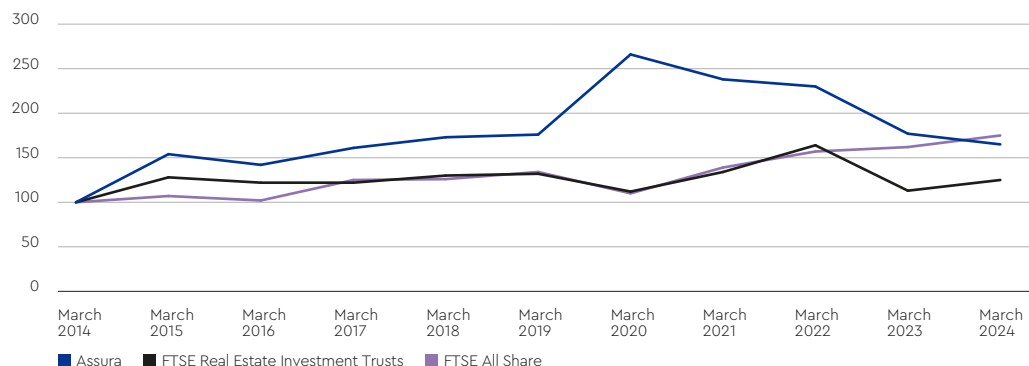
1. Shareholding requirement calculation is based on the share price at the end of the year (42.32 pence at 31 March 2024).
2. Beneficial interests include shares held directly or indirectly by connected persons.
3. This relates to free shares and matching shares awarded under the SIP.
4. This relates to unvested PSP awards (see also the table on page 102).

The Company funds its share incentives through a combination of new issue and market purchased shares. The Company monitors the levels of share grants and the impact of these on the ongoing requirement for shares. In accordance with guidelines set out by the Investment Association the Company can issue a maximum of 10% of its issued share capital in a rolling 10-year period to employees under all its share plans, with an inner 5% limit applying to discretionary plans.

Since the year end, the shareholdings of several Directors have increased following participation in the April scrip dividend and monthly SIP scheme. As at 21 May 2024, Jonathan Murphy holds 2,948,772, Jayne Cottam holds 711,208, Ed Smith holds 112,393, Louise Fowler holds 16,523 and Sam Barrell holds 33,045. There has been no change to the shareholdings of Jonathan Davies, Emma Cariaga and Noel Gordon.

DIRECTORS' REMUNERATION REPORT (CONTINUED)**Performance graph and table**

The Committee believes that the Executive Directors' Remuneration Policy and the supporting reward structure provide clear alignment with the Company's performance. The Committee believes it is appropriate to monitor the Company's performance against the FTSE All Share Real Estate Investment Trusts index for these purposes. The graph below sets out the TSR performance of the Company compared to the FTSE All Share Real Estate Investment Trusts index and, for comparison, the FTSE All Share index over a ten-year period as required by the reporting regulations. Assura is a member of both of these indices and therefore these are viewed as appropriate comparators for the purpose of the regulations.

**Percentage change in Directors' remuneration**

The table below compares the percentage change in pay of all Directors (including salary and fees, taxable benefits and annual bonus) with the average percentage change for employees, as required by the reporting regulations:

Director	2023/24 vs 2022/23			2022/23 vs 2021/22			2021/22 vs 2020/21			2020/21 vs 2019/20		
	Salary/fees % change	Taxable benefits % change	Bonus % change	Salary/fees % change	Taxable benefits % change	Bonus % change	Salary/fees % change	Taxable benefits % change	Bonus % change	Salary/fees % change	Taxable benefits % change	Bonus % change
Executive Directors												
Jonathan Murphy	2.5%	1.7%	62.8%	5.0%	3.3%	(6.0)%	12.1%	1.5%	(26.8)%	5.3%	0.44%	84.5%
Jayne Cottam	7.9%	1.7%	77.3%	8.8%	3.3%	2.2%	12.1%	2.5%	(18.7)%	5.3%	0.38%	79.8%
Non-Executive Directors												
Ed Smith	2.5%	–	–	5.0%	–	–	1.5%	–	–	1.8%	–	–
Jonathan Davies	2.5%	–	–	5.0%	–	–	1.5%	–	–	10.4%	–	–
Louise Fowler	2.5%	–	–	10.3%	–	–	18.4%	–	–	22.3%	–	–
Sam Barrell	2.5%	–	–	14.6%	–	–	–	–	–	–	–	–
Emma Cariaga	2.5%	–	–	14.6%	–	–	–	–	–	–	–	–
Noel Gordon	2.5%	–	–	14.6%	–	–	–	–	–	–	–	–
Employees												
Average per employee – Parent Company ¹	–	–	–	–	–	–	–	–	–	–	–	–
Average per employee – Group	7.24%	5.93%	40.02%	17.7%	0.09%	(59.6)%	4.26%	1.42%	(17.1)%	4.3%	1.7%	5.5%

1. No employees (other than Directors) are directly employed by Assura plc.

The table below shows the CEO's remuneration packages over the past ten years:

Year	Name	Single figure £'000 ²	Bonus (% of max)	LTI (% of max)
2023/24	Jonathan Murphy	1,198	64	35
2022/23	Jonathan Murphy	940	40	21
2021/22	Jonathan Murphy	1,055	54	29
2020/21	Jonathan Murphy	1,190	83	34
2019/20	Jonathan Murphy	1,155	47	64
2018/19	Jonathan Murphy	794	61	32
2017/18	Jonathan Murphy	1,513	84	100
2016/17 ¹	Jonathan Murphy	1,232	93	100
2016/17 ¹	Graham Roberts	3,489	–	100
2015/16	Graham Roberts	3,747	71	100
2014/15	Graham Roberts	677	90	–

- Both Graham Roberts' and Jonathan Murphy's remuneration details have been included as they both served as CEO during the year.
- Includes base salary, taxable benefits, bonus payments for the relevant financial year, long-term incentive awards that vested for performance related to the financial year and cash in lieu of pension.

DIRECTORS' REMUNERATION REPORT (CONTINUED)**CEO pay ratio information**

Although Assura does not have more than 250 UK employees, and is thus not formally required to publish the ratio of the CEO's pay to the wider UK employee base, we have again decided to do so as a matter of good practice.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023/24	Option A	34:1	18:1	14:1
Total pay and benefits		£35,303	£65,175	£88,407
Salary		£29,120	£60,000	£70,533
2022/23	Option A	26:1	15:1	11:1
2021/22	Option A	39:1	19:1	12:1
2020/21	Option A	45:1	22:1	15:1
2019/20	Option B	35:1	21:1	15:1

1. The calculations of the pay for the employees at the different levels have been calculated as at 31 March for each financial year. Where relevant, full-time equivalent employee pay was calculated by applying a proportionate increase to the pay and benefits of part-time employees.

Option A has been chosen for the pay ratio calculation for 2023/24 and for the previous three years as it ensures that the most accurate and up-to-date employee pay information has been used. Option B was chosen for 2019/20 to ensure that the calculation was undertaken in the most efficient manner possible at the time. We have considered carefully the remuneration of the employees identified through this exercise and believe that they are reasonably representative of the 25th, 50th and 75th percentiles of remuneration in each of the financial years. This assessment took into account their pay arrangements, the pay of other employees at a similar level within the organisation and pay structures and levels across the Company as a whole.

The calculation of the pay ratio for 2023/24 shows an increase in the median ratio compared with 2022/23. The main reason for this is a higher CEO single total figure for 2023/24, reflecting higher levels of incentive outcomes than the prior year. It is worth noting that the comparative pay figures for the individual at the 50th percentile of the pay distribution are also higher than the respective figures in 2022/23. The Remuneration Committee is comfortable that the median pay ratio for 2023/24 is consistent with Assura's wider pay, reward and progression policies. Although there has been some year-on-year variation in the ratio (due primarily to movement in the CEO single total figure), the ratio is broadly in line with that of prior years and reflects differences in the structure of the CEO's remuneration compared to others in the organisation. The size of the CEO's pay takes into account the responsibilities of the role. It includes a bonus opportunity which is higher than that for others in the company (consistent with common practice). In addition, long-term equity incentives have been limited to Executive Directors and other members of the Executive Committee, and therefore the employee remuneration disclosed in the table above does not include a value for long-term incentives.

Relative importance of spend on pay

The table below sets out the overall spend on pay for all employees compared with the returns distributed to shareholders:

	2023/24 £m	2022/23 £m	% change
Significant distributions			
Overall spend on pay for employees, including Executive Directors	7.2	8.4	(14.3)
Distributions to shareholders by way of dividends	96.1	91.0	5.6

Payments to past Directors or for loss of office (audited)

No Director left the Board during the year. No payments for compensation for loss of office were paid to, or receivable by, any Director for the year or for any earlier year.

Statement of shareholder voting

The table below shows the results of voting on: (1) the Directors' Remuneration Policy resolution at the AGM held on 6 July 2022, and (2) the Annual Report on Remuneration resolution at the AGM held on 6 July 2023.

AGM resolution	Votes for	%	Votes against	%	Votes withheld
Directors' Remuneration Policy (2022 AGM)	2,512,011,438	98.11	48,281,965	1.89	61,666
Annual Report on Remuneration (2023 AGM)	2,341,833,957	97.77	53,533,946	2.23	12,112,266

Statement of implementation of Remuneration Policy for 2024/25**Executive Directors****Salary**

As explained in the Annual Statement from the Chair of the Remuneration Committee, the salaries of the Executive Directors will increase with effect from 1 April 2024. Jonathan Murphy will receive an increase of 3%, which is in line with the average increase for the wider workforce. For Jayne Cottam, a higher increase of 12% has been agreed, for the reasons set out in the Annual Statement. The salaries with effect from 1 April 2024 are set out below:

	1 Apr 2023 salary £m	1 Apr 2024 salary £m	% change
Executive Director			
Jonathan Murphy	501,845	516,900	3.0%
Jayne Cottam	307,500	344,400	12.0%

Pension and benefits

Pension contributions for both Executive Directors will continue to be at 6% of salary, the rate available to the wider workforce. Benefits will be provided in line with the Remuneration Policy.

Annual bonus

The maximum bonus opportunity for 2024/25 will remain unchanged at 150% of salary for Jonathan Murphy and 135% of salary for Jayne Cottam. Payment for on-target performance will be 50% of the maximum bonus, i.e. 75% of salary for Jonathan and 67.5% of salary for Jayne.

The performance objectives under the annual bonus plan will continue to relate to measures which are critical to Assura's strategy and will include a mixture of financial and non-financial goals. The overall structure of the bonus will be similar to that of 2023/24. The financial elements will again be weighted at 70%, split between EPRA earnings (30%), total accounting return (20%) and net rental income (20%). The remaining 30% will be based on key non-financial measures (including ESG targets) linked to specific priorities for the business for the coming year.

The precise performance targets for the bonus plan are considered commercially sensitive and the Committee considers that it would be detrimental to the interests of the Company to disclose them at the start of the financial year. For all bonus metrics, full details of the actual targets, performance achieved and awards made will be published in next year's report.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

In line with the Directors' Remuneration Policy, any bonus payable will be subject to deferral requirements such that a minimum of one-third of any bonus must be invested in shares which must be held for a period of at least two years.

Long-term incentives

A further grant of awards will be made under the PSP to Jonathan Murphy and Jayne Cottam over shares worth 150% of salary, in line with the limit in the Directors' Remuneration Policy. The Committee has granted at this level for many years (notwithstanding market cyclicity and the impact on the share price in any year). The Committee will consider the size of the award again at the time of vesting in 2027, alongside the performance achieved. This will include an assessment of whether any windfall gain has accrued over the vesting period.

The awards will vest subject to the extent to which TSR, total accounting return and key ESG performance targets are satisfied over the three-year period to 31 March 2027. These three measures are equally weighted, with the ESG component further separated into two different elements.

33% of awards		33% of awards	
Absolute average annual compound TSR	Vesting schedule (% of the TSR part which vests)	Total accounting return compound growth	Vesting schedule (% of the TAR part which vests)
<5% p.a.	0%	<4% p.a.	0%
5% p.a.	25%	4% p.a.	25%
Between 5% and 12.5% p.a.	Pro-rata between 25% and 100%	Between 4% and 8% p.a.	Pro-rata between 25% and 100%
12.5% p.a. or more	100%	8% p.a. or more	100%

For the first half of the ESG component, vesting will depend on energy reduction targets, measured on the basis of reductions in energy usage intensity (EUI) across the portfolio.

Reductions in energy usage intensity (kWh/m ²) by 31 March 2027	Vesting schedule (% of the energy reduction element which vests)
<4%	0%
4%	25%
Between 4% and 7%	Pro-rata between 25% and 50%
7%	50%
Between 7% and 10%	Pro-rata between 50% and 100%
10%	100%

For the second half of the ESG component, vesting will be based on the extent to which Assura is making further progress with net zero carbon developments, as set out below:

Proportion of in-house development schemes commencing in the year to 31 March 2027 which have been designed to hit Best Practice as defined in Assura's Net Zero Carbon Design Guide	Vesting schedule (% of the net zero element which vests)
<50%	0%
50%	25%
Between 50% and 75%	Pro-rata between 25% and 100%
75%	100%

"Best Practice" as outlined in the Guide is defined as follows:

	Best Practice as defined in the NZC Design Guide	RIBA 2030 Climate Challenge target
Upfront carbon (A1-A5)	475 kg CO ₂ e/sqm	475 kg CO ₂ e/sqm
Embodied carbon	750 kg CO ₂ e/sqm	750 kg CO ₂ e/sqm
Operational energy	50 kWhr/sqm/yr	55 kWhr/sqm/yr

At the end of the performance period we will disclose the extent to which the performance targets were met and the resulting level of vesting. In addition, the Committee will also reflect on Assura's overall financial and business performance over the course of the performance period when determining the extent of vesting.

A two-year post vesting holding period will apply.

Non-Executive Directors

The following table sets out the fee rates for the Non-Executive Directors from 1 April 2024:

Non-Executive Director	2023/24 £'000	2024/25 £'000	% change
Chair's fee	170.1	170.1	n/a
Non-Executive Director base fee	43.8	44.7	2.0
Additional fee for chairing of Audit and Remuneration Committee	9.9	10.1	2.0
Additional fee for chairing of ESG Committee	n/a	10.1	n/a
Additional fee for Senior Independent Director	9.9	10.1	2.0

A fee for chairing the ESG Committee has been introduced for 2024/25 given the significant time commitment involved in chairing this important Committee.

The fee increase for the Non-Executive Directors is lower than the salary increase for the wider workforce. The targets chosen for the various measures are unchanged from those which apply to the award made in 2023. They are considered to represent a challenging incentive for the Executive Directors in the context of current market circumstances.

By order of the Board

Louise Fowler
Chair of the Remuneration Committee
21 May 2024

Directors' Report

Financial and business reporting

The Directors present their annual report and accounts on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2024. The Corporate Governance Statement set out on page 72 forms part of this report.

The Directors' Report and the other sections of this Annual Report contain forward-looking statements. The extent to which the Company's shareholders or anyone may rely on these forward-looking statements is set out on page 142.

Principal activities

Assura plc is a leading primary care property investor and developer. It owns and procures good quality primary care properties across the UK. The subsidiary and associated undertakings are listed in Note 8 to the accounts.

CFO review

The Group is required to include a business review in this report. The information that fulfils the requirements of the business review can be found in the CFO review on pages 35 to 38, which are incorporated in this report by reference.

Future developments

Details of future developments are discussed in the CEO statement on pages 10 to 12 and CFO review on pages 35 to 38.

Going concern

The Company's going concern statement is on page 70.

Long-term viability statement

The Company's viability statement is on page 70.

Internal controls and risk management

The Board accepts and acknowledges that it is both accountable and responsible for ensuring that the Group has in place appropriate and effective risk management and internal control systems, including financial, operational and compliance control systems. The Board monitors these systems on an ongoing basis and this year's review found them to be operating effectively.

Price risk, credit risk, liquidity risk and cash flow risk

Full details of how these risks are mitigated can be found in Note 22 to the accounts.

Dividends

Details of the dividend can be found in Note 18 to the accounts. Three of the four dividends paid during the year were PIDs with the remaining one being an ordinary dividend. Going forward, the Group expects the majority of dividends to be PIDs. Details of the Group's dividend policy can be found in the CFO review on page 38.

Post balance sheet event

Subsequent to the year end, on 21 May 2024, Assura entered into a strategic joint venture with Universities Superannuation Scheme (USS). It has been agreed that seven assets from Assura's existing portfolio valued at £107 million will be transferred into the vehicle, funded 20% by Assura and 80% by USS. Assura will act as property manager for the joint venture, with an asset management fee linked to vehicle gross asset value, as well as retaining 20% of the equity interest. The arrangement will be accounted for using the equity method in accordance with IAS 28, with joint consent required for a schedule of reserved matters.

Supplier payment policy

The Group has not signed up to any specific supplier payment code; it is Assura's policy to comply with the terms of payment agreed with its suppliers. Where specific payment terms are not agreed, the Group endeavours to adhere to the suppliers' standard payment terms.

As at 31 March 2024, the average number of days taken by the Group to pay its suppliers was six days (2023: three days). Further details of how the Group manages and monitors relationships with suppliers, and our supplier policies can be found on page 48.

Donations

In the year to 31 March 2024, Assura donated £260,600 to charities (2023: £250,600), with all activity through the Assura Community Fund which is administered by the Cheshire Community Foundation, and no contributions were made for political purposes (2023: £nil). More details of our chosen charities can be found on our website and pages 42 to 45.

Employees

Employees are encouraged to maximise their individual contribution to the Group. In addition to competitive remuneration packages, they participate in an annual bonus scheme which links personal contribution to the goals of the business. Outperformance against the annual targets can result in a bonus award proportionate to the individual's contribution. Employees are provided regularly with information regarding progress against the budget, financial and economic factors affecting the business's performance and other matters of concern to them. In addition, all staff are eligible to participate in a defined contribution pension scheme and the Share Incentive Plan.

The views of employees are taken into account when making decisions that might affect their interests. Assura encourages openness and transparency, with staff having regular access to the Directors and being given the opportunity to express views and opinions, including formally through the employee representation group, The Voice. Further details of how the Directors engage with employees can be found in the our people section on pages 46 and 47 and in the Corporate Governance section on page 82.

The Group is committed to the promotion of equal opportunities, supported by its Equal Opportunity and Diversity Policy, and respecting the Human Rights of all employees. The policy reflects both current legislation and best practice. It highlights the Group's obligations to race, gender and disability equality. Full and fair consideration is given to applications for employment from disabled persons and appropriate training and career development are provided. Further details are provided on page 84.

DIRECTORS' REPORT (CONTINUED)

Share capital

Assura has a single class of share capital which is divided into Ordinary Shares of nominal value 10 pence each ranking pari passu. No other securities have been issued by the Company. At 31 March 2024, there were 2,984,790,496 Ordinary Shares in issue and fully paid, none of which are held in treasury. No shares were bought back during the year. Further details relating to share capital, including movements during the year, are set out in Note 17 to the financial statements.

Subsequent to the year end, the Company issued 4,663,894 Ordinary Shares via scrip in respect of the April 2024 dividend paid. As at 21 May 2024, the number of Ordinary Shares in issue is 2,989,454,390.

The Board manages the business of Assura under the powers set out in the Articles of Association. These powers include the Directors' ability to issue or buy back shares. Shareholders' authority to empower the Directors to make market purchases of up to 10% of its own Ordinary Shares is sought at the AGM each year. All the issued and outstanding Ordinary Shares of Assura have equal voting rights with one vote per share. There are no special control rights attaching to them save that the control rights of Ordinary Shares held in the Employee Benefit Trust (EBT) can be directed by the Company to satisfy the vesting of outstanding awards under the PSP.

The rights, including full details relating to voting of shareholders and any restrictions on transfer relating to Assura's Ordinary Shares, are set out in the Articles and in the explanatory notes that accompany the Notice of the 2023 AGM. These documents are available on Assura's website at: www.assurapl.com. Assura is not aware of any agreements or control rights between existing shareholders that may result in restrictions on the transfer of securities or on voting rights.

The EBT is used to act as a vehicle for the issue of new shares under the PSP. As at 31 March 2024, the EBT held 736,739 Ordinary Shares (2023: 827,447) related to restricted share awards under the PSP. A dividend waiver is in place from the Trustee in respect of all dividends payable by Assura on shares which it holds in trust.

Interests in voting rights

As at 14 May 2024, the Company had been notified of the following interests in accordance with Disclosure Guidance and Transparency rules 5:

Name of shareholder	31 March 2024 Percentage of Ordinary Shares	21 May 2024 Percentage of Ordinary Shares
Blackrock, Inc.	10.03	10.83
Schroders plc	5.47	no change
CCLA Investment Management Ltd	5.13	no change
Investec Wealth & Investment Limited	5.00	no change
Legal & General Group plc	5.01	no change

Directors

The appointment and replacement of Directors is governed by Assura's Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 (The Act) and related legislation. The Board may appoint a Director either to fill a casual vacancy or as an addition to the Board so long as the total number of Directors does not exceed the limit prescribed in the Articles. An appointed Director must retire and seek election to office at the next AGM. In addition to any power of removal conferred by the Act, Assura may by ordinary resolution remove any Director before the expiry of their period of office and may, subject to the Articles, by ordinary resolution appoint another person who is willing to act as a Director in their place. In line with the Code and the Board's policy, all Directors are required to stand for re-election at each AGM.

Subject to provisions of the Act, the Articles, and to any directions given by special resolution, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. The Directors may exercise all the powers of the Company to borrow money. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment or otherwise that occurs specifically because of a takeover. The Company has arranged qualifying third-party indemnity insurance cover in respect of legal action against its Directors, including all Directors of the wholly-owned subsidiaries within the Group structure.

Competition and Markets Authority (CMA) Order

The Company confirms that it has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 published by the CMA on 26 September 2014.

GHG emissions and energy usage

Details of greenhouse gas emissions from employee and head office activities can be found on page 58. The annual quantity of energy consumed from activities for which the Company is responsible is 336,126 kWh (2023: 372,590 kWh). This is the energy consumed by employees either through our head office activities or business mileage.

Auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Act.

The Directors, on recommendation from the Audit Committee, intend to place a resolution before the AGM to appoint EY as auditor for the year ending 31 March 2025.

DIRECTORS' REPORT (CONTINUED)

Amendments to the Articles of Association

The Articles can only be amended, or new Articles adapted, by a resolution passed by shareholders in a general meeting and being approved by at least three-quarters of the votes cast.

Change of control

The Group's financing agreements afford the lender a right to mandatory repayment on change of control following a takeover. The Company's PSP contains provisions that take effect in such an event but do not entitle participants to a greater interest in the shares of the Company than created by the initial grant or award under the relevant plan.

Annual General Meeting

The AGM will be held on 4 July 2024. The principal meeting location will be confirmed in the AGM notice.

Provisions have been made for investors to observe the AGM and ask questions via the Investor Meet Company platform for which investors can register at this link (<https://www.investormeetcompany.com/assura-plc/register-investor>). Shortly after the meeting, the Company will publish on its website the result of the AGM.

Both the Directors' Report on pages 107 and 108 and the Strategic Report on pages 1 to 71 were approved by the Board and signed on its behalf.

Orla Ball
Company Secretary
21 May 2024

Directors' Responsibility Statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted international accounting standards (IFRS). The Directors have also chosen to prepare the Parent Company financial statements under IFRS. Under company law the 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, IAS 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board

Orla Ball
Company Secretary
21 May 2024

Independent Auditor’s report to the members of Assura plc

Opinion

In our opinion:

- Assura plc’s group financial statements and parent company financial statements (the “financial statements”) give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2024 and of the group’s loss and the parent company’s profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Assura plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 March 2024 which comprise:

Group	Parent Company
Consolidated income statement for the year then ended	Company Income Statement for the year then ended
Consolidated balance sheet as at 31 March 2024	Company balance sheet as at 31 March 2024
Consolidated Statement of Changes in Equity for the year then ended	Company Statement of Changes in Equity for the year then ended
Consolidated Statement of Cash Flows for the year then ended	Company Statement of Cash Flows for the year then ended
Related notes 1 to 25 to the financial statements, including a summary of significant accounting policies	Related Notes A to G to the financial statements including a summary of significant accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s 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 are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

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. Our evaluation of the directors’ assessment of the group and parent company’s ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the group’s financial close process, we obtained an understanding of management’s going concern assessment process and challenged management to ensure key factors were considered in their assessment. We obtained an understanding of each of management’s modelled scenarios, including the base case, the severe downside case and the reverse stress test case. The reverse stress test case has been prepared to illustrate severe assumptions which achieve a break case i.e., where the group breaches a debt covenant.
- We obtained management’s going concern calculations, including the cashflow forecast and the covenant calculations for the going concern assessment period through to 31 May 2025 and tested these for arithmetical accuracy.
- We assessed the appropriateness of the duration of the going concern assessment period to 31 May 2025 and considered the existence of any significant events or conditions beyond this period based on our procedures on the group’s profit and cash flow forecasts to 31 May 2025 and from knowledge arising from other areas of the audit.
- We assessed the historical accuracy of management’s forecasting and challenged the appropriateness of the key assumptions in management’s forecasts including assessing rental income growth in comparison to historical rental growth. We also considered the appropriateness of the methods used to calculate the cash flow forecasts through inspection and testing of the methodology and calculations
- We verified inputs into the cash flow forecasts, including existence of bank balances, private placement debt and revolving credit facility terms and reconciled the liquidity position as at 31 March 2024. We reviewed the revolving credit facility terms to confirm the availability to the group through the going concern assessment period and to validate that there are only two financial covenants in relation to the available facilities.
- We performed testing to evaluate management’s covenant calculations based on the cash flow forecasts and evaluated whether the financial covenants would be met during the going concern period. We assessed within the reverse stress test, the impact of a reduction in the property portfolio valuation during the going concern period, considering discussions with our EY valuation specialists and latest economic forecasts. We assessed managements mitigating actions in such an event. Mitigating actions that are available to be taken include renegotiating the revolving cash facility and private placement covenants to allow for further headroom, ensuring the maximum pool of assets is allocated against the revolving cash facility and private placement tranche and seeking to raise funds from existing investors or portfolio sales.
- We reviewed the reverse stress testing and downside cases prepared by management and assessed the plausibility of these. We did this by challenging the assumptions made and considering indicators of contradictory evidence, for example, obtaining external valuation reports, reviewing competitors’ performance records, and assessing the industry and company-specific impacts of external factors such as of COVID-19, cyber-attacks, climate change, Brexit, the conflict in Ukraine and the cost of living challenges.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA PLC (CONTINUED)

- We subjected the severe downside model to additional stress testing to confirm management has considered a balanced range of outcomes in their assessment of going concern.
- We considered any mitigating factors included in the downside case scenarios that are within control of the group. This includes assessment of the group's discretionary cash outflows relating to acquisition of properties, asset enhancement and development expenditure and evaluating the group's ability to control these outflows as mitigating actions if required.
- We obtained an understanding of any significant climate and sustainability related assumptions underpinning management's forecasts to 31 May 2025 for going concern. We assessed management's considerations related to any material climate change impacts in the going concern period, including reviewing the assumed capital expenditure in relation to upgrading the Assura property portfolio to have an overall EPC rating of B or above across the portfolio by March 2026.
- We reviewed the group's going concern disclosures included in the annual report and accounts in order to assess whether the disclosures appropriately described the assessment management performed and the key judgements taken.

Our key observations

- The directors' assessment forecasts that the Group will maintain sufficient liquidity throughout the going concern assessment period in the base case scenario and downside scenario. The group has a cash balance of £35.4m and an undrawn RCF of £200m as at 31 March 2024. The directors' forecasts indicate sufficient cash generation from contracted rental income will enable the group to continue to meet its liabilities as they fall due through the going concern period.
- We observed that yields would need to move by 122bps to 7% before covenant limits were breached. The Group has headroom on covenants and the Directors consider likelihood of breaching the covenants during the going concern period to be remote.

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 and parent company's ability to continue as a going concern for a period to 31 May 2025.

In relation to the group and parent company's 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none">- We performed an audit of the complete financial information of 18 components and audit procedures on specific balances for a further 36 components- The components where we performed full or specific audit procedures accounted for 100% of adjusted profit, 100% of Revenue and 97% of Total assets
Key audit matters	<ul style="list-style-type: none">- Risk of inappropriate valuation of investment property- Risk of inappropriate revenue recognition on rental income
Materiality	<ul style="list-style-type: none">- Overall group materiality of £28.1m which represents 1% of total assets- Specific group materiality of £5.1m which represents 5% of adjusted profit (EPRA earnings)

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 88 reporting components of the Group, we selected 54 components covering entities within the United Kingdom & Ireland, which represent the principal business units within the Group.

Of the 54 components selected, we performed an audit of the complete financial information of 18 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 36 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The components where we performed audit procedures accounts for 100% (2023: 100%) of the Group's adjusted profit, 100% (2023: 100%) of the Group's revenue and 97% (2023: 97%) of the Group's total assets. Below is the contribution to the Group of the components:

	Full scope components	Specific scope components	Other procedures
Adjusted profit	81% (2023: 84%)	19% (2023: 16%)	0% (2023: 0%)
Revenue	82% (2023: 80%)	18% (2023: 20%)	0% (2023: 0%)
Total assets	86% (2023: 84%)	11% (2023: 13%)	3% (2023: 3%)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA PLC (CONTINUED)

The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 34 components that together represent 3% of the Group's total assets, none are individually greater than 3% of the Group's total assets. For these components, we performed other procedures, including review of group wide entity level controls over these components, including the level of CEO, CFO and other group management oversight, analytical review procedures over these components and enquiry of management about unusual transactions in these components to respond to any potential risks of material misstatement to the Group financial statements.

Changes from the prior year

There have been no significant changes in our scoping from the prior year.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Assura plc. The Group has determined that the most significant future impacts from climate change on its operations will be from the risk of not meeting government energy efficiency standards on its portfolio and in not achieving its net zero target by 2040. These are explained on pages 67 to 69 in the required Task Force On Climate Related Financial Disclosures and on pages 63 to 66 in the principal risks and uncertainties. They have also explained their climate commitments on page 13. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The group continues to develop its assessment of the potential impacts of climate change and set targets. With input from external expert sustainability advisors, management has determined science based targets of net zero carbon emissions by 2040 for the groups own operations and total portfolio, including all new developments. Consideration of significant judgements and estimates relating to climate change are included in Note 2 where management conclude that the impact of climate change is not deemed material to the valuation of investment properties and future cashflows of the Group and has been appropriately considered in these financial statements.

We design and execute tailored procedures to respond to the climate change risk for the audit and include climate considerations in our audit procedures in respect of valuation of investment properties and properties under construction and going concern and viability.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 67 to 69 and the significant judgements and estimates disclosed in Note 2 and whether these have been appropriately reflected in property valuations and cashflows, following the requirements of UK adopted international accounting standards. As part of this evaluation, we performed our own risk assessment supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact of climate change on investment property valuation. Details of the impact, our procedures and findings are included in our explanation of key audit matter below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) that we identified. These matters included 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 were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA PLC (CONTINUED)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Valuation of investment property (£2,659m, PY comparative £2,685m)</p> <p><i>Refer to the Audit Committee Report (pages 86 and 87); Accounting policies (page 121); and Note 9 of the Consolidated Financial Statements (pages 125 and 126)</i></p> <p>The valuation of investment properties requires significant judgement and estimation by management and their external valuers. Any input inaccuracies of unreasonable bases used in these judgements (such as in respect of estimated rental value or yield profile applied) could result in a material misstatement of the income statement and balance sheet. There is also a risk that management may influence the significant judgements and estimates in respect of property valuations in order to meet market expectations or bonus targets.</p> <p>The risk remains consistent with that of the prior year.</p>	<p>Our audit procedures over the valuation of the property portfolio included:</p> <p>Walkthrough and controls</p> <ul style="list-style-type: none"> – We performed walkthroughs of the significant class of transaction including the group's controls over data used in the valuation of the property portfolio and management's review of the valuations. We assessed the design effectiveness of key transaction controls. – We attended and observed, with support from our internal valuation specialists, the external valuer meetings (CBRE, JLL and Cushman Wakefield ('CW')) at the year end. As part of this, we obtained an understanding of the methodology used and the key basis for assumptions applied within the year end valuations such as the Net Initial Yield (NIY) and the Weighted average unexpired lease term (WAULT). We observed the level of review applied by management in evaluating assumptions within valuations. We assessed the competence of the valuers and reviewed the engagement agreements with these specialists. – We evaluated the competence of the external valuers which included consideration of their qualifications and experience. <p>Testing the appropriateness of assumptions underpinning the property valuations</p> <ul style="list-style-type: none"> – We obtained the valuation reports for the investment property portfolio directly from the third-party valuers and agreed these to the general ledger. – We utilised data analytics in order to identify higher risk property valuations based on certain risk indicators. We identified certain property valuations for testing. – We included Chartered Surveyors on our audit team who reviewed and challenged the valuation approach and assumptions for a sample of properties identified as significant risk assets. They compared the market rental income and yields applied to each property valuation to an expected range of assumptions taking into account available market data and asset specific considerations. This included assessing the external valuers' considerations of climate change factors and market factors such as the macroeconomic environment and its impact on the occupational and investment markets – We engaged our internal valuations specialists to support the following audit procedures: <ul style="list-style-type: none"> – Assisting the audit team in determining criteria (such as yield) to categorise the full investment property portfolio into lower risk, residual portfolio and higher risk assets. This was then used by the audit team to calculate an expected range for the year-end valuation of low and high-risk assets based on market data. We also disaggregated the residual portfolio by region and calculated an expected range for the valuation of these assets based on market data specific to each region. – Providing expected yields ranges for each property. This was utilised in our analytics tool to compare an expected value by property to the actual value at the year end and the audit team investigated outliers which did not match our expectation. – Using knowledge from prior periods, latest market evidence and third-party research, we established a reasonable valuation range for the property portfolio and confirmed that the property valuations included in the financial statements fall within our expected range. We assessed assumptions and valuation movements year on year with reference to explanations provided by management and their external chartered surveyors. We discussed unexpected movements with our own chartered surveyors and obtained evidence to support the movements where necessary. – We performed procedures on the total investment property balance across the group which covers 100% of the risk amount. <p>Testing input data to valuations</p> <ul style="list-style-type: none"> – We tested a sample of input data provided by the group to CBRE, CW and JLL since this forms the basis of the portfolio valuation. This included agreeing a sample of input data back to underlying lease information such as lease agreements and subsequent rent review documentation. <p>Assessment of impact of climate change</p> <ul style="list-style-type: none"> – We assessed the impact of climate change risk on the valuation of investment properties and properties under construction. With input from our EY valuations specialists, we obtained an understanding of management's basis for modelling costs into the valuations, specifically in relation to upgrading the property portfolio to have an overall EPC rating of B or above across the entire portfolio by March 2026 in line with Assura's strategy. 	<p>We have tested the inputs, assumptions and methodology used by external valuers.</p> <p>We have concluded that the methodology applied is reasonable and that the external valuations are an appropriate assessment of the market value of the property portfolio at 31 March 2024.</p> <p>We conclude that the value of the sample of properties reviewed by our chartered surveyors was within the reasonable range of values as assessed by them.</p> <p>We have reviewed the disclosures in the financial statements including the accounting judgements and key sources of estimation uncertainty and sensitivities and consider them to be appropriate.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA PLC (CONTINUED)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Revenue recognition on rental income (£157.8m, PY comparative £150.4m)</p> <p><i>Refer to the Audit Committee Report (pages 86 and 87); Accounting policies (page 121); and Note 3 of the Consolidated Financial Statements (page 122)</i></p> <p>Market expectations and revenue profit-based targets may place pressure on Management to distort revenue recognition. This may result in overstatement or deferral of revenues to assist in meeting current or future targets or expectations, through the use of manual topside journals or the incorrect treatment of accrued and/or deferred income.</p> <p>We have identified a risk of management override in relation to revenue recognition. Revenue could be manipulated through topside manual journals.</p>	<p>Our audit procedures over revenue recognition included:</p> <p>Walkthrough and controls</p> <ul style="list-style-type: none"> – We completed a walkthrough of management's controls in place over revenue recognition and assessed the design effectiveness of key controls. <p>Revenue Recognition</p> <ul style="list-style-type: none"> – Using the contractual rental income, we set an expectation of the annual rental income and compared with the revenue recognised in the general ledger. We set a tolerance threshold to assess whether rental income recorded is in line with our expectations. – To test the accuracy of the lease database source data used in setting expectations on revenue income, we tested a sample of 60 tenancies to signed lease agreements and subsequent rent review information. <p>Deferred income</p> <ul style="list-style-type: none"> – We performed substantive analytical review procedures over deferred income. We disaggregated the balance by statutory entity and compared movements year on year investigating any significant/unusual movements. <p>Accrued income</p> <ul style="list-style-type: none"> – We performed overall analytical review procedures and we tested a sample of transactions by agreeing to underlying supporting documentation. <p>Manual journals</p> <ul style="list-style-type: none"> – We performed specific procedures over manual journals posted to revenue associated balance sheet accounts. We focused on entries with specific characteristics, such as journals from outside normal revenue patterns and those with unusual descriptions. Examples included testing manual journals posted to revenue in respect of back dated rent and deferred income. We corroborated a sample of journals to supporting documentation. – We performed inquiries of management regarding awareness of instances of fraud. We extended these enquiries beyond the finance team and inquired with the Head of Legal. 	<p>We did not identify any evidence of material misstatement in the revenue recognised in the year as a result of inappropriate revenue recognition, application of cut-off or management override.</p>

The key audit matters are consistent with those reported in the prior year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA PLC (CONTINUED)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

The table below sets out the materiality, performance materiality and threshold for reporting audit differences applied on our audit:

	Basis	Materiality	Performance materiality	Audit differences
Overall materiality	1% of total assets	£28.1m	£21.1m	£1.4m
Specific materiality – account balances not related to properties, loans and borrowings and equity	5% of adjusted profit	£5.1m	£3.9m	£0.3m

We determined that an asset-based measure would be the most appropriate basis for determining overall materiality given that the key users of the Group's financial statements are primarily focused on the valuation of the Group's assets. Based on this, we determined that it is appropriate to set the overall materiality for the Group at £28.1 million (2023: £29.2 million), which is 1% of total assets (2023: 1%). We apply overall materiality to all balances relating to investment properties, properties under development, loans & borrowings and equity.

We have determined that for other account balances not related to investment properties, properties under development, loans and borrowings or equity, a misstatement of less than overall materiality for the financial statements as a whole could influence the economic decisions of users. We believe that it is most appropriate to use a profit-based measure as profit is also a focus of users of the financial statements. We have determined that materiality for these areas should be £5.1m (2023: £4.8m) which is based upon 5% of adjusted profit (2023: 5%). Adjusted profit is equivalent to EPRA earnings which is considered an important performance metric and aligned with industry earnings measures.

We determined materiality for the Parent Company to be £27.8 million (2023: £27.9 million), which is 2% (2022: 2%) of equity.

We reassessed initial materiality at the year-end date to reflect the actual reported performance of the group in the year which resulted in no material change from our original assessment at planning.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £21.1m (2023: £21.9m) and £3.9m (2023: £3.6m) respectively for overall and specific materiality levels. We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.8m to £2.1m (2023: £0.7m to 2.3m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.4m (2023: £1.5m), as well as audit differences in excess of £0.3m (2023: £0.2m) that relate to our specific testing of the other account balances not related to investment properties, properties under development, loans and borrowings or equity. These thresholds are set at 5% of planning materiality. We have also agreed to report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 109, including the Strategic Report and Governance section, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA PLC (CONTINUED)

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

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 or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 70;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 70;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 70;
- Directors' statement on fair, balanced and understandable set out on page 109;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 62 to 66;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 87; and;
- The section describing the work of the audit committee set out on pages 86 and 87.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 109, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 and parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSURA PLC (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, UK Companies Act, Listing Rules), REIT, EPRA and tax legislation.
- We understood how Assura plc is complying with those frameworks by making enquiries of management, those charged with governance, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with individuals from various parts of the business to understand where it considered there was a susceptibility to fraud. We considered the programmes and controls that the Group has established to address the risks identified, or that otherwise prevent, deter or detect fraud, and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition and investment properties detailed above and the testing of journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on consolidation journals and journals indicating large or unusual transactions based on our understanding of the group; enquiries of Group management, those charged with governance, legal counsel, and internal audit; and testing as described above. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2018.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the company on 6 July 2021 to audit the financial statements for the year ending 31 March 2022 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 3 years, covering the years ending 31 March 2022 to 31 March 2024.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Morritt

Senior statutory auditor

for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
21 May 2024

Consolidated income statement

For the year ended 31 March 2024

	Note	2024			2023		
		EPRA £m	Capital and non-EPRA £m	Total £m	EPRA £m	Capital and non-EPRA £m	Total £m
Gross rental and related income		150.2	7.6	157.8	144.4	6.0	150.4
Property operating expenses		(6.9)	(7.6)	(14.5)	(6.4)	(6.0)	(12.4)
Net rental income	3	143.3	-	143.3	138.0	-	138.0
Administrative expenses	4	(13.2)	-	(13.2)	(13.3)	-	(13.3)
Revaluation deficit	9	-	(131.5)	(131.5)	-	(215.3)	(215.3)
Gain on sale of property		-	1.0	1.0	-	0.1	0.1
Share-based payment charge	19	(0.8)	-	(0.8)	(0.7)	-	(0.7)
Share of losses from investments	8	0.2	(0.5)	(0.3)	0.1	(0.8)	(0.7)
Finance income	3	2.1	-	2.1	1.6	-	1.6
Finance costs	5	(29.2)	(0.1)	(29.3)	(28.9)	-	(28.9)
Loss before taxation		102.4	(131.1)	(28.7)	96.8	(216.0)	(119.2)
Taxation	21	(0.1)	-	(0.1)	-	-	-
Loss for the year attributable to equity holders of the parent		102.3	(131.1)	(28.8)	96.8	(216.0)	(119.2)
Other comprehensive income:							
Exchange (loss)/gain arising on translation of foreign operations		-	(0.6)	(0.6)	-	0.4	0.4
Total comprehensive loss		102.3	(131.7)	(29.4)	96.8	(215.6)	(118.8)
EPS – basic & diluted	6			(1.0)p			(4.0)p
EPRA EPS – basic & diluted	6	3.4p			3.3p		

All income arises from continuing operations in the UK and Ireland.

Consolidated balance sheet

As at 31 March 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investment property	9	2,708.3	2,738.0
Property work in progress	9	9.5	13.9
Property, plant and equipment	10	1.0	0.3
Equity accounted and other investments	8	19.7	18.3
Deferred tax asset	21	0.6	0.6
		2,739.1	2,771.1
Current assets			
Cash, cash equivalents and restricted cash	11	35.4	118.0
Trade and other receivables	12	37.3	33.1
Property assets held for sale	9	0.4	0.4
		73.1	151.5
Total assets		2,812.2	2,922.6
Current liabilities			
Trade and other payables	13	49.9	46.8
Head lease liabilities	14	0.3	0.4
Deferred revenue	15	32.2	30.6
		82.4	77.8
Non-current liabilities			
Borrowings	16	1,246.9	1,246.4
Head lease liabilities	14	5.6	5.8
Deferred revenue	15	4.2	5.1
		1,256.7	1,257.3
Total liabilities		1,339.1	1,335.1
Net assets		1,473.1	1,587.5
Capital and reserves			
Share capital	17	298.5	296.1
Share premium		932.7	924.5
Merger and other reserve	17	231.0	231.6
Retained earnings		10.9	135.3
Total equity		1,473.1	1,587.5
NAV per Ordinary Share – basic	7	49.4p	53.6p
– diluted	7	49.3p	53.6p
EPRA NTA per Ordinary Share – basic & diluted	7	49.3p	53.6p

The financial statements were approved at a meeting of the Board of Directors held on 21 May 2024 and signed on its behalf by:

Jonathan Murphy
CEO

Jayne Cottam
CFO

Consolidated statement of changes in equity

For the year ended 31 March 2024

	Note	Share capital £m	Share premium £m	Merger and other reserve £m	Retained earnings £m	Total equity £m
1 April 2022		294.8	918.5	231.2	345.1	1,789.6
Loss attributable to equity holders		–	–	–	(119.2)	(119.2)
Other comprehensive income:						
Exchange gain on translation of foreign balances	17	–	–	0.4	–	0.4
Total comprehensive loss		–	–	0.4	(119.2)	(118.8)
Issue of Ordinary Shares	17	0.8	4.3	–	–	5.1
Dividends	18	0.4	1.7	–	(91.0)	(88.9)
Employee share-based incentives		0.1	–	–	0.4	0.5
31 March 2023		296.1	924.5	231.6	135.3	1,587.5
Loss attributable to equity holders		–	–	–	(28.8)	(28.8)
Other comprehensive loss:						
Exchange loss on translation of foreign balances		–	–	(0.6)	–	(0.6)
Total comprehensive loss		–	–	(0.6)	(28.8)	(29.4)
Dividends		2.4	8.2	–	(96.1)	(85.5)
Employee share-based incentives		–	–	–	0.5	0.5
31 March 2024		298.5	932.7	231.0	10.9	1,473.1

Consolidated cash flow statement

For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Operating activities			
Rent received		147.0	138.1
Interest paid and similar charges		(29.3)	(29.0)
Fees received		1.6	1.4
Interest received		2.1	1.6
Cash paid to suppliers and employees		(19.0)	(18.0)
Net cash inflow from operating activities	20	102.4	94.1
Investing activities			
Purchase of investment property		(28.9)	(135.1)
Development expenditure		(69.4)	(57.9)
Proceeds from sale of property		3.4	77.8
Other investments and property, plant and equipment		(2.8)	(15.2)
Net cash outflow from investing activities		(97.7)	(130.4)
Financing activities			
Dividends paid		(85.5)	(88.9)
Interest on head lease liabilities		(0.2)	(0.2)
Loan issue costs	16	(1.6)	(0.1)
Net cash outflow from financing activities		(87.3)	(89.2)
Decrease in cash, cash equivalents and restricted cash		(82.6)	(125.5)
Opening cash, cash equivalents and restricted cash		118.0	243.5
Closing cash, cash equivalents and restricted cash	11	35.4	118.0

Notes to the accounts

For the year ended 31 March 2024

1. Corporate information and operations

The Company is a public limited company, limited by shares, incorporated and domiciled in England and Wales, whose shares are publicly traded on the main market of the London Stock Exchange.

With effect from 1 April 2013, the Group has elected to be treated as a UK REIT. See Note 21 for further details.

2. Significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, including investment properties under construction and land which are included at fair value. The financial statements have been prepared in accordance with UK-adopted international accounting standards (IFRS).

In concluding that the going concern basis of preparation is appropriate for the period to 31 May 2025, the Board of Directors have had reference to financial forecasts (including a number of sensitivities and scenarios) showing that borrowing facilities are adequate, the Group can operate within these facilities and meets its obligations when they fall due. All investment in the financial forecasts is at management's discretion, with the exception of committed development spend (see Note 23). The Group has adequate headroom in its banking covenants and has been in compliance throughout the previous 12 months. In reaching its conclusion, the Directors have considered the specific impact in respect of the ongoing situation in Ukraine and the Middle East as well as the current macroeconomic backdrop, none of which, in themselves, are considered significant risks to the business based on the current position.

The accounting policies have been applied consistently to the results, other gains and losses, liabilities and cash flows of entities included in the consolidated financial statements. All intragroup balances, transactions, income and expenses are eliminated on consolidation.

In preparing the financial statements, management has considered the impact of climate change, taking into account the relevant disclosures in the Strategic Report, including those made in accordance with TCFD, and considered the impact of the issues identified to be appropriately built into the financial statements. The impact of climate change is considered in the valuation of investment properties and future cash flows of the Group and so is appropriately considered in these financial statements. The impact of climate change on the values are expected to be immaterial.

Standards affecting the financial statements

The following standards and amendments became effective for the Company in the year ended 31 March 2024. The pronouncements had no material impact on the financial statements (effective for periods beginning on or after the date in brackets):

- Amendments to IAS1, IFRS Practice Statement 2 and IAS8 – disclosure of accounting policies (1 January 2023)
- Amendments to IAS12 – deferred tax related to Assets and Liabilities arising from a single transaction and amendments relating to income taxes (1 January 2023)

Standards in issue not yet effective

The following standards and amendments are in issue as at the date of the approval of these financial statements but are not yet effective for the Company. The Directors do not expect that the adoption of the standards listed below will have a material impact on the financial statements of the Company in future periods but are continuing to assess the potential impact (effective for periods beginning on or after the date in brackets).

- Amendments to IAS 1 regarding the classification of Liabilities as Current or Non-Current (1 January 2024)

There are no other standards or interpretations yet to be effective that would be expected to have a material impact on the financial statements of the Group.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, 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.

Property valuations

The key source of estimation uncertainty relates to the valuation of the property portfolio, where a valuation is obtained twice a year from professionally qualified external valuers. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's-length basis. However, the assumptions applied are inherently subjective and so are subject to a degree of uncertainty. Property valuations are one of the principal uncertainties of the Group and details of the accounting policies applied in respect of valuation are set out below. The valuation is most subjective to the inputs of net initial yield, equivalent yield and Estimated Rental Value (ERV), which are considered by the Group to be the assumptions with the highest risk of causing a material movement in the next financial year. Note 9 includes details and sensitivities of these outputs.

The Directors have considered the climate related risks as detailed on pages 67 to 69 and their impact on the financial statements and have concluded that they do not have a material impact.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described below, the Directors do not consider there to be significant judgements applied with regard to the policies adopted, other than in respect of property valuations as described above.

Basis of consolidation

Subsidiaries, associates and joint ventures

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises power over the entity, exposure to variable returns and the ability to use its power over the entity to affect the amount of returns.

Investments in associates and joint ventures are accounted for using the equity method, initially recognised at cost and adjusted for post-acquisition changes in the Group's share of the net assets. Losses of the joint venture in excess of the Group's interest are not recognised. Investments which are not deemed to be subsidiaries or associates due to insufficient control are initially held at cost and subsequently remeasured to fair value through the income statement.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

2. Significant accounting policies (continued)

Where properties are acquired through the purchase of a corporate entity but the transaction does not meet the definition of a business combination under IFRS 3, the purchase is treated as an asset acquisition. Where the acquisition is considered a business combination, the excess of the consideration transferred over the fair value of assets and liabilities acquired is held as goodwill, initially recognised at cost with subsequent impairment assessments completed at least annually. Where the initial calculation of goodwill arising is negative, this is recognised immediately in the income statement.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

The translation reserve comprises of foreign currency differences arising from the translation of the of foreign operations into the functional currency.

Property portfolio

Properties are externally valued on an open market basis, which represents fair value, as at the balance sheet date and are recorded at valuation.

Investment property under construction (IPUC) is valued as if complete, with appropriate deductions for expected cost to complete and theoretical developer's margin on remaining costs.

Any surplus or deficit arising on revaluing investment property and IPUC is recognised in the income statement.

All costs associated with the purchase and construction of IPUC are capitalised including attributable interest. Interest is calculated on the expenditure by reference to specific borrowings where relevant and otherwise on the average rate applicable to short-term loans. When IPUC are completed, they are classified as investment properties.

Leasehold properties that are leased out to occupiers under operating leases are classified as investment properties or development properties, as appropriate, and included in the balance sheet at fair value.

Where an investment property is held under a head lease it is initially recognised as an asset as the sum of the premium paid on acquisition and the present value of minimum ground rent payments. The corresponding rent liability to the head leaseholder is included in the balance sheet as a head lease liability. Short-term leases (less than 12 months) or those of low value assets are kept off balance sheet in accordance with IFRS 16.

The market value of investment property as estimated by an external valuer is increased for the unamortised pharmacy lease premium held at the balance sheet date. Properties are classified as assets held for sale when it is considered highly probable that it will be disposed in the next financial year and are recorded at the lower of carrying value and fair value less costs to sell.

Costs incurred prior to a development being legally committed ("on site") are recorded as property work in progress and held at cost, being transferred to investment property under construction when the scheme becomes legally committed (i.e. agreement for lease in place and NHS approval is received).

Net rental income

Rental income is recognised on an accruals basis and recognised on a straight-line basis over the lease term. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Pharmacy lease premiums received from occupiers are spread over the lease term to the break, even if the receipts are not received on such a basis. The lease term is the non-cancellable period of the lease. Property operating expenses are expensed as incurred and property operating expenditure not recovered from occupiers through service charges is charged to the income statement.

In accordance with IFRS 15, service charge income and expenditure is shown gross on the face of the income statement, presented within the capital and non-EPRA column in accordance with EPRA guidelines.

Gains on sale of properties

Gains on sale of properties are recognised on the completion of the contract and are calculated by reference to the carrying value at the end of the previous reporting period, adjusted for subsequent capital expenditure.

Financial assets and liabilities

Trade receivables are recorded at transaction value and trade payables are recorded at invoice value (including VAT where applicable). Appropriate provisions are made for expected credit losses considering historical credit losses incurred and future expected losses.

Other investments are shown at amortised cost and held as loans and receivables. Loans and receivables are initially valued at fair value less directly attributable transaction costs. After recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

Debt instruments are stated at their net proceeds on issue. Finance charges including premiums payable on settlement or redemption and direct issue costs are spread over the period to redemption at a constant rate on the carrying amount of the liability.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or when substantially all the risks and rewards of ownership of the asset have been transferred to another entity. Any difference between the asset's carrying value and any consideration received is recognised in the income statement.

Financial liabilities are derecognised only when the Group's obligations have been discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the income statement.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

2. Significant accounting policies (continued)**Financial instruments**

Cash equivalents comprise of cash and short-term deposits, measured at amortised cost.

Tax

Current tax is expected tax payable on any non-REIT taxable income for the period and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are not taxable (or tax deductible).

Deferred tax is provided on items that may become taxable at a later date, on the difference between the balance sheet value and tax base value.

Alternative performance measures

In the reporting of financial information, the Group uses certain measures (non-GAAP measures, also known as "Alternative Performance Measures") that are not required under IFRS, the generally accepted accounting principles (GAAP) under which the Group reports. The Board believes that these measures provide additional useful information on performance and trends to shareholders, in particular where EPRA measures are used to aid comparability between real estate companies. These are used by the Board for internal performance analysis and incentive compensation arrangements for employees. They are not intended to be a substitute for, or superior to, GAAP measures. See Notes 6 and 7 for EPRA measures and the Glossary for a description of key terms.

Income statement definitions

EPRA earnings represents profit calculated in accordance with the guide published by the European Public Real Estate Association. See Note 6 for details of the adjustments, and the Glossary for description of key terms.

Capital and non-EPRA represents all other statutory income statement items that are excluded from EPRA earnings.

Employee costs**Defined contribution pension plans**

Obligations for contributions to defined contribution pension plans are charged to the income statement as incurred.

Share-based employee remuneration

Share-based employee remuneration is determined with reference to the fair value of the equity instruments at the date at which they are granted and charged to the income statement over the vesting period on a straight-line basis. The fair value of share options is calculated using an appropriate valuation model and is dependent on factors including the exercise price, expected volatility, option life and risk-free interest rate. IFRS 2 Share-based Payment has been applied to share options granted.

Segmental information

The Group is run and management assess performance as one business and as such no segmental analysis is presented for the current or prior year results. Results attributable to our Irish operations have been disclosed in Note 3.

3. Net rental income

	2024 £m	2023 £m
Rental revenue	148.7	143.0
Service charge income	7.6	6.0
Other related income	1.5	1.4
Gross rental and related income	157.8	150.4
Finance revenue		
Bank and other interest	2.1	1.6
Total revenue	159.9	152.0

	2024 £m	2023 £m
Gross rental and related income	157.8	150.4
Direct property expenses	(6.9)	(6.4)
Service charge expenses	(7.6)	(6.0)
Net rental income	143.3	138.0

During the year, £1.5 million of rental revenue was generated from operations in Ireland (2023: £0.7 million).

4. Administrative expenses

	Note	2024 £m	2023 £m
Wages and salaries		4.9	6.4
Social security costs		0.8	1.0
		5.7	7.4
Auditor's remuneration	4(a)	0.5	0.4
Directors' remuneration and fees		1.9	1.9
Other administrative expenses		5.1	3.6
		13.2	13.3

The Group operates a defined contribution pension scheme, available to all employees. The Group contribution to the scheme during the year was £305,300 (2023: £370,700), which represents the total expense recognised through the income statement.

The average number of employees in the year was 73 (2023: 87).

Full disclosure of Directors' emoluments, as required by the Companies Act 2006, can be found in the Remuneration Report on pages 90 to 106, see audited statement on page 99.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

4. Administrative expenses (continued)

	2024 £m	2023 £m
Key management staff (Executive Committee)		
Salaries, pension, holiday pay, payments in lieu of notice and bonus	2.6	3.0
Cost of employee share-based incentives (including related social security costs)	0.5	0.6
Social security costs	0.4	0.5
	3.5	4.1

(a) Auditor's remuneration

	2024 £m	2023 £m
Fees payable to auditor for audit of Company's annual accounts	0.2	0.2
Fees payable to auditor for audit of Company's subsidiaries	0.3	0.2
Total audit fees	0.5	0.4
Other assurance services (total non-audit fees to auditor) – half year review and bond comfort letters	–	–
	0.5	0.4

5. Finance costs

	2024 £m	2023 £m
Interest payable	28.9	28.9
Interest capitalised on developments	(2.0)	(2.3)
Amortisation of loan issue costs	2.1	2.1
Interest on head lease liability	0.2	0.2
Refinancing costs	0.1	–
Total finance costs	29.3	28.9

Interest was capitalised on property developments at the appropriate cost of finance at commencement. During the year this ranged from 4% to 5% (2023: 4% to 5%).

6. Earnings per Ordinary Share

	Earnings 2024 £m	EPRA earnings 2024 £m	Earnings 2023 £m	EPRA earnings 2023 £m
Loss for the year	(28.8)	(28.8)	(119.2)	(119.2)
Revaluation deficit		131.5		215.3
Share of revaluation losses from investments		0.5		0.8
Gain on sale of property		(1.0)		(0.1)
Refinancing fees		0.1		–
EPRA earnings		102.3		96.8
EPS – basic & diluted	(1.0)p		(4.0)p	
EPRA EPS – basic & diluted		3.4p		3.3p

	2024	2023
Weighted average number of shares in issue	2,970,682,182	2,958,384,509
Potential dilutive impact of share options	1,292,891	1,055,291
Diluted weighted average number of shares in issue	2,971,975,073	2,959,439,800

The current number of potentially dilutive shares relates to nil-cost options under the share-based payment arrangements and is 1.3 million (2023: 1.1 million).

The EPRA measures set out above are in accordance with the Best Practice Recommendations of the European Public Real Estate Association dated February 2022.

7. NAV per Ordinary Share

2024 £m	IFRS	EPRA NRV	EPRA NTA	EPRA NDV
IFRS net assets	1,473.1	1,473.1	1,473.1	1,473.1
Deferred tax		(0.6)	(0.6)	–
Fair value of debt		–	–	176.7
Real estate transfer tax		171.3	–	–
EPRA adjusted NAV		1,643.8	1,472.5	1,649.8
Per Ordinary Share – basic	49.4p	55.1p	49.3p	55.3p
– diluted	49.3p	55.0p	49.3p	55.2p

2023 £m	IFRS	EPRA NRV	EPRA NTA	EPRA NDV
IFRS net assets	1,587.5	1,587.5	1,587.5	1,587.5
Deferred tax		(0.6)	(0.6)	–
Fair value of debt		–	–	226.5
Real estate transfer tax		174.5	–	–
EPRA adjusted		1,761.4	1,586.9	1,814.0
per Ordinary Share – basic	53.6p	59.5p	53.6p	61.3p
– diluted	53.6p	59.5p	53.6p	61.2p

	2024	2023
Number of shares in issue	2,984,790,496	2,960,594,138
Potential dilutive impact of share options	1,292,891	1,055,291
Diluted number of shares in issue	2,986,083,387	2,961,649,429

For definitions of the above EPRA NAV metrics, see appendix A.

Mark to market adjustments have been provided by the counterparty or by reference to the quoted fair value of financial instruments.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

8. Equity accounted and other investments

Below is a listing of all subsidiaries of Assura plc:

Property investment companies		
Assura (SC1) Ltd*	BHE (St James) Ltd*	PCC Investments (IE) Ltd (Ireland)*
Assura (SC2) Ltd*	Bicester HC Developments Ltd*	PH Investments (No 2) Limited
Assura Aspire Ltd*	Community Ventures Windmill Ltd*	Pentagon HS Ltd*
Assura Aspire UK Ltd*	Donnington Healthcare Ltd*	Prime Hereford Hub Ltd*
Assura Development Hub Ltd*	Haven Health (Portsmouth) Ltd*	Primeoak Investments Ltd*
Assura GHC Ltd*	Haven Health (Shirley) Ltd*	Prospect Medical (Malvern) Ltd*
Assura HC Ltd*	Jelmac (Primary Care) Properties Limited*	Rebourne Healthcare Ltd*
Assura HC UK Ltd*	Lakeland Health Village Ltd (Northern Ireland)*	Shotfield Development Business Partnership Ltd*
Assura Health Investments Ltd*	Malmesbury Medical Enterprise Ltd*	SJM Developments Ltd*
Assura Medical Centres Ltd*	Medical Properties Limited*	Spark Property Investments Ltd*
Assura PCP UK Ltd*	Meridian Medical Services Ltd*	Sunfair Properties Ltd*
Assura Primary Care Properties Ltd*	Metro MRH Ltd*	Surgery Developments Ltd*
Assura Properties Ltd*	Metro MRI Ltd*	Trinity Medical Properties Ltd*
Assura Properties UK Ltd*	Metro MRM Ltd*	Upton Community Health Care Ltd*
Assura Trellech Ltd*	Newton Healthcare Ltd*	
BHE (Heartlands) Ltd*	Park Medical Services Ltd*	
Holding or dormant companies		
Apollo Capital Projects Development Ltd*	Assura P4 Ltd*	Holywell House Ltd*
Assura (AHI) Ltd*	Assura P5 Ltd*	Mapleoak Investments Ltd*
Assura Banbury Ltd*	Assura P6 Ltd*	Oakcastle Investments (XXI) Ltd*
Assura Beeston Ltd*	Assura Property Management Ltd*	PCD Pembrokeshire Ltd*
Assura CS Ltd*	Assura Services Ltd*	PCI Management Ltd*
Assura CVSK Ltd*	Broadfield Surgery Ltd*	Primary Care Properties (Manchester) Ltd*
Assura Financing plc*	Cheltenham Family Health Care Centre Ltd*	Ridge Medical Ltd*
Assura Haven Health Ltd*	Crescent Exchange Solutions Holdings Limited*	The 3P Development Ltd*
Assura IH Ltd	Destra Windmill Ltd*	Upton Medical Ltd*
Assura Investments Ltd*	General Practice Investment Corporation Ltd*	Whitton Property Limited*
Assura Management Services Ltd*	GP Premises Holdings Ltd*	Xantaris Investments (March) Ltd*
Assura P1 Ltd*	GP Premises Ltd*	Xantaris Investments (XXI) Ltd*
Assura P2Ltd*	Health Properties (GP) Ltd*	
Assura P3 Ltd*	Health Properties Midco Ltd*	

* Indicates subsidiary owned by intermediate subsidiary of Assura plc.

All companies are wholly owned by the Group (holding the Ordinary Shares) and registered in England unless otherwise indicated.

All companies registered in England have a registered address of 3 Barrington Road, Altrincham, WA14 1GY. The company registered in Ireland has a registered address of Floor 3, Block 3, Miesian Plaza, Dublin 2, D02 7754, Ireland and the company registered in Northern Ireland has a registered address of 42 Queen Street, Belfast, Northern Ireland, BT1 6HL. Taking into consideration the facts of each transaction, acquisitions of companies completed during the years ended 31 March 2024 and 31 March 2023 have been accounted for as asset purchases as opposed to business combinations.

Joint ventures

The Group holds a 50% interest in Pennine Property Partnership LLP, a joint venture with Calderdale and Huddersfield NHS Foundation Trust. The Group also has a 50% interest in and joint control of Theia Investments LLP, a joint venture with Modality Partnership. Both LLPs are registered in England (3 Barrington Road, Altrincham, WA14 1GY). The income statement and balance sheets of the joint venture results are presented below and show the Group's share of the results, unless otherwise stated.

Investments

During the year ended 31 March 2020, a 100% subsidiary of the Group committed to invest up to £5 million in PI Labs III LP, a limited partnership registered in England (LP020025, registered address 151 Wardour Street, London, W1F 8WE). £2.7 million had been invested as at 31 March 2024 (2023: £1.8 million). During the year, a dividend of £nil million was received (2023: £0.2 million). This investment has initially been recorded at cost and will subsequently be recorded at fair value through the income statement. At 31 March 2024, the Group owns less than 10% (2023: <10%) and the Directors believe the cost is equal to the fair value.

The movement in the Group's equity accounted and other investments during the year is shown below:

	2024 £m	2023 £m
Cost		
At 1 April	18.3	3.8
Additions	1.7	15.2
Share of losses for the year	(0.3)	(0.7)
At 31 March	19.7	18.3

The Group's share of its investment in PI Labs and joint ventures assets and liabilities are as follows:

	2024 £m	2023 £m
Non-current assets	16.3	13.8
Current assets	1.3	1.3
Current liabilities	(0.3)	(0.3)
Non-current liabilities	(8.1)	(7.2)
Share of net assets	9.2	7.6
Loan advancements	10.5	10.7
Net investment	19.7	18.3

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

8. Equity accounted and other investments (continued)

The Group's share of profits/losses from investments.

	2024 £m	2023 £m
Net rental income	0.6	0.3
Net finance costs	(0.4)	(0.2)
Presented as share of EPRA earnings	0.2	0.1
Revaluation deficit	(0.5)	(0.8)
Presented as share of losses from investments	(0.3)	(0.7)

9. Property assets

Investment property and investment property under construction (IPUC).

Properties are stated at fair value as at 31 March 2024. The fair value has been determined by the Group's external valuers CBRE, Cushman & Wakefield and Jones Lang LaSalle. The properties have been valued individually and on the basis of open market value (which the Directors consider to be the fair value) in accordance with RICS Valuation – Professional Standards 2020 ("the Red Book"). Valuers are paid on the basis of a fixed fee arrangement, subject to the number of properties valued.

	2024			2023		
	Investment £m	IPUC £m	Total £m	Investment £m	IPUC £m	Total £m
Opening market value	2,685.0	53.0	2,738.0	2,682.8	69.1	2,751.9
Additions:						
– acquisitions	17.7	–	17.7	126.5	–	126.5
– improvements	11.1	–	11.1	15.0	–	15.0
	28.8	–	28.8	141.5	–	141.5
Development costs	–	73.8	73.8	–	58.9	58.9
Transfers	71.8	(71.8)	–	72.5	(72.5)	–
Capitalised interest	–	2.0	2.0	–	2.3	2.3
Disposals	(2.1)	(0.3)	(2.4)	(1.8)	–	(1.8)
Foreign exchange gain	(0.4)	–	(0.4)	0.5	–	0.5
Unrealised deficit on revaluation	(124.5)	(7.0)	(131.5)	(210.5)	(4.8)	(215.3)
Closing fair value of investment property	2,658.6	49.7	2,708.3	2,685.0	53.0	2,738.0

Investment property includes a £5.8 million head lease liability (2023: £6.2 million)

	2024 £m	2023 £m
Market value of investment property as estimated by valuer	2,652.1	2,677.4
Add IPUC	49.7	53.0
Add capitalised lease premiums and rental payments	0.7	1.4
Add head lease liabilities recognised separately	5.8	6.2
Fair value for financial reporting purposes	2,708.3	2,738.0
Completed investment property held for sale	–	–
Land held for sale	0.4	0.4
Total property assets	2,708.7	2,738.4

	2024 £m	2023 £m
Investment property	2,652.1	2,677.4
Investment property held for sale	–	–
Total completed investment property	2,652.1	2,677.4

At March 2024, there is one asset held as available for sale (2023: one asset). These properties are either being actively marketed for sale or have a negotiated sale agreed which is currently in legal hands.

Fair value hierarchy

The fair value measurement hierarchy for all investment property and IPUC as at 31 March 2024 was Level 3 – Significant unobservable inputs (2023: Level 3). There were no transfers between Levels 1, 2 or 3 during the year.

Descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques used to derive Level 3 fair values

The valuations have been prepared on the basis of fair market value which is defined in the Red Book as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

9. Property assets (continued)**Unobservable inputs**

The key unobservable inputs in the property valuation are the net initial yield, the equivalent yield and the ERV, which are explained in more detail below. It is also worth noting that the properties are subject to physical inspection by the valuers on a rotational basis (at least once every three years).

In respect of 97% of the portfolio by value, the net initial yield ranges from 3.8% to 8.5% (2023: 3.5% to 8.5%) and the equivalent yield ranges from 3.9% to 8.5% (2023: 3.8% to 8.5%). A decrease in the net initial or equivalent yield applied to a property would increase the market value. Factors that affect the yield applied to a property include the weighted average unexpired lease term, the estimated future increases in rent, the strength of the occupier covenant and the physical condition of the property. Lower yields generally represent properties with index-linked reviews, 100% NHS tenancies and longer unexpired lease terms, ranging from 4.0% to 4.5%. Higher yields (range 6.0% to 8.5%) are applied for a weaker occupier mix and leases approaching expiry. Our properties have a range of occupier mixes, rent review basis and unexpired terms. A 0.25% shift in either net initial or equivalent yield would have approximately a £115.7 million (2023: £124 million) impact on the investment property valuation.

The ERV ranges from £100 to £750 per sq.m (2023: £100 to £669 per sq.m), in respect of 95% of the portfolio by value. An increase in the ERV of a property would increase the market value. A 2% increase in the ERV would have approximately a £52.4 million (2023: £53.2 million) increase in the investment property valuation. The nature of the sector we operate in, with long unexpired lease terms, low void rates, low occupier turnover and upward only rent review clauses, means that a significant fall in the ERV is considered unlikely.

Property work in progress

	2024 £m
At 1 April	13.9
Additions during the period	0.7
Transfers	(5.1)
At 31 March	9.5

10. Property, plant and equipment

The Group holds computer and other equipment assets with a cost of £2.7 million (2023: £1.7 million) and accumulated depreciation of £1.7 million (2023: £1.4 million), giving a net book value of £1.0 million (2023: £0.3 million).

There were £1.0 million of additions during the year (2023: £0.1 million), £nil disposals (2023: £0.1 million) and depreciation charged to the income statement was £0.3 million (2023: £0.2 million).

Depreciation is charged on a straight-line basis over the estimated useful economic life of the asset.

11. Cash, cash equivalents and restricted cash

	2024 £m	2023 £m
Cash held in current account	33.2	117.6
Restricted cash	2.2	0.4
	35.4	118.0

Restricted cash arises where there are rent deposits, interest payment guarantees or cash is ring-fenced for committed property development expenditure, which is released to pay contractors' invoices directly.

12. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	20.7	19.6
Accrued income	6.4	5.6
Prepayments	2.4	1.5
Other debtors	7.8	6.4
	37.3	33.1

Trade receivables are recognised initially at their transaction price and subsequently measured at amortised cost less loss allowance for expected credit losses.

The Group's principal customers are invoiced and pay quarterly in advance, usually on the English quarter days. Other debtors are generally on 30–60 days' terms. No credit loss provision was required during the year (2023: £nil). As at 31 March 2024 and 31 March 2023, the analysis of trade debtors that were past due but not impaired is as follows:

	Total £m	Neither past due nor impaired £m	Past due but not impaired		
			>30 days £m	>60 days £m	>90 days £m
2024	20.7	14.2	1.4	0.4	4.7
2023	19.6	12.5	0.9	0.6	5.6

The Group has not recognised a loss allowance as historical experience has indicated that the risk profile of trade receivables is deemed low and the bulk of the Group's income derives from the NHS or is reimbursed by the NHS; the risk of default is not considered significant.

13. Trade and other payables

	2024 £m	2023 £m
Trade creditors	1.7	0.8
Other creditors and accruals	44.3	41.8
VAT creditor	3.9	4.2
	49.9	46.8

The maturity of trade and other payables is disclosed in Note 22.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

14. Head lease liabilities

	2024 £m	2023 £m
Current	0.3	0.4
Non-current	5.6	5.8
	5.9	6.2

Head lease liabilities are amounts payable in respect of leasehold investment property held by the Group. The fair value of the Group's lease liabilities is approximately equal to their carrying value. The minimum payments due under head lease liabilities is disclosed in Note 22.

15. Deferred revenue

	2024 £m	2023 £m
Arising from rental income received in advance	31.5	30.1
Arising from pharmacy lease premiums received in advance	4.9	5.6
	36.4	35.7
Current	32.2	30.6
Non-current	4.2	5.1
	36.4	35.7

16. Borrowings

	2024 £m	2023 £m
At 1 April	1,246.4	1,244.4
Amount drawn down in year	–	–
Amount repaid in year	–	–
Loan issue costs	(1.6)	(0.1)
Amortisation of loan issue costs	2.1	2.1
At 31 March	1,246.9	1,246.4
Due within one year	–	–
Due after more than one year	1,246.9	1,246.4
At 31 March	1,246.9	1,246.4

The Group has the following bank facilities:

- 10-year senior unsecured bond of £300 million at a fixed rate of 3% maturing July 2028, 10-year senior unsecured Social Bond of £300 million at a fixed interest rate of 1.5% maturing September 2030 and 12-year senior unsecured Sustainability Bond of £300 million at a fixed rate of 1.625% maturing June 2033. The Social and Sustainability Bonds were launched in accordance with Assura's Social & Sustainable Finance Frameworks respectively to be used for eligible investment in the acquisition, development and refurbishment of publicly accessible primary care and community healthcare centres. The bonds are subject to an interest cover requirement of at least 150%, maximum LTV of 65% and priority debt not exceeding 0.25:1. In accordance with pricing convention in the bond market, the coupon and quantum of the facility are set to round figures with the proceeds adjusted based on market rates on the day of pricing.
- Three-year club unsecured revolving credit facility with Barclays, HSBC, NatWest and Santander. In October 2023, this was refinanced to October 2026, increasing the facility from £125 million to £200 million, and reducing the margin which starts at 1.35% above SONIA subject to LTV. The margin has a ratchet linked to LTV, increasing up to 1.75% where the LTV is in excess of 45%. The facility is subject to a historical interest cover requirement of at least 175% and maximum LTV of 60%. As at 31 March 2024, the facility was undrawn (2023: undrawn).
- 10-year notes in the US private placement market for a total of £100 million. The notes are unsecured, have a fixed interest rate of 2.65% and were drawn on 13 October 2016. An additional £107 million of notes were issued in two series, £47 million in August 2019 and £60 million in October 2019, with maturities of 10 and 15 years respectively and a weighted average fixed interest rate of 2.30%. The facilities are subject to a historical interest cover requirement of at least 175%, maximum LTV of 60% and a weighted average lease length of seven years. All notes are denominated in GBP.
- £150 million of unsecured privately placed notes in two tranches with maturities of eight and ten years drawn on 20 October 2017. The weighted average coupon is 3.04%. The facility is subject to a historical cost interest cover requirement of at least 175%, maximum LTV of 60% and a weighted average lease length of seven years.

The Group has been in compliance with all financial covenants on all of the above loans as applicable throughout the year. Debt instruments held at year end have prepayment options that can be exercised at the sole discretion of the Group. As at the year end no prepayment option has been exercised. Borrowings are stated net of unamortised loan issue costs and unamortised bond pricing adjustments totalling £10.1 million (2023: £10.6 million).

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

17. Share capital and other reserves

	Number of shares 2024	Share capital 2024 £m	Number of shares 2023	Share capital 2023 £m
Ordinary Shares of 10 pence each issued and fully paid				
At 1 April	2,960,594,138	296.1	2,948,359,637	294.8
Issued 7 April 2022	-	-	3,331,539	0.3
Issued 13 April 2022 – scrip	-	-	317,384	-
Issued 27 April 2022	-	-	4,556,283	0.5
Issued 13 July 2022	-	-	974,245	0.1
Issued 13 July 2022 – scrip	-	-	1,659,620	0.2
Issued 12 October 2022 – scrip	-	-	52,001	-
Issued 11 January 2023 – scrip	-	-	1,343,429	0.2
Issued 12 April 2023 – scrip	3,053,978	0.3	-	-
Issued 12 July 2023	287,241	-	-	-
Issued 12 July 2023 – scrip	1,376,254	0.1	-	-
Issued 11 October 2023 – scrip	6,281,654	0.7	-	-
Issued 10 January 2024 – scrip	13,197,231	1.3	-	-
Total share capital	2,984,790,496	298.5	2,960,594,138	296.1

There is no difference between the number of Ordinary Shares issued and authorised. At the AGM each year, approval is sought from shareholders giving the Directors the ability to issue Ordinary Shares, up to 10% of the Ordinary Shares in issue at the time of the AGM.

The Ordinary Shares issued in April 2022, July 2022, October 2022, January 2023, April 2023, July 2023, October 2023 and January 2024 were issued to shareholders who elected to receive Ordinary Shares in lieu of a cash dividend under the Company scrip dividend alternative. In the year to 31 March 2024 this increased share capital by £2.4 million and share premium by £8.2 million (2023: £0.4 million and £1.7 million respectively).

The Ordinary Shares issued on 7 April 2022 and 27 April 2022 were issued as part consideration for the acquisition of medical centres.

The Ordinary Shares issued in July 2022 and July 2023 relate to employee share awards under the Performance Share Plan. A portion of the shares issued on 13 July 2022 (383,194) and on 12 July 2023 (287,241) were issued to the EBT on behalf of employees under the PSP, see Note 19.

The share capital relates to the Group and Company.

Other reserves

The merger reserve £231.2 million (2023: £231.2 million) relates to the capital restructuring in January 2015 whereby Assura plc replaced Assura Group Limited as the top company in the Group and was accounted for under merger accounting principles.

The other reserve relates to the foreign exchange translation reserve £(0.2) million (2023: £0.4 million).

18. Dividends paid on Ordinary Shares

Payment date	Pence per share	Number of Ordinary Shares	2024 £m	2023 £m
13 April 2022	0.74	2,951,691,176	-	21.8
13 July 2022	0.78	2,957,539,088	-	23.0
12 October 2022	0.78	2,959,198,708	-	23.1
11 January 2023	0.78	2,959,250,709	-	23.1
12 April 2023	0.78	2,960,594,138	23.1	-
12 July 2023	0.82	2,963,935,357	24.3	-
11 October 2023	0.82	2,965,311,611	24.3	-
10 January 2024	0.82	2,971,593,265	24.4	-
			96.1	91.0

The April dividend for 2024/25 of 0.82 pence per share was paid on 10 April 2024 and the July dividend for 2024/25 of 0.84 pence per share is currently planned to be paid on 10 July 2024 with a record date of 7 June 2024.

A scrip dividend alternative was introduced with effect from the January 2016 quarterly dividend. Details of shares issued in lieu of dividend payments can be found in Note 17.

The April 2022, July 2022, October 2022, April 2023, July 2023 and October 2023 dividends were PIDs as defined under the REIT regime. Future dividends will be a mix of PID and normal dividends as required.

The dividends paid disclosure relates to both the Group and Company.

19. Share-based payments

As at 31 March 2024 the Group has two long-term incentive schemes in place – the Performance Share Plan (PSP) and the newly introduced Share Incentive Plan (SIP).

The long-term incentive arrangements are structured so as to align the incentives of relevant Executives with the long-term performance of the business and to motivate and retain key members of staff. To the extent practicable long-term incentives are provided through the use of share-based (or share-fulfilled) remuneration to provide alignment of objectives with the Group's shareholders. Long-term incentive awards are granted by the Remuneration Committee, which reviews award levels on a case by case basis.

The SIP is open to all permanent employees that have passed their probationary period and works on the principle of the Group matching voluntary employee contributions deducted from the monthly payroll. This scheme is accounted for as an expense when the shares are granted to the employees, with the fair value based on the share price on the day of grant.

As at 31 March 2024, the Employee Benefit Trust held 736,739 (2023: 827,447) Ordinary Shares of 10 pence each in Assura plc. The Trust remains in place to act as a vehicle for the issuance of new shares under the PSP and holding any restricted shares awarded to employees.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

19. Share-based payments (continued)

Performance Share Plan

During the year, 3,056,797 nil-cost options were awarded to senior management under the PSP. Participants' awards will vest after a three-year period if certain targets relating to TSR, EPS and ESG are met, as detailed in the Remuneration Committee Report.

The following table illustrates the movement in options (all of which were nil-cost options) outstanding:

Options outstanding at 1 April 2023	5,276,045
Options issued during the year	3,056,797
Options exercised during the year	(377,948)
Options lapsed during the year	(1,028,985)
Options outstanding at 31 March 2024	6,925,909

Of the options outstanding at 31 March 2024, 1,697,818 have a performance period ending 31 March 2024, 2,171,294 for the period ending 31 March 2025 and 3,056,797 for the period ending 31 March 2026.

The fair value of the newly issued PSP equity settled options granted during the year was estimated as at the date of grant using the Monte Carlo Model, taking into account the terms and conditions upon which awards were granted. The following table lists the key inputs to the models used:

	2024	2023
Expected share price volatility (%)	22	23
Risk free interest rate (%)	5.30	1.74
Expected life units (years)	3	3

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

The fair value of the awards granted in 2024 was £1,105,112 based on the market price at the date the units were granted. This cost is allocated over the vesting period. The cost allocation for all outstanding units in the period was a charge of £0.6 million (2023: £0.7 million).

20. Note to the consolidated cash flow statement

	2024 £m	2023 £m
Reconciliation of net loss before taxation to net cash inflow from operating activities:		
Net loss before taxation	(28.7)	(119.2)
Adjustments for:		
Increase in debtors	(4.3)	(4.4)
Increase in creditors	3.7	1.2
Revaluation deficit	131.5	215.3
Interest capitalised on developments	(2.0)	(2.3)
Gain on disposal of properties	(1.0)	(0.1)
Depreciation	0.3	0.2
Employee share-based incentive costs	0.5	0.6
Share of loss from investments	0.3	0.7
Amortisation of loan issue costs	2.1	2.1
Net cash inflow from operating activities	102.4	94.1

21. Tax and deferred tax

The tax charge for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK. The differences from the standard rate of tax applied to the profit before tax may be analysed as follows:

	2024 £m	2023 £m
Loss before taxation	(28.7)	(119.2)
UK income tax at rate of 25% (2023: 19%)	(7.2)	(22.6)
Effects of:		
Non-taxable income (including REIT exempt income)	7.2	22.6
Movement in unrecognised deferred tax	–	–
Irish corporation tax	(0.1)	–
	(0.1)	–

The Group elected to be treated as a UK REIT with effect from 1 April 2013. The UK REIT rules exempt the profits of the Group's property rental business from corporation tax. Gains on properties are also exempt from tax, provided they are not held for trading or sold in the three years post completion of development. The Group will otherwise be subject to UK corporation tax at 25% in 2023/24 (2022/23: 19%) and Irish corporation tax at a rate of 25% (2022/23: 25%).

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

21. Tax and deferred tax (continued)

As a REIT, the Group is required to pay Property Income Distributions (PIDs) equal to at least 90% of the Group's rental profit calculated by reference to tax rules rather than accounting standards. During the year, the April 2023, July 2023 and October 2023 dividends paid by the Group were PIDs. Future dividends will be a mix of PID and normal dividends as required. To remain as a UK REIT there are a number of conditions to be met in respect of the principal company of the Group, the Group's qualifying activities and the balance of business. The Group remains compliant at 31 March 2024.

The deferred tax asset consists of the following:

	2024 £m	2023 £m
At 1 April	0.6	0.6
Income statement movement	–	–
At 31 March	0.6	0.6

The Group has recognised deferred tax assets for unused tax losses that it believes are recoverable.

The amounts of deductible temporary differences and unused tax losses (which have not been recognised) are as follows:

	2024 £m	2023 £m
Tax losses	208.0	206.1
Other timing differences	1.1	1.5
	209.1	207.6

The majority of tax losses carried forward relate to capital losses generated on the disposal of former divisions of the Group.

	2024 £m	2023 £m
Tax losses	52.0	51.5
Other temporary differences	0.3	0.4
	52.3	51.9

The unrecognised deferred tax asset arising on tax losses carried forward and accelerated capital allowances for the year ended 31 March 2024 has been calculated at a rate of 25%.

22. Financial instruments

The Group holds cash and liquid resources as well as having debtors and creditors that arise directly from its operations.

The main risks arising from the Group's financial instruments and properties are credit risk, liquidity risk, interest rate risk and capital risk. The Board regularly reviews and agrees policies for managing each of these risks and these are summarised below.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group.

In the event of a default by an occupational occupier, the Group will suffer a rental income shortfall and may incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. Given the nature of the Company's occupiers and enhanced rights of landlords who can issue proceedings and enforcement by bailiffs, defaults are rare and potential defaults are managed carefully by the credit control department. The maximum credit exposure in aggregate is one quarter's rent of circa £37.7 million; however, this amount derives from all the occupiers in the portfolio and such a scenario is hypothetical. The Group's credit risk is well spread across circa 1,349 occupiers at any one time. Furthermore the bulk of the Group's property income derives from the NHS or is reimbursed by the NHS, which has an obligation to ensure that patients can be seen and treated and steps in when GPs are unable to practise, hence the risk of default is minimal.

The maximum credit risk exposure relating to financial assets is represented by their carrying values as at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments. Investments in property are relatively illiquid; however, the Group has tried to mitigate this risk by investing in modern purpose-built medical centres which are let to GPs and NHS PropCo. In order to progress its property investment and development programme, the Group needs access to bank and equity finance, both of which may be difficult to raise notwithstanding the quality, long lease length, NHS backing, and geographical and lot size diversity of its property portfolio.

The Group manages its liquidity risk by ensuring that it has a spread of sources and maturities. The current £200 million revolving credit facility is due to mature in October 2026 and the next maturity of the long-term fixed facilities is 2025.

The Group has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have remaining terms of up to 30 years and have a WAULT of 10.8 years. All leases are subject to revision of rents according to various rent review clauses.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

22. Financial instruments (continued)

Future minimum rentals receivable under non-cancellable operating leases along with trade and other receivables as at 31 March are as follows:

	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	>5 years £m	Total £m
Receivables as at 31 March 2024						
Non-cancellable leases	–	36.7	110.2	532.1	1,078.3	1,757.3
Trade and other receivables	–	37.3	–	–	–	37.3
	–	74.0	110.2	532.1	1,078.3	1,794.6

	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	>5 years £m	Total £m
Receivables as at 31 March 2023						
Non-cancellable leases	–	35.1	105.4	528.6	1,105.6	1,774.7
Trade and other receivables	–	33.1	–	–	–	33.1
	–	68.2	105.4	528.6	1,105.6	1,807.8

The table below summarises the maturity profile of the Group's financial liabilities, including interest, at 31 March 2024 and 31 March 2023 based on contractual undiscounted payments at the earliest date on which the Group can be required to pay.

	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	>5 years £m	Total £m
Payables as at 31 March 2024						
Non-derivative financial liabilities:						
Interest bearing loans and borrowings	–	7.2	21.5	640.7	744.2	1,413.6
Trade and other payables	–	38.5	11.7	1.1	4.5	55.8
Total financial liabilities	–	45.7	33.2	641.8	748.7	1,469.4

	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	>5 years £m	Total £m
Payables as at 31 March 2023						
Non-derivative financial liabilities:						
Interest bearing loans and borrowings	–	7.2	21.5	358.6	1,058.8	1,446.1
Trade and other payables	–	36.3	11.0	1.7	4.0	53.0
Total financial liabilities	–	43.5	32.5	360.3	1,062.8	1,499.1

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash deposits and, as debt is utilised, long-term debt obligations. The Group's policy is to manage its interest cost using fixed rate debt, or by interest rate swaps, for the majority of loans and borrowings although the Group will accept some exposure to variable rates where deemed appropriate and restricted to one third of the loan book.

The ageing analysis of the financial assets and liabilities excluding trade receivables and payables of the Group at 31 March 2024 was as follows:

	Within 1 year £m	1 to 5 years £m	>5 years £m	Total £m
Floating rate asset				
Cash, cash equivalents and restricted cash	35.4	–	–	35.4
Liabilities (fixed rate unless stated)				
Long-term loans:				
Private placements	–	(250.0)	(107.0)	(357.0)
Unsecured bonds	–	(300.0)	(600.0)	(900.0)
Payments due under finance leases	(0.3)	(1.1)	(4.5)	(5.9)

Details of the principal amounts, maturities, interest rates and covenants of all debt instruments are provided in Note 16.

The ageing analysis of the financial assets and liabilities excluding trade receivables and payables of the Group at 31 March 2023 was as follows:

	Within 1 year £m	1 to 5 years £m	>5 years £m	Total £m
Floating rate asset				
Cash, cash equivalents and restricted cash	118.0	–	–	118.0
Liabilities (fixed rate unless stated)				
Long-term loans:				
Private placements	–	(250.0)	(107.0)	(357.0)
Unsecured bonds	–	–	(900.0)	(900.0)
Payments due under finance leases	(0.4)	(0.8)	(5.0)	(6.2)

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 March 2024

22. Financial instruments (continued)**Sensitivity analysis**

The table below shows the book and fair value of financial instruments. As at 31 March 2024, 100% of debt drawn by the Group is subject to fixed interest rates and the only current variable rate facility is the RCF. A 0.25% movement in interest rates (deemed to be a reasonable approximation of possible changes in interest rates) would cause no change to profit (2023: no change to profit), based on the amount of variable rate debt drawn at the period end.

		Book value		Fair value	
		2024 £m	2023 £m	2024 £m	2023 £m
Long-term loans	– fair value hierarchy Level 1	900.0	900.0	744.1	707.1
	– fair value hierarchy Level 2	357.0	357.0	330.8	317.4
	– other	–	–	–	–
Cash, cash equivalents and restricted cash		35.4	118.0	35.4	118.0
Payments due under head leases		5.9	6.2	5.9	6.2

The Group is exposed to the valuation impact on investor sentiment of long-term interest rate expectations, which can impact transactions in the market and increase or decrease valuations accordingly. The fair value of long-term loans has been included by reference to either quoted prices in active markets (Level 1), calculated by reference to observable estimates of interest rates (Level 2), or book value is determined to be approximately equal to fair value for variable rate debt (other).

Capital risk

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may make disposals, adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital structure with reference to LTV, which is calculated as net debt divided by total property. The LTV percentage on this basis is 45% at 31 March 2024 (31 March 2023: 41%).

	2024 £m	2023 £m
Investment property	2,658.6	2,685.0
Investment property under construction	49.7	53.0
Held for sale	0.4	0.4
Total property	2,708.7	2,738.4

	2024 £m	2023 £m
Borrowings	1,246.9	1,246.4
Head lease liabilities	5.9	6.2
Cash, cash equivalents and restricted cash	(35.4)	(118.0)
Net debt	1,217.4	1,134.6
LTV	45%	41%

Financial liabilities, which comprise loans and head lease liabilities in the table above, have increased from £1,252.6 million to £1,252.8 million as at 31 March 2024.

23. Commitments

At the year end the Group had eight (2023: 11) committed developments which were all on site with a contracted total expenditure of £91.2 million (2023: £129 million) of which £49.2 million (2023: £54.7 million) had been expended. The remaining commitment is therefore £42.0 million (2023: £74.3 million).

In addition, the Group is on site with six asset enhancement capital projects (2023: eight) with a contracted total expenditure of £4.0 million (2023: £8.9 million) of which £2.1 million (2023: £5.0 million) had been expended. The remaining commitment is therefore £1.9 million (2023: £3.9 million).

As detailed in Note 8, the Group is committed to invest up to £5 million in PropTech investor PI Labs III LP, which can be requested on demand to cover investments that the fund makes in qualifying, selected PropTech businesses. £2.7 million had been invested as at 31 March 2024.

24. Related party transactions

Details of transactions during the year and outstanding balances at 31 March 2024 in respect of investments held are detailed in Note 8.

Details of payments to key management personnel are provided in Note 4.

25. Post balance sheet event

Subsequent to the year end, on 21 May 2024, Assura entered into a strategic joint venture with Universities Superannuation Scheme (USS). It has been agreed that seven assets from Assura's existing portfolio valued at £107 million will be transferred into the vehicle, funded 20% by Assura and 80% by USS. Assura will act as property manager for the joint venture, with an asset management fee linked to vehicle gross asset value, as well as retaining 20% of the equity interest. The arrangement will be accounted for using the equity method in accordance with IAS 28, with joint consent required for a schedule of reserved matters.

Company income statement

For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Revenue			
Dividends received from subsidiary companies		75.0	39.5
Group management charge		4.4	3.7
Total revenue		79.4	43.2
Administrative expenses		(4.1)	(4.2)
Share-based payment charge		(0.5)	(0.6)
Operating profit		74.8	38.4
Profit before taxation		74.8	38.4
Taxation		-	-
Profit attributable to equity holders		74.8	38.4

All amounts relate to continuing activities. There were no items of other comprehensive income or expense and therefore the profit for the period also reflects the Company's total comprehensive income.

Company balance sheet

As at 31 March 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investments in subsidiary companies	B	87.5	87.5
Amounts owed by subsidiary companies	C	1,302.1	1,312.0
		1,389.6	1,399.5
Current assets			
Cash and cash equivalents	D	-	-
Other receivables		0.1	0.3
		0.1	0.3
Current liabilities			
Trade and other payables		(2.0)	(1.9)
Amounts owed to subsidiary companies	E	-	-
		(2.0)	(1.9)
Net assets		1,387.7	1,397.9
Capital and reserves			
Share capital	17	298.5	296.1
Share premium		932.7	924.5
Retained earnings		156.5	177.3
Total equity		1,387.7	1,397.9

The financial statements were approved at a meeting of the Board of Directors held on 21 May 2024 and signed on its behalf by:

Jonathan Murphy
CEO

Jayne Cottam
CFO

Company statement of changes in equity

For the year ended 31 March 2024

	Note	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Total equity £m
1 April 2022		294.8	918.5	–	229.5	1,442.8
Profit attributable to equity holders		–	–	–	38.4	38.4
Total comprehensive income		–	–	–	38.4	38.4
Issue of Ordinary Shares	17	0.8	4.3	–	–	5.1
Dividends	18	0.4	1.7	–	(91.0)	(88.9)
Employee share-based incentives		0.1	–	–	0.4	0.5
31 March 2023		296.1	924.5	–	177.3	1,397.9
Profit attributable to equity holders		–	–	–	74.8	74.8
Total comprehensive income		–	–	–	74.8	74.8
Dividends		2.4	8.2	–	(96.1)	(85.5)
Employee share-based incentives		–	–	–	0.5	0.5
31 March 2024		298.5	932.7	–	156.5	1,387.7

Company cash flow statement

For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Operating activities			
Amounts received from subsidiaries		4.4	3.7
Amounts paid to suppliers and employees		(3.9)	(3.9)
Net cash inflow/(outflow) from operating activities		0.5	(0.2)
Investing activities			
Dividends received from subsidiaries		75.0	39.5
Amounts received from subsidiaries		10.0	49.4
Net cash inflow from investing activities		85.0	88.9
Financing activities			
Dividends paid		(85.5)	(88.9)
Net cash outflow from financing activities		(85.5)	(88.9)
Decrease in cash and cash equivalents		–	(0.2)
Cash and cash equivalents at start of period		–	0.2
Cash and cash equivalents at end of period	D	–	–

Notes to the Company accounts

For the year ended 31 March 2024

A. Accounting policies and corporate information

The accounts of the Company are separate to those of the Group.

The Company complies with the accounting policies defined in note 1 of the Group accounts, except as noted below:

Investments in subsidiaries

In the Company financial statements, investments in subsidiaries are held at cost less any provision for impairment. In addition, the Company recognises dividend income when the rights to receive payment have been established (normally when declared and paid).

Intercompany receivables

The recoverable amount is reviewed annually by reference to the subsidiary balance sheet and expected future activities and provides for amounts that may not be considered recoverable.

The auditor's remuneration for audit and other services is disclosed in Note 4(a) to the Group accounts. Disclosure of each Director's remuneration, share interests, share options, long-term incentive schemes, pension contributions and pension entitlements required by the Companies Act 2006 and those specified for audit by the Listing Rules of the Financial Conduct Authority are shown in the Remuneration Report on pages 90 to 106 and form part of these accounts.

The average number of employees in the Company during the year was two (2023: two).

B. Investments in subsidiary companies

	2024 £m	2023 £m
Cost	87.5	87.5
Provision for diminution in value	–	–
	87.5	87.5

Details of all subsidiaries as at 31 March 2024 are shown in Note 8 to the Group accounts.

The Company directly holds investments in Assura Group Limited and Assura IH Limited, which are both intermediate holding companies for the property-owning subsidiaries in the Assura plc Group.

C. Amounts owed by subsidiary companies – non-current

	2024 £m	2023 £m
Amounts owed by Group undertakings	1,302.1	1,312.0

The above amounts are unsecured, non-interest bearing and repayable upon demand. The amounts have been included as non-current as the Company believes it is more representative as they are not expected to be settled in the normal operating cycle.

The recoverable amount of amounts receivable from subsidiaries is reviewed annually by reference to the subsidiary balance sheet and expected future activities, with a provision recorded to the extent the amount is not considered recoverable. No provision has been deemed necessary.

D. Cash and cash equivalents

	2024 £m	2023 £m
Cash held in current account	–	–

E. Amounts owed to subsidiary companies – current

	2024 £m	2023 £m
Amounts owed to Group undertakings	–	–

Amounts owed to Group undertakings are unsecured, non-interest bearing and repayable on demand.

F. Related party transactions

	Charges received £m	Dividends received £m	Amounts owed by £m	Amounts owed to £m
Group undertakings				
31 March 2024	4.4	75.0	1,302.1	–
31 March 2023	3.7	39.5	1,312.0	–

The above transactions are with subsidiaries.

G. Risk management

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company.

Credit risks within the Company derive from non-payment of loan balances. However, as the balances are receivable from subsidiary companies the risk of default is considered minimal.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

The Company balance sheet largely comprises illiquid assets in the form of investments in subsidiaries and loans to subsidiaries, which have been used to finance property investment and development activities. Accordingly the realisation of these assets may take time and may not achieve the values at which they are carried in the balance sheet.

The Company had trade and other payables of £2.0 million at 31 March 2024 (31 March 2023: £1.9 million). There are no differences between the book value of cash and trade payables, nor is there any meaningful interest rate sensitivity.

Appendices

Appendix A – EPRA Performance Measures

As in previous years, we disclose in line with the EPRA Best Practice Recommendations (latest version published February 2022). We believe that publishing metrics in line with the industry standard benchmarks improves the relevance of our accounts, in particular aiding investors with comparability across real estate companies.

Summary table

	2024	2023
EPRA EPS (p)	3.4	3.3
EPRA Cost Ratio (including direct vacancy costs) (%)	13.2	13.5
EPRA Cost Ratio (excluding direct vacancy costs) (%)	11.7	12.3
	2024	2023
EPRA NRV (p)	55.1	59.5
EPRA NTA (p)	49.3	53.6
EPRA NDV (p)	55.3	61.2
EPRA NIY (%)	5.08	4.77
EPRA "topped-up" NIY (%)	5.08	4.78
EPRA Vacancy Rate (%)	1.0	1.0
EPRA LTV (%)	47	43

EPRA EPS

3.4p

2023 3.3p

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.

The calculation of EPRA EPS and diluted EPRA EPS are shown in Note 6 to the accounts.

EPRA NAV Metrics

EPRA NRV	EPRA NTA	EPRA NDV
55.1p	49.3p	55.3p
2023: 59.5p	2023: 53.6p	2023: 61.2p

Definitions

EPRA Net Reinstatement Value assumes that entities never sell assets and aims to represent the value required to rebuild the entity.

EPRA Net Tangible Assets assumes that entities never buy and sell assets thereby crystallising certain levels of unavoidable deferred tax.

EPRA Net Disposal Value represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

Purpose

The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.

The calculations of EPRA NRV, EPRA NTA and EPRA NDV are shown in Note 7 to the accounts.

EPRA NIY

5.08%

2023: 4.77%

EPRA "topped up" NIY

5.08%

2023: 4.78%

Definitions

EPRA NIY is 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.

EPRA "topped-up" NIY – this measure incorporates 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, this measure should make it easier for investors to judge for themselves how the valuation compares with that of portfolios in other listed companies.

	2024 £m	2023 £m
Investment property	2,708.3	2,738.0
Less developments	(49.7)	(53.0)
Completed investment property portfolio	2,658.6	2,685.0
Allowance for estimated purchasers' costs	171.3	174.5
Gross up completed investment property – B	2,829.9	2,859.5
Annualised cash passing rental income	150.6	142.9
Annualised property outgoings	(6.9)	(6.4)
Annualised net rents – A	143.7	136.5
Notional rent expiration of rent-free periods or other incentives	0.2	0.2
Topped-up annualised rent – C	143.9	136.7
EPRA NIY – A/B (%)	5.08%	4.77%
EPRA "topped-up" NIY – C/B (%)	5.08%	4.78%

APPENDICES (CONTINUED)

Appendix A – EPRA Performance Measures (continued)

EPRA Vacancy Rate

1.0%

2023: 1.0%

Definition

Estimated rental value (ERV) of vacant space divided by ERV of the whole portfolio.

Purpose

A "pure" (%) measure of investment property space that is vacant, based on ERV.

	2024 £m	2023 £m
ERV of vacant space (£m)	1.4	1.4
ERV of completed property portfolio (£m)	151.8	144.5
EPRA Vacancy Rate (%)	1.0	1.0

EPRA Cost Ratio
(including direct vacancy costs)**13.2%**

2023: 13.5%

Definition

Administrative and operating costs (including and excluding direct vacancy costs) divided by gross rental income. In the current year, £1.2 million of overheads were capitalised by the Company (2023: £1.2 million).

Purpose

A key measure to enable meaningful measurement of the changes in a company's operating costs.

	2024 £m	2023 £m
Direct property costs	6.9	6.4
Administrative expenses	13.2	13.3
Share-based payment costs	0.8	0.7
Net service charge costs/fees	(0.6)	(0.5)
Exclude:		
Ground rent costs	(0.5)	(0.4)
EPRA Costs (including direct vacancy costs) – A	19.8	19.5
Direct vacancy costs	(2.2)	(1.7)
EPRA Costs (excluding direct vacancy costs) – B	17.6	17.8
Gross rental income less ground rent costs (per IFRS)	149.7	144.0
Share of joint ventures (gross rental income less ground rent costs)	0.6	0.4
Gross rental income – C	150.3	144.4
EPRA Cost Ratio (including direct vacancy costs) – A/C	13.2%	13.5%
EPRA Cost Ratio (excluding direct vacancy costs) – B/C	11.7%	12.3%

EPRA LTV

47%

2023: 43%

Definition

Debt divided by the market value of the property, differing from our usual LTV by the inclusion of net current payables or receivables and the proportionate share of co-investment arrangements.

Purpose

To assess the gearing of the shareholder equity.

	2024 £m			2023 £m		
	Share of joint ventures			Share of joint ventures		
	Group	ventures	Combined	Group	ventures	Combined
Borrowings	1,246.9	6.8	1,253.7	1,246.4	7.2	1,253.6
Net payables	49.0	1.1	50.1	49.4	–	49.4
Exclude:						
Cash and cash equivalents	(35.4)	(0.9)	(36.3)	(118.0)	(0.9)	(118.9)
Net debt – A	1,260.5	7.0	1,267.5	1,177.8	6.3	1,184.1
Investment properties	2,658.6	13.0	2,671.6	2,685.0	12.0	2,697.0
Investment property under construction	49.7	–	49.7	53.0	–	53.0
Assets held for sale	0.4	–	0.4	0.4	–	0.4
Total Property value – B	2,708.7	13.0	2,721.7	2,738.4	12.0	2,750.4
EPRA LTV – A/B			47%			43%

Property-related capital expenditure

	2024 £m			2023 £m		
	Share of joint ventures			Share of joint ventures		
	Group	ventures	Combined	Group	ventures	Combined
Acquisitions of completed medical centres	17.7	1.2	18.9	126.5	10.4	136.9
Developments/forward-funding arrangements	73.8	–	73.8	58.9	–	58.9
Capitalised interest	2.0	–	2.0	2.3	–	2.3
Investment properties – no incremental letting space	11.1	–	11.1	15.0	–	15.0
Total capital expenditure	104.6	1.2	105.8	202.7	10.4	213.1
Conversion from accrual to cash basis	(6.3)	–	(6.3)	(9.7)	–	(9.7)
Total capital expenditure on cash basis	98.3	1.2	99.5	193.0	10.4	203.4

APPENDICES (CONTINUED)

Appendix B

Medical centres valued over £10 million

Building official name	Town	Build date	Sq.m	List size	NHS rent %
79 Harley Street	Marylebone	2006	1,492	–	n/a
Ashfields Health Centre	Sandbach	2004	1,567	27,545	88%
Aspen Centre	Gloucester	2014	3,481	30,585	83%
Bonnyrigg Medical Centre	Bonnyrigg	2005	4,083	26,708	97%
Buckshaw Treatment Centre	Buckshaw	2021	2,415	–	n/a
Castlebar Primary Care Centre	Castlebar	2016	3,637	–	88%
Centre for Diagnostics, Oncology & Wellbeing	Bristol	2014	1,729	–	n/a
Centre for Diagnostics, Oncology & Wellbeing	Windsor	2017	1,831	–	n/a
Centre for Oncology	Guildford	2023	2,884	–	n/a
Cheltenham Family Health Centre	Cheltenham	1999	5,750	40,162	87%
Church View Medical Centre	South Kirkby	2013	2,812	15,312	90%
Church View Primary Care Centre	Nantwich	2008	3,271	25,378	89%
Coldharbour Works	London	2021	3,988	–	86%
Crompton Health Centre	Bolton	2007	2,964	12,853	82%
Dean Street	London	2011	1,083	–	84%
Dene Drive Primary Care Centre	Winsford	2007	2,793	25,592	88%
Durham Diagnostic Treatment Centre	Durham	2018	2,069	–	100%
Eagle Bridge Health and Wellbeing Centre	Crewe	2007	6,809	48,214	91%
Eccles Specialist Education	Norwich	1950	5,082	–	n/a
Fleetwood Health and Wellbeing Centre	Fleetwood	2012	5,204	12,205	92%
Freshney Green Primary Care Centre	Grimsby	2009	6,590	27,153	86%
Frome Medical Centre	Frome	2012	4,062	31,069	79%
Hadrian Health Centre	Wallsend	2022	2,297	20,196	100%
Heysham Primary Care Centre	Heysham	2012	3,127	18,141	93%
Hillside Primary Care Centre	Harlesden	2008	1,945	14,574	100%
Jubilee Health Centre	Shotfield	2012	3,011	29,361	90%
Kettering Health Facility	Kettering	2023	3,537	–	n/a
Malmesbury Primary Care Centre	Malmesbury	2008	3,205	16,521	89%
Market Drayton Primary Care Centre	Market Drayton	2005	3,589	17,837	90%
Meddygfa Padarn Surgery	Aberystwyth	2012	3,371	–	80%
Moor Park Medical Centre	Blackpool	2011	4,964	24,634	95%
North Ormesby Health Village	North Ormesby	2005	7,652	20,592	64%
Northgate Health Centre	Bridgnorth	2007	3,588	16,225	89%
One Life Building	Middlesbrough	2005	3,326	11,334	91%
Priory Health Park	Wells	2003	4,628	20,036	83%
Prospect View Medical Centre	Malvern	2011	2,316	23,429	91%

Building official name	Town	Build date	Sq.m	List size	NHS rent %
Rothbury Community Hospital & Medical Centre	Rothbury	2007	1,476	4,545	n/a
Severn Fields Health Village	Shrewsbury	2012	6,003	17,019	95%
Sheridan Specialist Education	Thetford	1993	599	n/a	n/a
South Bar House	Banbury	2009	3,692	45,262	89%
St Annes Health Centre	Lytham St Annes	2009	2,259	18,988	97%
Stratford Healthcare Centre	Stratford-upon-Avon	2005	5,988	15,540	98%
Sudbury Community Health Centre	Sudbury	2014	2,937	11,283	100%
Tees Valley Treatment Centre	Middlesbrough	2018	4,389	–	n/a
The Duchy	Harrogate	1990	3,978	–	n/a
The Ridge	Bradford	2008	3,763	15,919	89%
The Surgery @ Wheatbridge	Chesterfield	2008	2,862	15,482	74%
Todmorden Medical Centre	Todmorden	2008	4,166	16,151	91%
Turnpike House Medical Centre	Worcester	2006	4,132	22,917	90%
Waters Green Medical Centre	Macclesfield	2006	6,018	62,059	93%
Well Street Surgery	Hackney	2008	1,080	14,094	100%
West Midlands Ambulance Hub	Oldbury	2022	7,082	–	100%
Wicklow Primary Healthcare Centre	Wicklow	2015	4,375	–	83%

Appendix C

Portfolio statistics

Portfolio statistics	Number	Rent (£m)	WAULT (years)	Total floor area (sq.m)	Value (£m)	<£1m	£1–5m	£5–10m	>£10m
North East	139	33.0	11.3	156,963	562.5	7.8	246.9	140.7	167.1
Midlands	107	27.3	12.4	144,281	495.2	3.9	200.1	164.0	127.2
South East	115	26.1	10.3	116,693	444.7	9.2	208.0	154.9	72.6
London	78	17.9	10.0	64,882	345.6	1.6	146.3	81.9	115.8
North West	48	17.4	8.5	85,903	320.2	2.8	61.8	57.5	198.1
South West	56	12.2	12.9	72,820	210.5	5.1	88.1	39.1	78.2
Scotland, Ireland & NI	27	9.3	9.6	58,344	144.7	0.3	37.3	34.2	72.9
Wales	44	7.4	8.7	45,628	128.7	1.0	80.5	47.2	–
	614	150.6	10.8	745,514	2,652.1	31.7	1,069.0	719.5	831.9

APPENDICES (CONTINUED)

Appendix D

Gender pay gap

As an employer with fewer than 250 employees, we are not obliged to disclose our gender pay gap but have voluntarily chosen to do so. We are fully compliant with our obligations under Equal Pay laws and regulations.

Our gender pay gap reflects the split in balance of males and females at the different levels of our organization i.e., we have a greater proportion of senior managers that are male, which is common in the real estate industry where there has historically been a greater number of male chartered surveyors. Our EDI strategy targets improving our gender balance with a focus on developing high potential female colleagues.

For the whole workforce our gender pay gap is 26% (2023: 38%), having decreased by 12 percentage points in the year, reflecting the increased recruitment of women to more senior roles within the organisation. Our gender bonus gap is 49% (2023: 69%). This is as a result of more of our male employees working in the portfolio team which has a higher proportion of variable pay compared to the wider workforce.

The tables below present the gender pay gap both by quartile and by grade.

By quartile

	Gender pay gap			Bonus pay gap		
	Male	Female	Pay gap Mean	Male	Female	Pay gap Mean
Top quartile	67%	33%	(8)%	75%	25%	(20)%
Upper middle quartile	50%	50%	0%	50%	50%	2%
Lower middle quartile	30%	70%	15%	55%	45%	1%
Lower quartile	39%	61%	0%	35%	65%	(27)%
Total	46%	54%	26%	53%	47%	49%

By grade

	Gender pay gap			Bonus pay gap		
	Male	Female	Pay gap Mean	Male	Female	Pay gap Mean
ExCo	43%	57%	31%	50%	50%	45%
Senior	69%	31%	19%	83%	17%	74%
Technical/Mid	50%	50%	5%	60%	40%	(21)%
Admin/Junior	29%	71%	(11)%	29%	71%	(57)%
All Employees	46%	54%	26%	53%	47%	49%

Glossary

AGM is the Annual General Meeting.

ASHP is air source heat pump.

Average Debt Maturity is each tranche of Group debt multiplied by the remaining period to its maturity and the result divided by total Group debt in issue at the year end.

Average Interest Rate is the Group loan interest and derivative costs per annum at the year end, divided by total Group debt in issue at the year end.

British Property Federation (BPF) is the membership organisation, the voice of the real estate industry.

Building Research Establishment Environmental Assessment Method (BREEAM) assess the sustainability of buildings against a range of criteria.

Code or New Code is the UK Corporate Governance Code 2018, a full copy of which can be found on the website of the Financial Reporting Council.

Company is Assura plc.

Direct Property Costs comprise cost of repairs and maintenance, void costs, other direct irrecoverable property expenses and rent review fees.

District Valuer (DV) is the commercial arm of the Valuation Office Agency. It provides professional property advice across the public sector and in respect of primary healthcare represents NHS bodies on matters of valuations, rent reviews and initial rents on new developments.

Earnings per Ordinary Share from Continuing Operations (EPS) is the profit attributable to equity holders of the parent divided by the weighted average number of shares in issue during the period.

EBITDA is EPRA earnings before tax and net finance costs. In the current period this is £129.5 million, calculated as net rental income (£143.3 million) plus income from investments (£0.2 million), less administrative expenses (£13.2 million) and share-based payment charge (£0.8 million).

ED&I is equality, diversity and inclusion.

European Public Real Estate Association (EPRA) is the industry body for European REITs. EPRA is a registered trademark of the European Public Real Estate Association.

EPRA Cost Ratio is administrative and operating costs divided by gross rental income. This is calculated both including and excluding the direct costs of vacant space. See Appendix A.

GLOSSARY (CONTINUED)

EPRA earnings is a measure of profit calculated in accordance with EPRA guidelines, designed to give an indication of the operating performance of the business, excluding one-off or non-cash items such as revaluation movements and profit or loss on disposal. See Note 6.

EPRA EPS is EPRA earnings, calculated on a per share basis. See Note 6.

EPRA Loan to Value (EPRA LTV) is debt divided by the market value of the property, differing from our usual LTV by the inclusion of net current payables or receivables and the proportionate share of co-investment arrangements.

EPRA Net Disposal Value (EPRA NDV) is the balance sheet net assets adjusted to reflect the fair value of debt and derivatives. See Note 7. This replaces the previous EPRA NNNAV metric.

EPRA Net Reinstatement Value (EPRA NRV) is the balance sheet net assets excluding deferred tax and adjusted to add back theoretical purchasers' costs that are deducted from the property valuation. See Note 7.

EPRA Net Tangible Assets (EPRA NTA) is the balance sheet net assets excluding deferred taxation. See Note 7. This replaces the previous EPRA NAV metric.

EPRA NIY is annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of property, increased with (estimated) purchasers' costs. The "topped-up" yield adjusts this for the expiration of rent-free periods and other unexpired lease incentives. See Appendix A.

EPRA Vacancy Rate is the ERV of vacant space divided by the ERV of the whole portfolio. See Appendix A.

Equivalent Yield represents the return a property will produce based upon the timing of the income received. The true equivalent yield assumes rents are received quarterly in advance. The nominal equivalent assumes rents are received annually in arrears.

ESG is environmental, social and governance.

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.

EUI is energy usage intensity, being a measure of how much energy is used by a building per square metre.

GMS is General Medical Services.

Gross Rental Income is the gross accounting rent receivable.

Group is Assura plc and its subsidiaries.

HSE is the Health Service Executive, the body which provides public health and social care services to everyone living in Ireland.

IFRS is UK-adopted international accounting standards.

Interest Cover is the number of times net interest payable is covered by EBITDA. In the current period net interest payable is £27.1 million, EBITDA is £129.5 million, giving interest cover of 4.8 times.

KPI is a Key Performance Indicator.

kWh is kilowatt-hour, being a unit of energy.

Like-for-like represents amounts calculated based on properties owned at the previous year end.

Loan to Value (LTV) is the ratio of net debt to the total value of property assets. See Note 22.

Mark to Market is the difference between the book value of an asset or liability and its market value.

MSCI is an organisation that provides performance analysis for most types of real estate and produces an independent benchmark of property returns.

NAV is Net Asset Value.

Net debt is total borrowings plus head lease liabilities less cash. See Note 22.

Net Initial Yield (NIY) is the annualised rents generated by an asset, after the deduction of an estimate of annual recurring irrecoverable property outgoings, expressed as a percentage of the asset valuation (after notional purchasers' costs). Development properties are not included.

Net Rental Income is the rental income receivable in the period after payment of direct property costs. Net rental income is quoted on an accounting basis.

Operating efficiency is the ratio of administrative costs to the average gross investment property value. This ratio during the period equated to 0.48%. This is calculated as administrative expenses of £13.2 million divided by the average property balance of £2,723 million (opening £2,738 million plus closing £2,708 million, divided by two).

GLOSSARY (CONTINUED)

Primary Care Network (PCN) is GP practices working with local community, mental health, social care, pharmacy, hospital and voluntary services to build on existing primary care services and enable greater provision of integrated health services within the community they serve.

Primary Care Property is the property occupied by health service providers who act as the principal point of consultation for patients such as GP practices, dental practices, community pharmacies and high street optometrists.

Property Income Distribution (PID) is the required distribution of income as dividends under the REIT regime. It is calculated as 90% of exempted net income.

PSP is Performance Share Plan.

PV is photo-voltaic panels, commonly referred to as solar panels.

Real Estate Investment Trust (REIT) is a listed property company which qualifies for and has elected into a tax regime which exempts qualifying UK profits, arising from property rental income and gains on investment property disposals, from corporation tax, but requires the distribution of a PID.

Rent Reviews take place at intervals agreed in the lease (typically every three years) and their purpose is usually to adjust the rent to the current market level at the review date.

Rent Roll is the passing rent (i.e. at a point in time) being the total of all the contracted rents reserved under the leases, on an annual basis. At March 2024 the rent roll was £150.6 million (March 2023: £143.4 million) and the growth in the year was £7.2 million.

Retail Price Index (RPI) is an official measure of the general level of inflation as reflected in the retail price of a basket of goods and services such as energy, food, petrol, housing, household goods, travelling fares, etc. RPI is commonly computed on a monthly and annual basis.

RPI Linked Leases are those leases which have rent reviews which are linked to changes in the RPI.

SBTi is Science Based Targets initiative.

Total Accounting Return is the overall return generated by the Group including the impact of debt. It is calculated as the movement on EPRA NTA (see glossary definition and Note 7) for the period plus the dividends paid, divided by the opening EPRA NTA. Opening EPRA NTA (i.e. at 31 March 2023) was 53.6 pence per share, closing EPRA NTA was 49.3 pence per share, and dividends paid total 3.24 pence per share giving a return of (2.0)% in the year.

Total Contracted Rent Roll or Total Contracted Rental Income is the total amount of rent to be received over the remaining term of leases currently contracted. For example, a lease with rent of £100 and a remaining lease term of ten years would have total contracted rental income of £1,000. At March 2024, the total contracted rental income was £1.76 billion (March 2023: £1.77 billion).

Total Property Return is the overall return generated by properties on a debt-free basis. It is calculated as the net rental income generated by the portfolio plus the change in market values, divided by opening property assets plus additions. In the year to March 2024, the calculation is net total income of £143.3 million less revaluation loss of £131.5 million giving a return of £11.8 million, divided by £2,833.0 million (opening investment property £2,677.4 million and IPUC £53.0 million plus additions of £28.8 million and development costs of £73.8 million). This gives a Total Property Return in the year of 0.4%.

Total Shareholder Return (TSR) is the combination of dividends paid to shareholders and the net movement in the share price during the period, divided by the opening share price. The share price at 31 March 2023 was 48.9 pence, at 31 March 2024 it was 42.6 pence, and dividends paid during the period were 3.24 pence per share.

UK GBC is the UK Green Building Council.

Weighted Average Unexpired Lease Term (WAULT) is the average lease term remaining to first break, or expiry, across the portfolio weighted by contracted rental income.

Yield on cost is the estimated annual rent of a completed development divided by the total cost of development including site value and finance costs expressed as a percentage return.

Yield shift is a movement (usually expressed in basis points) in the yield of a property asset or like-for-like portfolio over a given period.

Yield compression is a commonly used term for a reduction in yields.

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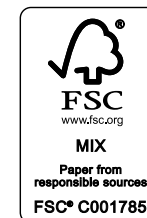
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HSBC plc
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Forward-looking statements

This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking in nature and are subject to risks and uncertainties. Actual future results may differ materially from those expressed in or implied by these statements. Many of these risks and uncertainties relate to factors that are beyond Assura's ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Assura does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document. Information contained in this document relating to the Company should not be relied upon as a guide to future performance.

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