NewRiver REIT PLC

Preliminary results for the year ended 31 March 2024

21 June 2024

Continued Strong Operational Performance, Stable Valuation and Confident Outlook

Allan Lockhart, Chief Executive commented: "During the fourth quarter, we have seen a continuation of the positive operational momentum that has built over recent years, which is reflective of both the steadily improving health of the underlying retail market and the inherent strengths of our business. The retail sector is arguably in the best position it's been in for several years following a wave of corporate restructurings and the successful repositioning of many retailers, which have created a healthier operating environment, as well as the increased market share of omnichannel retailers with physical retail playing a central role.

Our retail portfolio, which demonstrated valuation stability in the second half of the year, is ideally positioned to benefit from consumers increasingly seeking value and convenience. The implementation of strategic key decisions over the last four years has reshaped our business, and we are entering an exciting time as we progress from resilience to sustainable growth. We have also continued to invest into our specialist asset management platform, meaning we are well placed to ramp up our Capital Partnerships activities, supported by our strong cash and liquidity position."

Balance sheet positioned for growth

- LTV of 30.8% vs 33.9% at 31 March 23 following disposals including the Napier Joint Venture which generated an IRR of 16% since acquisition
- Cash increased to £133.2m vs £111.3m at 31 March 23
- Interest cover increased to 6.5x vs 4.3x at 31 March 23
- Net debt to EBITDA improved to 4.8x vs 4.9x at 31 March 23
- Refinanced £100m undrawn Revolving Credit Facility to extend maturity to November 2026 at reduced cost
- Fully unsecured balance sheet with interest rate fixed at 3.5% on drawn debt and no maturity on drawn debt until 2028

Stable underlying financials

- UFFO of £24.4m (7.8 pence per share), reduced from £25.8m (8.3 pence per share) in FY23 due to disposals and Covid related credits recognised in FY23
- FY24 Dividend Per Share of 6.6 pence including final dividend of 3.2 pence; 85% payout / 118% covered. The final dividend includes a 0.2 pence per share top-up consistent with the approach adopted at the half year
- Portfolio valued at £544m, delivering a total return of +4.8% vs MSCI All Retail of -0.2%, significantly outperforming the benchmark
- IFRS profit after tax of £3.0m due to 2.3% valuation decline (FY23 loss of £16.8m)
- EPRA NTA per share down 5.0% to 115 pence vs 121 pence at 31 March 23 due to the modest decline in portfolio valuation of -2.3%, the vast majority of which occurred in H1 with valuations broadly stable in H2 (H2: portfolio valuation -0.4%)
- FY24 Total Accounting Return of +0.5% vs -4.6% in FY23

Strong operational performance

- Record occupancy of 98.0% (31 March 2023: 96.7%)
- Achieved 785,100 sq ft of leasing in FY24 delivering rental growth; long-term transactions +3.6% vs ERV and +1.8% vs previous rent
- Improving tenant retention rate of 94% vs 92% in FY23; average rent remains affordable at £11.82 per sq ft at March 2024
- Asset management fee income from Capital Partnerships increased by £1.0m vs FY23 to £2.5m, with the key driver being the mandate from M&G Real Estate which started in Q4 FY23
- Launched search for new Capital Partner to target UK retail parks, which will enable us to co-invest to generate rental income and asset management fees; early engagement has been positive
- Major planning application submitted for Grays regeneration in November 2023
- Work Out assets reduced from 11% of total portfolio at March 2023 to 6% at March 2024 following the completion of two disposals (accounting for 2% of the Work Out reduction including 0.7% due to the discount to March 2023 valuation) and two turnaround strategies during H2 (accounting for 3% of the reduction), with one further disposal completed post year end in-line with March 2024 valuation
- Core Portfolio now accounts for 93% of Total Portfolio, up from 88% in March 2023
- GRESB score improved to 72 from 70 and maintained Gold Level for EPRA Sustainability Best Practice Recommendations

Results summary

Performance	Note	FY24 Audited	FY23 Audited
Underlying Funds From Operations (‘UFFO’)	(1)	£24.4m	£25.8m
UFFO per share	(1)	7.8p	8.3p
Net Property Income		£45.6m	£50.5m
Ordinary dividend		6.6p	6.7p
Ordinary dividend cover	(2)	118%	125%
Ordinary dividend payout	(2)	85%	80%
IFRS Profit / (Loss) after taxation		£3.0m	£(16.8)m
IFRS Basic EPS		1.0p	(5.4)p
Interest cover	(3)	6.5x	4.3x
Total Accounting Return	(4)	+0.5%	-4.6%
GRESB Score	(5)	72	70

Balance Sheet	Note	March 2024	March 2023
IFRS Net Assets		£361.1m	£378.6m
EPRA NTA per share	(6)	115p	121p
Balance Sheet (proportionally consolidated)	(7)	**March 2024**	**March 2023**
Properties at valuation	(7)	£543.8m	£593.6m
Net debt	(7)	£167.3m	£201.3m
Principal value of gross debt	(7) (8)	£304.0m	£316.0m
Cash	(7)	£133.2m	£111.3m
Net debt: EBITDA	(7)	4.8x	4.9x
Weighted average cost of debt – drawn only	(7) (9)	3.5%	3.5%
Weighted average debt maturity – drawn only	(7) (9)	3.9 years	4.7 years
Loan to value	(7) (10)	30.8%	33.9%

(1) Underlying Funds From Operations (‘UFFO’) is a Company measure of operational profits, which includes other income and excludes one off or non-cash adjustments, such as portfolio valuation movements, profits or losses on the disposal of investment properties, fair value movements on derivatives and share-based payment expense as set out in Note 12 to the Financial Statements and in the Finance Review. UFFO is used by the Company as the basis for ordinary dividend policy and cover

(2) Ordinary dividend cover and payout calculated with reference to UFFO

(3) Interest cover is tested at corporate level and is calculated by comparing actual net property income received versus net cash interest payable on a 12 month look-back basis

(4) Total Accounting Return is the EPRA NTA per share movement during the year, plus dividends paid in the year, divided by EPRA NTA per share at the start of the year

(5) GRESB is the leading sustainability benchmark for the global real estate sector, and its annual assessment scores participating companies out of 100

(6) EPRA Net Tangible Assets (‘NTA’) is based on IFRS net assets excluding the mark to market on derivatives and debt instruments, deferred taxation on revaluations and diluting for the effect of those shares potentially issuable under employee share schemes, see Note 12 to the Financial Statements

(7) Proportionally consolidated means Group and share of JVs & associates

(8) Principal value of gross debt being £300.0 million of Group and £4.0 million share of JVs & associates (31 March 2023: £300.0 million of Group and £16.0 million share of JVs & associates)

(9) Weighted average cost of debt and weighted average debt maturity on drawn debt only (including share of JV & associate drawn debt)

(10) The ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments

For further information

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Results presentation

A pre-recorded presentation will be streamed live at 11:00am today on our website and the following link: https://secure.emincote.com/client/newriver/FY24/

This will be followed immediately by a live Q&A session for investors and analysts.

The accompanying slides will be made available at www.nrr.co.uk just prior to the presentation commencing.

Forward-looking statements

The information in this announcement may include forward-looking statements, which are based on current projections about future events. These forward-looking statements reflect the directors' beliefs and expectations and are subject to risks, uncertainties and assumptions about NewRiver REIT plc (the 'Company'), including, amongst other things, the development of its business, trends in its operating environment, returns on investment and future capital expenditure and acquisitions, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements.

None of the future projections, expectations, estimates or prospects in this announcement should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. As a result, you are cautioned not to place reliance on such forward-looking statements as a prediction of actual results or otherwise. The information and opinions contained in this announcement are provided as at the date of this document and are subject to change without notice. No one undertakes to update publicly or revise any such forward looking statements. No statement in this document is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.

Chief Executive's Review

NewRiver is well positioned to deliver future earnings growth, underpinned by the strongest operational and financial position the business has been in for several years. This position is supported by the fact that our underlying occupational market has been steadily improving over the last few years, our portfolio continues to perform well, and our balance sheet is in excellent shape, providing future optionality for growth. The implementation of key strategic decisions made over the last four years has allowed us to reshape our business, progressing from resilience to sustainable growth. We ended our financial year in a strong position having delivered another solid set of financial results, supported by an excellent operating performance, whilst continuing to execute our strategy of expanding our Capital Partnerships, delivering on our core business activity of market leading asset management and improving the quality of our portfolio through selective disposals.

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

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

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

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

An Improving Market Place

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

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

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

- Firstly, much of the corporate restructuring in the retail sector has already taken place, as evidenced by the significant number of CVAs and tenant administrations occurring between 2020 and 2022. As a result, many of the weaker retailers have been removed and, with that, the excess competition benefitting the rest of the market.

- Secondly, most national retailers have applied a laser focus on margin growth over the last ten years, not just volume growth, by delivering improved operational efficiency, including portfolio repositioning. This has led to improved financial results, and a great example of this is Marks & Spencer.

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

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

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

Our Core Shopping Centres and Retail Parks Delivering For Our Stakeholders

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

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

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

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

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

Regeneration Set to Deliver Positive Change

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

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

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

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

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

Work Out is Reducing

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

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

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

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

Scaling Up Capital Partnerships

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

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

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

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

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

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

Great People, Great Data and Great Systems

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

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

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

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

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

ESG – Progress to Net Zero

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

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

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

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

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

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

What Next

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

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

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

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

Allan Lockhart
Chief Executive Officer

Portfolio Review

Highlights

Portfolio Metrics as at 31 March 2024

- Occupancy: 98.0% (FY23: 96.7%)
- Retention Rate: 94% (FY23: 92%)
- Rent Collection: 99% (FY23: 98%)
- Affordable Average Rent: £11.82 per sq ft (FY23: £11.98 per sq ft)
- Gross to Net Rent Ratio: 88% (FY23: 88%)
- Leasing Volume: 785,100 sq ft (FY23: 979,200 sq ft)
- Leasing Activity: +3.6% ahead of valuer's ERV (FY23 +1.1%)
- Average CAGR FY22-FY24: -0.3% on 9.9 year average previous lease period
- Occupational Cost Ratio: 8.8%
- In-store sales growth: 9.7% year-on-year
- Total Return of 4.8% outperforming the MSCI All Retail by +500bps over 12 months
- Portfolio NIY of 7.6%, +160bps versus the MSCI All Retail at 6.0%
- Expanding Capital Partnerships across public, private equity and institutional sectors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Valuation

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

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

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

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

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

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

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

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

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

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

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

Customer Spend Data (Analysis of Lloyds Bank Data)

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

The headline portfolio findings are that our assets are local and accessible to our consumers, in-store spend is increasing, like-for-like sales are up and our space is affordable and profitable for our occupiers.

NewRiver analysis and key findings are:

- Overall, the portfolio has an OCR of 8.8%, with the lowest being within the Retail Parks segmentation at 7.6%
- Total in store like-for-like spend for the NewRiver portfolio grew by 10% year-on-year. In store and online spend growth (In Store + Online With Store Visit) also grew by 10%. These represent an outperformance relative to UK average growth in retail spend of 2.1%
- The NewRiver Average Transaction Value (ATV) has grown by 8% year-on-year, this is an outperformance relative to the UK benchmark of -1.0%
- The average OCR for the Top 40 Tenants in the portfolio by rental income is sub 8%. This suggests that the Top 40 Tenants, on average, generate a healthy turnover, and the rents and occupational costs are at sustainable levels
- Our assets are local and accessible with 68% of consumers travelling 0-5 miles to visit our centres
- 79% of spend is from consumers of working age (defined as being between 25 and 69)
- The top 4 most affluent segments (Affluent & Rooted, Comfortable & Successful, Ambitious & Motivated and Retired) account for 62% of spend within the portfolio

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

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

Retail Parks

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

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

Selected highlights include:

Barrow-in-Furness, Hollywood Retail & Leisure Park: is the key retail and leisure offer to the town opposite Tesco Extra, benefiting from a line-up including Aldi, TK Maxx, Curry's, Dunelm, McDonald's and KFC. We have strengthened this offer, with new lettings in line with valuer's ERV, through the introduction of CVS Vets on a 10 year term on a former Pizza Hut restaurant and having exercised the landlord break on a Bingo operator, completed a new letting to Smyths Toys on a 15 year term.

Cardiff, Valegate Retail Park: this 94,000 sq ft discount-led park, adjacent to high performing M&S and Tesco Extra stores, has shown the continued demand for supermarket anchored retail parks to a variety of occupiers. The park is 100% let following long-term lettings to Poundland and Boulders, an indoor climbing centre in the previous year, and a new letting to Card Factory on a 5 year term at +3% above valuer's ERV.

Dewsbury, Rishworth Centre: at our 99,000 sq ft retail park anchored by Sainsbury's and Aldi, we exercised the landlord break on the Poundstretcher unit and completed a new letting with Pure Gym on terms substantially above the previous passing rent following a competitive bid process. The park is now fully let with Pure Gym joining Aldi, Shoezone, Iceland, Halfords, Matalan and Pets at Home.

Dumfries, Cuckoo Bridge Retail Park: demand from new occupiers at this supermarket, DIY and discount anchored park remains strong with the last remaining vacancy under offer. In the past 12 months, we have completed a new letting to Food Warehouse and renewed the lease with Dunelm on a 20,000 sq ft store for a term of 10 years.

Lisburn, Sprucefield Retail Park: we successfully received planning permission for three new drive-thru/restaurant units on surplus land adjacent to the retail park and exchanged agreements for lease with Nando's, Starbucks and Slim Chickens. Works have started on site with completion due in Summer 2024. This park benefits from its accessibility, located just off the M1 connecting Belfast to Dublin, and broad tenant mix with anchors Sainsbury's and B&Q situated alongside The Range and B&M.

Core Shopping Centres

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

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

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

Selected highlights include:

Newtownabbey, Abbey Centre: at our centre in Belfast, totalling 320,000 sq ft and anchored by Primark, Next and Dunnes, we recently completed the upsize of Danske Bank to a new flagship store on a 10 year term increasing the rent payable by +59%. In addition, we completed works to create a new external unit for Greggs and as part of the works refurbished the entrance to improve the access from the surface level car park. The new lettings will produce an additional annualised net income of +£110,000 with total capex incurred of £820,000. It has been an active 12 months, securing £730,000 of annualised rent including renewals with a range of occupiers including Pavers, Card Factory, Clarks and Ernest Jones.

Hastings, Priory Meadow: at our south-east Shopping Centre in the heart of Hastings, anchored by Primark and M&S, Black Sheep Coffee has taken one of the last remaining vacancies on a new 20 year lease at £60,000 per annum, aligned with valuer's ERV. Occupiers continue to benefit from a strong trading performance at the scheme as reflected at lease renewal with H&M renewing on terms +11.4% above valuer's ERV and +23.1% above the previous passing rent. Within the period, we have also completed renewals with EE, F Hinds, HMV, Schuh and Boots at rents aligned with valuer's ERV.

The Avenue, Newton Mearns: our community centre is situated within an affluent catchment in the suburbs of Glasgow, anchored by Marks & Spencer and Asda, and provides a range of national and independent retailers. We have recently re-geared Marks & Spencer on a new 15 year lease with the retailer investing in their store fit out and let the former M&Co to Bonmarche on a new 5 year lease +13% above valuer's ERV.

Paisley, The Piazza: has been revitalised by active asset management capitalising on renewed occupier interest. Over the past 12 months, we have introduced JD Sports to the tenant line-up and completed a new letting to Bonmarche in the former M&Co unit. The planned redevelopment of the neighbouring shopping centre in the catchment has removed surplus retail supply, reinforcing the long-term sustainability of this retail centre within its local catchment.

Wallsend, The Forum: the opening of a new medical centre on surplus car park space which now sits alongside Aldi and Burger King, which we developed in 2016, in conjunction with the improved retail occupancy and rental tension has completed the turnaround strategy on this asset. In the past 12 months, we have completed long-term lettings totalling +8% above valuer's ERV and +17% above the previous passing rent.

Regeneration

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

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

Grays, Grays Shopping Centre: is located just 35 minutes from central London by train and we have submitted a planning application to redevelop the shopping centre into a high-density residential-led redevelopment of up to 850+ homes. A positive planning decision is anticipated later in the year, at which point the asset will be sold and capital recycled into income accretive opportunities.

Burgess Hill, The Martlets: is located in a prominent and affluent south-east location and currently benefits from a planning consent for a mixed-use development. We are in discussions to form a new joint venture to deliver our regeneration project. Terms have been agreed with a major food discounter to pre-let the retail anchor store, with a budget hotel operator for the proposed 89 bedroom hotel and with a residential developer to sell part of the site. We are targeting to commence project works at the end of 2024. We expect the project to deliver an IRR in excess of 15% and a yield on cost of 10%.

Bexleyheath, Broadway Shopping Centre: this Greater London asset across 11 acres comprises a shopping centre and retail park, anchored by M&S and Sainsbury's. We have completed several new lettings and lease renewals over the period, securing £1,270,000 of annualised income +1.3% above the valuer's ERV, within the existing dominant retail core. This includes new lettings and renewals to Greggs, Deichmann and B&M replacing Wilko on a new 10 year lease. Given the strong underlying retail performance, moving forward it is appropriate to move Bexleyheath out of our Regeneration Portfolio and into our Core Shopping Centre and Retail Park portfolios. This will reduce the Regeneration Portfolio to 5% of our total portfolio.

Work Out

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

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

Cardiff, The Capitol: we have made significant progress in transforming this asset which sits at the gateway to Cardiff City Council's new canal quarter and accounts for 56% of the total Work Out portfolio. Planning has been submitted for the required works to create an 80,000 sq ft family entertainment centre, with the new letting set to boost the annualised net income by more than £1 million per annum and act as the catalyst for Food & Beverage lettings on the remainder of the centre.

Wisbech, Horsefair: we are moving forward with our small-scale repositioning of the asset. A 35,000 sq ft anchor unit is under offer to a leading discount operator which will front a new surface level car park and drive-thru, also under offer. On completion, this will boost footfall across the centre which has seen ongoing commitments from several existing occupiers with renewals completed with Vodafone, EE and Boots in line with valuer's ERV.

Capital Partnerships

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

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

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

Our three current Capital Partnerships are:

Local Authorities: with Canterbury City Council across two shopping centres in Canterbury. Key highlights include:

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

Private Equity Sector: with BRAVO on one retail park and one shopping centre in Sheffield. Key highlights:

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

Institutional Sector: with M&G Real Estate across 17 retail parks and two shopping centres. Key highlights:

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

Finance review

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

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

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

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

Key performance measures

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

In addition to information contained in the Group financial statements, Alternative Performance Measures ('APMs'), being financial measures that are not specified under IFRS, are also used by management to assess the Group's performance. These include a number of the financial statistics included on Page 2 of this document. These APMs include a number of European Public Real Estate Association ('EPRA') measures, prepared in accordance with the EPRA Best Practice Recommendations reporting framework, which are summarised in the 'Alternative Performance Measures' section at the end of this document. We report these measures because management considers them to improve the transparency and relevance of our published results as well as the comparability with other listed European real estate companies. Definitions for APMs are included in the glossary and the most directly comparable IFRS measure is also identified. The measures used in the review below are all APMs presented on a proportionally consolidated basis unless otherwise stated.

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

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

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

Reconciliation of profit / (loss) after taxation to UFFO

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

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

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

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

Net property income

Analysis of net property income (£m)

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

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

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

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

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

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

Administrative expenses

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

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

Other income

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

Net finance costs

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

Taxation

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

Dividends

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

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

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

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

Balance sheet

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

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

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

Net assets

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

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

Properties at valuation

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

Debt & financing

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

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

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

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

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

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

Financial policies

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

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

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

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

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

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

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

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

Additional guidelines

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

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

Conclusion

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

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

Will Hobman
Chief Financial Officer

Notes to Editors

About NewRiver

NewRiver REIT plc ('NewRiver') is a leading Real Estate Investment Trust specialising in buying, managing and developing resilient retail assets throughout the UK.

Our £0.54 billion UK wide portfolio covers 6.1 million sq ft and comprises 24 community shopping centres and 12 conveniently located retail parks occupied by tenants predominately focused on essential goods and services. In addition we manage 18 retail parks and 5 shopping centres on behalf of Capital Partners, taking our total Assets Under Management to £1.3 billion. Our objective is to own and manage the most resilient retail portfolio in the UK, focused on retail parks, core shopping centres, and regeneration opportunities in order to deliver long-term attractive recurring income returns and capital growth for our shareholders.

NewRiver has a Premium Listing on the Main Market of the London Stock Exchange (ticker: NRR). Visit www.nrr.co.uk for further information.

Principal risks and uncertainties

Managing our risks and opportunities

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

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

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

Risk monitoring and assessment including emerging risks

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

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

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

Risk appetite and mitigation

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

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

Principal risk areas are:

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

External risks

Risk and impact	Monitoring and management	Change in risk assessment during the period
1. Macroeconomic Economic conditions in the UK and changes to fiscal and monetary policy may impact market activity, demand for investment assets, the operations of our occupiers or the spending habits of the UK population.	• The Board regularly assesses the Company's strategy in the context of the wider macroeconomic environment. This continued review of strategy focuses on positioning our portfolio for the evolving economic situation. • The Board and management team consider updates from external advisers, reviewing key indicators such as forecast GDP growth, employment rates, interest rates and Bank of England guidance and consumer confidence indices. • Our portfolio is focused on resilient market sub-sectors such as essential retailers. • Through regular stress testing of our portfolio we ensure our financial position is sufficiently resilient. • Closely monitoring rent collection and cash flow.	• Macroeconomic risk has remained the same during the year and is considered a **medium to high impact** risk with a **high probability**. • Sentiment has been impacted by interest rates, geopolitical issues and inflation. • Overall portfolio valuations slightly decreased in the second half of the year, however our debt covenant and financial policy headroom remains high. • Continued inflation could fuel wage growth and costs leading to rate increases above current forecasts. • Inflation has fallen during 2023 and 2024 and the Bank of England is working with interest rate adjustments to reduce inflation to fall to its 2% target.
2. Political and regulatory Changes in UK Government policy, the adverse effects of Brexit on our tenants, or the impact of political uncertainty on consumers' retail and leisure spend.	• The Board regularly considers political and regulatory developments and the impact they could have on the Company's strategy and operating environment. • External advisers, including legal advisers, provide updates on emerging regulatory changes to ensure the business is prepared and is compliant. • We regularly assess market research to gauge the impact of regulatory change on consumer habits. • We carry out stress testing on our portfolio in relation to regulatory changes which may impact our operations or financial position. • Where appropriate, we participate in industry and other representative bodies to contribute to policy and regulatory debate. Individual ExCo constituents are members of the BPF and the High Street Task Force.	• Political and regulatory risk has remained the same during the year. This is considered a **medium to high impact** risk with a **high probability.** • There has been political uncertainty within the UK due to changes in leadership over recent years and a decline in market confidence. This is likely to continue with a general election in July and a potential change of Government. There have also been political changes at a local authority level. • There still remains some uncertainty around the longer-term impacts of Brexit and also uncertainties relating to the possibility of Scottish devolution.
3. Catastrophic external event An external event such as civil unrest, a civil emergency including a large-	• The Board has developed a comprehensive crisis response plan which details actions to be taken at a head office and asset level.	• Catastrophic external event risk has remained the same during the year and is considered a **high impact** risk with a medium to **high probability**. • The after effects of a global pandemic caused unprecedented

scale terrorist attack or pandemic, could severely disrupt global markets and cause damage and disruption to our assets.	• The Board regularly monitors the Home Office terrorism threat level and other security guidance. • The Board regularly monitors advice from the UK Government regarding pandemic responses and emergency procedures at our assets are regularly tested and enhanced in line with the latest UK Government guidance. • We have robust IT security systems which cover data security, disaster recovery and business continuity plans. • The business has comprehensive insurance in place to minimise the cost of damage and disruption to assets.	economic and operational disruption and the continuing global developments create uncertainty. We mitigated the impact of these events through our portfolio positioning focusing on essential goods and services, our cash position and liquidity and our active approach to asset management. • The cost-of-living crisis, continued inflation and mortgage rate increases have impacted UK households. Our operational performance has however demonstrated the resilience of our portfolio. • The National Terrorism Threat Level is substantial and the full long-term impact from the wars in Ukraine and the Middle East and other geopolitical events remains unclear.
4a. Climate change strategy A failure to implement appropriate climate risk management measures, comply with evolving regulations or meet our ESG targets could impact the operation and value of our assets, leading to a risk of asset obsolescence, reputational damage and erosion of investor value.	• We have a comprehensive ESG programme which is regularly reviewed by the Board and Executive Committee. • One of the key objectives of the programme is to minimise our impact on the environment through reducing energy consumption, sourcing from renewable sources and increased recycling. • We have developed our Pathway to Net Zero Carbon and set medium and long-term targets in line with the latest science-based targets. • ESG performance is independently reviewed by our external environmental consultants and is measured against applicable targets and benchmarks. • We continue to report in line with TCFD requirements.	• Climate change strategy risk remained the same during the period and is considered a **medium to high impact** risk with a **medium to high probability**. • ESG has risen up the agenda of many stakeholders and expectations of compliance with best practice have increased. • Regulatory requirements have also increased during the period, in addition to the scoring criteria for certain ESG benchmarks such as GRESB. • Our ESG Committee pre-empted these changes and our initiatives and disclosure continue to evolve in-line with best practice. • ESG is embedded into capital allocation decisions and is considered for all future acquisitions.
4b. Climate change impacts on our assets Adverse impacts from environmental incidents such as extreme weather or flooding could impact the operation of our assets. A failure to implement appropriate climate risk management measures at our assets could lead to erosion of investor value and increases in insurance premiums.	• We regularly assess assets for environmental risk and ensure sufficient insurance is in place to minimise the impact of environmental incidents. • In conjunction with insurers, flood risk assessments have been carried out at all of our assets and the risk is considered low.	• Climate change impacts on our assets risk has increased during the period and is considered a **medium to high impact** risk with a **medium probability**. The probability of this risk has increased as governments globally, including the UK Government, continue to take insufficient action and temperatures continue to rise, with 2023 being the hottest year on record. • Although exposure to extreme weather events is a near-term risk, other climate impacts such as heat stress and sea level rises are medium-term or long-term time horizons. Whilst their impact is high, their probability is medium in the short to medium term. • Climate impacts are embedded into capital allocation decisions and considered for all future acquisitions of both equipment installed at our

		assets and for the assets themselves.
5. Changes in technology and consumer habits and demographics Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets.	• The Board and Executive Committee regularly assess our overall corporate strategy and acquisition, asset management and disposal decisions in the context of current and future consumer demand. Our strategy is designed to focus on resilient assets that take into account these future changes. • We closely assess the latest trends reported by research providers, including cash spent at our assets, to ensure we are aligned with evolving consumer trends. • Our retail portfolio is focused on essential spending on goods and services which are resilient to the growth of online retail. • Our retail parks are ideally positioned to help retailers with their multi-channel retail strategies.	• Changes in technology and consumer habits risk has remained the same during the year and is considered a **low to medium impact** risk with a **high probability**. • Although the global pandemic lockdown restrictions significantly increased home working and online shopping we have seen evidence that this is unwinding in recent years. This provides opportunities for our portfolio, particularly retail parks and local community shopping centres. • Our portfolio is focused on providing essential retail to local communities, which continues to mitigate the impact of online retail on our portfolio. • Our portfolio is positioned to ensure that over the longer term we have the most resilient retail portfolio in the UK.
6. Cyber security A cyber attack could result in the Group being unable to use its IT systems and/or losing data. This could delay reporting and divert management time. This risk could be increased due to employees continuing to work from home following the pandemic and due to geopolitical events.	• There are limited IT servers on sites. • Multiple third-party supplier programmes are used which have their own security systems and are independently audited by Deloitte and ISO2000 accredited. • ExCo receives quarterly reporting on IT matters. • Security protocols are in place to ensure swift changes to data access following staff changes and authority limit access. • We have reviewed our IT systems and have enhanced a number of areas during the year. • Cyber insurance cover is in place. • We have recently carried out an external review of the Group's IT security and systems as part of our internal audit process.	• Cyber security has increased during the year and is considered a **medium to high impact** risk with a **high probability**. Global developments have increased cyber security risks with many high-profile organisations being targeted by cyber attacks. We continue to carry out further enhancements to our IT systems and procedures and update, monitor and review our internal control procedures.

Operational risks

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

financial performance and the ability to implement our strategies.	• Our asset managers are in contact with centre managers and occupiers on a daily basis to identify potential risks and improvement areas. • Revenue collection is reviewed regularly by the Executive Committee. • Retailer concentration risk is monitored, with a guideline that no retailer will account for more than 5% of gross income (currently our largest retailer is Poundland accounting for 3.3% of gross income).	performance and rent collection at our assets. These have improved greatly and are now back to pre-pandemic levels. • Our diverse tenant portfolio focuses on essential retail which reduces the impact of individual tenant defaults. • Although we have a low probability of default, the continued cost-of-living crisis may impact the financial health of our occupiers. • Our operational performance continues to prove the resilience of our assets.
10. Development Delays, increased costs and other challenges could impact our ability to pursue our development pipeline and therefore our ability to profitably recycle development sites and achieve returns on development.	• We apply a risk-controlled development strategy through negotiating long-dated pre-lets for the majority of assets. • All development is risk-controlled and forms only a small element of the portfolio by value. • Capital deployed is actively monitored by the Executive Committee, following detailed due diligence modelling and research. • An experienced development team monitors on-site development and cost controls. • On large-scale developments where construction is more than 12 months, we look to carry out the project in partnership and/or forward sell.	• Development risk probability decreased during the period as the business currently has less development projects. It is considered a **medium impact** risk with a **medium probability**. • Supply issues and increases in the cost of building supplies will impact developments, however, as they remain a small part of our portfolio the overall impact is low. • A number of our Regeneration assets were sold in prior years which has decreased the proportion of assets focused on development which inherently reduces risk exposure.
11. Acquisitions The performance of asset and corporate acquisitions might not meet with our expectations and assumptions, impacting our revenue and profitability.	• We carry out thorough due diligence on all new acquisitions, using data from external advisers and our own rigorous in-house modelling before committing to any transaction. Probability-weighted analysis takes account of these risks. • Acquisitions are subject to approval by the Board and Executive Committee, who are highly experienced in the retail sector. • We have the ability to acquire in joint ventures, thereby sharing risk.	• Acquisition risk has remained the same through the year and is considered a **medium impact** risk with a **medium probability**. • The lack of supply and relative price of some assets may reduce opportunities for acquisition. • We are now in a position to deploy capital in line with our returns-focused approach to capital allocation and subject to our LTV guidance.
12. Disposals We may face difficulty in disposing of assets or realising their fair value, thereby impacting profitability and our ability to reduce debt levels or make further acquisitions.	• Our portfolio is focused on high-quality assets with low lot sizes, making them attractive to a wide pool of buyers. • Assets are valued every six months by external valuers, enabling informed disposal pricing decisions. • Disposals are subject to approval by the Board and Executive Committee, who are highly experienced in the retail sector. • Our portfolio is large and our average asset lot size is small, meaning that each asset represents only a small proportion of revenues and profits, thereby mitigating the impact of a sale not proceeding.	• Disposal risk has remained the same during the year and is considered a **medium impact** risk with a **medium to high probability**. • National and geopolitical uncertainty, interest rate rises, inflation and the cost-of-living crisis mean that markets remain uncertain and are causing some purchasers to reconsider or delay acquisition decisions. • We have an active and successful disposal programme where we have executed disposals in the year, with the volume of transactions being completed increasing disposal risk. The average lot size however is lower than most in the market so our assets tend to be more liquid.

Directors' Responsibility Statement

The Annual Report for the year ended 31 March 2024, which will be filed in August 2024, contains a responsibility statement in compliance with DTR 4.1.12 of the Listing Rules, which sets out that the Directors confirm to the best of their knowledge:

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

On the behalf of the Board

Allan Lockhart	**Will Hobman**
Chief Executive	**Chief Financial Officer**

20 June 2024

Copies of this announcement are available on the Company's website at www.nrr.co.uk and can be requested from the Company's registered office at 89 Whitfield Street, London, W1T 4DE.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

		Year ended 31 March 2024			Year ended 31 March 2023		
	Notes	**Operating and financing 2024 £m**	**Fair value adjustments 2024 £m**	**Total 2024 £m**	Operating and financing 2023 £m	Fair value adjustments 2023 £m	Total 2023 £m
Revenue	4	**65.0**	**–**	**65.0**	72.2	–	72.2
Property operating expenses*	5	**(20.9)**	**–**	**(20.9)**	(25.1)	–	(25.1)
Net property income		**44.1**	**–**	**44.1**	47.1	–	47.1
Administrative expenses	6	**(12.4)**	**–**	**(12.4)**	(12.6)	–	(12.6)
Other income	7	**0.4**	**–**	**0.4**	1.4	–	1.4
Share of profit from joint ventures	15	**0.5**	**–**	**0.5**	2.4	0.6	3.0
Share of profit from associates	16	**0.3**	**–**	**0.3**	0.1	0.2	0.3
Net property valuation movement	14	**–**	**(13.9)**	**(13.9)**	–	(38.2)	(38.2)
Loss on disposal of joint venture	8	**(2.3)**	**–**	**(2.3)**	–	–	–
Loss on disposal of investment properties	9	**(3.8)**	**–**	**(3.8)**	(3.8)	–	(3.8)
Operating profit / (loss)		**26.8**	**(13.9)**	**12.9**	34.6	(37.4)	(2.8)
Finance income	10	**5.4**	**–**	**5.4**	1.4	–	1.4
Finance costs	10	**(15.3)**	**–**	**(15.3)**	(15.4)	–	(15.4)
Profit / (loss) for the year before taxation		**16.9**	**(13.9)**	**3.0**	20.6	(37.4)	(16.8)
Taxation	11	**–**	**–**	**–**	–	–	–
Profit / (loss) for the year		**16.9**	**(13.9)**	**3.0**	20.6	(37.4)	(16.8)
Total comprehensive profit / (loss) for the year				**3.0**			(16.8)
There are no items of other comprehensive income for the current or prior year							
Earnings / (loss) per share							
Basic (pence)	12			**1.0**			(5.4)
Diluted (pence)	12			**1.0**			(5.4)

*Included in property operating expenses is an expected credit loss reversal of £nil (2023: £0.1 million) relating to debtors.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Investment properties	14	**608.7**	627.3
Right of use asset	21	**0.7**	0.9
Investments in joint ventures	15	**0.1**	23.8
Investments in associates	16	**5.6**	5.5
Property, plant and equipment		**0.3**	0.4
Total non-current assets		**615.4**	657.9
Current assets			
Trade and other receivables	17	**11.4**	15.0
Cash and cash equivalents	18	**132.8**	108.6
Total current assets		**144.2**	123.6
Total assets		**759.6**	781.5
Equity and liabilities			
Current liabilities			
Trade and other payables	19	**26.3**	29.5
Lease liability	21	**0.4**	0.4
Total current liabilities		**26.7**	29.9
Non-current liabilities			
Lease liability	21	**75.2**	76.3
Borrowings	20	**296.6**	296.7
Total non-current liabilities		**371.8**	373.0
Net assets		**361.1**	378.6
Equity			
Share capital	22	**3.1**	3.1
Share premium	22	**4.0**	2.4
Merger reserve	22	**(2.3)**	(2.3)
Investment in own shares	22	**(3.0)**	–
Retained earnings	22	**359.3**	375.4
Total equity		**361.1**	378.6
Net Asset Value (NAV) per share (pence)			
Basic	12	**116p**	122p
Diluted	12	**115p**	121p
EPRA NTA	12	**115p**	121p

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £m	2023 £m
Cash flows from operating activities		
Profit / (loss) for the year before taxation	**3.0**	(16.8)
Adjustments for:		
Loss on disposal of investment property	**3.8**	3.8
Net valuation movement	**13.9**	38.2
Net valuation movement in joint ventures	**–**	(0.6)
Net valuation movement in associates	**–**	(0.2)
Share of profit from joint ventures	**(0.5)**	(2.4)
Share of profit from associates	**(0.3)**	(0.1)
Loss on disposal of joint venture	**2.3**	–
Net interest expense	**9.9**	14.0
Rent free lease incentives	**0.1**	0.2
Movement in expected credit loss	**–**	(0.1)
Capitalisation of legal and letting fees	**(0.3)**	(0.1)
Depreciation on property plant and equipment	**0.3**	0.8
Share-based payment expense	**1.5**	0.9
Cash generated from operations before changes in working capital	**33.7**	37.6
Changes in working capital		
Decrease in trade and other receivables	**1.1**	3.0
Decrease in payables and other financial liabilities	**(3.1)**	(4.3)
Cash generated from operations	**31.7**	36.3
Interest paid	**(15.1)**	(14.1)
Interest income*	**5.0**	1.2
Dividends received from joint ventures	**0.9**	3.2
Dividends received from associates	**0.2**	0.4
Net cash generated from operating activities	**22.7**	27.0
Cash flows from investing activities		
Return of investment from associate	**–**	2.3
Disposal proceeds from joint venture	**21.0**	–
Disposal of investment properties	**8.7**	19.5
Development and other capital expenditure	**(6.1)**	(2.9)
Purchase of plant and equipment	**–**	(0.1)
Net cash generated from investing activities	**23.6**	18.8
Cash flows from financing activities		
Repayment of principal portion of lease liability	**(0.4)**	(0.4)
Purchase of own shares	**(3.0)**	–
Dividends paid – ordinary	**(18.7)**	(19.6)
Net cash used in financing activities	**(22.1)**	(20.0)
Cash and cash equivalents at beginning of the year	**108.6**	82.8
Net increase in cash and cash equivalents	**24.2**	25.8
Cash and cash equivalents at 31 March	**132.8**	108.6

*Interest income has been reclassified from investing activities to operating activities in both the current and prior year as a result of a change in accounting policies, see note 1 to the accounts

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Share capital £m	Share premium £m	Merger reserve £m	Investment in own shares £m	Retained earnings £m	Total £m
As at 1 April 2022		3.1	1.1	(2.3)	–	412.2	414.1
Loss for the year after taxation		–	–	–	–	(16.8)	(16.8)
Total comprehensive loss for the year after taxation		–	–	–	–	(16.8)	(16.8)
Transactions with equity holders							
Issue of new shares		–	1.3	–	–	–	1.3
Share-based payments		–	–	–	–	0.9	0.9
Dividends paid	13	–	–	–	–	(20.9)	(20.9)
As at 31 March 2023		**3.1**	**2.4**	**(2.3)**	**–**	**375.4**	**378.6**
Profit for the year after taxation		**–**	**–**	**–**	**–**	**3.0**	**3.0**
Total comprehensive profit for the year after taxation		**–**	**–**	**–**	**–**	**3.0**	**3.0**
Transactions with equity holders							
Issue of new shares		**–**	**1.6**	**–**	**–**	**–**	**1.6**
Purchase of own shares	22				**(3.0)**		**(3.0)**
Share-based payments		**–**	**–**	**–**	**–**	**1.2**	**1.2**
Dividends paid	13	**–**	**–**	**–**	**–**	**(20.3)**	**(20.3)**
As at 31 March 2024		**3.1**	**4.0**	**(2.3)**	**(3.0)**	**359.3**	**361.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

General information
NewRiver REIT plc (the 'Company') and its subsidiaries (together the 'Group') is a property investment group specialising in commercial real estate in the UK. The Company is registered and domiciled in the UK and the registered office of the Company is 89 Whitfield Street, London, W1T 4DE.

Summary of material accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

Basis of preparation
The financial information set out in this announcement has been extracted from the Group's consolidated financial statements for the year ended 31 March 2024, but does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The auditor has reported on those accounts and their reports on those accounts were unqualified and did not contain an emphasis of matter paragraph nor any statements under Section 498 of the Companies Act 2006. Those accounts for the year ended 31 March 2024 will be delivered to the Registrar of Companies following the Company's Annual General Meeting in August 2024.

The consolidated financial statements are prepared in accordance with UK-adopted international accounting standards. They have been prepared as a going concern and based on the accounting policies and method of computations consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2023 and 31 March 2024. A copy of the statutory accounts for the year ended 31 March 2023 has been delivered to the Registrar of Companies. The independent auditors' report on the full financial statements for the year ended 31 March 2023 was unqualified and did not contain an emphasis of matter paragraph or any statement under section 498 of the Companies Act 2006.

Going concern
The Group's going concern assessment considers the Group's principal risks, and is dependent on a number of factors, including cashflow and liquidity, continued access to borrowing facilities and the ability to continue to operate the Group's unsecured debt structure within its financial covenants. The Group's balance sheet is unsecured, which means that none of its debt is secured against any of its property assets. This type of financing affords significant operational flexibility and the only debt currently drawn by the Group is the £300 million unsecured corporate bond which matures in March 2028. This bond has financial covenants that the Group is required to comply with including an LTV covenant of less than 65% and a 12 month historical interest cover ratio of more than 1.5x.

The going concern assessment is based on a 12 month outlook from the date of the approval of these financial statements, using the Group's Board approved budget, flexed to create a reasonable worst case scenario, which includes the key assumptions listed below.

- Capital values to decrease a further 5.0% during FY25 and remain flat throughout the remainder of the forecast horizon, in contrast to the decline of (2.3)% across the portfolio in FY24, the majority of which related to the impact of cost inflation on valuations for the regeneration portfolio or out Work Out portfolio, which we are committed to exit or turnaround, with modest growth recorded across our Core Shopping Centres and Retail Parks;
- A 15% reduction in net income. This reflects a significant downside given rent collection rates have now stabilised at 99% for FY24 and FY23 rental billings, back to pre-Covid levels, and occupancy rates have reached their highest ever levels at 98%;
- No disposal proceeds are assumed throughout the forecast period which have not yet completed at the time of reporting, despite the completion of £23 million of disposals during FY23 and £38 million during FY24 and £3 million of retail disposals completed post year end. Similarly no assumption is made for the deployment of any surplus capital available as at 31 March 2024 and the growth and returns that would generate;

Under this scenario, the Group is forecast to maintain sufficient cash and liquidity resources and remain compliant with its financial covenants over the going concern period. Further stress testing was performed on this scenario which demonstrated that the Group's drawn debt covenants could absorb a further valuation decline of 46% or a further 57% reduction in annual net rental income before breaching covenant levels. The Group maintains sufficient cash and liquidity reserves to continue in operation and pay its liabilities as they fall due throughout the going concern assessment period and as such the Directors conclude a going concern basis of preparation is appropriate.

Cash flow statement
The Group has reported the cash flows from operating activities using the indirect method. The acquisition of properties are presented within investing cash flows and interest paid is presented within operating cash flows because this most appropriately reflects the Group's business activities. Interest received had previously been presented within investing cash flows but have been re-classified as operating cash flows as this better reflects the operations of the Group.

Preparation of the consolidated financial statements
The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries controlled by the Company, made up to 31 March each year. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

The consolidated financial statements account for interest in joint ventures and associates using the equity method of accounting per IFRS 11 and IAS 28 respectively. The financial statements for the year ended 31 March 2024 have been prepared on the historical cost basis, except for the revaluation of investment properties.

New accounting policies

The Group has adopted the following amendments for the first time in the year ended 31 March 2024:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax – Related to assets and liabilities arising from a single transactions (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Insurance contracts – (Amendments to IFRS 17)

Adopting these amendments has not impacted amounts recognised in prior periods or are expected to have a material impact on the current period or future periods based on the Group's current strategy. The accounting policies used are otherwise consistent with those contained in the Group's previous Annual Report and Accounts for the year ended 31 March 2023, unless otherwise stated.

Standards and amendments issued but not yet effective

A number of new amendments have been issued but are not yet effective for the current accounting period.

Effective for the year ended 31 March 2025;

- Leases on sale and leaseback (Amendment to IFRS 16)
- Non-current liabilities with covenants (Amendment to IAS 1)
- Supplier finance (Amendment to IAS 7 and IFRS 7)

No material impact is expected upon the adoption of these standards.

IFRIC Agenda Decision

In October 2022, the IFRS Interpretations Committee ('IFRIC') released its decision on the application of IFRS 9 and IFRS 16 in relation to how a lessor should account for the forgiveness of amounts due under leases. This concluded that for any rent receivables that are past their due dates and subsequently forgiven, the lessor should apply the expected credit loss (ECL) model in IFRS 9. Therefore, the forgiveness will be subject to the derecognition and impairment requirements in IFRS 9, and the impact of relevant receivable amounts written off reflected in the statement of comprehensive income on the date that the legal rights are conceded. Historically the Group has treated this as a lease modification spread over the remaining lease term. The Group is not materially impacted by this decision and therefore no restatement of the prior year comparative is required.

In March 2022, IFRIC finalised its decision with respect to the treatment of demand deposits with restriction on use, which includes tenant rent deposits and service charge amounts collected on behalf of tenants. It was concluded that such deposits which are subject to contractual restrictions, meet the definition of 'cash and cash equivalents' within the financial statements. In light of this the Group performed a review of amounts disclosed as 'restricted monetary assets' and tenant deposits and the conclusion was that the presentation of these as 'restricted monetary assets' as adopted previously was appropriate.

Revenue recognition

Property, rental and related income

Property, rental and related income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the entire lease term. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the expiry date of the lease.

Where a rent-free period is included in a lease, this is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Where a lease incentive payment or surrender premiums are paid to enhance the value of a property, these are amortised on a straight- line basis over the period from the date of lease commencement to the expiry date of the lease as a reduction of rental income. It is management's policy to recognise all material lease incentives and lease incentives greater than six months. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned, is accounted for from the effective date of the modification, being the date at which both parties agree to the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Letting costs are recognised over the lease term on a straight line basis as a reduction of rental income.

Service charge income
Service charge income is recognised in accordance with IFRS 15. This income stream is recognised in the period which it is earnt and when performance obligations are satisfied.

IFRS 15 is based on the principle that revenue is recognised when control passes to a customer. The majority of the Group's income is from tenant leases and is therefore outside of the scope of IFRS 15. However, the standard applies to service charge income. Under IFRS 15, the Group needs to consider the agent versus principal guidance. The Group is principal in the transaction if they control the specified goods or services before they are transferred to the customer. In the provision of service charge, the Group has deemed itself to be principal and therefore the consolidated statement of comprehensive income and the consolidated balance sheet reflect service charge income, expenses, trade and other receivables and trade and other payables.

Asset management fees
Management fees are recognised in the consolidated statement of comprehensive income as the services are delivered and performance obligations met. The Group assesses whether the individual elements of service in the agreement are separate performance obligations. Where the agreements include multiple performance obligations, the transaction price will be allocated to each performance obligation.

Car park income
Car park income is recognised in accordance with IFRS 15. This income stream is recognised in the period in which it is earnt and when performance obligations are satisfied.

Other income
Other income is recognised in accordance with IFRS 15. This income stream is recognised in the period in which it is earnt and when performance obligations are made. In the case of insurance other income, this is recognised upon agreement with the insurer.

Promote payments
The Group is contractually entitled to receive a promote payment should the returns from a joint venture or associate to the joint venture or associate partner exceed a certain internal rate of return. This payment is only receivable by the Group on disposal of underlying properties held by the joint venture or associate or other termination events. Any entitlements under these arrangements are only accrued for in the financial statements once the Group believes the above performance conditions have been met and there is no risk of the revenue reversing.

IFRS 15
All revenue streams under IFRS 15 allocate transaction price against performance obligations as they are satisfied. With the exception of asset management fees, IFRS 15 revenue streams do not carry variable consideration. There are no significant judgements in applying IFRS 15. There are no significant payment terms on any of the IFRS 15 revenue streams.

Service charge expense
Service charge expenses are recognised in the period in which they are incurred.

Finance income and costs
Finance income and costs excluding fair value derivative movements, are recognised using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Taxation

Income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the balance sheet. Tax is recognised in the consolidated statement of comprehensive income.

Deferred tax
Any deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply in the period when the liability is settled or the asset is realised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Investment properties

These properties include completed properties that are generating rent or are available for rent, and development properties that are under development or available for development. Investment properties comprise freehold and leasehold properties and are first measured at cost (including transaction costs), then revalued to market value at each reporting date by independent professional valuers. Leasehold properties are shown gross of the leasehold payables (and accounted for as right-of-use asset under IFRS 16, see Leases accounting policy). Valuation gains and losses in a period are taken to the consolidated statement of comprehensive income. As the Group uses the fair value model, as per IAS 40 Investment Properties, no depreciation is provided. An asset will be classified as held for sale within investment properties, in line with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, where the asset is available for immediate sale in its present condition and the sale is highly probable.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised over the useful lives of the equipment, using the straight-line method at a rate of between 10% to 25% depending on the useful life.
Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Fixtures and fittings 20% on a straight line basis depending on the useful life
- Office equipment 33% on a straight line basis

Joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. The Group's joint ventures are entities over which the Group has joint control with a partner. Investments in joint ventures are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment or share of income adjusted for dividends. In assessing whether a particular entity is controlled, the Group considers all of the contractual terms of the arrangement, whether it has the power to govern the financial and operating policies of the joint venture so as to obtain benefits from its activities, and the existence of any legal disputes or challenges to this joint control in order to conclude whether the Group jointly controls the joint venture.

Associates

Interests in associates are accounted for using the equity method of accounting. The Group's associates are entities over which the Group has significant influence with a partner. Investments in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associates, less any impairment or share of income adjusted for dividends. In assessing whether a particular entity is controlled or has significant influence, the Group considers all of the contractual terms of the arrangement, whether it has the power to govern the financial and operating policies of the associate so as to obtain benefits from its activities.

Leases

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset.

The Group recognises a right-of-use ("ROU") asset and the lease liability at the commencement date of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct costs and the cost of obligations to restore the asset, less any incentives received.

Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index).

Each lease payment is allocated between the liability and finance cost. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined or if not, the incremental borrowing rate is used. The finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period.

The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment. ROU assets that are not classified as investment properties are disclosed on the face of the consolidated balance sheet on their own line, and the lease liability included in the headings current and non-current liabilities on the consolidated balance sheet.

Where the ROU asset relates to leases of land or property that meets the definition of investment property under IAS 40 it has been disclosed within the investment property balance. After initial recognition, IAS 40 requires the amount of the recognised lease liability, calculated in accordance with IFRS 16, to be added back to the amount determined under the net valuation model, to arrive at the carrying amount of the investment property under the fair value model. Differences between the ROU asset and associated lease liability are taken to the consolidated statement of comprehensive income.

The Group has elected not to recognise ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for low value leases of less than £3,000. The payments for such leases are recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Financial instruments

Financial assets

The Group classifies its financial assets as fair value through profit or loss or amortised cost, depending on the purpose for which the asset was acquired and based on the business model test. Financial assets carried at amortised cost include tenant receivables which arise from the provision of goods and services to customers. These are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost, less provision for impairment. Impairment provisions for receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. The probability of tenant default and subsequent non-payment of the receivable is assessed. If it is determined that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. If in a subsequent year the amount of the impairment loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised costs at the reversal date. The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all risks and rewards of ownership.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit, deposits held on call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

Financial liabilities

The Group classifies its financial liabilities at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised costs using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

The financial instruments classified as financial liabilities at fair value through profit or loss include interest rate swap and cap arrangements. Recognition of the derivative financial instruments takes place when the contracts are entered into. They are recognised at fair value and transaction costs are included directly in finance costs.

The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. The cost of issuing share capital is recognised directly in equity against the proceeds from issuing the shares.

Share-based payments

The cost of equity settled transactions is measured with reference to the fair value at the date at which they were granted. Where vesting performance conditions are non-market based, the fair value excludes the effect of these vesting conditions and an estimate is made at each year end date of the number of instruments expected to vest. The fair value is recognised over the vesting period in the consolidated statement of comprehensive income, with a corresponding increase in equity. Any change to the number of instruments with non-market vesting conditions expected to vest is recognised in the consolidated statement of comprehensive income for that period.

Employee Benefit Trust

The Group operates an Employee Benefit Trust for the exclusive benefit of the Group's employees. The investment in the Company's shares held by the trust is recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the shares held by the trust.

Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved by equity holders.

Business combinations

The Group applies the acquisition method to account for business combinations. The cost of the acquisition is measured at the aggregate of the fair values, at the date of completion, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS are recognised at their fair value at the acquisition. Where the fair value of the consideration is less than the fair value of the identifiable assets and liabilities then the difference is recognised as a bargain purchase in the consolidated statement of comprehensive income.

Where properties are acquired through corporate acquisitions, each transaction is considered by management in light of the substance of the acquisition to determine whether the acquisition is a business combination or an asset acquisition. If a transaction is determined to be an asset acquisition then it is accounted for at cost.

2. Critical accounting judgements and estimates

The preparation of financial statements requires management to make estimates and judgements affecting the reported amounts of assets and liabilities, of revenues and expenses, and of gains and losses. The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Significant judgements

REIT Status

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

Sources of estimation uncertainty

Investment property

The Group's investment properties are stated at fair value. The assumptions and estimates used to value the properties are detailed in note 14. Small changes in the key estimates, such as yield and the estimated rental value, can have a significant impact on the valuation of the investment properties, and therefore a significant impact on the consolidated balance sheet and key performance measures such as Net Tangible Assets per share.

Rents and ERVs have a direct relationship to valuation, while yield has an inverse relationship. Estimated costs of a development project will inversely affect the valuation of development properties. There are interrelationships between all these unobservable inputs as they are determined by market conditions. The existence of an increase in more than one unobservable input could be to magnify the impact on the valuation, see note 14 for sensitivity analysis.

The estimated fair value may differ from the price at which the Group's assets could be sold. Actual realisation of net assets could differ from the valuation used in these financial statements, and the difference could be significant.

3. Segmental reporting

The Group operates as one segment, the retail business. The retail investments comprise predominantly shopping centres and retail parks. The Group's Executive Committee examines the Group's performance, and has identified retail as the only operating segment. The performance and position of the retail business is set out in the condensed consolidated statement of comprehensive income and condensed consolidated balance sheet. All the Group's operations are in the UK and therefore no geographical segments have been identified.

4. Revenue

	2024 £m	2023 £m
Property rental and related income*	**52.2**	58.2
Amortisation of tenant incentives and letting costs	**(1.5)**	(1.5)
Surrender premiums and commissions	**0.7**	0.6
Rental related income	**51.4**	57.3
Asset management fees	**2.5**	1.5
Service charge income	**11.1**	13.4
Revenue	**65.0**	72.2

*Included within property rental and related income is car park income of £5.4 million (2023: £5.3 million) which falls under the scope of IFRS 15. The remainder of the income is recognised by IFRS 16.

Asset management fees and service charge income which represents the flow through costs of the day-to-day maintenance of shopping centres fall under the scope of IFRS 15.

5. Property operating expenses

	2024 £m	2023 £m
Service charge expense	**15.1**	19.0
Rates on vacant units	**1.7**	2.7
Expected credit loss reversal	**–**	(0.1)
Other property operating expenses	**4.1**	3.5
Property operating expenses	**20.9**	25.1

6. Administrative expenses

	2024 £m	2023 £m
Wages and salaries	**5.6**	5.2
Social security costs	**0.9**	0.9
Other pension costs	**0.1**	0.1
Staff costs	**6.6**	6.2
Depreciation*	**0.3**	0.8
Share-based payments	**1.5**	1.1
Other administrative expenses	**4.0**	4.0
Head office relocation costs**	**–**	0.5
Administrative expenses	**12.4**	12.6

*Depreciation is inclusive of £0.2 million (2023: £0.2 million) of right of use asset depreciation and £nil (2023: £0.2 million) impairment of the right of use asset
**Head office relocation costs mainly relate to an impairment charge relating to property, plant and equipment.

Net administrative expenses ratio is calculated as follows:

	2024 £m	2023 £m
Administrative expenses	**12.4**	12.6
Adjust for:		
Asset management fees	**(2.5)**	(1.5)
Share of joint ventures' and associates administrative expenses	**0.1**	0.1
Share based payments	**(1.5)**	(1.1)
Head office relocation costs	**–**	(0.5)
Group's share of net administrative expenses	**8.5**	9.6
Property rental and related income*	**52.3**	58.0
Other income – Covid-19 income disruption insurance	**0.4**	1.4
Share of joint ventures' and associates' property income	**1.5**	3.6
Property rental, other income and related income	**54.2**	63.0
Net administrative expenses as a % of property income (including share of joint ventures and associates)	**15.7%**	15.2%

*This balance is made up of property rental and related income £52.2 million (2023: £58.2 million) which includes an expected credit loss of £nil (2023: £0.1 million) and excludes the expected credit loss of £0.1 million on insurance (2023: £0.1 million reversal).

Average monthly number of staff

	2024	2023
Directors	**7**	7
Operations and asset managers	**18**	17
Support functions	**27**	27
Total	**52**	51

Auditors' remuneration

	2024 £m	2023 £m
Audit of the Company and consolidated financial statements	**0.3**	0.3
Audit of subsidiaries, pursuant to legislation	**0.2**	0.2
	0.5	0.5
Non-audit fees – interim review	**0.1**	0.1
Total fees	**0.6**	0.6

In addition to this the joint ventures and associates paid £0.1 million (2023: £0.1 million) in audit fees.

7. Other income

	2024 £m	2023 £m
Insurance proceeds	**0.4**	1.4
Other income	**0.4**	1.4

The Group recognised £0.4 million (2023: £1.4 million) of Covid income disruption insurance proceeds following agreement with the insurer.

8. Loss on disposal of a joint venture

Year ended 31 March 2024

On 27 June 2023, the Group disposed its 50% share in the 'Napier' joint venture which owned Kittybrewster Retail Park in Aberdeen and Glendoe and Telford Retail Parks in Inverness.

Included in the carrying value on disposal were investment properties of £32.2 million, cash of £1.3 million and third party debt of £(12.0) million.

	£m
Carrying value at 31 March 2023	**23.6**
Movement in the period 31 March 2023 to 27 June 2023	**(0.3)**
Carrying value at 27 June 2023	**23.3**
Net cash proceeds	**21.0**
Loss on disposal of a joint venture	**(2.3)**

The total cash consideration for the sale was £64.0 million which included £62.6 million (NewRiver share: £31.3 million) consideration for the value of the JV properties.

The total cash consideration was distributed as follows:

- £24.0 million used to repay the Napier Joint Venture bank loans;
- £3.0 million used to repay the shareholder loan owed to NewRiver (recognised as part of the Investment in Joint Venture carrying amount)

After the deduction of the above amounts and the settlement of various costs associated with the disposal, £18.0 million was received by NewRiver. Net proceeds of £21.0 million recognised by NewRiver include the £3.0 million repayment of the shareholder loan.

9. Loss on disposal of investment properties

	2024 £m	2023 £m
Gross disposal proceeds	**6.8**	20.0
Carrying value	**(10.2)**	(22.3)
Cost of disposal	**(0.4)**	(1.5)
Loss on disposal of investment properties	**(3.8)**	(3.8)

10. Finance income and finance costs

	2024 £m	2023 £m
Income from loans with joint ventures and associates	**(0.2)**	(0.3)
Income from treasury deposits	**(5.2)**	(1.1)
Finance income	**(5.4)**	(1.4)
Interest on borrowings	**12.7**	12.7
Finance cost on lease liabilities	**2.6**	2.7
Finance costs	**15.3**	15.4

11. Taxation

	2024 £m	2023 £m
Taxation charge	–	–
Profit / (loss) before tax	**3.0**	(16.8)
Tax at the current rate of 25% (2023: 19%)	**0.8**	(3.2)
Revaluation of property	**3.5**	7.3
Movement in unrecognised deferred tax	**1.1**	(0.2)
Non-taxable profit due to REIT regime	**(5.4)**	(4.4)
Non-taxable income	–	(0.4)
Transfer pricing adjustment	–	0.9
Taxation charge	–	–

Real Estate Investment Trust regime (REIT regime)

The Group is a member of the REIT regime whereby profits from its UK property rental business are tax exempt. The REIT regime only applies to certain property-related profits and has several criteria which have to be met. The main criteria are:

- the assets of the property rental business must be at least 75% of the Group's assets;
- the profit from the tax-exempt property rental business must exceed 75% of the Group's total profit and;
- at least 90% of the Group's profit from the property rental business must be paid as dividends.

The Group continues to meet these conditions and management intends that the Group should continue as a REIT for the foreseeable future.

Deferred tax

	31 March 2023 £m	Charge £m	Disposals £m	31 March 2024 £m
Net deferred tax	–	–	–	**–**

	31 March 2022 £m	Charge £m	Disposals £m	31 March 2023 £m
Net deferred tax	–	–	–	–

The deferred tax assets and liabilities have been calculated at the tax rate effective in the period in which the tax is expected to crystallise. The Group has not recognised a deferred tax liability or deferred tax asset. As at 31 March 2024 the Group has unrecognised tax losses of £9.4 million (2023: £13.1 million). The losses have not been recognised as an asset due to uncertainty over the availability of taxable income to utilise the losses. The losses do not expire but are reliant on continuity of ownership and source of trade.

12. Performance measures

A reconciliation of the performance measures to the nearest IFRS measure is below:

	2024 £m	2023 £m
Profit / (loss) for the year after taxation	**3.0**	(16.8)
Adjustments		
Net valuation movement	**13.9**	38.2
Loss on disposal of investment properties	**3.8**	3.8
Loss on disposal of joint venture	**2.3**	–
Group's share of joint ventures' and associates' adjustments		
Revaluation of investment properties	**–**	(0.8)
Revaluation of derivatives	**(0.1)**	(0.2)
Deferred tax	**–**	0.2
EPRA earnings	**22.9**	24.4
Share-based payment charge	**1.5**	1.1
Forward looking element of IFRS 9*	**–**	(0.2)
Head office relocation costs	**–**	0.5
Underlying Funds From Operations (UFFO)	**24.4**	25.8

*Forward looking element of IFRS 9 relates to a provision against debtor balances in relation to invoices relating to future rental income. These balances are not due in the current year and therefore no income has been recognised in relation to these debtors.

Number of shares

Number of shares	2024 No. m	2023 No. m
Weighted average number of ordinary shares for the purposes of Basic EPS, UFFO and EPRA	**311.4**	309.7
Effect of dilutive potential ordinary shares:		
Performance share plan	**1.6**	1.2
Deferred bonus shares	**0.9**	0.8
Weighted average number of ordinary shares for the purposes of Diluted EPS	**313.9**	311.7

	2024	2023
IFRS Basic EPS	**1.0**	(5.4)
IFRS Diluted EPS	**1.0**	(5.4)
EPRA EPS	**7.4**	7.9
UFFO PS	**7.8**	8.3

The below table reconciles the differences between the calculation of basic and EPRA NTA.

EPRA NTA per share and basic NTA per share:

	2024			2023		
	£m	Shares m	Pence per share	£m	Shares m	Pence per share
Net assets	**361.1**	**310.8***	**116p**	378.6	310.7	122p
Unexercised employee awards	**–**	**2.5**		–	2.0	
Diluted net assets	**361.1**	**313.3**	**115p**	378.6	312.7	121p
Group's share of associates deferred tax liability	**0.8**	**–**		0.9	–	
Group's share of joint venture / associates fair value derivatives	**(0.1)**	**–**		(0.6)	–	
EPRA Net Tangible Assets	**361.8**	**313.3**	**115p**	378.9	312.7	121p

*Shares include 0.4 million of employee awards which have vested but remain unexercised.

13. Dividends

The dividends paid in the year are set out below:

	PID	Non-PID	Pence per share	£m
Payment date				
Year to March 2023				
Ordinary dividends	3.3	–	3.3	10.1
3 September 2022	3.5	–	3.5	10.8
17 January 2023				20.9
Year to March 2024				
Ordinary dividends				
4 August 2023	**3.2**	–	**3.2**	**9.8**
16 January 2024	**3.4**	–	**3.4**	**10.5**
				20.3

The final dividend of 3.2 pence per share in respect of the year ended 31 March 2024 will, subject to shareholder approval at the 2024 AGM, be paid on 16 August 2024 to shareholders on the register as at 5 July 2024. The dividend will be payable as a REIT Property Income Distribution (PID).

Reconciliation to dividends paid in the consolidated cash flow statement

	2024 £m	2023 £m
Dividends paid	**(20.3)**	(20.9)
Scrip dividend	**1.6**	1.3
Dividends paid in the consolidated cash flow statement	**(18.7)**	(19.6)

Property Income Distribution (PID) dividends

Profits distributed out of tax-exempt profits are PID dividends. PID dividends are paid after deduction of withholding tax (currently at 20%), which NewRiver pays directly to HMRC on behalf of the shareholder.

Non-PID dividends

Any non-PID element of dividends will be treated in exactly the same way as dividends from other UK, non-REIT companies.

14. Investment properties

	2024 £m	2023 £m
Fair value brought forward	**551.5**	609.1
Capital expenditure	**5.3**	2.9
Lease incentives, letting and legal costs	**0.9**	(0.1)
Disposals	**(10.2)**	(22.3)
Net valuation movement	**(13.7)**	(38.1)
Fair value carried forward	**533.8**	551.5
Right of use asset (investment property)	**74.9**	75.8
Fair value carried forward	**608.7**	627.3

Capital expenditure of £5.3 million (2023: £2.9 million) is comprised of £3.4 million (2023: £1.9 million) of expenditure in the creation of incremental lettable space and £1.9 million (2023: £1.0 million) of expenditure on non-incremental lettable space.

The Group's investment properties have been valued at fair value on 31 March 2024 by independent valuers, Colliers International Valuation UK LLP and Knight Frank LLP, on the basis of fair value in accordance with the Current Practice Statements contained in The Royal Institution of Chartered Surveyors Valuation – Professional Standards, (the 'Red Book'). The valuations are performed by appropriately qualified valuers who have relevant and recent experience in the sector.

The Group is exposed to changes in the residual value of properties at the end of current lease agreements. The residual value risk born by the Group is mitigated by active management of its property portfolio with the objective of optimising tenant mix in order to:

- achieve the longest weighted average lease term possible;
- minimise vacancy rates across all properties; and
- minimise the turnover of tenants with high quality credit ratings.

The Group also grants lease incentives to encourage high quality tenants to remain in properties for longer lease terms. In the case of anchor tenants, this also attracts other tenants to the property thereby contributing to overall occupancy levels.

The fair value at 31 March represents the highest and best use.

The properties are categorised as Level 3 in the IFRS 13 fair value hierarchy. There were no transfers of property between Levels 1, 2 and 3. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

As at 31 March 2024

		Property ERV			Property rent				
	Fair value £m	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Property equivalent yield Average %	EPRA topped up net initial yield Average %
Retail parks	**132.8**	**10.6**	**14.2**	**11.8**	**8.3**	**14.7**	**10.8**	**7.0**	**6.7**
Shopping Centres – Core	**234.5**	**4.2**	**32.0**	**12.4**	**4.1**	**32.3**	**10.5**	**9.6**	**9.5**
Shopping Centres – Regeneration	**128.9**	**5.0**	**18.6**	**16.0**	**3.0**	**13.7**	**10.5**	**7.4**	**6.3**
Shopping Centres – Work Out	**34.4**	**5.9**	**17.5**	**6.3**	**1.3**	**3.3**	**1.5**	**12.0**	**4.0**
High street and other	**3.2**	**4.0**	**6.2**	**5.7**	**3.9**	**6.2**	**4.9**	**9.2**	**18.1**
	533.8								

As at 31 March 2023

		Property ERV			Property rent				
	Fair value £m	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Property equivalent yield Average %	EPRA topped up net initial yield Average %
Retail parks	128.6	9.6	14.2	11.4	7.9	14.7	10.9	7.0	7.0
Shopping Centres – Core	214.8	8.8	30.1	14.0	8.0	30.8	12.9	9.3	9.7
Shopping Centres – Regeneration	140.1	5.2	18.8	16.1	4.0	13.4	10.6	6.8	5.9
Shopping Centres – Work Out	63.3	6.5	15.3	8.8	1.5	6.3	4.4	14.0	9.4
High street and other	4.7	4.2	8.6	6.6	3.7	8.7	4.1	9.5	10.0
	551.5								

Sensitivities of measurement of significant inputs

As set out within significant accounting estimates and judgements in note 2, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature. As a result, the sensitivity analysis below illustrates the impact of changes in key unobservable inputs on the fair value of the Group's properties.

We consider +/-10% for ERV and +/-100bps for NEY to capture the uncertainty in these key valuation assumptions and deem it to be a reasonably possible scenario.

The investments are a portfolio of retail assets in the UK. The valuation was determined using an income capitalisation method, which involves applying a yield to rental income streams. Inputs include yield, current rent and ERV. Development properties are valued using a residual method, which involves valuing the completed investment property using an investment method and deducting estimated costs to complete, then applying an appropriate discount rate.

The inputs to the valuation include:

- Rental value – total rental value per annum
- Equivalent yield – the net weighted average income return a property will produce based upon the timing of the income received

There were no changes to valuation techniques during the year. Valuation reports are based on both information provided by the Group, for example, current rents and lease terms which is derived from the Group's financial and property management systems and is subject to the Group's overall control environment, and assumptions applied by the valuers, e.g. ERVs and yields. These assumptions are based on market observation and the valuers' professional judgement, which includes a consideration of climate change and a range of other external factors.

2024: Sensitivity impact on valuations of a 10% change in estimated rental value and absolute yield of 100 bps.

		Impact on valuations of a 10% change in ERV		**Impact on valuations of 100 bps change in yield**	
Asset Type	**Retail asset valuation £m**	**Increase 10% £m**	**Decrease 10% £m**	**Increase 1.0% £m**	**Decrease 1.0% £m**
Retail parks	**132.8**	**10.2**	**(10.1)**	**(14.6)**	**19.5**
Shopping Centres – Core	**234.5**	**17.7**	**(16.2)**	**(20.7)**	**26.2**
Shopping Centres – Regeneration	**128.9**	**12.6**	**(12.3)**	**(15.9)**	**21.0**
Shopping Centres – Work Out	**34.4**	**4.3**	**(4.3)**	**(4.4)**	**5.4**
High street and other	**3.2**	**0.5**	**(0.5)**	**(0.4)**	**0.5**
	533.8	**45.3**	**(43.4)**	**(56.0)**	**72.6**

2023: Sensitivity impact on valuations of a 10% change in estimated rental value and absolute yield of 100 bps.

		Impact on valuations of a 10% change in ERV		Impact on valuations of 100 bps change in yield	
Asset Type	Retail asset valuation £m	Increase 10% £m	Decrease 10% £m	Increase 1.0% £m	Decrease 1.0% £m
Retail parks	128.6	9.7	(9.6)	(14.2)	18.9
Shopping Centres – Core	214.8	18.2	(16.7)	(21.7)	27.6
Shopping Centres – Regeneration	140.1	13.5	(13.0)	(18.9)	26.0
Shopping Centres – Work Out	63.3	6.5	(5.8)	(5.8)	7.4
High street and other	4.7	0.6	(0.6)	(0.6)	0.7
	551.5	48.5	(45.7)	(61.2)	80.6

Reconciliation to net valuation movement in consolidated statement of comprehensive income

Net valuation movement in investment properties	**2024 £m**	2023 £m
Net valuation movement in investment properties	**(13.7)**	(38.1)
Net valuation movement in right of use asset	**(0.2)**	(0.1)
Net valuation movement in consolidated statement of comprehensive income	**(13.9)**	(38.2)

Reconciliation to properties at valuation in the portfolio

	Note	**2024 £m**	2023 £m
Investment property	14	**533.8**	551.5
Properties held in joint ventures	15	**–**	32.2
Properties held in associates	16	**10.0**	9.9
Properties at valuation		**543.8**	593.6

15. Investments in joint ventures

As at 31 March 2024 the Group has one joint venture

	2024 £m	2023 £m
Opening balance	**23.8**	24.0
Disposals	**(23.3)**	–
Group's share of profit after taxation excluding valuation movement	**0.5**	2.4
Net valuation movement	**–**	0.6
Dividends	**(0.9)**	(3.2)
Investment in joint venture	**0.1**	23.8

Name	Country of incorporation	2024 % Holding	2023 % Holding
NewRiver Retail Investments LP (NRI LP)	Guernsey	**50**	50
NewRiver Retail (Napier) Limited (Napier)	UK	**–**	50

The Group is the appointed asset manager on behalf of these joint ventures and receives asset management fees, development management fees and performance-related bonuses.

NewRiver Retail Investments LP has a 31 December year end. The aggregate amounts recognised in the consolidated balance sheet and consolidated statement of comprehensive income at 31 March are as follows:

	2024		2023	
Consolidated balance sheet	Total £m	Group's share £m	Total £m	Group's share £m
Non-current assets	**–**	**–**	64.4	32.2
Current assets	**0.3**	**0.1**	5.5	2.8
Current liabilities	**–**	**–**	(1.4)	(0.7)
Liabilities due in more than one year	**–**	**–**	(26.9)	(13.5)
Net assets	**0.3**	**0.1**	41.6	20.8
Loan to joint venture	**–**	**–**	–	3.0
Net assets adjusted for loan to joint venture	**0.3**	**0.1**	41.6	23.8

The table above provides summarised financial information for the joint ventures. The information disclosed reflects the amounts presented in the financial statements of the joint ventures. To arrive at the Group's share of these amounts under equity accounting, certain minor adjustments are required to be made.

	2024		2023	
Consolidated statement of comprehensive income	Total £m	Group's share £m	Total £m	Group's share £m
Revenue	**1.4**	**0.7**	5.9	3.0
Property operating expenses	**–**	**–**	(0.4)	(0.2)
Net property income	**1.4**	**0.7**	5.5	2.8
Administration expenses	**(0.1)**	**(0.1)**	(0.2)	(0.1)
Net finance costs	**(0.1)**	**(0.1)**	(0.6)	(0.3)
Group's share of joint ventures' profit before valuation movements	**1.2**	**0.5**	4.7	2.4
Net valuation movement	**–**	**–**	1.2	0.6
Profit on disposal of investment property	**–**	**–**	0.1	–
Profit after taxation	**1.2**	**0.5**	6.0	3.0
Add back net valuation movement	**–**	**–**	(1.2)	(0.6)
Group's share of joint ventures' profit before valuation movements	**1.2**	**0.5**	4.8	2.4

The Group's share of contingent liabilities in the joint ventures is £nil (2023: £nil).

16. Investments in associates

The Group has one direct investment in an associate entity in which it has a 10% stake, Sealand S.à.r.l, which owns 100% of NewRiver Retail (Hamilton) Limited and NewRiver (Sprucefield) Limited at 31 March 2024.

	2024 £m	2023 £m
Opening balance	**5.5**	7.9
Return of investment in associates*	**–**	(2.3)
Dividends	**(0.2)**	(0.4)
Group's share of profit after taxation excluding valuation movement	**0.3**	0.1
Net valuation movement	**–**	0.2
Investment in associates	**5.6**	5.5

*During the year, the Group received £nil (2023: £2.3 million) back from associates in the form of shareholder loan repayments and repayment of initial capital invested.

Name	Country of incorporation	2024 % Holding	2023 % Holding
NewRiver Retail (Hamilton) Limited (Hamilton)	UK	**10**	10
NewRiver (Sprucefield) Limited (Sprucefield)	UK	**10**	10

The Group is the appointed asset manager on behalf of Sealand S.à.r.l and receives asset management fees, development management fees and performance-related bonuses.

The aggregate amounts recognised in the consolidated balance sheet and consolidated statement of comprehensive income are as follows:

	31 March 2024		31 March 2023	
Consolidated balance sheet	Total £m	Group's share £m	Total £m	Group's share £m
Non-current assets	**100.0**	**10.0**	99.3	9.9
Current assets	**6.6**	**0.7**	8.2	0.8
Current liabilities	**(36.1)**	**(3.6)**	(16.1)	(1.6)
Liabilities due in more than one year	**(47.4)**	**(4.7)**	(67.8)	(6.8)
Net assets	**23.1**	**2.4**	23.6	2.3
Loans to associates	**–**	**3.2**	–	3.2
Net assets adjusted for loans to associates	**23.1**	**5.6**	23.6	5.5

Consolidated statement of comprehensive income	2024 Total £m	2024 Group's share £m	2023 Total £m	2023 Group's share £m
Revenue	**8.4**	**0.8**	9.9	1.0
Property operating expenses	**(0.4)**	**–**	(2.4)	(0.2)
Net property income	**8.0**	**0.8**	7.5	0.8
Administration expenses	**(0.1)**	**–**	(0.1)	–
Net finance costs	**(4.9)**	**(0.5)**	(3.5)	(0.4)
	3.0	**0.3**	3.9	0.4
Net valuation movement	**(0.4)**	**–**	1.7	0.2
Profit on disposal of investment property	**–**	**–**	0.6	–
Taxation	**(0.4)**	**–**	(3.4)	(0.3)
Profit after taxation	**2.2**	**0.3**	2.8	0.3
Add back net valuation movement	**0.4**	**–**	(1.7)	(0.2)
Group's share of associates' profit before valuation movements	**2.6**	**0.3**	1.1	0.1

17. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	**1.4**	2.6
Restricted monetary assets	**4.6**	4.8
Service charge receivables*	**0.7**	1.2
Other receivables	**1.0**	3.8
Prepayments	**1.2**	0.7
Accrued income	**2.5**	1.9
	11.4	15.0

*Included in service charge receivables is £nil of Value Added Taxation (2023: £nil)., £1.5 million of service charge debtors (2023: 1.2 million) and £0.8 million of bad debt provision

Trade receivables are shown net of a loss allowance of £1.9 million (2023: £3.0 million). Other receivables are shown net of a loss allowance of £0.1 million (2023: £0.3 million). The provision for doubtful debts is calculated as an expected credit loss on trade receivables in accordance with IFRS 9. The charge to the consolidated statement of comprehensive income in relation to doubtful debts made against tenant debtors was £0.1 million (2023: £0.2 million release). The Group has calculated the expected credit loss by applying a forward-looking outlook to historical default rates.

The Group monitors rent collection and the ability of tenants to pay rent receivables in order to anticipate and minimise the impact of default by tenants. All outstanding rent receivables are regularly monitored. In order to measure the expected credit losses, trade receivables from tenants have been grouped on a basis of shared credit risk characteristics and an assumption around the tenants ability to pay their receivable, based on conversations held and our knowledge of their credit history. The expected credit loss rates are based on historical payment profiles of tenant debtors and corresponding historical credit losses.

	2024 £m	2023 £m
Opening loss allowance at 1 April	**3.0**	5.2
Increase / (decrease) in loss allowance recognised in the consolidated statement of comprehensive income during the year in relation to tenant debtors	**0.1**	(0.2)
Loss allowance utilisation	**(1.2)**	(2.0)
Closing loss allowance at 31 March	**1.9**	3.0

The restricted monetary assets relates to cash balances which the Group cannot readily access. They do not meet the definition of cash and cash equivalents and consequently are presented separately from cash in the consolidated balance sheet.

18. Cash and cash equivalents

As at 31 March 2024 and 31 March 2023 cash and cash equivalents comprised of cash held in bank accounts and treasury deposits. There were no restrictions on cash in either the current or prior year.

19. Trade and other payables

	2024 £m	2023 £m
Trade payables	**1.3**	2.6
Service charge liabilities*	**7.2**	9.8
Other payables	**3.1**	1.8
Accruals	**9.5**	9.0
Value Added Taxation	**0.3**	0.3
Rent received in advance	**4.9**	6.0
	26.3	29.5

*Service charge liabilities include accruals of £0.6 million (2023: £1.9 million), service charge creditors and other creditors of £3.8 million (2023: £4.8 million). Value added taxation of £0.9 million (2023: £1.0 million) and deferred income of £1.9 million (2023: £2.1 million).

20. Borrowings

Maturity of drawn borrowings:	2024 £m	2023 £m
Between three and four years	**300.0**	–
Between four and five years	**–**	300.0
Less unamortised fees / discount	**(3.4)**	(3.3)
	296.6	296.7

The fair value of the Group's corporate bond has been estimated on the basis of quoted market prices, representing Level 1 fair value measurement as defined by IFRS 13 Fair Value Measurement. At 31 March 2024 the fair value was £275.5 million (31 March 2023: £256.8 million).

Unsecured borrowings:	Maturity date	Facility £m	Facility drawn £m	Unamortised facility fees / discount £m	£m
Revolving credit facility	November 2026	**100.0**	**–**	**(1.2)**	**(1.2)**
Corporate bond	March 2028	**300.0**	**300.0**	**(2.2)**	**297.8**
		400.0	**300.0**	**(3.4)**	**296.6**

In the year the Group drew down £nil (31 March 2023: £nil) of the revolving credit facility.

21. Lease commitment arrangements

The Group earns rental income by leasing its investment properties to tenants under non-cancellable lease commitments.

The Group holds two types of leases.

- Head leases: A number of the investment properties owned by the Group are situated on land held through leasehold arrangements, as opposed to the Group owning the freehold.
- Office leases: Office space occupied by the Group's head office.

The lease liability and associated ROU asset recognised in the consolidated balance sheet are set out below.

	2024 £m	2023 £m
Right of use asset (Investment property)	**74.9**	75.8
Right of use asset (Property, plant and equipment)	**0.7**	0.9
Current lease liability	**0.4**	0.4
Non-current lease liability	**75.2**	76.3

The expense relating to low value assets which have not been recognised under IFRS 16 was £nil (March 2023: £nil) and the expense relating to variable lease payments not included in the measurement of lease liabilities was £nil (March 2023: £nil). The total cash outflow in relation to lease commitments for the year was £2.4 million (March 2023: £3.0 million), £0.4 million (2023: £0.3 million) relates to the repayment of principle lease liabilities and £2.0 million (2023: £2.7 million) relates to the repayment of interest on lease liabilities. Depreciation recognised on ROU assets during the year was £0.2 million (2023: £0.2 million).

Lease liability maturity table

	2024 £m	2023 £m
Within one year	**0.4**	0.4
Between one and two years	**0.8**	0.8
In the second to fifth year inclusive	**0.6**	0.5
After five years	**73.8**	75.0
	75.6	76.7

Lease commitments payable by the Group are as follows:

	2024 £m	2023 £m
Within one year	**2.9**	3.0
One to two years	**2.9**	3.0
Two to five years	**8.8**	8.9
After five years	**247.8**	253.6
	262.4	268.5
Effect of discounting	**(186.8)**	(191.8)
Lease liability	**75.6**	76.7

At the balance sheet date the Group had contracted with tenants for the following future minimum lease payments on its investment properties:

	2024 £m	2023 £m
Within one year	**47.3**	45.6
Between one and two years	**41.2**	39.5
In the second to fifth year inclusive	**88.3**	79.7
After five years	**147.3**	123.3
	324.1	288.1

The Group's weighted average lease length of lease commitments at 31 March 2024 was 5.2 years (March 2023: 5.2 years).

Operating lease obligations exist over the Group's offices, head leases on the Group's retail portfolio and ground rent leases. Investment properties are leased to tenants under operating leases with rentals payable monthly and quarterly. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

22. Share capital and reserves

Share capital

Ordinary shares	Number of shares issued m's	Price per share pence	Total No of shares (m)	Held by EBT No of shares (m)	Shares in issue No of shares (m)
1 April 2022			310.3	2.1	308.2
Scrip dividends issued	1.0	0.86	311.3	2.1	309.2
Shares issued under employee share schemes	0.6	–	311.3	1.5	309.8
Scrip dividends issued	0.6	0.78	311.9	1.5	310.4
Shares issued under employee share schemes	0.1	–	311.9	1.4	310.5
31 March 2023			311.9	1.4	310.5
Scrip dividends issued	**1.0**	**0.89**	**312.9**	**1.4**	**311.5**
Shares issued under employee share schemes	**1.2**	**–**	**312.9**	**0.2**	**312.7**
Purchase of own shares	**(3.4)**	**–**	**312.9**	**3.6**	**309.3**
Shares issued under employee share schemes	**0.3**	**–**	**312.9**	**3.3**	**309.6**
Scrip dividends issued	**0.8**	**0.82**	**313.7**	**3.3**	**310.4**
31 March 2024			**313.7**	**3.3**	**310.4**

All shares issued and authorised are fully paid up.

Merger reserve

The merger reserve arose as a result of a group reorganisation in 2016 and represents the nominal amount of share capital that was issued to shareholders of NewRiver Retail Limited.

Share premium

Share premium represents amounts subscribed for a share in excess of nominal value less directly attributable issue costs.

Retained earnings

Retained earnings consist of the accumulated net comprehensive profit of the Group, less dividends paid from distributable reserves, and transfers from equity issues where those equity issues generated distributable reserves.

Scrip dividend shares

Shares issued in respect of elections to participate in the Scrip Dividend scheme in respect of dividends declared in the year, the value of these was £1.6 million (2023: £1.3 million). The Scrip Dividend Scheme was re-approved on 26 July 2023. The scheme provides shareholders of NewRiver Ordinary shares with the opportunity, at the shareholders election and where offered by the Company, to elect to receive dividends as New Ordinary shares in the Company instead of their cash dividend, with no dealing charges or stamp duty incurred.

Shares held in Employee Benefit Trust (EBT)

As part of the group reorganisation in 2016, the Company established an EBT which is registered in Jersey. The EBT, at its discretion, may transfer shares held by it to directors and employees of the Company and its subsidiaries. The maximum number of ordinary shares that may be held by the EBT may not exceed 5% of the Company's issued share capital. It is intended that the EBT will not hold more ordinary shares than are required in order to satisfy share options granted under employee share incentive plans.

Over the course of a few days in November and December 2023, the Employee Benefit Trust purchased £3.0 million of shares to satisfy employee share awards, which amounted to 3,411,259 shares.

There are currently 3,317,218 ordinary shares held by EBT (2023: 1,466,712).

23. Share-based payments

The Group has two share schemes for employees:
- Performance Share Scheme
- Deferred bonus scheme

Performance Share Scheme

Zero priced share options have been issued to senior management and executive directors under the Performance Share Scheme since 2013. The options vest to the extent that performance conditions are met over a three or four-year period. At the end of the period there may be a further vesting condition that the employee or director remains an employee of the Group. Further details on the scheme and the performance conditions are provided in the Remuneration Report. The charge for the year recognised in the consolidated statement of comprehensive income was £0.7 million (March 2023: £0.7 million).

Financial year issued	Average exercise price	Outstanding at start of year	Granted	Number Exercised	Lapsed	Outstanding at end of year	Number exercisable	Average remaining life (years)
2021	–	2,713,864	130,292	(1,064,551)	(1,422,078)	357,527	–	–
2022	–	3,082,562	255,400	–	(108,674)	3,229,288	–	0.4
2023	–	2,755,100	228,271	–	(55,819)	2,927,552	–	1.3
2024	–	–	2,865,365	–	(50,815)	2,814,550	–	2.2
		8,551,526	3,479,328	(1,064,551)	(1,637,386)	9,328,917	–	

Deferred Bonus Scheme

Zero priced share options have been issued to senior management and executive directors under the Deferred Bonus Scheme since 2016. The options vest based on the employee or director remaining in the employment of the Group for a defined period (usually two years). The charge for the year recognised in the consolidated statement of comprehensive income for this scheme was £0.5 million (March 2023: £0.4 million).

Financial year issued	Average exercise price	Outstanding at start of year	Granted	Exercised	Cancelled	Outstanding at end of year	Number exercisable	Average remaining life (years)
2018	–	44,968	–	–	–	44,968	–	–
2019	–	116,751	–	(62,194)	–	54,557	–	–
2020	–	82,245	–	(72,288)	–	9,957	–	–
2021	–	15,891	–	(10,594)	–	5,297	–	–
2022	–	338,118	13,010	(351,128)	–	–	–	–
2023	–	640,463	53,050	–	(11,094)	682,419	–	0.3
2024	–	-	699,996	–	–	699,996	–	1.2
		1,238,436	766,056	(496,204)	(11,094)	1,497,194	–	

Fair value

The fair value of the share options has been calculated based on a Monte Carlo Pricing Model using the following inputs:

	2024	2023
Share price	**0.89**	0.87
Exercise price	**Nil**	Nil
Expected volatility	**34%**	43%
Risk free rate	**4.980%**	1.675%
Expected dividends*	**0%**	0%

*based on quoted property sector average.

24. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks in relation to the financial instruments it uses: market risk including cash flow interest rate risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables, borrowings and derivative financial instruments.

Risk management parameters are established by the Board on a project-by-project basis. Reports are provided to the Board quarterly and also when authorised changes are required.

Financial instruments

	2024 £m	2023 £m
Financial assets		
Financial assets at amortised cost		
Trade and other receivables	**7.7**	13.4
Cash and cash equivalents	**132.8**	108.6
Total financial assets and maximum exposure to credit risk	**140.5**	122.0
Financial liabilities		
At amortised cost		
Borrowings	**(296.6)**	(296.7)
Lease liabilities	**(75.6)**	(76.7)
Payables and accruals	**(18.1)**	(20.0)
	(390.3)	(393.4)
	(249.8)	(271.4)

The fair value of the financial assets and liabilities at amortised cost are considered to be the same as their carrying value, with the exception of certain fixed rate borrowings, see note 20 for further details. None of the financial instruments above are held at fair value

Market risk

Currency risk

The Group is not subject to any foreign currency risk as nearly all transactions are in Pounds Sterling.

Interest rate risk

At 31 March 2024 the Group has no interest rate risk as it has no drawn debt that is subject to variable interest rates and no open derivatives in controlled entities.

There would be no impact on finance costs to the Group, in the year or in the prior year, if interest rates increase or decrease as the Group has no drawn variable rate debt.

Credit risk

The Group's principal financial assets are cash, trade receivables and other receivables.

The Group manages its credit risk through policies to ensure that rental contracts are made with tenants meeting appropriate balance sheet covenants, supplemented by rental deposits or bank guarantees from international banks. The Group may suffer a void period where no rents are received. The quality of the tenant is assessed based on an extensive tenant covenant review scorecard prior to acquisition of the property. The assessment of the tenant credit worthiness is also monitored on an ongoing basis. Credit risk is assisted by the vast majority of occupational leases requiring that tenants pay rentals in advance. The Group monitors rent collection in order to anticipate and minimise the impact of default by tenants. All outstanding rent receivables are regularly monitored. In order to measure the expected credit losses, trade receivables from tenants have been grouped by shared credit risk characteristics and an assumption around the tenants ability to pay their receivable, based on conversations held and our knowledge of their credit history. The expected loss rates are based on historical payment profiles of tenant debtors and corresponding historical credit losses. These historical loss rates are then adjusted to reflect the likelihood that tenants will pay.

Ageing of past due gross trade receivables and the carrying amount net of loss allowances is set out below:

	2024 Gross amount £m	2024 Loss allowance £m	2024 % applied	2024 Carrying amount £m	2023 Gross amount £m	2023 Loss allowance £m	2023 % applied	2023 Carrying amount £m
0-30 days	**1.2**	**0.4**	**36%**	**0.8**	2.4	0.6	25%	1.8
30-60 days	**0.3**	**0.1**	**33%**	**0.2**	0.1	0.1	100%	–
60-90 days	**0.1**	**0.1**	**100%**	**–**	0.3	0.1	33%	0.2
90-120 days	**0.3**	**0.1**	**33%**	**0.2**	0.3	0.1	33%	0.2
Over 120 days	**1.4**	**1.2**	**86%**	**0.2**	2.5	2.1	84%	0.4
	3.3	**1.9**		**1.4**	5.6	3.0		2.6

The Group's total expected credit loss in relation to trade receivables, other receivables and accrued income is £2.3 million (2023: £3.5 million). The Group recognises an expected credit loss allowance on trade receivables of £1.9 million (2023: £3.0 million) as noted in the above table.

The Group categorises trade debtors in varying degrees of risk, as detailed below:

	2024 £m	2023 £m
Risk level		
Very high	**1.4**	2.5
High	**0.3**	0.3
Medium	**0.4**	0.4
Low	**1.2**	2.4
Gross carrying amount before loss allowance	**3.3**	5.6
Loss allowance	**(1.9)**	(3.0)
Carrying amount	**1.4**	2.6

The Group monitors its counterparty exposures on cash and short-term deposits weekly. The Group monitors the counterparty credit rating of the institutions that hold its cash and deposits and spread the exposure across several banks.

Liquidity risk

The Group manages its liquidity risk by maintaining sufficient cash balances and committed credit facilities. The Board reviews the credit facilities in place on a regular basis. Cash flow reports are issued weekly to management and are reviewed quarterly by the Board. A summary table with maturity of financial liabilities is presented below:

2024 £m	Less than one year	One to two years	Two to five years	More than five years	Total
Borrowings	**–**	**–**	**(300.0)**	**–**	**(300.0)**
Interest on borrowings	**(10.5)**	**(10.5)**	**(20.2)**	**–**	**(41.2)**
Lease liabilities	**(2.9)**	**(2.9)**	**(8.8)**	**(247.8)**	**(262.4)**
Payables and accruals	**(18.1)**	**–**	**–**	**–**	**(18.1)**
	(31.5)	**(13.4)**	**(329.0)**	**(247.8)**	**(621.7)**
2023 £m					
Borrowings	–	–	(300.0)	–	(300.0)
Interest on borrowings	(10.5)	(10.5)	(30.7)	–	(51.7)
Lease liabilities	(3.0)	(3.0)	(8.9)	(253.6)	(268.5)
Payables and accruals	(20.0)	–	–	–	(20.0)
	(33.5)	(13.5)	(339.6)	(253.6)	(640.2)

Reconciliation of movement in the Group's share of net debt in the year	2024 £m	2023 £m
Group’s share of net debt at beginning of year	**201.3**	221.5
Cash flow		
Net increase in cash and cash equivalents	**(24.2)**	(25.8)
Change in bank loan fees to be amortised	**(0.1)**	0.9
Group’s share of joint ventures’ and associates’ cash flow		
Net decrease in cash and cash equivalents	**2.2**	2.7
Bank loans repaid	**(11.9)**	–
New bank loans	**–**	1.9
Change in bank loan fees to be amortised	**–**	0.1
Group’s share of net debt	**167.3**	201.3
Being:		
Group borrowings	**296.6**	296.7
Group’s share of joint ventures’ and associates’ borrowings	**3.9**	15.9
Group cash	**(132.8)**	(108.6)
Group’s share of joint venture and associate cash	**(0.4)**	(2.7)
Group’s share of net debt	**167.3**	201.3

Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, to provide returns to shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to any external capital requirements. As detailed in note 11, the Group is a REIT and to qualify as a REIT the Group must distribute 90% of its taxable income from its property business.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets. Consistent with others in the industry, the Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings, less cash and cash equivalents on a proportionately consolidated basis.

Between 31 March 2023 and 31 March 2024, the Group’s proportionally consolidated LTV decreased by 3.1% from 33.9% to 30.8% and the gearing ratio from 49.7% to 45.4% mainly as a result of retail disposals. The Group continually monitors LTV and will continue to monitor LTV closely, factoring in disposal activity and possible further valuation declines as disclosed in Note 1. The Group has remained compliant with all of its banking covenants during the year as discussed in Note 1.

Net debt to equity ratio	2024 £m	2023 £m
Borrowings	**296.6**	296.7
Cash and cash equivalents	**(132.8)**	(108.6)
Net debt	**163.8**	188.1
Equity attributable to equity holders of the parent	**361.1**	378.6
Net debt to equity ratio (‘Balance sheet gearing’)	**45.4%**	49.7%
Share of joint ventures’ and associates’ borrowings	**3.9**	15.9
Share of joint ventures’ and associates’ cash and cash equivalents	**(0.4)**	(2.7)
Group's share of net debt	**167.3**	201.3
Carrying value of investment property	**533.8**	551.5
Share of joint ventures’ and associates carrying value of investment properties	**10.0**	42.1
Group's share of carrying value of investment properties	**543.8**	593.6
Net debt to property value ratio (‘Loan to value’)	**30.8%**	33.9%

Reconciliation of financial liabilities

Reconciliation of financial liabilities	Lease liabilities £m	Borrowings £m	Total £m
As at 1 April 2023	**76.7**	**296.7**	**373.4**
Decrease through financing cash flows			
Repayment of principal portion of lease liability	**(0.4)**	**–**	**(0.4)**
Disposal	**(0.7)**	**–**	**(0.7)**
Loan amortisation	**–**	**(0.1)**	**(0.1)**
As at 31 March 2024	**75.6**	**296.6**	**372.2**

Reconciliation of financial liabilities	Lease liabilities £m	Borrowings £m	Total £m
As at 1 April 2022	75.7	295.8	371.5
(Decrease)/Increase through financing cash flows			
Head office lease	1.1	–	1.1
Repayment of principal portion of lease liability	(0.4)	–	(0.4)
Lease modification	0.3	–	0.3
Loan amortisation	–	0.9	0.9
As at 31 March 2023	76.7	296.7	373.4

25. Contingencies and commitments

The Group has no material contingent liabilities (2023: None). The Group was contractually committed to £0.7 million of capital expenditure to construct or develop investment property as at 31 March 2024 (31 March 2023: £1.8 million).

Under the terms of the sale agreement to dispose of Hawthorn dated 20 August 2021, the Group gave certain warranties, including tax, relating to Hawthorn. A breach of warranty will only give rise to a successful claim in damages if the buyer can show that the warranty was breached and that the effect of the breach is to reduce the value of Hawthorn at the date of disposal. Claims must be received, in the case of a Warranty Claim, within a year of Completion and, in the case of a Tax Claim, within 6 years of Completion. No such claims have been received.

26. Related party transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.
During the year the Company paid £0.8 million (2023: £1.1 million) in professional legal fees to CMS Cameron McKenna Nabarro Olswang LLP for property services at commercial market rates. Allan Lockhart, CEO of NewRiver, has a personal relationship with one of the Partners at CMS who along with other Partners provides these legal services.

The Group has loans with a joint venture of £nil (2023: £3.0 million) and loans with associates of £3.2 million (March 2023: £3.2 million) During the year, the Group received £nil (2023: £2.3 million) back from associates in the form of shareholder loan repayments and repayment of initial capital invested.

Management fees are charged to joint ventures and associates for asset management, investment advisory, project management and accounting services.

Total fees charged were:

	2024 £m	2023 £m
NewRiver Retail (Napier) Limited	**–**	0.2
NewRiver Retail (Hamilton) Limited	**0.2**	0.2
NewRiver (Sprucefield) Limited	**0.2**	0.1

As at 31 March 2024, an amount of £0.3 million (2023: £0.3 million) was due to the Group relating to management fees.

During the year, the Group recognised £0.2 million of interest from joint ventures and associates (2023: £0.3 million) and as at 31 March 2024 the amount owing to the Group was £0.2 million (2023: £0.2 million).

Key management personnel

All transfer of resources, services or obligations between the Company and these parties have been disclosed, regardless of whether a price is charged. We are unaware of any other related party transactions between related parties.

Related party relationships and transactions have been accounted for and disclosed in accordance with the requirements of IFRSs or other requirements, for example, the Companies Act 2006.

27. Post balance sheet events

There were no significant events occurring after the reporting period, but before the financial statements were authorised for issue.

ALTERNATIVE PERFORMANCE MEASURES (APMs) (Unaudited)

In addition to information contained in the Group financial statements, Alternative Performance Measures ('APMs'), being financial measures which are not specified under IFRS, are also used by management to assess the Group's performance. These include a number of measures contained in the 'Financial Statistics' table at the beginning of this document. These APMs include a number of European Public Real Estate Association ('EPRA') measures, prepared in accordance with the EPRA Best Practice Recommendations reporting framework. We report these because management considers them to improve the transparency and relevance of our published results as well as the comparability with other listed European real estate companies.

The table below identifies the APMs used in this statement and provides the nearest IFRS measure where applicable, and where in this statement an explanation and reconciliation can be found.

APM	Nearest IFRS measure	Explanation and reconciliation
Underlying Funds From Operations ('UFFO') and UFFO per share	Profit / (Loss) for the year after taxation	Note 12 of the Financial Statements
EPRA Net Tangible Assets ('NTA') and EPRA NTA per share	Net Assets	Note 12 of the Financial Statements
Dividend cover	N/A	'Financial Policies' section of the 'Finance Review'
Admin cost ratio	N/A	Note 6 of the Financial Statements
Interest cover	N/A	Glossary
EPRA EPS	IFRS Basic EPS	Note 12 of the Financial Statements
EPRA NIY	N/A	'EPRA performance measures' section of this document
EPRA 'topped-up' NIY	N/A	'EPRA performance measures' section of this document
EPRA Vacancy Rate	N/A	'EPRA performance measures' section of this document
Total Accounting Return	N/A	Glossary
Weighted average cost of debt	N/A	'Financial Policies' section of the "Finance review"
Weighted average debt maturity	N/A	'Financial Policies' section of the "Finance review"
Loan to Value	N/A	Note 24 of the Financial Statements

EPRA PERFORMANCE MEASURES (Unaudited)

The information in this section is unaudited and does not form part of the consolidated primary statements of the company or the notes thereto.

Introduction

Below we disclose financial performance measures in accordance with the European Public Real Estate Association ('EPRA') Best Practice Recommendations which are aimed at improving the transparency, consistency and relevance of reporting across European Real Estate companies.

This section sets out the rationale for each performance measure as well as how it is measured. A summary of the performance measures is included in the following tables

	FY24	FY23
EPRA Earnings Per Share (EPS)	**7.4p**	7.9p
EPRA Cost Ratio (including direct vacancy costs)	**36.9%**	38.6%
EPRA Cost Ratio (excluding direct vacancy costs)	**33.8%**	34.3%

	March 2024	March 2023
EPRA NRV per share	**127p**	134p
EPRA NTA per share	**115p**	121p
EPRA NDV per share	**123p**	135p
EPRA LTV	**34.1%**	37.0%
EPRA NIY	**7.1%**	7.6%
EPRA 'topped-up' NIY	**7.5%**	8.0%
EPRA Vacancy Rate	**2.1%**	3.4%

EPRA Earnings Per Share: 7.4p

Definition

Earnings from operational activities

Purpose

A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings

	FY24 (£m)	FY23 (£m)
Earnings / (loss) per IFRS income statement	**3.0**	(16.8)
*Adjustments to calculate EPRA Earnings, **exclude**:*		
Changes in value of investment properties, development properties held for investment and other interests	**13.9**	38.2
Profits or losses on disposal of investment properties, development properties held for investment and other interests	**6.1**	3.8
Changes in fair value of financial instruments and associated close-out costs	**–**	–
Acquisition costs on share deals and non-controlling joint venture interests	**–**	–
Deferred tax in respect of EPRA adjustments	**–**	–
Adjustments to above in respect of joint ventures (unless already included under proportional consolidation)	**(0.1)**	(0.8)
EPRA Earnings	**22.9**	24.4
Basic number of shares	**311.4m**	309.7m
EPRA Earnings per Share (EPS)	**7.4p**	7.9p

Reconciliation of EPRA Earnings to Underlying Funds From Operations (UFFO)

	FY24 (£m)	FY23 (£m)
EPRA Earnings	**22.9**	24.4
Share-based payment charge	**1.5**	1.1
Depreciation on property	**–**	–
Forward-looking element of IFRS 9	–	(0.2)
Head office relocation costs	–	0.5
Underlying Funds From Operations (UFFO)	**24.4**	25.8
Basic number of shares	**311.4m**	309.7m
UFFO per share	**7.8p**	8.3p

EPRA NRV per share: 127p; EPRA NTA per share: 115p; EPRA NDV per share: 123p

Definition

Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.

Purpose

Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.

31 March 2024	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	**361.1**	**361.1**	**361.1**
Fair value of financial instruments	**(0.1)**	**(0.1)**	**–**
Deferred tax in relation to fair value gains of Investment Property	**0.8**	**0.8**	**–**
Fair value of debt	**–**	**–**	**24.5**
Purchasers' costs	**36.8**	**–**	**–**
EPRA NRV / NTA / NDV	**398.6**	**361.8**	**385.6**
Fully diluted number of shares	**313.3m**	**313.3m**	**313.3m**
EPRA NRV / NTA / NDV per share	**127p**	**115p**	**123p**

31 March 2023	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	378.6	378.6	378.6
Fair value of financial instruments	(0.6)	(0.6)	–
Deferred tax in relation to fair value gains of Investment Property	0.9	0.9	–
Fair value of debt	–	–	43.2
Purchasers' costs	40.2	–	–
EPRA NRV / NTA / NDV	419.1	378.9	421.8
Fully diluted number of shares	312.7m	312.7m	312.7m
EPRA NRV / NTA / NDV per share	134p	121p	135p

EPRA LTV: 34.1%

Definition

EPRA LTV is the ratio of gross debt, net payables less cash and cash equivalents to the aggregate value of properties. LTV is expressed on a proportionally condensed consolidated basis.

Purpose

EPRA LTV introduces a consistent and comparable metric for the real estate sector, with the aim to assess the gearing of the shareholder equity within a real estate investment company.

31 March 2024	Group (£m)	Share of Joint Ventures (£m)	Share of Associates (£m)	Total (£m)
Borrowings from financial institutions	**–**	**–**	**(4.0)**	**(4.0)**
Corporate bond	**(300.0)**	**–**	**–**	**(300.0)**
Net (payables) / receivables	**(14.9)**	**0.1**	**(0.1)**	**(14.9)**
Cash and cash equivalents	**132.8**	**–**	**0.4**	**133.2**
Net Debt (A)	**(182.1)**	**0.1**	**(3.7)**	**(185.7)**
Investment property at fair value	**533.8**	**–**	**10.0**	**543.8**
Total Property Value (B)	**533.8**	**–**	**10.0**	**543.8**
LTV (A/B)	**34.1%**			**34.1%**

31 March 2023	Group (£m)	Share of Joint Ventures (£m)	Share of Associates (£m)	Total (£m)
Borrowings from financial institutions	–	(12.0)	(4.0)	(16.0)
Corporate bond	(300.0)	–	–	(300.0)
Net payables	(14.5)	(0.2)	(0.3)	(15.0)
Cash and cash equivalents	108.6	2.1	0.6	111.3
Net Debt (A)	(205.9)	(10.1)	(3.7)	(219.7)
Investment property at fair value	551.5	32.2	9.9	593.6
Total Property Value (B)	551.5	32.2	9.9	593.6
LTV (A/B)	37.3%			37.0%

EPRA NIY: 7.1%, EPRA 'topped-up' NIY: 7.5%

Definition

The basic EPRA NIY calculates the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.
In respect of the 'topped-up' NIY, an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

Purpose

A comparable measure for portfolio valuations to assist investors in comparing portfolios.

		March 2024 (£m)	March 2023 (£m)
Properties at valuation – wholly owned		**533.8**	551.5
Properties at valuation – share of Joint Ventures & Associates		**10.0**	42.1
Trading property (including share of Joint Ventures & Associates)		**–**	–
Less: Developments		**(10.0)**	(10.2)
Completed property portfolio		**533.8**	583.4
Allowance for estimated purchasers' costs and capital expenditure		**40.5**	44.9
Grossed up completed property portfolio valuation	B	**574.3**	628.3
Annualised cash passing rental income		**50.9**	59.6
Property outgoings		**(10.0)**	(11.9)
Annualised net rents	A	**40.9**	47.7
Add: Notional rent expiration of rent free periods or other lease incentives		**2.4**	2.4
Topped-up net annualised rent	C	**43.3**	50.1
EPRA NIY	A/B	**7.1%**	7.6%
EPRA 'topped-up' NIY	C/B	**7.5%**	8.0%

EPRA Vacancy rate: 2.1%

Definition

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio, excluding development assets.

Purpose

A 'pure' (%) measure of investment property space that is vacant, based on ERV.

		March 2024 (£m)	March 2023 (£m)
Estimated Rental Value of vacant retail space	A	**1.0**	1.8
Estimated rental value of the retail portfolio	B	**47.8**	53.0
EPRA Vacancy Rate	A/B	**2.1%**	3.4%

EPRA Cost Ratio (including direct vacancy costs): 36.9%; EPRA Cost Ratio (excluding direct vacancy costs): 33.8%

Definition

Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.

Purpose

A key measure to enable meaningful measurement of the changes in a company's operating costs.

		FY24 (£m)	FY23 (£m)
Administrative/operating expenses per IFRS		**18.2**	19.2
Net service charge costs/fees		**4.0**	5.6
Management fees less actual/estimated profit element		**(2.5)**	(1.5)
Other operating income/recharges intended to cover overhead expenses less any related profits		**–**	–
Share of Joint Ventures and associates expenses (net of other income)		**0.1**	0.4
Exclude (if part of the above):			
Investment property depreciation		**–**	–
Ground rent costs		**0.4**	0.6
Service charge costs recovered through rents but not separately invoiced		**–**	–
EPRA Costs (including direct vacancy costs)	A	**20.2**	24.3
Direct vacancy costs		**(1.7)**	(2.7)
EPRA Costs (excluding direct vacancy costs)	B	**18.5**	21.6
Gross Rental Income less ground rents – per IFRS		**53.3**	59.4
Less: service fee and service charge costs components of Gross Rental Income (if relevant)		**–**	–
Add: share of Joint Ventures and associates (Gross Rental Income less ground rents)		**1.5**	3.6
Gross Rental Income	C	**54.8**	63.0
EPRA Cost Ratio (including direct vacancy costs)	A/C	**36.9%**	38.6%
EPRA Cost Ratio (excluding direct vacancy costs)	B/C	**33.8%**	34.3%

Reconciliation of EPRA Costs (including direct vacancy costs) to Net Administrative expenses per IFRS

		FY24 (£m)	FY23 (£m)
EPRA Costs (including direct vacancy costs)	A	**20.2**	24.3
Exclude			
Ground rent costs		**(0.4)**	(0.6)
Share of Joint Ventures and associates property expenses (net of other income)		**–**	(0.4)
Other operating income/recharges intended to cover overhead expenses less any related profits		**–**	–
Net service charge costs/fees		**(4.0)**	(5.6)
Operating expenses (excluding service charge cost)		**(5.8)**	(6.6)
Tenant incentives (included within income)		**(0.2)**	(0.2)
Letting & legal costs (included within income)		**(1.3)**	(1.3)
Group's share of net administrative expenses as per IFRS	D	**8.5**	9.6
EPRA Gross Rental Income	C	**54.8**	63.0
Ground rent costs		**(0.4)**	(0.6)
Expected credit reversal / (loss)		**0.1**	(0.2)
Surrender premiums and commissions		**(0.7)**	(0.6)
Other income		**0.4**	1.4
Property rental, other income and related income as per IFRS	E	**54.2**	63.0
Administrative cost ratio as per IFRS	D/E	**15.7%**	15.2%

Property related capital expenditure and tenant incentives (additional disclosure)

	Year ended 31 March 2024			Year ended 31 March 2023		
	Group £m	**JVs & Associates £m**	**Group's share £m**	Group £m	JVs & Associates £m	Group's share £m
Acquisitions	**–**	**–**	**–**	–	–	–
Development	**0.2**	**–**	**0.2**	0.3	–	0.3
Investment properties						
Incremental lettable space	**4.0**	**–**	**4.0**	1.9	–	1.9
Non incremental lettable space	**1.9**	**–**	**1.9**	0.8	0.8	1.6
Other material non-allocated types of expenditure	**–**	**–**	**–**	–	–	–
Capitalised interest	**–**	**–**	**–**	–	–	–
Total property related capital expenditure and tenant incentives	**6.1**	**–**	**6.1**	3.0	0.8	3.8
Conversion from accrual to cash basis	**–**	**–**	**–**	(0.1)	(0.3)	(0.4)
Total property related capital expenditure and tenant incentives on cash basis	**6.1**	**–**	**6.1**	2.9	0.5	3.4

Refurbishment expenditure in respect of major works is capitalised whilst renovation and refurbishment expenditure of a revenue nature is expensed as incurred. Our business model for major works and developments is to use a combination of in-house staff and external advisers. The cost of external advisers is capitalised to the cost of developments and employee costs in relation to in-house staff time on development projects are capitalised into the base cost of relevant assets subject to meeting certain criteria related to the degree of time spent on and the nature of specific projects. Staff costs amounting to £0.5 million (2023: £0.5 million) have been capitalised as such during the year. Capital tenant incentives of £0.8 million (2023: £0.4 million) were paid during the year, with associated amortisation of £0.2 million (2023: £0.2 million) recognised in the consolidated statement of comprehensive income.

Glossary

Admin cost ratio: Is the Group's share of net administrative expenses (including its share of JV administrative expenses) divided by the Group's share of property income (including its share of JV property income).

Associates: is an entity in which the Group holds an interest and is significantly influenced by the Group.

Average debt maturity: Is measured in years when each tranche of gross debt is multiplied by the remaining period to its maturity and the result is divided by total gross debt in issue at the period end. Average debt maturity is expressed on a proportionally consolidated basis.

Balance sheet gearing: Is the balance sheet net debt divided by IFRS net assets.

BRAVO: Is BRAVO Strategies III LLC, with which NewRiver formed a capital partnership in May 2019 to acquire and manage a portfolio of retail assets in the UK.

Book value: Is the amount at which assets and liabilities are reported in the financial statements.

Cost of debt: Is the loan interest and derivative costs at the period end, divided by total debt in issue at the period end. Cost of debt is expressed on a proportionally consolidated basis.

CVA: is a Company Voluntary Arrangement, a legally binding agreement that allows a company to settle debts by paying only a proportion of the amount that it owes to creditors (such as contracted rent) or to come to some other arrangement with its creditors over the payment of its debts.

Dividend cover: Underlying Funds From Operations per share divided by dividend per share declared in the period.

EPRA: Is the European Public Real Estate Association.

EPRA earnings: Is the IFRS profit after taxation excluding investment property revaluations, fair value adjustments on derivatives, gains/losses on disposals and deferred tax.

EPRA earnings per share: Is EPRA earnings divided by the weighted average basic number of shares in issue during the period.

EPRA Net Tangible Assets (EPRA NTA): Are the balance sheet net assets excluding the mark to market on effective cash flow hedges and related debt adjustments, deferred taxation on revaluations, goodwill, and diluting for the effect of those shares potentially issuable under employee share schemes.

EPRA NTA per share: Is EPRA NTA divided by the diluted number of shares at the period end.

EPRA LTV: EPRA LTV is the ratio of gross debt, net payables less cash and cash equivalents to the aggregate value of properties. LTV is expressed on a proportionally consolidated basis.

ERV growth: Is the change in ERV over a period on our investment portfolio expressed as a percentage of the ERV at the start of the period. ERV growth is calculated monthly and compounded for the period subject to measurement, as calculated by MSCI Real Estate.

Estimated rental value (ERV): Is the external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

Footfall: Is the annualised number of visitors entering our shopping centre assets.

Gross Asset Value (GAV): Is Gross Asset Value, the total value of all real estate investments owned by the Company

Group: Is NewRiver REIT plc, the Company and its subsidiaries and its share of joint ventures (accounted for on an equity basis).

Head lease: Is a lease under which the Group holds an investment property.

IFRS: UK-adopted International Accounting Standards

Income return: Is the income derived from a property as a percentage of the property value.

Interest cover: Interest cover is tested at corporate level and is calculated by comparing actual net property income received versus cash interest payable on a 12 month look-back basis.

Joint venture: Is an entity in which the Group holds an interest on a long-term basis and is jointly controlled by the Group and one or more ventures under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each joint venture partner's consent.

Leasing events: Long-term and temporary new lettings, lease renewals and lease variations within investment and joint venture properties.

Like-for-like ERV growth: Is the change in ERV over a period on the standing investment properties expressed as a percentage of the ERV at the start of the period.

Like-for-like footfall: Is the movement in footfall against the same period in the prior period, on properties owned throughout both comparable periods, aggregated at 100% share.

Like-for-like net income: Is the change in net income on properties owned throughout the current and previous periods under review. This growth rate includes revenue recognition and lease accounting adjustments but excludes properties held for development in either period, properties with guaranteed rent reviews and asset management determinations.

Long-term leasing deals: Are leasing deals with a fixed term certain of at least one year.

Loan to Value (LTV): Is the ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments. LTV is expressed on a proportionally consolidated basis.

Mark to market: Is the difference between the book value of an asset or liability and its market value.

MSCI: MSCI Inc produces independent benchmarks of property returns and NewRiver portfolio returns.

Net equivalent yield (NEY): Is the net weighted average income return a property will produce based upon the timing of the income received. In accordance with usual practice, the equivalent yields (as determined by the external valuers) assume rent received annually in arrears and on values before deducting prospective purchaser's costs.

Net initial yield (NIY): Is the current annualised rent, net of costs, expressed as a percentage of capital value, after adding notional purchaser's costs.

Net rental income: Is the rental income receivable in the period after payment of net property outgoings. Net rental income will differ from annualised net rents and passing rent due to the effects of income from rent reviews, net property outgoings and accounting adjustments for fixed and minimum contracted rent reviews and lease incentives.

NewRiver share: Represents the Group's ownership on a proportionally consolidated basis.

Passing rent: Is the gross rent payable under leases terms.

Pre-let: A lease signed with an occupier prior to the completion of a development.

Pre-sale: A sale exchanged with a purchaser prior to completion of a development.

Property Income Distribution (PID): As a REIT the Group is obliged to distribute 90% of the tax-exempt profits. These dividends, which are referred to as PIDs, are subject to withholding tax at the basic rate of income tax. Certain classes of shareholders may qualify to receive the dividend gross. See our website (www.nrr.co.uk) for details. The Group can also make other normal (non-PID) dividend payments which are taxed in the usual way.

Proportionately consolidated: The aggregation of the financial results of the Reported Group and the Group's Share of net assets within its joint venture and associates.

Real Estate Investment Trust (REIT): Is a listed property company which qualifies for and has elected into a tax regime, which exempts qualifying UK property rental income and gains on investment property disposals from corporation tax.

Rental value growth: Is the increase in the current rental value, as determined by the Company's valuers, over the 12-month period on a like-for-like basis.

Retail occupancy rate: Is the estimated rental value of let units expressed as a percentage of the total estimated rental value of the portfolio, excluding development properties.

Risk-controlled development pipeline: Is the combination of all development projects that the Company is currently pursuing or assessing for feasibility. Our risk-controlled approach means that we will not commit to a new development unless we have pre-let or pre-sold at least 70% by area.

Tenant (or lease) incentives: Are any incentives offered to occupiers to enter into a lease. Typically the incentive will be an initial rent-free period, or a cash contribution to fit-out or similar costs. Under accounting rules, the value of lease incentives given to tenants is amortised through the Income Statement on a straight-line basis to the lease expiry.

Total Accounting Return (TAR): Is the increase or decrease in EPRA NTA per share plus dividends paid in the period, expressed as a percentage of EPRA NTA per share at the beginning of the period.

Total Property Return (TPR): Is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period, as calculated by MSCI Real Estate (formerly IPD). Total property returns are calculated monthly and indexed to provide a return over the relevant period.

Topped-Up Net Initial Yield: Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent free period at the valuation date.

Underlying Funds From Operations (UFFO): is a measure of the Company's operational profits, which includes other income and excludes one off or non-cash adjustments, such as portfolio valuation movements, profits or losses on the disposal of investment properties, fair value movements on derivatives and share-based payment expense.

Weighted average lease expiry (WALE): Is the average lease term remaining to first tenant break, or expiry, across the portfolio weighted by rental income. This is also disclosed assuming all tenant break clauses are exercised at the earliest date, as stated. Excludes short-term licences and residential leases.

Yield on cost: Passing rents expressed as a percentage of the total development cost of a property.

Yield Shift: Is a movement (usually expressed in basis points) in the equivalent yield of a property asset.