NEW RIVER

Resilient retail

Annual Report and Accounts 2022

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NewRiver is a leading Real Estate Investment Trust specialising in buying, managing and developing resilient retail assets throughout the UK. Every day, our shopping centres and retail parks provide essential goods and services and support the development of thriving communities across the UK.

NewRiver has a Premium Listing on the Main Market of the London Stock Exchange (ticker: NRR).

2022 Financial Highlights

Underlying Funds From Operations

£28.3m ⇧

FY21: £11.5M

UFFO Per Share

9.2p ⇧

FY21: 3.8P

IFRS Loss After Tax

£(26.6)m ⇧

FY21: £(150.5)M

Ordinary Dividend Per Share

7.4p ⇧

FY21: 3.0P

Portfolio valuation performance

-0.9% ⇧

FY21: -13.6%

Loan To Value

34.1% ⇧

FY21: 50.6%

Total Accounting Return

-6.6% ⇧

FY21: -24.9%

Key

Performance versus previous year

Improved ⇧

Declined ⇩

Maintained ⇔

Front Cover Image: Cuckoo Bridge Retail Park, Dumfries

Sprucefield Retail Park, Lisburn, Northern Ireland

Our Investment Case

1 Our focused portfolio positioning

We own and manage resilient retail assets that provide essential goods and services to communities across the UK. These assets provide affordable and well located space that is compatible with retailers' increasingly omnichannel strategies.

2 Our market leading operating platform

Our expert asset management team, our data-driven approach and our strong occupier relationships set us apart.

3 Our financial flexibility and capacity

Our unsecured balance sheet, significant covenant headroom and access to undrawn liquidity provide the financial flexibility to support our growth aspirations.

4 Our clear strategy for growth

Our strategy is designed to deliver income-led premium returns through maintaining a resilient retail portfolio, expanding our capital partnerships and realising value through our regeneration projects.

Reliable and recurring income-led Premium Total Accounting Return

Our vision for resilient retail

Baroness Ford OBE
Non-Executive Chairman

"Our vision of resilient retail is built on what we know and what has been thrown into sharp relief during the Pandemic: that well-positioned assets, in the right location, at affordable rents, remain very attractive to retailers."

Kittybrewster Retail Park, Aberdeen

Last June when we published our FY21 results, we had just come through the worst of the second wave of COVID-19 when I wrote to shareholders with a clear plan to build on the remarkable resilience the NewRiver portfolio had demonstrated since the start of the Pandemic.

Principally we had decided to sell our pub portfolio which had reached its natural scale for NewRiver. We had earmarked the proceeds to lower our LTV to a more sustainable level to create a solid platform from which to grow a highly resilient retail portfolio by capitalising on the opportunities that we believed were likely to emerge post-COVID. In order to take advantage of these opportunities, we also set out our vision of what the future of retail looked like, alongside a plan to divest ourselves of all but the most resilient assets.

I am pleased to say that this is exactly what was delivered. The price we obtained for the Hawthorn portfolio was a vindication of both the decision to sell and the timing of the transaction. At that stage, we had no idea that the Omicron variant was just around the corner. So I want to thank all those colleagues involved who had a clear-eyed view, at all times, on what was in the best interests of our shareholders.

The resultant capital structure is much more aligned to suit our long-term prospects of rebuilding the major, resilient, retail focused REIT in the UK, and the work that our teams have done to re-shape the portfolio has delivered the best possible platform from which to grow the business. Make no mistake, we believe very strongly in the future of high-quality, well-positioned retail.

Our focus on convenience and location has stood us in great stead throughout two years and three waves of the Pandemic. Our tenants have flourished as their customers have continued to shop locally and to shop regularly. Our vision of resilient retail is built on what we know and what has been thrown into sharp relief during the Pandemic: that well-positioned assets, in the right location, at affordable rents, remain very attractive to retailers. When these characteristics are combined with easy access, good facilities, and great value offerings, physical retail remains highly attractive to shoppers. We also share the view that the surge in online shopping that was necessitated by the Pandemic will stabilise to a more natural level; and there is very clear evidence of this happening in recent weeks and months.

But of course, the toll that the Pandemic has taken continues to be exacted. The return of inflation, sadly familiar to those of us who joined the workforce in the 1970s, presents families with huge challenges in the coming period. However, as during the Pandemic, we believe that the essential nature of the shops in our portfolio, twinned with the value offer from many of our retailers, will provide customers with opportunities to manage the weekly budget in a way that delivers the best value for money. So whilst the Board is rightly monitoring the economic situation very closely, we are clear that our assets will remain very attractive locations to retailers and their customers.

The last few years have been challenging for retail landlords, and we are no exception. But it is becoming clear that the narrative that predicted the total demise of physical shopping was massively overdone. We were always clear about that. Our continued operational success consistently challenged that narrative and our return to capital growth this year has underscored that. Whilst it has sometimes been hard to get a hearing amongst the hype and froth surrounding online, we sense that this is clearly changing and that investors are now seeing the very real value that physical retail assets represent.

Throughout the last year, the Board at NewRiver has worked exceptionally hard for shareholders. We are grateful for your patience and support and look forward to meeting in person this year at the AGM. This year will see Kay Chaldecott complete ten years on the Board at NewRiver. We asked for an extension of Kay's tenure last year to benefit from her extensive experience in the sector. This has proved invaluable as we worked our way through the Pandemic and we are very grateful to Kay for her fantastic service to the Company. Mark Davies, CFO for nearly ten years, left the Board on the sale of Hawthorn, and in thanking him for his sterling service, we wish him well for the future. Following Mark's departure, Will Hobman, who has been with the Company for six years, was appointed as CFO ensuring a smooth transition. Post year end we have also been delighted to welcome Dr Karen Miller to the Board as a Non-Executive Director. Karen brings with her a wealth of commercial sustainability expertise which will be of great benefit in supporting our environmental sustainability strategy.

Finally, I would like to thank all my colleagues at NewRiver who again, have worked tirelessly this year to deliver such positive operational results. We have a fantastic cohort of hugely motivated and talented staff. We have all been through two tough years, but the business is in very good shape, and in very good heart.

Baroness Ford OBE
Non-Executive Chairman

Our purpose

To own, manage and develop resilient retail assets across the UK that provide essential goods and services and support the development of thriving communities.

We Developed our Pathway to Net-Zero Carbon

We have now published our detailed pathway to net-zero which provides the scope of our commitment and our intentions for measuring our progress, developed in accordance with the Better Buildings Partnership's (BBP) Net Zero Carbon Pathway Framework and aligned to a 1.5-degree future using the Science-Based Targets (SBT) Methodology.

Next Collection Pod, Cuckoo Bridge Retail Park, Dumfries

Our resilient retail portfolio

How we define resilient retail

As part of refining our strategy in 2021 we identified ten key characteristics of resilient retail assets, based on our significant retail real estate experience and proprietary data sources.

These characteristics, ranging from location, online compatibility and rental affordability to asset management intensity can be quantitatively measured to form an assessment of an asset's long-term resilience, guiding our acquisition screening and ultimately our capital allocation decisions.

Recognising that not every resilient asset will necessarily score well on each metric, this data-led approach forms just one part of our investment and asset management toolkit. Our holistic approach also draws on sector experience, a best-in-class operating platform, strong stakeholder relationships and robust financials.

As the leading UK retail real estate company we understand what makes a resilient retail asset and we know how to protect and enhance resilience over the longer term.

By focusing on the fundamentals we are confident we will deliver stable income, capital growth and premium total accounting returns.

Resilient retail: 10 key characteristics

Location

Strong demographic profile
- Our centres are located close to some of the fastest growing communities in the UK

Optionality

Underlying alternative use
- Our assets present optionality to re-purpose surplus retail space or land predominantly for residential

Retail supply

Favourable retail demand vs supply balance
- Good demand from retailers for our assets which are in the heart of communities and aligned with increasing localism and working from home
- We have low occupational costs with an affordable average rent of £11.74 per sq ft

Convenience

Easy access, customer friendly
- Average travel time of only 13 minutes to our community shopping centres
- Our retail parks have large, accessible free car parking and are well served by public transport

Occupiers

Occupier mix aligned with demand
- Our diversified occupier line-up is focused on essential goods and services

Online compatible

Fulfils role in omnichannel supply chains
- Our retail parks are optimised for click & collect with both free parking and delivery & returns pods in car parks

Asset management

Low-intensity, low-risk asset management
- We have a targeted capex programme to increase rental income and capital growth

ESG

Contributes to ESG commitments
- We can decarbonise our assets at a lower future cost
- 100% renewable electricity across our managed retail assets
- Our assets are easily accessible with low-travel times, including 26% of shoppers travelling by foot, conducive to a low-carbon footprint

Working from home

Rise of localism
- Our local assets in the heart of communities benefit from the increased spend redirected from cities to more suburban and neighbourhood locations following the shift to hybrid working

Liquidity

Low capital value and wide buyer pool
- Liquid average lot size of £19.3m

Waterfront Retail Park, Barry

Our resilient retail portfolio at a glance

We focus on the positive impact we can have on our communities, employees,occupiers and the environment.

Robust operating metrics

Resilient rent collection 96%

Resilient occupancy 95.6%

Resilient leasing

Area
+1.0m sq ft

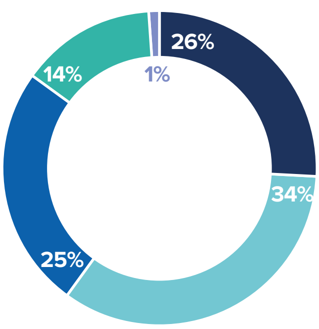
Long-term leasing deals
+7.4%
vs Valuers ERV

Stats as at 31 March 2022 / in FY22

Top occupiers

		% Total gross income
1.	B&M	2.9%
2.	Poundland	2.7%
3.	PRIMARK	2.6%
4.	Boots	2.4%
5.	Superdrug	2.4%
6.	M&S	2.1%
7.	TK Maxx	2.1%
8.	wilko	2.0%
9.	Iceland	1.6%
10.	Sainsbury's	1.5%
Subtotal		22.3%

Portfolio Segmentation



- Retail Parks
- Shopping Centres – Core
- Shopping Centres – Regeneration
- Shopping Centres – Work Out
- Other

Focused on three resilient sectors

1. Retail Parks
2. Core Shopping Centres
3. Regeneration Shopping Centres

Strengthened financial and operational position

Our objectives have never been clearer – to own and manage the most resilient retail portfolio in the UK that will deliver stable income, capital growth and thus superior returns for our shareholders.

Underlying Funds From Operations
£28.3m
FY21: £11.5M

Valuation performance
-0.9%
FY21: -13.6%

Underlying Funds From Operations Per Share
9.2p
FY21: 3.8P

Completed disposals
£305m
FY21: £81m

Allan Lockhart
Chief Executive

"We have reshaped our portfolio to enhance resilience and we are well-positioned to deliver stable income, capital growth and premium total accounting returns"

Key

Performance versus previous year

Improved ⇧ Declined ⇩ Maintained ⇔

Ordinary Dividend Per Share

7.4p ⇧

FY21: 3.0P

Occupancy

95.6% ⇔

FY21: 95.8%

LTV

34.1% ⇧

FY21: 50.6%

Leasing vs ERV

7.4% ⇧

FY21: +0.6%

Net debt

£221.5m ⇧

FY21: £493.3m

Rent collection

96% ⇧

FY21: 86%*

Total Accounting Return

-6.6% ⇧

FY21: -24.9%

GRESB Score

68 ⇧

FY21: 60

* As at time of reporting FY21 results

Overview

We ended the year in a far stronger financial and operational position, having reset the business to support our strategic aim to deliver consistent 10% total accounting returns in the medium-term, underpinned by a conservative and flexible balance sheet. All of that was achieved in a period of continuing disruption from COVID-19 earlier in the year and more latterly economic uncertainty, partly caused by the tragic war in Ukraine. The results from the decisive actions that we took in the year clearly demonstrate the resilient and defensive positioning of our portfolio, our market-leading platform and the incredible hard work of the team at NewRiver.

Across the business, we have delivered robust and improved financial and operational metrics that have led to an increase in UFFO for the year to £28.3 million compared to £11.5 million in FY21 and our NTA has recorded a modest increase in the second half of the year to 134 pence per share.

What is perhaps most pleasing of all is that our retail portfolio has returned to capital growth in the second half which supported a total return outturn of +7.5%. This performance has been led by retail parks, but significantly, our Core shopping centre portfolio has delivered an excellent result, together with modest capital growth from our Regeneration portfolio. We delivered a total accounting return of -6.6% in the year as a whole, but importantly and with our objective to deliver a consistent total accounting return in mind, we delivered a +5.4% return in the second half.

Operationally, we had an excellent year both in terms of leasing volume and pricing. Rent collection, car park and commercialisation cashflows all improved during the year with rent collection in particular close to pre COVID-19 levels.

Our retail disposal programme set at the start of the financial year was achieved in-line with our expectations and at pricing supportive of latest valuation. As a result of the completion of our planned disposals and the capital growth delivered in the second half of the year, our Loan To Value ('LTV') has materially reduced from 51% to 34%.

With a highly flexible balance sheet, an LTV now within our operating guidance providing us with surplus capital to invest in a highly disciplined manner at the right time and with a clear strategy in place, NewRiver has genuine optionality and is well positioned to achieve its strategic objective of delivering a consistent 10% total accounting return in the medium-term.

Financial Performance and Dividend

Our UFFO has recovered well during FY22, delivering more than double that of FY21 and our dividend is comfortably fully covered. We have announced a final dividend of 3.3 pence per share, delivering a total dividend for the year of 7.4 pence per share, representing a substantial increase on last year's dividend of 3.0 pence per share.

Valuations have stabilised with a modest 0.9% reduction over the year, compared to -15.2% reduction in FY21; and our portfolio valuation increased by 2.6% in the second half. The portfolio delivered a total return of 7.5% in FY22, an improvement on -6.9% in FY21. Retail Parks and Core shopping centres delivered total returns of 23.5% and 14.3% respectively.

NTA per share increased to 134 pence per share in March 2022 from 131 pence in September 2021 but for the year as a whole NTA was down from 151 pence per share, due predominantly to the sale of Hawthorn, our pub business in August 2021 which reduced NTA per share by 11 pence. As a result, our total accounting return for the year was -6.6%, representing a material improvement on the prior year return of -24.9%. Excluding the impact of the pubs disposal, the total accounting return was 0.9%.

We have transformed and strengthened the balance sheet to create a low risk debt profile by reducing our net debt to £222 million, ending the year with £88 million of unrestricted cash and £125 million of additional available liquidity. We extended the maturity on our undrawn Revolving Credit Facility to August 2024 and we have no interest rate exposure and no maturity on drawn debt until March 2028.

The strength of our balance sheet position was endorsed in December 2021 when Fitch Ratings reaffirmed our Long-Term Issuer Default Rating (IDR) at 'BBB' with a Stable Outlook and our senior unsecured rating (relating to the £300 million unsecured 2028 bond) at 'BBB+' and Short-Term IDR at 'F2'.

Operationally we are on track to deliver 15% administrative cost savings by the end of FY23 on an annualised basis which include the relocation of the NewRiver London office to a more cost-effective office space that better suits the needs and aspirations of post-pandemic hybrid working and notably the new office space has some of the greenest building credentials in London.

Resilient Retail Strategy Update

Following the successful sale of our pub business, we hosted a Capital Markets Day in September 2021 to articulate our revised resilient retail strategy for our retail only business. The strategy is designed to deliver consistent 10% total accounting returns and to ensure that we have a resilient portfolio risk profile for future years. Our strategy is focused on three key areas: capital recycling, capital partnerships and regeneration.

Capital recycling provides us with the opportunity to enhance returns and improve our long-term risk profile. Capital partnerships offer us the opportunity to enhance returns in a capital light way. Regeneration provides us with the opportunity to deliver capital growth through redeveloping surplus retail space, predominantly for residential use.

Capital Recycling

During the year we completed £305 million of disposals with the most significant being the sale of the Hawthorn pub business and we also completed £77 million of planned retail disposals. As a result of our retail disposals, we are now in a position of having surplus capital to invest which we intend to deploy in a highly disciplined manner and in accordance with our capital allocation policy, in order to deliver enhanced risk adjusted returns to shareholders. This could include investing into our existing portfolio through regeneration or accretive asset management projects, investing in acquisitions, either on balance sheet or via joint ventures, or buying back the Company's own shares. The Board assesses the relative merits of these options on an ongoing basis.

In line with our strategy to improve the underlying portfolio risk profile, we have made good progress on disposals from our Work Out portfolio. At the start of the year we had 15 assets in our Work Out portfolio; by the end of the year we had sold four assets and a further five assets have been targeted for sale this coming year. For the remaining six Work Out assets, we have made good progress in implementing credible turnaround strategies. As such, we believe we are on track to have exited our Work Out portfolio by the end of FY23.

Capital Partnerships

It was an active year for our capital partnership with BRAVO, a fund managed by the Pacific Investment Management Company. In April 2021, we acquired The Moor Estate in Sheffield for £41 million. NewRiver took a 10% equity stake and receives attractive fee income. In addition to this acquisition, our capital partnership with BRAVO disposed of two retail parks for a total consideration of £67 million delivering NewRiver an IRR of 18.8% excluding the promote performance fee.

Our capital partnership is performing very well and as such the prospects for an attractive promote pay-out in the medium-term has significantly increased during the year.

Our asset management mandate with Canterbury City Council was extended in September 2021 to include the management of Riverside, a new leisure development in Canterbury.

Regeneration

The highlight of the year was the disposal of two of our Regeneration projects at pricing that clearly demonstrates the value-creation opportunities that regeneration offers.

In October 2021 we successfully disposed of our Regeneration asset in Penge, South London, to a leading housebuilder achieving a price that was 5.4% ahead of the last book value. In March 2022, we concluded the sale of our Regeneration project in Cowley, Oxford, for gross proceeds of £39 million (including escrow amounts), again at a premium to the last reported book value.

Operational Performance

Operationally, we had an excellent leasing year both in terms of volume and pricing.

Rent collection, car park and commercialisation cashflows all improved during the year with rent collection in particular now back to pre COVID-19 collection rates. Our leasing volumes also increased, continuing to demonstrate the resilient positioning of our portfolio, supported by genuine rental affordability at just £11.74 per sq ft (Mar 2021 £11.51).

During the 12 months, we completed 1,039,800 sq ft of new lettings and renewals with long-term deals achieved on terms on average 7.4% ahead of valuation ERV. We continue to let our space to quality operators with strong covenants who provide important essential goods and services to our local communities. As a result of our leasing activity during the year, our occupancy level remains high at 95.6% (March 2021: 95.8%).

Our portfolio is focused on three areas: Retail Parks, Core community shopping centres and Regeneration.

Retail Parks which represent 26% of our portfolio have performed very well during the year, where we are seeing elevated demand for space and this is reflected in the high occupancy of 97.1% that we enjoy. Equally, our retail park portfolio delivered a strong performance with 14.4% of capital growth and 23.5% total return during the year.

Our Core shopping centres which in many ways are important assets of community value, in total represent 34% of our gross assets. During the year our Core shopping centres saw an excellent leasing performance, with long-term deals transacted at 10.0% above ERVs and ended the year with an occupancy level of 96.5%.

For the year as a whole, our Core shopping centres delivered 3.3% capital growth and a total return of 14.3% which was an excellent result given the ongoing COVID-19 disruption.

Regeneration assets at the year-end represented 25% of total gross assets, a reduction from the previous year due to the successful sale of two Regeneration assets in Penge and Cowley.

On a like-for-like basis, our Regeneration portfolio delivered stable capital performance of -0.6% and a total return of 4.1% which we view as a good result given construction cost inflation. The inflationary pressures that we saw in the market during the year have partly been mitigated with the progress that we have made during the year.

ESG

The real estate industry has a critical role to play in protecting the long-term sustainability of our planet and we are proud to have continued to make progress with our ESG objectives which are embedded within the business.

During the year, we published our Pathway to Net-Zero and our emissions reduction targets have been validated by the SBTi as consistent with a 1.5-degree future. Demonstrating our ESG progress, we were pleased to have been awarded a 'B' rating by the CDP (formerly Carbon Disclosure Project) for our management of climate issues, up from a 'C' rating in the previous year. Our GRESB score increased by 13% during the year and we achieved a Gold in the EPRA Sustainability Best Practice Recommendations Awards. We were one of only two companies that jumped from a Bronze to Gold award in just one year.

All of the energy supplied to our common areas (malls and car parks) is already carbon neutral and we have achieved our target of zero waste to landfill by 2022. This year, we are planning to introduce a further 125 EV charging stations across our portfolio, which will significantly increase our EV charging capacity and our ability to support customers to reduce their carbon footprint. We also continue our partnership with The Trussell Trust, providing funds, space and time to help support the important work that they do to reduce hunger in the UK.

In line with our commitment to advance our ESG strategy, the appointment of Dr Karen Miller to the Board will provide additional knowledge and experience in relation to climate challenges together with her wider commercial retail experience.

Market Backdrop and Outlook

Within the capital markets, we have seen an increase in liquidity. In particular, the retail park sector benefited from a significant increase in demand from a wider investor pool which has led to a year of strong capital growth with year on year volumes doubling in 2021. The shopping centre market saw an improvement in liquidity but less pronounced than retail parks. Nevertheless, shopping centre valuations stabilised in the latter part of the year after a prolonged period of material valuation decline.

With retail stores being open for the majority of the financial year, UK in-store retail sales have recovered overall to pre Covid-19 levels according to ONS. By contrast, online sales reported by ONS have fallen during the year due to the reopening of physical stores.

The recovery in retail sales has been supported by a UK consumer who, for the majority of the year, has been in reasonable financial shape. Low levels of unemployment with just 3.8% of people searching for jobs in the three months to February 2022, record job vacancies, wage growth, elevated savings ratios and a good year for house prices, having increased by 14.3% in the year to March 2022, have all supported increased consumer spending. With retail sales broadly back to pre COVID-19 levels, we have seen active demand for space in the market and in the UK overall, vacancy rates have fallen. In addition, there has been a significant decline in CVAs and tenant administrations.

More recently, the tragic war in Ukraine has led to significant inflationary pressure as a result of higher energy and commodity costs with inflation in the UK rising to a 30-year high with prices rising 7% in the 12 months to March 2022. This, coupled with the Bank of England implementing monetary tightening at the same time that the UK Government has adopted fiscal tightening, is clearly resulting in a contraction of economic growth. On top of that, the continuing large-scale lockdowns in China resulting in supply chain disruption, are only adding to the economic challenges.

It is therefore likely that consumer disposable income will be impacted in the year ahead. For retailers that means margins will be lower as not all of their increased costs will be passed on to the consumer. It is interesting to note that the pure-play online retailers are, in particular, challenged by a high inflation environment given their lower margins in the first place. In contrast, multi-channel retailers are better placed to deal with rising costs by using their physical store distribution network for click and collect.

For NewRiver, our portfolio, which is more focused on essential goods and services, is the right place to be when consumers prioritise necessity-based retail spend over discretionary spend and so will provide us with insulation.

Our assets are located in the heart of their local communities, easily accessible to our shoppers with low travel times which means they spend less on fuel travelling to our assets compared to more destination-led, discretionary spend assets. With our occupiers facing rising costs, having affordable rents, which we do, is key to sustaining rental cashflows particularly in periods of high inflation and contracting economic growth. Moreover, next April our occupiers should receive a significant reduction in their rateable values which we currently estimate to be circa 30% on average across our portfolio.

One of the key drivers of our future success will be our capital allocation decisions. Even though we have put ourselves in a position of having surplus capital with our LTV now at 34%, some 6% below our guidance; we believe that in the near-term it is in our shareholders interest to maintain headroom to our LTV guidance given the increasingly uncertain macro-economic outlook. That said, we do have ongoing disposals which will provide further capital for redeployment which we will do in a highly disciplined way and in accordance with our capital allocation policy.

In conclusion, our objectives have never been clearer – to own and manage the most resilient retail portfolio in the UK that will deliver stable income, capital growth and thus superior returns for our shareholders. With a portfolio predominantly focused on essential goods and services, a flexible balance sheet and our market leading platform, we are well positioned to achieve this objective and to deliver attractive long-term returns for our shareholders whilst helping create thriving communities across the UK.

Allan Lockhart
Chief Executive

15 June 2022

A resilient response to market trends

There are a number of long-term market trends, many accelerated by COVID-19, which present both challenges and opportunities. NewRiver's continued responsiveness to these will ensure the ongoing resilience of our portfolio.

Consumer trends

Rising cost of living

In the 12 months to 31 March 2022, inflation in the UK hit a 30-year high with prices rising by 7%, caused by supply chain disruption as we emerged from the pandemic and then further exacerbated by the war in Ukraine.

Unemployment

Job vacancies in the UK are now at a record high and the UK unemployment rate has returned to its pre-Pandemic low, with just 3.9% of people in search of jobs in the 3 months to March 2022. Wage growth has accelerated to 5.4% as at March 2022.

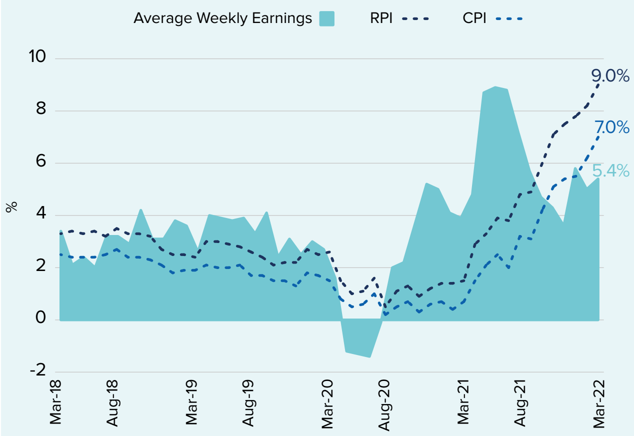
Flexible working

Hybrid working has now been widely adopted in the UK with more than 80% of firms offering employees the opportunity to work from home for part of the week. This trend has created a resurgence of localism with consumers shopping closer to where they live, boosting spend at local and neighbourhood shopping centres and benefitting small and independent operators.

House prices

House prices have been increasing at their fastest rate since 2004, having increased by 14.3% in the year to March 2022 and 21% since the outbreak of COVID-19, reflecting the low interest environment and an imbalance in supply and demand. The average house price is now estimated at a record high of £265,000. With consumers' homes often being the largest part of their net worth, rising house prices typically positively impact consumer confidence.

Inflation



NewRiver's response

- Despite the rising cost of living, retail sales continue to grow, with volumes (excluding fuel) up 3.5% year-on-year in the first three months of 2022. Record high levels of job vacancies and wage inflation, coupled with a strong housing market, are helping mitigate negative sentiment with consumers still enjoying a buoyant period of post-lockdown spending.
- Should inflationary pressures curtail retail volumes over the coming months, spend is likely to be prioritised on essential goods and as such the NewRiver portfolio will be defensively positioned due to its focus on non-discretionary spend and convenience retail.
- Consumers may also look to reduce costs through their fuel consumption and chose to shop more locally; with an average travel time of 13 minutes and 52% of our customers opting to walk or take public transport to travel to our retail centres, our assets are situated in locations which would likely benefit from changes in consumers' travel behaviours.
- Similarly, our portfolio should also continue to benefit from the shift towards hybrid working as spend is redirected from cities to more suburban and neighbourhood locations.

ESG trends

Conscious Consumerism
The shift towards more conscious consumerism is visible in the growing variety of eco-labels; not only industry-approved and recognised labels, but methods of how products are being branded help signal to consumers that they are making responsible choices, for example, by highlighting the recyclability or reduced plastic content of the packaging. The shift has been supported by increasing public visibility of environmental and social activism, heavily facilitated by social media, ensuring that Generation-Z is at the centre of this ESG trend.

Recent research by Deloitte found that 28% of consumers have stopped buying certain products due to ethical or environmental concerns. Amongst Generation-Z, this increases to 45%, and provides a clear indication that the rise of conscious consumerism will continue.

Shopping Local
Linked to conscious consumerism is the pandemic-driven emphasis on "shopping local" and supporting independent retailers. This is seen to be both greener and more socially responsible, enabling consumers to feel that their purchasing decisions have a direct, positive impact on their communities. Research we commissioned from CACI found that 45% of our shoppers consider their carbon footprint in their shopping decisions and that travel options, influenced by accessibility, form a significant part of this consideration. We are seeing occupiers adapt their locations strategies and store formats to expand into the suburbs and regions where certain brands had previously been City-centric, such as Pret.

Wellbeing
Mental wellbeing has been steadily rising up the public health and corporate agendas, with the pandemic having exacerbated some of the most prevalent issues in our communities, such as loneliness. In highlighting these issues, the pandemic also welcomed a wave of community cohesion across the country, and public spaces able to support social interaction became critically important during periods of restrictions. Against a backdrop of blurred boundaries between work and home settings, this has served to corroborate the important role of physical retail and leisure spaces in enhancing our social lives, providing space for community uses, offering experiential value, and thereby supporting our mental wellbeing.

NewRiver's response

- As part of our ESG programme, we actively engage with our retailers on issues of environmental best practice, including energy management and considerations in the fit-out and refurbishment of sales spaces. We have recently undertaken our own research into commitments made by our retailers to reduce their carbon emissions, and were pleased to learn that 66% of the floor area occupied by our Top 50 occupiers is subject to comprehensive targets, similar or directly aligned to our own. This represents approximately a third of our total portfolio floor area, and we intend to extend this analysis beyond our top 50 retailers to develop a complete picture in 2022.
- Our centres are home to 450 independent retailers helping provide a greater sense of individuality and character for our shoppers at our assets. CACI's research found that 26% of our shoppers travel by foot, and a further 25% travel by bus, demonstrating how our customers are able to make green travel choices and "shop local" at our centres.
- We ensure that our assets offer an appropriate mix of uses to meet community needs and customer preferences alike. Our ESG programme also ensures that asset-level initiatives and campaigns support social inclusion, provide space to showcase local creative talent, offer family-focused activities, tackle prevalent community issues, and ensure our centres are autism friendly.

Retailer trends

Online shopping

Online penetration has continued to recede as consumers have returned to the high street following the easing of COVID-19 restrictions. In March 2022, 26.1% of retail purchases were made online, down from 37.7% a year earlier, and is expected to fall further. 21% of non-food sales were made online in March 2022, down from a peak of 46% during the pandemic and just 9% of food sales are being transacted online.

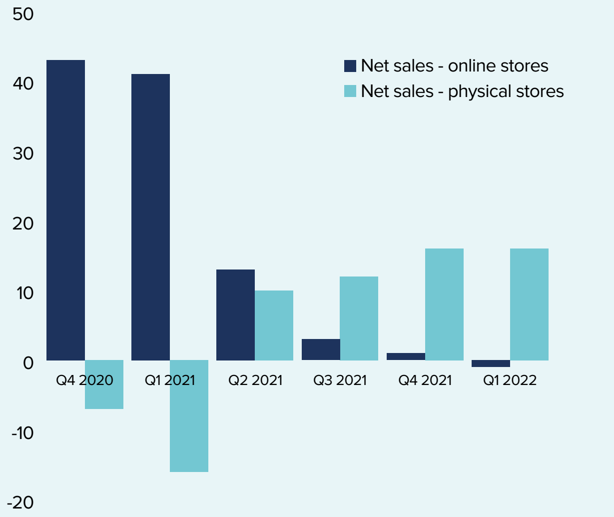
Rising costs

Retailers are clearly facing the challenges of cost inflation, with higher operating costs and rising input prices putting downward pressure on margins. However, this may not translate into higher costs for the consumer, with a number of retailers reporting their intention to limit price increases, and absorb some of the impact of cost inflation.

Many retailers are citing difficulties associated with online deliveries due to rising fuel prices and wage inflation (with some citing challenges recruiting warehouse staff too). With energy, fuel and wage costs on the rise, coupled with consumers' return to bricks and mortar retail, pureplay retailers in particular are facing some difficult headwinds. Amazon recently reported a 3% decline year on year in net online sales whilst their physical stores enjoyed their fourth consecutive quarter of sales growth.

Multichannel retailers are emerging as the clear winners with retailers showing that a physical high street presence, coupled with an online platform, accelerates consumer onboarding, increases customer loyalty and leads to greater market share.

Amazon YoY Net Sales Growth (%)



Administrations

Retailer administrations and CVAs have fallen sharply in the first quarter of 2022 compared to the same period in 2021. The pandemic saw an unprecedented number of retailer casualties, as lockdown and social distancing restrictions expedited retailer administrations. Recent administrations like Arcadia, Debenhams and House of Fraser have taken significant capacity out of a previously saturated market, leaving additional market share for those successful retailers who continue to trade.

NewRiver's response

- Online sales have plateaued to 26% of all retail sales and are expected to fall further, significantly short of the 50%+ predictions that were being made at the start of the pandemic.
- Our retail portfolio is deliberately focused on essential retailers which serve the local community, and has minimal exposure to the structurally challenged sub-sectors including department stores, mid-market fashion and casual dining.
- Retail parks are a key investment area for NewRiver as they provide many Click & Collect-friendly characteristics such as free, surface-level parking and good access; and we are developing innovative Click & Collect solutions e.g. collection & return pods in car parks.
- Over the past five years, we have reduced service charge budgets by 16%, helping reduce our retailers' property costs.
- Our assessment of the upcoming 2023 rates reassessment forecasts an expected reduction in business rates of circa 30% across our portfolio. This saving will help offset retailers' rising cost base and further improve the affordability of rents.

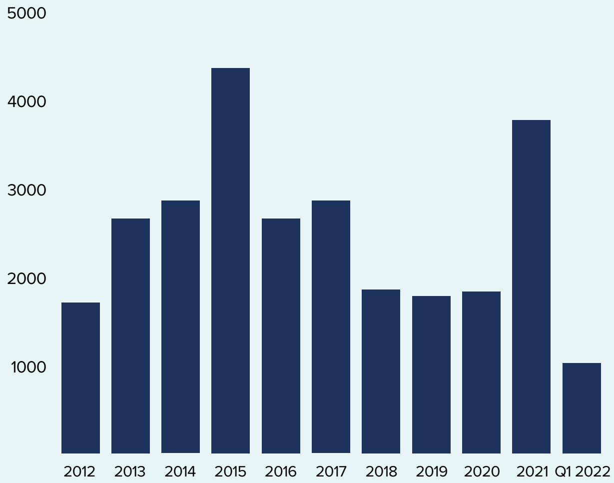
Investment market trends

Increased liquidity following rebasing of valuations and rents

The retail warehouse investment market has seen considerable growth in demand in recent months with over £1 billion of assets traded in Q1 2022, the highest volume transacted in one quarter in over 10 years, bring the total transactions over the past 12 months to over £4 billion. The sector's resilience continues to be demonstrated not just by high volume levels but also by an increasingly diverse buyer pool, with this weight of money leading to further yield compression across the sector.

The shopping centre investment market continues to show signs of recovery, evidenced by a stabilisation in yields and deal activity. The first three months of 2022 saw investment volumes reach £370 million – the strongest Q1 figure seen since 2016. Early cycle investors have been moving back into the sector, attracted by opportunistic pricing.

Retail Warehouse Transaction Volumes (£m)



Increased availability of debt

As the UK has emerged from the pandemic and valuations have stabilised, the commercial real estate debt markets have begun to return. According to Bayes Business School (formerly known as Cass Business School), in 2021 new loan origination in the UK reached £49.8 billion, a 48% increase on 2020 and the highest level seen since 2015. Retail lending has been most prevalent amongst debt funds and challenger banks, with traditional high street lenders remaining cautious, typically lending on existing assets.

NewRiver's response

NewRiver's portfolio delivered a capital uplift of 2.6% in the second half of FY22, with Retail Parks, Core Shopping Centres and Regeneration Shopping Centres all seeing valuation uplifts. Our Retail Warehouse and Shopping Centre equivalent yields now stand at 6.6% and 9.3%, both above their respective MSCI benchmarks. Over the past two years, both our Shopping Centres and Retail Warehouses capital return outperformed the market, in part owing to our affordable rents and smaller lot sizes, which have been in demand given the debt markets are still yet to fully return to previous levels of activity. However with retail lending still at historically low levels, we expect to see the availability of debt in the retail real estate investment market to increase, further improving liquidity.

Sources
ONS
MSCI
Nationwide House Price Index
Savills research
Knight Frank research
Cushman & Wakefield research
Chartered Institute of Management
Centre for Retail Research
Amazon Q1 2022 results

Delivering premium returns

Revised Strategy

Following the successful sale of Hawthorn, the pub business, we set out our revised resilient retail strategy for our retail only business at our Capital Markets Day in September 2021.

This strategy is focused on three key areas to ensure that we have a resilient portfolio with a low risk profile for the future which in turn allow us to achieve our key objective of delivering premium Total Accounting Returns.

Our strategy is underpinned by four key pillars:

1. Our focused portfolio positioning
2. Our market-leading operating platform
3. Our financial flexibility and capacity
4. A clear strategy for growth

ESG Progress

- Announced our Pathway to Net Zero by 2050
- Our Emissions Reduction Targets were validated by the SBTi as consistent with a 1.5-degree future
- Awarded a 'B' Rating by the CDP for our management of climate issues
- GRESB score increased by 13%
- Achieved Gold in the EPRA Sustainability Best Practice Recommendation Awards
- Achieved our target of zero waste to landfill by 2022
- All energy supplied to our common areas is carbon neutral
- Introduced a new Sustainability Brief and Framework for Developments and a Green Procurement Policy

Our strategy aims to deliver a reliable and recurring income led 10% Total Accounting Return through:

1 Disciplined capital allocation

Disposal of assets and disciplined reinvestment in order to:

1. Generate cash earnings growth
2. Enhance capital growth
3. Improve portfolio risk profile
4. Accelerate achievement of net zero carbon targets
5. Improve operational efficiency

Progress this year:

- Completed £305 million of disposals in total during FY22
- These disposals were a mix of non-core assets and mature assets
- Largest transaction completed during FY22 was the disposal of the Hawthorn pub business for gross proceeds £224.0 million
- Retail disposals totalled £77.1 million during FY22, completed on terms broadly in-line with latest valuation
- Disposal activity has been the principal reason for the significant reduction in our Loan to Value, from 50.6% in March 2021 to 34.1% in March 2022

2 Expanding Capital Partnerships

Continue our track record of successful capital partnerships in order to:

1. Increase recurring revenue streams in a capital light way
2. Improve operational efficiency
3. Benefit from significant financial promotes
4. Accelerate achievement of net zero carbon targets

Progress this year:

- Expanded our BRAVO capital partnership through the acquisition of The Moor, Sheffield in April 2021 for £41.0 million (NewRiver share £4.1 million)
- Disposed of Poole retail park for £58.0 million in December 2021 (NewRiver share £5.8 million); asset was held in BRAVO capital partnership and had been acquired for £44.7 million (NewRiver share £4.5 million) in October 2019
- Extended our capital partnership with Canterbury City Council to manage its new leisure development, Riverside, as well as our existing mandate for Whitefriars Shopping Centre which was extended for another 5 years in 2020
- Asset management fees increased to £1.9 million in FY22 from £1.2 million in FY21

3 Delivering capital and income growth through regeneration

Use our in-house regeneration capability and regeneration portfolio to:

1. Deliver capital growth efficiently
2. Increase revenue through JV delivery vehicles
3. Increase non-retail cashflow earnings
4. Accelerate achievement of net zero carbon targets

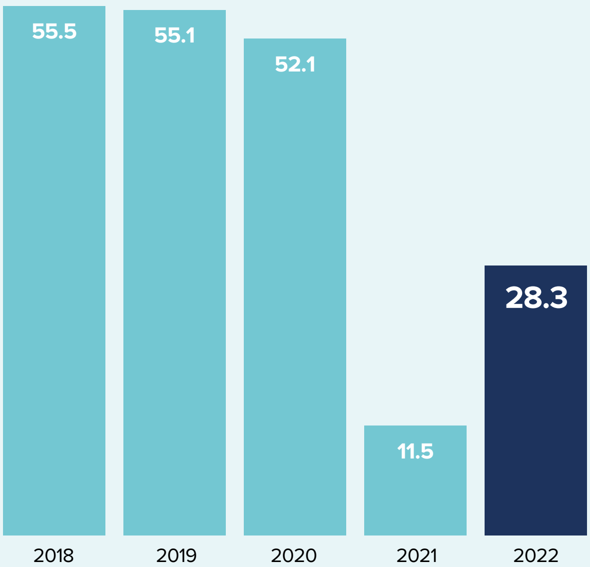
Progress this year:

- Profitable sale of two regeneration assets during the year, accounting for over 60% of total retail disposals completed during FY22
- In October 2021, completed disposal of Blenheim Shopping Centre in Penge following a successful pre-application consultation with Bromley Council. Sold to a leading residential developer for gross proceeds of £12.4 million, reflecting a net initial yield of 3.1% and a 35% premium to its March 2021 valuation
- In March 2022, following the release of the planning decision notice by Oxford City Council enabling 236,000 sq ft of mixed-use regeneration, completed the sale of Templars Square Shopping Centre in Cowley for gross proceeds of £38.8 million, reflecting a 4.9% premium to the asset's latest valuation

Measuring our strategic progress

Underlying Funds From Operations

£28.3m



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

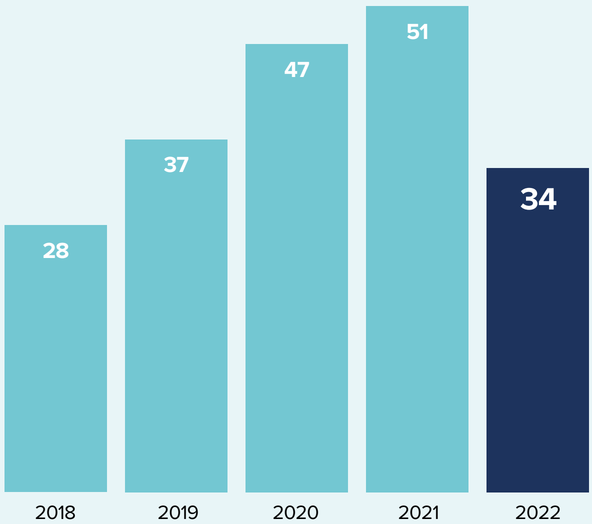
Our performance
We delivered UFFO of £28.3 million in FY22, compared to £11.5 million in FY21. Retail operations contributed £20.5 million to this total and the pubs contributed £7.8 million prior to the disposal of the Hawthorn pub business in August 2021. Retail performance improved half on half during the year, delivering UFFO of £12.8 million in the second half, compared to £7.7 million in the first half.

Link to strategy, ESG and Remuneration

1 2 3 £

Loan to Value

34%



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

Our performance
Our LTV reduced significantly from 50.6% at 31 March 2021 to 34.1% at 31 March 2022 and is now back within guidance and policy, with significant headroom to debt covenants. The key driver of the reduction in LTV was the £305 million of disposals completed during FY22.

Link to strategy, ESG and Remuneration

1 2 3 £

Key

Link to strategic objectives

1 Ongoing portfolio refinement through disciplined capital allocation to enhance our risk-adjusted returns

2 Leveraging our platform through capital partnerships to support revenue growth

3 Pursuing Regeneration opportunities to provide capital growth

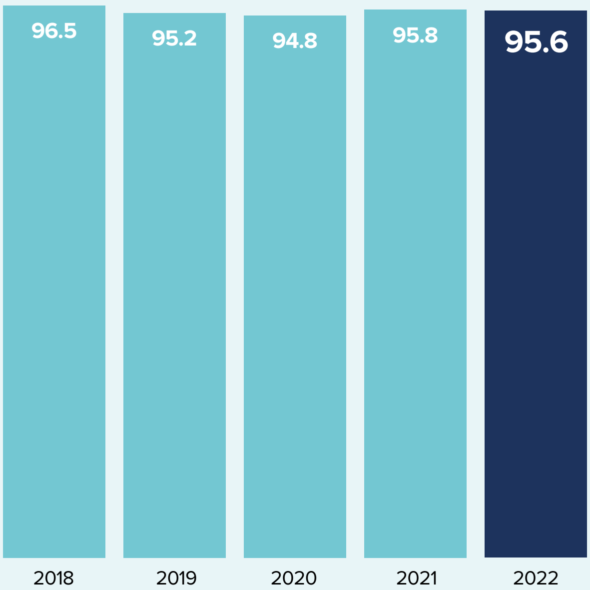
Link to ESG and Remuneration

ESG Environmental, Social and Governance

£ Remuneration

Retail occupancy

95.6%



Description

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

Our performance

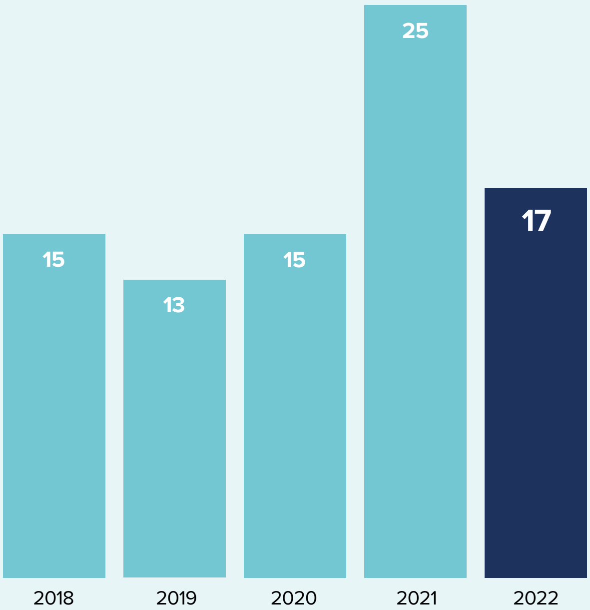
Maintained a high and stable retail occupancy of 95.6% (31 March 2021: 95.8%) despite ongoing challenges from COVID-19 and the Omicron variant.

Link to strategy, ESG and Remuneration

1 3 ESG

Admin cost ratio

17%



Description

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

Our performance

Our admin cost ratio was 17% during the year, achieving a reduction from 25% in FY21 due to the recovery of our income during FY22 and a reduction in administrative costs due to the disposal of the Hawthorn business and the unlocking of cost efficiencies.

Link to strategy, ESG and Remuneration

1 3 £

Key

Link to strategic objectives

1. Ongoing portfolio refinement through disciplined capital allocation to enhance our risk-adjusted returns
2. Leveraging our platform through capital partnerships to support revenue growth
3. Pursuing Regeneration opportunities to provide capital growth

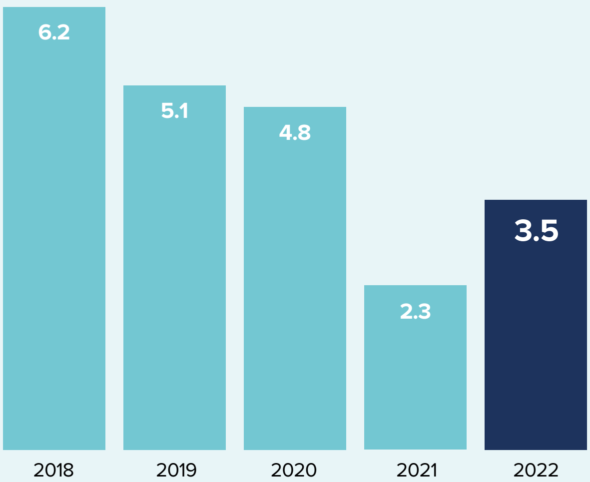
Link to ESG and Remuneration

ESG Environmental, Social and Governance

£ Remuneration

Interest cover

3.5x



Description

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

Our performance

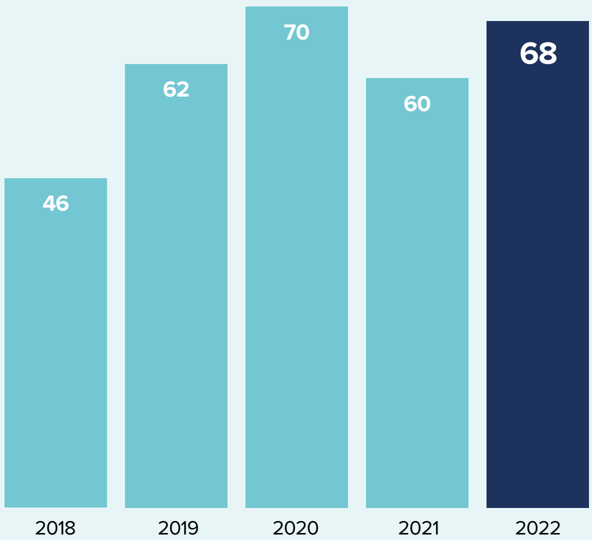
Interest cover improved during FY22 to 3.5x, from 2.3x in FY21 due to improved operational performance and the repayment of £335 million of bank facilities during the first half following the Hawthorn disposal. At this level, interest cover is within policy, with significant headroom to debt covenants.

Link to strategy, ESG and Remuneration

2 3 £

GRESB Score

68



Description

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

Our performance

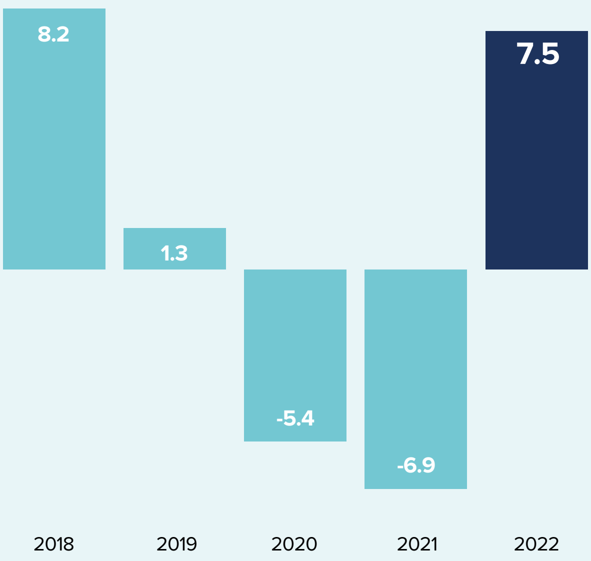
NewRiver has been a GRESB participant since 2016. We have achieved a 13% uplift in our GRESB score versus 2021 to score 68. Our CDP score increased to a "B" from a "C" and we achieved Gold Level compliance with EPRA Sustainability Best Practice Recommendations.

Link to strategy, ESG and Remuneration

1 2 3 ESG

Total Property Return

+7.5%



Description

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

Our performance

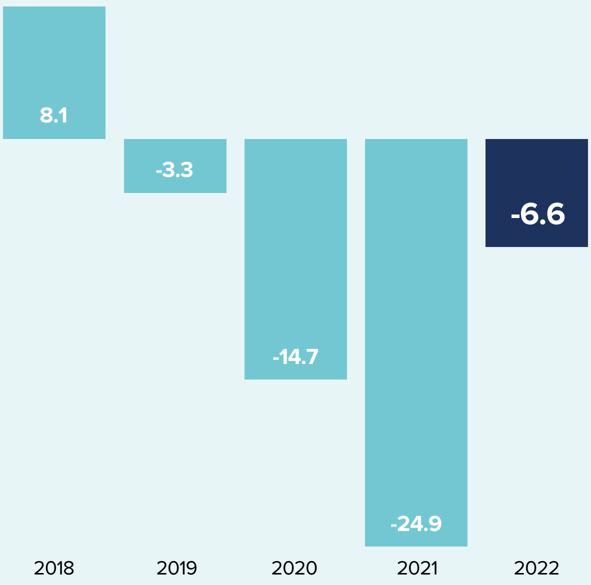
Our portfolio delivered a Total Return of 7.5% in FY22 compared to the MSCI All Retail benchmark at 14.9%. This underperformance is largely attributable to the benchmark's weighting in Retail Warehousing (which delivered capital growth of over 22% during the period). Our shopping centres out-performed.

Link to strategy, ESG and Remuneration

1 2 3 £

Total Accounting Return

-6.6%



Description

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

Our performance

Our TAR was -6.6% for FY22, compared to -24.9% in FY21. The first half of FY22 was impacted by the disposal of the Hawthorn pub business which reduced EPRA NTA per share by 11 pence, and encouragingly in the second half we delivered a TAR of +5.4%.

Link to strategy, ESG and Remuneration

1 2 3 £

How we execute our resilient retail strategy

Our purpose

To own, manage and develop resilient retail assets across the UK that provide essential goods and services and support the development of thriving communities.

1. Disciplined capital allocation

We continually assess the long-term resilience of our assets, with capital allocation decisions made by comparing risk adjusted returns on our assets to those available from other uses of capital. These uses of capital include investing into our portfolio, acquiring new assets and buying back our own shares. Assets can be acquired either on our balance sheet or in capital partnerships. Our significant market experience enables us to price risk appropriately, and our low average lot sizes enhance liquidity which means we can execute disposals quickly and effectively.

2. Active asset management

We draw on our in-house expertise, our deep understanding of our market and our excellent occupier relationships to enhance and protect income returns through our active asset management strategy. Initiatives range from the deployment of targeted capex to improve asset environments, to proactive measures to reduce costs for occupiers.

3. Regeneration

We create income and capital growth from within our portfolio through our Regeneration activity in a capital light way which is generally residential-led, focused on replacing surplus retail space with much needed new homes. Our in-house development team works with stakeholders to secure valuable planning consents which, depending on scale, we can either progress ourselves or with our capital partners, or sell to crystallise profit.

4. Capital partnerships

We engage in capital partnerships to acquire and manage jointly owned resilient retail assets and to manage assets owned by third parties. We leverage the scale and expertise of our platform to drive further returns through capital partnerships and create value. Our capital partnerships provide us with enhanced returns through the generation of fee income and the opportunity to receive promotes.

5. Flexible balance sheet

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

Our business model is underpinned by a committed ESG programme

Our ESG Objectives

Minimising our environmental impact 1 2 3 4 5

We have set out our pathway to achieving net-zero across our portfolio, and we advise our capital partners on environmental best practice as well applying this assessment when we consider any acquisition.

We leverage the flexibility of our balance sheet to ensure investment in energy efficiency over the next 20 years is accounted in financial planning. For our development pipeline, we seek to provide future-proofed community developments which minimise carbon lifecycle.

Engaging our team and occupiers 2 3 4

We raise awareness of evolving ESG issues with our team and create opportunities for positive impact. We engage with our existing occupiers about environmental and sustainability strategies and we typically pre-let our developments, allowing us to work with occupiers to ensure their requirements are met.

Supporting our communities 2 3 4

Our assets play a critical role to the local communities they are located in and our on-site teams support local charities and community groups.

For our development projects, we work closely with councils and local groups to ensure developments address community needs.

Leading governance and disclosure 2 3 4

Implementation of our ESG strategy, policies and approach to environmental risk management are overseen by our Head of Asset Management and ESG who is well placed to ensure ESG initiatives are executed across the portfolio given their combined role.

Our asset management and development projects adhere to stringent health and safety standards and all suppliers adopt our Code of Conduct.

For more information on our Strategy see page 14

Read more about our Stakeholder Engagement see page 22

Read more about our Pathway to Net Zero on our website www.nrr.co.uk/esg

We achieved full marks in GRESB for our approach to Social and Governance issues

We increased our overall GRESB performance by 13% in 2021 and are proud to have achieved a perfect score in the social and governance aspects of the assessment. Our focus for 2022 is the sharing of data to improve the accuracy of our occupiers' collective understanding of asset environmental performance.

We Connected our Communities with Nature

The Ridings Centre, Wakefield was awarded a Green Apple for its rooftop allotment, created in partnership with Age UK to provide a green space for local residents; the team at Templars Square, Cowley, Oxford partnered with ARKT Oxford to transform an unloved piece of land into a tranquil community garden; and the team at Locksheath Shopping Village, Fareham worked with local business, Garden Beauty, to support school children to transform unwanted pallets into beautiful planters.

Stakeholder engagement drives our business success

Our stakeholders

The pandemic has proven that strong working relationships with the key stakeholders within a business is critical to success. At NewRiver, we are proud of the excellent relationships that we have with a broad range of stakeholders who help us deliver on our strategy, business model and ongoing success, from our JV partners to corporate advisers, our retail partners, local authorities and of course our own team. We are conscious too that our stakeholders also have a range of differing priorities and concerns and we endeavour to incorporate these into our own strategic decision-making.

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

Our team

51
Employees

70%
Of our team have worked at NewRiver for 5+ years

65%
Of our team have professional qualifications

70%
Of our team undertook professional training during the year

1,127
Total hours of training this year

23
Hours of training per employee this year

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

Our HR strategy ensures a collaborative and flexible working environment for all staff. We provide support for each and every member of the team to unlock their full potential, enabled by a positive and collaborative working environment with the ability to work flexibly both from the office and at home. Our shared parental leave policies support parents to balance the challenges of career development allied with the support to enable them to raise their families without compromising their career goals.

We are proud of our staff retention, with over 70% of our staff with over 5 years' service. Our team have ample opportunities to develop their careers within NewRiver with comprehensive training and development support provided.

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

Board Engagement during the year

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

Our annual Employee Engagement Survey and comprehensive appraisal programme enable all staff to comment on key issues facing the business and to solicit their views on our corporate culture and policies. The survey undertaken in March 2022 was completed by every member of the team and evidenced a high satisfaction score across all aspects of corporate life.

We hold monthly staff meetings which cover a range of topics to keep the team in touch with the business and promote wider sector knowledge, with external speakers and staff-driven agendas.

Read more information on our Section 172(1) Statement on page 92

How did we engage?

- Staff Forum
- Staff engagement survey
- Monthly all staff briefing meetings
- Monthly Non-Executive Director visits to London office
- Individual performance reviews and development discussions
- 'This is me' mental health campaign
- Our comprehensive appraisal process
- Alastair Miller, our designated Non-Executive Director responsible for engaging with employees, has held workforce engagement sessions
- The Board reviewed the findings of the Employee Engagement Survey and an overview of key trends for the year. The Board paid specific attention to employee morale and discussed proposed actions and further opportunities
- Directors visited assets across the portfolio with the local teams

Topics raised

- Leadership and Strategy
- Opportunities for personal and career development
- Knowledge sharing across the Company
- Wellbeing and flexible working
- Rewards and benefits
- Fostering a diverse and inclusive culture
- Our ESG strategy

How did we respond?

- Used findings from the employee survey to direct our Company level engagement priorities
- Aligned employee rewards with company objectives
- Provided a range of physical and mental wellbeing services
- Continued to encourage employee share ownership in the Company through awards of all-employee share schemes
- Launched Data Freedom, a new portfolio data platform to improve access to data across the team
- Provided further training and information sessions on some key topics raised

Recruitment and talent

Our total head count across the Group at the close of the year was 51. Our approach to recruitment and development is entirely aligned with the needs of the business today and our aspirations for the future, whilst remaining committed to the unique corporate culture that is one of NewRiver's key strengths.

We are committed to developing the skills, capability and performance of all employees. We provide employees with the opportunity to develop themselves and progress in their careers. Our support ranges from funding professional qualifications including RICS and ACCA to informal weekly training sessions and talks over a healthy breakfast once a month from industry experts on a wide range of topics to empower the team with research and knowledge to help enhance their day-to-day role.

We continue to support the UK Government's Apprenticeships Scheme. During the year 70% of our staff undertook professional training and employees across the business spent a total of 1,127 hours on training, including Continuing Professional Development.

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

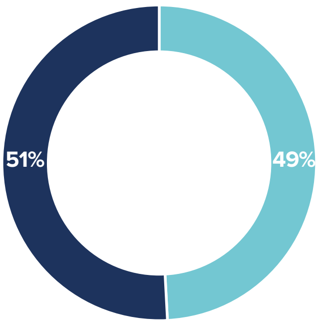
Diversity

As a Company, we are committed to a culture of diversity and inclusion in which everyone is given equal opportunities to progress regardless of gender, race, ethnic origin, nationality, age, religion, sexual orientation or disability. Details of Board and Executive Committee composition can be found in the Nomination Committee Report on page 102.

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

Gender representation across the business

Group



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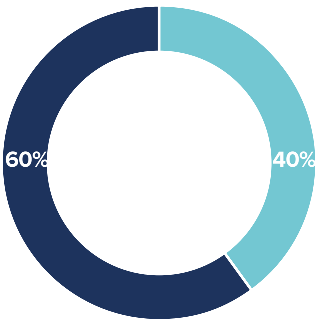
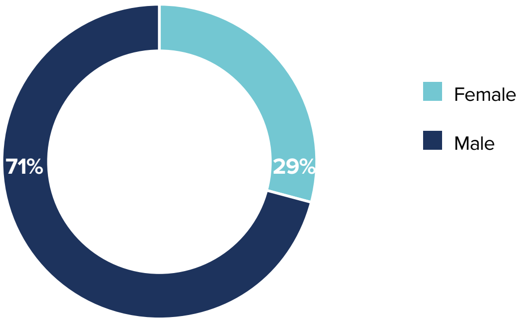


Board



Reward and Recognition

Our team work hard to achieve the results we deliver year on year and the Board is committed to rewarding this hard work through our remuneration policies; this includes bonus entitlements to reward excellent performance, and also through our Long Term Incentive Plan to help secure retention of our talented team.

The Company offers a range of benefits to our team, ranging from paid medical insurance for all staff, to the more recent launch of an electric car scheme and a six-week paid sabbatical to employees who have been with the business for 10+ years. For families, we offer enhanced shared parental pay entitlements. The team also have the opportunity to discuss the benefits available with specialist advisers to ensure that they suit their needs. The benefits are reviewed each year to ensure they meet employee expectations and industry benchmarks.

Health and Wellbeing

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

Physical Environment and Flexible Working

Our Head Office is in the West End of London with satellite offices in Edinburgh, Manchester and Glasgow. The London office space is open plan which we believe fosters a more collegiate and dynamic way of working, providing easy accessibility to management and the opportunity for team members at all levels to communicate across teams and to learn from colleagues in a more relaxed environment.

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

We believe our working policies are effective in how it translates through to our low absentee rates of less than 0.5%.

Mental Health

The pandemic has helped shine a brighter spotlight on the importance of protecting the mental health of the team within an organisation. At NewRiver, we try and ensure staff feel supported. We are working with a mental health charity, Chasing The Stigma to ensure that mental health is normalised in both the workplace and our wider communities. We have a number of trained mental health first aiders and ambassadors within our business to provide all staff with support where needed.

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

Our communities

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

We aim to strengthen communities through meeting their everyday needs and supporting the causes that matter to them.

Read more about our community engagement initiatives on page 66

Board Engagement during the year

How did we engage?

- Review of Company purpose, regular reporting to the Board through the CEO report and the ESG reporting
- Received presentations from Development team on Community Investment Plans
- Directors, including the CEO, volunteered at Trussell Trust food banks
- The Board considers potential impacts to local residential areas where Regeneration and broader developments are under discussion, including during the planning process relating to key developments across our portfolio
- Requests for capital expenditure approval include consideration of how the projects could benefit the local community including improvement of the retail and services offer, creation of new jobs and homes and enhancement of the public realm. Such projects include The Capitol Centre in Cardiff, a potential food store in Market Deeping and our ongoing regeneration plans for Grays, Essex
- Regular consultation with local community groups, through our development work, to enable us to understand their requirements and establish our priorities as a result. NewRiver representatives sit on the Board of several Town Funds to help steer the direction of local economic and social growth
- Our Shopping Centre Managers organise regular events and fundraising activities which bring people together, encourage dialogue and support the development of thriving communities
- TARA: This year we became a Member of The Academy of Real Assets, a charity whose mission is to engage students from underserved UK state schools and introduce them to a career in the world of real estate by providing them with insight into, and contacts within, the industry

Topics raised

- Town centre regeneration
- Responsible planning, development and design
- Community wellbeing and social value
- Environmental protection

"We moved in just after the Pandemic started – we are a children's role play café. We have a section for adults to enjoy as a normal coffee shop, and we have a role play area where children aged 0-6 years old can pretend to be in the real world.

What attracted us was the community feel around Locks Heath Village and the demographic. The NewRiver team have been really supportive, especially moving in and during the pandemic, and the local team and centre manager have been really supportive."

Nick Goddard,
Big Little Village owner, Locks Heath Shopping Village, Fareham

"Digital media is a cost-effective, dynamic marketing tool. Our omni-channel strategy focuses on engagement, not just the accumulation of followers, which means we achieve a greater marketing reach and return on investment.

We use Facebook to converse with our audience; Instagram as our shop window and Twitter for B2B communications including social media influencers.

Our 60,000 strong e-audience choose to spend their time in our digital environment – which then translates into a desire to experience the physical destination, boosting business for our retailers.

Quality content ensures Abbey Centre's engagement metrics consistently out-perform our city centre competitors".

Clare Beswick,
Marketing Manager, The Abbeycentre, Newtownabbey, Belfast

How did we respond?

- We have donated £326,500 to the Trussell Trust to date since the start of our partnership as well as donating physical space at our assets and the volunteer time of our team.
- At the asset level, our centre teams undertake regular training programmes to continue to ensure our teams are equipped with appropriate skills and qualifications to help ensure the smooth running of their on-site teams, our occupiers and the centre in general.
- Increased use of social media by our asset teams to encourage discussions, transparency and improve feedback.

Occupiers

The success of NewRiver relies on the success of our occupiers and when our occupiers are thriving then so too can we which is why we continuously nurture our working relationships with our occupiers, so we can better understand their needs and potential challenges or opportunities.

We have hand-picked our portfolio to focus on occupiers that provide essential goods and services and to support the development of thriving communities across the UK, while deliberately avoiding structurally challenged sub-sectors such as department stores and mid-market fashion.

We are proud that our portfolio offers excellent affordability of rents with low occupational costs, demonstrated through our strong retailer retention rate of 90%. Our on-site teams work hard to ensure that our assets are clean, safe, and welcoming.

Board Engagement during the year

How did we engage?

- Our Annual Occupier Survey reported that 26% rated their general Satisfaction Score as 10/10, and 67% of respondents rated their general Satisfaction Score as 8/10 or higher
- Our team were pleased to return to face-to-face meetings with our retailers following the lifting of COVID-19 restrictions
- We have initiated conversations with our retailers around environmental and sustainability strategies, including enhanced data collection around on-site energy consumption
- The Board received regular reports through the ExCo reports, CEO reporting and ESG reporting
- Regular meetings between ExCo members including the CEO and our key occupiers to understand their future needs, including sentiment, performance, growth/contraction, sustainability initiatives and potential opportunities and risks within our occupier base, which were fed back to the Board to inform future strategy

Topics raised

- Our occupiers feel that our on-site teams are easily contactable responsive and efficient with 86% confirming their satisfaction in this area
- 89% of respondents are satisfied with the management of the cleaning and waste in the common areas of our assets
- Our occupiers were satisfied with the various community events we host across our assets throughout the year, including supporting the elderly and those with disabilities
- Our occupiers are happy with the sustainability initiatives we implement at our centres and 82% agree that improving the sustainability performance of their own business is important, with 64% rating this as 'very important'

How did we respond?

- Our retailers indicated that they would like to see more electric charging points across the portfolio and we are pleased to have secured the roll-out of a further 125 new charging stations
- We have achieved a 16% reduction in equivalent service charge budgets over the last five years and service charge reductions from FY21 to FY22 of 4.5%

“I’ve been the centre manager here for 10 years and many of the independent retailers have traded here for more than 15 years – I’m very proud to be a part of Team Avenue.

During the pandemic, it was heart-warming to see how our community and retailers supported one another.

The centre is very much an integral part of the community with shoppers coming three to four times a week. We really enjoy working with local community groups, charities and schools and we’ve even won several awards along the way.”

Michelle McCabe,
Centre Manager, The Avenue, Newton Mearns, Glasgow

“I live locally and I use the centre frequently, so we identified an opportunity for a new cafe due to how busy the centre clearly is during the day. The centre management have been perfect, they’ve helped us all the way through from start to finish. It’s a great mix of people, it’s a great location."

Allay Mohan,
Owner Of The Diner, The Avenue,
Newton Mearns, Glasgow

Lenders

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

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

Board Engagement during the year

How did we engage?

- Regular meetings with our relationship banks, bondholders and rating agency to ensure that they are kept up to date with business strategy, developments and performance
- Especially important during FY22 given Hawthorn disposal and subsequent debt repayment
- Ahead of our debt maturity we met with all our debt providers on numerous occasions
- Offered meetings to all our Bondholders as part of our FY21 results roadshow
- Debt structure and current and future debt requirements are considered by the Board on a regular basis as part of the CFO's review
- The Board was engaged throughout the year when authorisation was required in order to make the changes to the Group's debt structure described below

Topics raised

- Sale of Hawthorn business and shape of NewRiver business following the sale
- Recovery and resilience of retail operations post COVID pandemic, including rent collection, leasing, and occupancy
- Recovery of retail valuations post COVID pandemic
- Activity in the retail investment market
- Interest rate environment

How did we respond?

- In August 2021 we completed the sale of the Hawthorn pub business, and during the first half we repaid £335 million of Group bank debt facilities
- In October 2021 we agreed a one-year extension on our undrawn £125 million Revolving Credit Facility ('RCF') to August 2024, following negotiations with our four key relationship banks
- These actions mean that we have no maturity on drawn debt until March 2028 and no exposure to interest rate rises on our drawn Group debt facility
- In December 2021 Fitch Ratings affirmed NewRiver's Long-Term Issuer Default Rating (IDR) at 'BBB' with Stable Outlook and our senior unsecured rating at 'BBB+'

Local Authorities

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

Board Engagement during the year

How did we engage?

- Several areas where we hold retail assets have received significant funding under the Towns Fund. NewRiver is represented on a number of Towns Fund Boards including Thurrock (Grays), Bournemouth (Boscombe), Hastings and Wakefield, working in direct partnership with Local Authorities to redevelop, repurpose and rejuvenate the area surrounding our community-centred retail assets
- NewRiver also supported several Local Authorities in preparing bids under the Levelling Up Fund, including Mid Sussex (Burgess Hill) and Thurrock (Grays)
- The CEO attended various senior-level meetings with local authorities alongside the asset and development team, meeting all levels including Chief Executives and the wider cabinet, Planning Officers, Regeneration Officers and also local Councillors, to steer the regional strategy that will impact the social and economic long-term viability of a town which has a direct impact on our own assets

Topics raised

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

How did we respond?

- Our ongoing engagement with local authorities also extends to our Capital Partnerships and we are pleased that this led to the extension of our asset management mandate with Canterbury City Council to manage its new leisure development, Riverside

Shareholders

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

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

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

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

Board Engagement during the year

How did we engage?

- Focused virtual and face to face investor meetings with the CEO and CFO
- Engagement includes the AGM, regulatory announcements, conference calls and investor roadshows, as well as regular contact with financial analysts, financial media, investors, private client fund managers, retail investors and equity sales teams
- We engage with retail shareholders via direct communications, our website, media and Annual General Meetings (AGM)
- Our corporate website contains comprehensive information about our business, regulatory news and press releases alongside information about our approach to Environmental, Social and Governance (ESG) issues
- Management engaged with 75 investors across a total of 140 meetings throughout the financial year
- For our FY22 interim results presentation to analysts in November 2021, a live audio webcast with replay facilities was made available on our website
- In September 2021 we held a Capital Markets Day for analysts and shareholders which focused on our revised retail strategy. The Capital Markets Day was hosted by the CEO, CFO and senior members of the NewRiver team
- The 2021 AGM was held as a physical meeting and was attended by all of the Board. Recognising that some shareholders may not have been comfortable attending in person, we provided opportunities for shareholders to submit questions to the Board via email and to attend via conference call
- The Board reviews and approves material and communications with investors, namely trading updates, results announcements, the Annual Report and Accounts, and significant business events and transactions
- The respective Committee Chairs engage with shareholders on significant matters related to their specific areas of responsibility
- The Board receives regular updates on market sentiment, investor relations activity and share price performance

Topics raised

- Delivery of the Company's revised strategy focused on resilient retail
- Financial performance
- Sustainability
- Leadership changes
- Retailer/Occupier challenges and opportunities
- Macro economic themes including how inflation and rising energy costs impact our retailers

How did we respond?

- Online technology has become an integral part of our investor engagement programme, and in many ways has enhanced efficiency and accessibility. We anticipate that virtual engagement will continue to play a part in our Investor Relations programme in the future, allowing us to make most effective use of management time, engage with international and regionally based investors, and help reduce associated carbon emissions
- Our investor feedback has helped shape our disclosures and the supplementary information provided in results materials

Creating the most resilient retail portfolio

Highlights

- **Retail Portfolio delivered Total Return of +7.5%; Retail Parks +23.5% and Core Shopping Centres +14.3%**
- **Retail Disposals of £77 million including two regeneration projects above book value**
- **Completed over one million sq ft of leasing. Long Term leasing +7.4% versus valuer's ERV**
- **Occupancy remains high at 95.6%**
- **Rent collection up to 96% for the year**
- **Increased prospects of promote pay out as Capital Partnership with BRAVO continues to perform well**

Operational Update

Overview

We saw a strong recovery in our operational performance in FY22 despite the ongoing disruption from COVID-19 which was prevalent for the majority of the year.

The pandemic has been challenging for many businesses, but it has demonstrated the underlying resilience in our portfolio which is clear in our FY22 operational metrics.

Rent collection for the year was 96%, a significant improvement on 86% last year and we saw quarter on quarter improvement throughout FY22.

Our car park and commercialisation cashflows also recovered well, at 70% compared to pre-COVID-19 levels. Although these revenue streams are yet to fully recover to pre-COVID-19 levels, we are pleased with the steady progress that we are making, now supplemented by new non-car parking income generated from our car parks through our Urban Hub initiative with APCOA.

We completed 1,039,800 sq ft of leasing transactions in FY22 which was a similar volume to FY21. However in FY22 we saw a significant improvement in leasing pricing where our long term deals were transacted at +7.4% above valuers ERV. This represents a significant improvement to FY19, FY20 and FY21.

As a consequence of our leasing activity, no material CVAs or occupier administrations, and the underlying resilience of our portfolio, our occupancy level remained high at 95.6% and consistent with the previous year (31 March 2021: 95.8%).

In total we completed £77 million of planned retail disposals achieved broadly in line with their latest book values at -2.1%. Given our focus on reducing our LTV, acquisition activity was limited to a single acquisition through our capital partnership with BRAVO with our share being £4 million excluding purchaser costs.

In relation to our regeneration and development activity, the highlight of the year was the sale of Templars Square in Cowley, Oxford and the Blenheim Centre in Penge, South-East London both at a price exceeding book value and the original acquisition price thereby demonstrating the value creation opportunity that we are able to deliver from these types of regeneration projects. Elsewhere in the portfolio, we have made good progress in advancing our redevelopment projects.

Valuation: A Return to Capital Growth

As at 31 March 2022, our portfolio was valued at £649 million. The key movements from the previous year (£974 million) were the disposal of the Hawthorn pub business (£248 million), £77 million of planned retail disposals and finally a modest like-for-like valuation decline of -0.9% for the year.

We saw an improvement in our portfolio valuation performance in the second half of the year with valuation growth of 2.6% and stabilisation for the year as a whole with a modest decline of -0.9%. Our Core Shopping Centres, Retail Parks and Regeneration portfolios, which are the resilient retail sectors on which NewRiver will be focused going forward, delivered valuation growth for the year of 5.2%. Our Work Out portfolio, which now represents 14% of our total portfolio and we are committed to exiting by the end of FY23, saw valuation decline of -25.9%, the majority of which was in the first half of the year.

A breakdown of the key valuation movements by asset type is provided below.

As at 31 March 2022	(£m)	Portfolio Weighting (%)	Valuation Movement H1 (%)	Valuation Movement H2 (%)	Valuation Movement FY22 (%)	Topped-up NIY (%)	NEY (%)	LFL ERV Movement (%)
Shopping Centres – Core	221.2	34%	-0.4%	3.7%	3.3%	9.5%	9.3%	3.6%
Retail Parks	167.9	26%	4.0%	9.8%	14.4%	6.3%	6.6%	-1.2%
Shopping Centres – Regeneration	162.6	25%	-1.6%	1.5%	-0.6%	5.8%	6.3%	-1.5%
Shopping Centres – Work Out	89.7	14%	-18.9%	-8.3%	-25.9%	11.1%	15.7%	-2.8%
Other	8.0	1%	-5.9%	-5.9%	-15.9%	4.7%	8.4%	-0.6%
Total	649.4	100%	-3.1%	2.6%	-0.9%	7.9%	8.8%	-0.2%

Our Retail Warehouse portfolio delivered a total return of +23.5% for the year which although is less than the MSCI index at 30.2%, has significantly out-performed the MSCI index over the last three years with a total return of +22.6% versus the index at +10.1%. This long term out-performance is reflective of the higher income returns that we deliver and that our average capital size is more liquid and thus our portfolio is less volatile in periods of market disruption.

Our Core Shopping Centre portfolio delivered a total return of 14.3% for the year which was a good result given the disruption from COVID-19.

When our Regeneration and Work Out Shopping Centres are included, the total return for all of our shopping centres for the year was 3.3% which is an out-performance relative to the MSCI index which recorded a total return of 1.4% for the same period. This out-performance is reflective of our portfolio positioning focused on essential goods and services but also, our shopping centres delivering higher income returns at 8.7% for the period versus MSCI income return of 6.5%.

Year to 31 March 2022	Total Return	Income Return	Capital Growth
NRR portfolio	7.5%	8.3%	-0.8%
MSCI All Retail Benchmark	14.9%	5.6%	8.9%
Relative performance	-7.4%	2.7%	-9.7%

	Shopping Centres	Retail Warehouses
Total Return - 12 months to March 2022		
NewRiver	3.3%	23.5%
MSCI Benchmark	1.4%	30.2%
Relative Performance	1.9%	-6.7%
Total Return - 24 months to March 2022		
NewRiver	-7.9%	25.7%
MSCI Benchmark	-22.5%	25.5%
Relative Performance	14.6%	0.2%
Total Return - 36 months to March 2022		
NewRiver	-15.6%	22.6%
MSCI Benchmark	-36.7%	10.1%
Relative Performance	21.1%	12.5%

Capital Partnerships

Capital Partnerships are an important part of our business model allowing us to acquire assets in a capital light way and to enhance our returns from asset management income and the potential to receive financial promotes.

It was another active year for our Capital Partnership activities with £67.1 million (NewRiver share: £10.4 million) of retail park disposals and the £41.0 million (NewRiver share: £4.1 million) acquisition of The Moor in Sheffield, a 28 acre income producing estate in one of the UK's top 10 cities. Our principal Capital Partnership is with BRAVO, a fund managed by the Pacific Investment Management Company. At year end our BRAVO joint venture owned three retail parks and an asset in Sheffield.

- **Sheffield:** At the start of the period we completed the acquisition of The Moor, Sheffield, for a total price of £41.0 million within our BRAVO Capital Partnerships (NewRiver share: £4.1 million). The estate is anchored by Next, Sainsbury's, Primark, H&M, a 670-space car park, a nine-screen cinema, and The Moor Market. The asset encompasses the prime retail destination for Sheffield City Centre spanning 680,000 sq ft of retail and leisure over 28 acres and has delivered excellent returns in the period. Our asset management team enhanced the asset by completing a number of new lettings including Sports Direct, Five Guys, Bodycare and innovative interactive restaurant concept Boom Battle Bar on terms above the initial business plan.

  Since acquisition we have generated additional value through the sale of the car park for £9.4 million in February 2022 and a vacant unit to Lidl for £4.8 million in December 2021. An agreement with Bank Leumi to provide a debt facility for the asset has been completed. The asset is 82% let and generates £7.6 million of annualised rental income. We are also undertaking a stylish re-brand together with small scale public realm landscaping works to further enhance the location.

  Furthermore, we identified significant mixed-use development opportunities at The Moor and we are working to obtain planning consent as part of phase one of our regeneration proposals to deliver a circa 250 unit Build To Rent units.

- **Canterbury:** We extended our third-party asset management mandate of Whitefriars Shopping Centre with Canterbury City Council for a further five years and completed a new mandate for their recently developed The Riverside leisure development. The Riverside will see a cinema, 189 social housing units and 491 student accommodation units created just 15 minutes' walk from the City Centre. The anchor tenant, Curzon Cinema, is expected to open late summer 2022 and we are under offer and in negotiations with a number of national food & beverage operators.

Leasing activity

Overview

In total we completed over one million sq ft of leasing transactions during the year, securing £7.4 million of annualised income. Our long-term leasing transactions which represented 75% of the total rent secured were transacted at rents 7.4% above valuers ERVs. Over 50% of those leasing transactions were in our Core Shopping Centre and Retail Park portfolios at rents exceeding valuers ERVs by 10.0% and 26.1% respectively. Even in our Work-Out portfolio where we had good levels of leasing activity, long term leasing transactions were on terms 9.6% ahead of valuers ERVs.

The only part of our portfolio that recorded a decline in rent secured, versus valuers ERV was in our regeneration portfolio at -4.9%. However this is reflective of our ongoing strategy to ensure greater lease flexibility to support our vacant possession strategy.

Overall, our long term leasing transactions had a weighted average lease expiry profile (WALE) of 6.4 years with Retail Parks at 9.1 years, Core Shopping Centres at 6.8 years and our Regeneration portfolio at 5.1 years which again is reflective of our vacant possession strategy.

In terms of tenant incentives, we have seen a marked improvement in rent-free periods in the period compared to FY21 and FY20. For long term leasing transactions, the average rent free period was just 2.3 months with many occupiers receiving no rent free period.

The demand for space that we saw in our portfolio during the period was broadly based with 59% of the space leased to Grocery, Discount, Health & Beauty, Home, DIY and Value Fashion. We received good demand from 'Grab & Go' food operators and Independent Retailers, as our leasing activity to these sub sectors was more than double the prior year.

Asset Management and Development

Our team has had an active year pursuing a range of asset management initiatives which are designed to improve the underlying quality of our rental cashflows and to deliver capital growth. Typical asset management and development initiatives include, but are not limited to, improvement to the occupational type and mix, delivering incremental income through commercialisation and car parking, reduction of service charge costs, improving the shopper experience through enhanced aesthetics, unit extensions/amalgamations, small scale development on surplus land and large-scale regeneration. Increasingly ESG initiatives have been implemented at our assets including more EV chargers, roof-top gardens and 'Quiet Hour' programmes.

Retail Parks

Enterprise 5 Retail Park, Bradford

As at 31 March 2022, Retail Parks accounted for 26% of our total portfolio, totalling 15 assets. It has been a positive year for our Retail Park Portfolio which at year end was 97.1% occupied. Due to the majority of our retail parks being adjacent to major supermarkets with plenty of free surface level car parking, supportive of online fulfilment through click and collect, we have seen strong occupational and investor demand for our type of retail parks.

Disposals

- **Poole:** In December 2021 we disposed of Poole Retail Park in Dorset for £58.0 million (NRR share: £5.8 million), held in our BRAVO capital partnership, The price reflects a net initial yield of 6.6%, a 7.4% premium to its last valuation. The price achieved was 30% higher than when NewRiver and BRAVO acquired the asset in October 2019 and this asset has generated an IRR of 21.6% (excluding the promote fee) for NewRiver. In the two years since acquisition we have completed several successful initiatives including securing a 10-year lease extension and over 60% rental uplift with Homebase.
- **Newport:** We also sold a retail park in Newport on the Isle of Wight for £9.1 million (NewRiver share: £4.6 million) reflecting a net initial yield of 5.8%. This followed our successful asset management implementation programme including regearing leases with Curry's and Pets at Home, and a new letting to Food Warehouse. The IRR excluding promote generated on the completion of the sale was 15.2%.

Asset Management – Selected Highlights Include:

- **Aberdeen:** At Kittybrewster, a high performing city-centre retail park, we further enhanced the retail profile during the year with a new 10 year lease with JD Sports for a 10,000 sq ft unit which once open, will bring the park to 100% occupancy.
- **Barrow:** Our introduction of discount food operator, Aldi, to our retail park in Barrow, has been well received by the local community and has helped further drive the performance of this retail park. We are now under offer on a final unit following strong demand for space and on completion the park will be 100% let.
- **Bradford:** A major achievement for the year was the letting of a former Wickes unit to leading DIY operator Homebase in August 2021 on a 10 year lease. The new store opened in November 2021 and has had a positive impact to the retail park which already performs well given its location adjacent to a highly successful Morrisons.
- **Cardiff, Valegate:** At our retail park in Cardiff we are under offer to two new occupiers, the first for a 27,000 sq ft store to a leading discount operator and the second, a 10,000 sq ft store to a leisure operator. On completion of these transactions, the park will be fully let.
- **Dewsbury:** We signed a lease with Aldi to take 19,000 sq ft at our retail park in Dewsbury and handed the new unit over in May 2022 for the store to open at the end of the summer, and we are under offer on the final vacant unit on the park which will make the park 100% let, further strengthening this excellent and well-located retail park.
- **Dumfries:** We introduced a Next Click & Collect pod to our retail park in Dumfries in December 2020 which has performed well and helped to generate new footfall to this popular retail park. We have subsequently introduced Bensons for Beds who have taken the former Dreams unit after we served notice, further improving the rental terms and agreeing a 10 year lease. During the year we have also submitted a planning application to create a new Food Warehouse which will benefit from trading adjacent to a successful Tesco superstore.
- **Inverness:** An important new operator to open within the Inverness community was our letting to The Department for Work and Pensions during the year who took a 10,000 sq ft unit on a 5-year lease paying £112,500 pa. This is in addition to other asset management initiatives underway at the Glendoe & Telford Retail Park in Inverness which will materialise in FY23 including a 12,000 sq ft unit under offer to a food retailer.
- **Sprucefield:** is a retail park located in Northern Ireland anchored by Sainsbury's and B&Q and owned in our Capital Partnership with BRAVO. We have made good progress with our proposals to deliver two new drive-thru units and a restaurant unit. We have received offers for both and are also in discussions with occupiers to sell surplus land that would facilitate a 24,000 sq ft unit for a discount food operator.

Shopping Centres

The Avenue Shopping Centre, Newton Mearns

Our Core Shopping Centres are located in the heart of their local communities, playing a key role to the local social and economic prosperity of their conurbations providing a range of essential goods and services to local people. Typically our centres are easily accessible with short travel times supporting the wider climate and well-being agenda.

As at 31 March 2022 our Core Shopping Centre portfolio represented 34% of our total portfolio value and comprises 14 core community shopping centres with an occupancy of 96.5%. Selected highlights Include:

- **Fareham:** We received a resolution to grant planning consent in December 2021 for a highway re-adjustment which will not only improve the local shopping experience but will also enable the release of two possible sites for residential development, creating up to 65 potential new homes.
- **Leith:** Our asset in Leith, located in close proximity to Edinburgh City Centre, is a solid performing asset providing essential goods and services to its local community. We were pleased to introduce Costa, the first branded coffee offer to the centre. We are currently working up proposals to deliver new residential homes in this increasingly popular area of Edinburgh.
- **Hastings:** NewRiver and Hastings Borough Council worked closely together to prepare and submit a bid to the Government's Towns Fund and in July the Ministry of Housing, Communities & Local Government confirmed that £24.3 million grant funding has been allocated to Hastings of which £2 million has been allocated to NewRiver's shopping centre, subject to approval of the Business Case. Part of the funds have already been deployed to convert a former New Look unit to create a gym and to provide an office for the Department of Work and Pensions. The remaining funds will be applied to our proposals to deliver up to circa 90 new homes.
- **Market Deeping:** Terms have been agreed to provide a 20,000 sq ft store for a discount food operator and a planning application is under preparation.
- **Newtownabbey:** We have seen strong recovery post COVID-19 in Newtownabbey, Belfast including the relocating and upsizing of various retailers including DV8, River Island, Superdrug, Bonmarche and Specsavers with further discussions ongoing. This has resulted in strong ERV and capital growth for this asset.
- **Newton Mearns:** We are exploring options to sell a parcel of land adjacent to our shopping centre and have an offer from a leading house developer. We are also progressing various lettings and initiatives to bring in alternative uses to this centre which is anchored by Asda and Marks & Spencer.

Regeneration

Burgess Hill regeneration plans

Our Regeneration Portfolio as at 31 March 2022 comprises three assets and represents 25% of our total portfolio value. Following the disposal of two of our regeneration projects during the year we now have three projects which we continue to make good progress with.

- **Grays:** We acquired Grays Shopping Centre in June 2018, recognising a significant opportunity for a high-density residential-led redevelopment of the site, which is located just 35 minutes from central London by train. Following Design Review Panel sessions with the local authority earlier this year we are making good progress preparing for our planning application which we expect to submit in the Q3 2022. Our proposals will create up to 900 new homes, reduce the excess retail provision and improve the public realm and interconnectivity of the town as a whole. Meanwhile we are making steady progress with our vacant possession strategy to ensure lease flexibility whilst protecting rental cashflows.
- **Bexleyheath:** Our strategic masterplan that combines asset management and residential development initiatives to provide over 700 new homes is making progress and we are preparing to commence pre planning discussions with the Council and other major stakeholders.
- **Burgess Hill:** During the period, the planning Decision Notice was issued by Mid Sussex District Council in July 2021 following completion of the Section 106. Preparations are at an advanced stage to sell part of our asset where we have detailed planning consent for 172 residential units. The capital receipt from this disposal will be used to partially fund the retail refurbishment and the construction of the food store, car park and hotel.

Work-Out

As at 31 March 2022 our Work-Out portfolio represented less than 15% of our total portfolio. During the year we completed the sale of four of the assets and a further two assets are currently under active negotiations. In addition to the sales already completed and planned sales this year we have made good progress in implementing our turnaround strategies for the remaining Work-Out assets. Examples of these turnaround strategies include:

- **Cardiff:** We continue our exciting plans to regenerate The Capitol Shopping Centre in Cardiff. The shopping centre site is built upon what was formerly known as the Capitol Theatre and played host to a number of famous musicians in its heyday, including the Beatles. Our repositioning plans are sympathetic to this heritage and intend to reincarnate some of this cultural significance and make The Capitol the culture hub of Cardiff again. In November, we signed an agreement for lease with Kommune, a new all-day dining and retail experiential operator, who are due to open in the Autumn. Public realm works have also begun to reinstate the historic canal feeder adjacent to our asset which will enhance the environment and introduce new market kiosks, outdoor seating and an open-air event space.
- **Wallsend:** At the end of FY21 we achieved planning consent for the development of a new medical centre adjacent to our shopping centre, in Wallsend outside Newcastle. Working closely with North Tyneside Council, we completed on the sale of the site to Assura, who are now on-site with a target opening date for the new medical centre in the Autumn. This will provide an important new community service for the local community and will also improve footfall to our shopping centre.
- **Wisbech:** At our shopping centre, in Wisbech, an attractive market town in the Fenlands, we are working up options to provide a 20,000 sq ft new food store which will transform this asset and the town centre.

Commercialisation & Car Parking

During the year our car park and commercialisation cashflows have returned to growth, closing the year +72% up on last year, representing 70% of pre-COVID-19 levels and continuing to grow. We have been developing some exciting sustainable initiatives within our commercialisation strategy to allow us to provide better services to our shoppers that fit their changing lifestyles including a greater provision of EV chargers, cycle parks and potential dark kitchens. We completed a long-term partnership with APCOA, Europe's largest car parking solutions operator, to roll out their innovative Urban Hub concept out across both shopping centres and retail parks. We have installed 12 more InPost Lockers with a further 5 in the pipeline and 1 ByBox locker with another in the pipeline. We are also working with Amazon to install an additional 4 lockers, bringing the total to 28 across the portfolio and are planning for 125+ more EV charge points meeting demand from customers for such. Car park revenues have recovered well and are growing whilst we also continue to review our car park offer to better reflect customer demand, post pandemic.

Rent collection

We have continued to see our rent collection rates improve quarter on quarter, almost restored to pre COVID-19 levels now as our rent collection levels reach 96% for the year. This is reflective of our affordable rents, averaging £11.74 per sq ft and the resilience of our value and essential retail focused occupiers.

Rent cash collection rate by quarter

	Q1	Q2	Q3	Q4	FY
FY21[1]	85%	93%	96%	93%	92%
FY22	**92%**	**97%**	**97%**	**97%**	**96%**

1. Rent cash collection rate relating to FY21 billings includes cash collected to date in the period since the time of the prior year results

Resilient Retailers Profile

Many of our top retailers are discount led and multi-channel, both of which are defensive in the current retail climate, with multi-channel retailers far outperforming their pure-play counterparts as they are better equipped to fulfil online purchases through their store distribution network and capitalise on incremental spend from click and collect customers. By contrast, pure-play retailers are battling to mitigate the cost inflation that they are experiencing in particular from customer deliveries and returns.

Our retail rental income is well-diversified, with 1,600 leases across over 750 different occupiers, primarily focused on providing essential goods and services to local communities. Our top occupiers by gross rental income for the year are B&M, Poundland and Primark, each deliberately accounting for under 3% of total rent. This diversification, combined with our affordable rents of £11.74 per sq ft, underpins the sustainability of our income.

As well as face to face meetings we also conduct an annual Occupier Survey and this year's results reported that 26% rated their general Satisfaction Score as 10/10, and 67% of respondents rated their general Satisfaction Score as 8/10 or higher. Our occupiers are happy with the sustainability initiatives we implement at our centres with 82% agreeing that improving the sustainability performance of their own business is important, with 64% rating this as 'very important'.

Furthermore, we have been increasing our engagement with our retailers around our ESG Strategy and our Pathway to Net Zero including how we gather energy on occupier units. Some 90% of our carbon emissions comes from our occupier units and we are pleased to report that 66% of space let to our Top 50 retailers is let to occupiers who have also committed to a Net Zero Pathway.

Top occupiers

	% Total gross income 31 March 2022	% Total gross income 31 March 2021
1. B&M	2.9%	2.8%
2. Poundland	2.7%	2.8%
3. PRIMARK	2.6%	2.4%
4. Boots	2.4%	2.5%
5. Superdrug	2.4%	2.8%
6. M&S	2.1%	2.0%
7. TK Maxx	2.1%	2.3%
8. wilko	2.0%	2.6%
9. Iceland	1.6%	1.9%
10. Sainsbury's	1.5%	1.8%
Subtotal	**22.3%**	**23.9%**

A transformative year for NewRiver

This has been a transformative year for NewRiver, during which we have repositioned and restructured the business to support its future growth.

Underlying Funds From Operations
£28.3m ↑
FY21: £11.5m

LTV
34.1% ↑
FY21: 50.6%

Underlying Funds From Operations Per Share
9.2p ↑
FY21: 3.8P

Ordinary Dividend Per Share
7.4p ↑
FY21: 3.0P

Will Hobman
Chief Financial Officer

Key

Performance versus previous year

Improved ⇧ Declined ⇩ Maintained ⇔

IFRS Loss After Tax
£(26.6)m ⇧
FY21: (150.5)m

Admin cost ratio
16.9% ⇧
FY21: 24.9%

Total Accounting Return
-6.6% ⇧
FY21: -24.9%

Net finance costs
£19.5m ⇧
FY21: £23.7m

Net debt
£221.5m ⇧
FY21: £493.3m

Interest cover
3.5x ⇧
FY21: 2.3x

Weighted average debt maturity*
5.7yrs ⇧
FY21: 4.3yrs

* Drawn only

Net debt: EBITDA
4.6x ⇧
FY21: 14.6x

The first half of the year was focused on completing the disposal of the Hawthorn pub business and strengthening our financial position so that we ended the first half with LTV within guidance, finance cost efficiency improved, liquidity maintained and debt maturity extended. In the second half we saw the continued recovery of our underlying operations and, due primarily to the successful execution of our disposal programme, we ended the year with LTV at 34.1% meaning we are now in a surplus capital position relative to our LTV guidance. Perhaps most importantly given the write-downs we have experienced in recent years, and having seen signs of valuation stabilisation in the first half, we saw the portfolio return to capital growth in the second half.

Underlying Funds From Operations ('UFFO') of £28.3 million compare to £11.5 million delivered in FY21, with retail operations delivering UFFO of £12.8 million in the second half, compared to £7.7 million in the first half. Our dividend policy is now linked directly to UFFO, which means that as our UFFO has increased, so too has our dividend. Having declared an interim dividend of 4.1 pence per share in November 2021, the Board is pleased to declare a final dividend relating to the second half of the financial year of 3.3 pence per share. This brings the total FY22 dividend declared to 7.4 pence per share, representing 80% of UFFO.

IFRS loss after tax for FY22 was £26.6 million (FY21: loss of £150.5 million), improved from the loss reported for the first half of the year of £49.9 million. The first half loss reflected the one-off impact of the loss on disposal of Hawthorn of £39.7 million and a non-cash reduction in portfolio valuation of £22.2 million and the position improved in the second half due to 2.6% or £15.7 million of increase in portfolio valuation, along with the improvement in UFFO noted above.

Our portfolio was valued on a proportionally consolidated basis at £649 million at 31 March 2022, compared to £974 million at 31 March 2021, with the reduction due principally to the completion of the disposal of the Hawthorn pub business which had a valuation of £248 million at 31 March 2021, and retail disposals totalling £77 million. EPRA Net Tangible Assets per share were 134 pence at 31 March 2022 (31 March 2021: 151 pence) and IFRS net assets were £414.1 million (31 March 2021: £460.4 million), with the majority of the reduction in both measures explained by the disposal of the Hawthorn pub business and with both showing improvement from the position reported at 30 September 2021 of 131 pence per share and £402.1 million respectively due to the 2.6% increase in portfolio valuation recorded in the second half.

The increase in portfolio valuation in the second half of FY22 followed the signs of stabilisation we saw in the first half, where we recorded a 3.1% like-for-like reduction in the retail portfolio. This compared to reductions of 9.4% in the first half and 6.1% in the second half of the last financial year, and means we have seen consistent improvement in valuation performance half on half over the last 2 years. Importantly in Core shopping centres, Regeneration shopping centres and Retail parks, which are the resilient retail sectors on which NewRiver will be focused going forward, we saw an increase in portfolio valuation of 0.4% in the first half, and 4.8% in the second half of FY22, with the only sub-sector showing decline in both halves of the year being the Work Out shopping centres, which now account for only 14% of the total portfolio and which we are committed to exiting by the end of FY23.

We delivered a total accounting return of -6.6% over the year, which was impacted by the loss on disposal of the Hawthorn pub business during the first half, and compares to -24.9% in the prior year. In the second half, with the portfolio returning to capital growth, we delivered a total accounting return of +5.4%, which is encouraging in the context of our medium-term objective to deliver a consistent 10% total accounting return per annum.

Balance sheet repositioned and restructured to support future growth

Throughout FY22 we focused on strengthening our balance sheet position through the delivery of our disposal programme, principally the completion of the disposal of Hawthorn, and by engaging with our unsecured bank lenders to restructure our existing bank facilities. The successful completion of these activities means that we ended the year in a surplus capital position with reduced leverage, improved finance cost efficiency, improved debt maturity and sufficient liquidity to fund growth.

Delivery of disposal programme

We completed the disposal of Hawthorn on 20 August 2021, having first announced our intention to sell the business on 14 April 2021. The pricing achieved represented an earnings multiple of 11.5x, based on the estimated pro-forma EBITDA for the year ended 31 March 2020, which was at the upper end of our pricing expectations. The disposal was the key contributor to the reduction in LTV in the first half, from 50.6% presented at 31 March 2021 to 39.4% at 30 September 2021. In the second half we completed £69.5 million of retail disposals, taking total retail disposals completed during FY22 to £77.1 million, and being the principal driver for the reduction in LTV to 34.1% at 31 March 2022.

In addition to the significant improvement in our LTV position, the completed disposal activity was the principal contributor to the improvement in our net debt position during the year, from £493.3 million at 31 March 2021 to £221.5 million at 31 March 2022.

Proportionally consolidated	March 2022 £m	September 2021 £m	March 2021 £m	March 2020 £m
Cash	88.2	37.3	154.3	82.1
Principal value of gross debt	(314.0)	(318.1)	(653.1)	(652.4)
Net debt[1]	(221.5)	(276.4)	(493.3)	(563.6)
Drawn RCF	-	-	(170.0)	(170.0)
Total liquidity[2]	213.2	162.3	199.3	127.1
Gross debt repaid / (drawn) in period / year	339.1[3]	335.0	(0.7)	(142.4)
Loan to Value	34.1%	39.4%	50.6%	47.1%

1. Including unamortised arrangement fees
2. Cash and undrawn RCF. March 2022 and September 2021 columns reflect the bank facility amendment & restatement signed in October 2021
3. £339.1 million of debt repaid includes £4.1 million of JV & associate debt which was repaid on disposal of retail parks in Poole and Newport held by the BRAVO capital partnership; Group debt repaid in FY22 was £335 million

Debt restructuring

In June 2021, as COVID-19 lockdown measures continued to ease and operational performance improved, we made the decision to repay £70 million of drawn RCF. Immediately following the completion of the Hawthorn disposal in August 2021, with our cash position reflecting the net disposal proceeds, we repaid a further £100 million of drawn RCF which meant that our RCF was fully undrawn from that point. In September 2021, as discussions with our bank lenders around future debt requirements reached a conclusion, we cancelled the £165 million term loan and associated interest rate swaps. We expect that these actions will reduce annualised debt costs by £7 million per annum, which is 35% of the cash interest proportion of our FY21 finance costs, and we have benefitted from £3.5 million of these savings in the second half of FY22.

Proportionally consolidated	Cash £m	Gross Debt £m	Unamortised fees £m	Net Debt £m
March 2021	**154.3**	**(653.1)**	**5.5**	**(493.3)**
June 2021 RCF repayment	(70.0)	70.0	-	-
August 2021 – Hawthorn proceeds received	196.0	-	-	196.0
August 2021 RCF repayment	(100.0)	100.0	-	-
September 2021 – Term loan cancellation	(165.0)	165.0	(0.8)	(0.8)
Retail disposal proceeds	68.4	4.1	-	72.5
Other movements[1]	4.5	-	(0.4)	4.1
March 2022	**88.2**	**(314.0)**	**4.3**	**(221.5)**

1. Other movements is formed of operating, financing and investing cash flows

Upon cancellation of the £165 million term loan in September, our unsecured bank facilities reduced to a fully undrawn £215 million RCF expiring in August 2023. In October 2021 we reached agreement with our bank lenders to reduce the quantum and to extend the maturity of the RCF. Having undertaken detailed analysis of our future debt requirements, including the maximum level of possible drawings under a range of portfolio valuation scenarios while maintaining LTV within our guidance, we believe that a £125 million RCF provides NewRiver with the appropriate level of liquidity. In addition, we have negotiated a £50 million accordion which means that, if required, the facility size can be increased to £175 million in the future, subject to lender consent.

When the unsecured bank facility was originally negotiated in August 2017, the agreement was drafted as a five year term expiring in August 2022 with two '+1' options to extend the term to August 2024, at the consent of lenders. In September 2018, the first extension option was granted, increasing the maturity to August 2023, and in October 2021 as part of the RCF negotiation, we agreed the second extension with our bank lenders, increasing the RCF expiry to August 2024.

This meant that on agreement of the second extension the RCF had just under three years to expiry, in-line with the likely term we would have achieved on a new facility in today's market. As such, in negotiating the extension we achieved the same result as a new three year facility in the most efficient way possible, using existing covenants and documentation. The positive net result is that, despite a challenging lending market in relation to retail assets and with concerns around inflation and interest rate rises, we have secured access to up to £175 million of liquidity with no refinancing requirement until FY25.

The strength of our balance sheet was recognised in December 2021, when Fitch Ratings reaffirmed NewRiver's Long-Term Issuer Default Rating (IDR) at 'BBB' with a Stable Outlook, its senior unsecured rating at 'BBB+' and its Short-Term IDR at 'F2.' The senior unsecured rating applies to NewRiver's £300 million senior unsecured bond dated 2028.

In summary, we ended the year with the balance sheet repositioned and restructured to support future growth, with LTV within guidance and our already conservative covenant headroom significantly improved. Furthermore, we have worked collaboratively with our bank lenders to right size our bank facilities to strike the appropriate balance between finance cost efficiency and liquidity. We have also extended maturity so that our fully unsecured balance sheet has no refinancing requirement until FY25, and no refinancing requirement based on drawn debt until FY28.

Key performance measures

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

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

The APM on which management places most focus, reflecting the Company's commitment to driving income returns, is UFFO. UFFO measures the Company's underlying operational profits, excluding one-off or non-cash adjustments such as portfolio valuation movements and profits or losses on the disposal of investment properties. 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, which includes the contribution from Hawthorn up to its disposal on 20 August 2021, 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.

Hawthorn disposal

On 14 April 2021, we announced three strategic priorities, one of which was to divest ourselves of Hawthorn, our community pub business. The rationale for this decision was that the Board believed that the pub portfolio was sub-scale in a sector likely to see significant consolidation opportunities which could not be unlocked under NewRiver's ownership due to its status as a REIT. Furthermore, the divestment of Hawthorn would have a beneficial impact on NewRiver's LTV, potentially reducing this to within our guidance level depending on the pricing achieved.

On 26 July 2021, we announced that we had agreed the sale of Hawthorn to AT Brady Bidco Limited ('Admiral Taverns') for gross proceeds of £224.0 million, and we announced the completion of the disposal on 20 August 2021. The pricing achieved reflected an earnings multiple of 11.5x based on the estimated pro-forma EBITDA for the year ended 31 March 2020 which was at the upper end of our pricing expectations and compares favourably to other transactions completed in the pub sector in recent years.

The pricing achieved represented a loss of £39.7 million, or a discount of 15%, when compared to book value. This discount is due to both the disposal being a portfolio transaction, as NewRiver itself experienced as we amassed the pub portfolio starting in 2013, acquiring individual portfolios at a blended discount of 15% to their individual asset valuations; and that in Hawthorn we sold a trading business including the administrative costs of operating the pub platform, which are not reflected in the individual asset valuations and which ran at £9.5 million in FY21. Importantly, we reported LTV of 39.4% at 30 September 2021, which was back within our guidance predominantly as a result of the disposal.

Following the completion of the sale of Hawthorn, the following additional table is included to show the proportionally consolidated UFFO figure split between retail (continuing operations) and Hawthorn (discontinued operations).

Hawthorn is disclosed as a single line entitled "discontinued operations" in the consolidated statement of comprehensive income on page 142. The reconciliation of IFRS loss after taxation to UFFO in the "Underlying Funds From Operations" section of this review bridges the figure disclosed within the consolidated statement of comprehensive income to Hawthorn's UFFO contribution during its period of ownership (from 1 April to 20 August 2021). The following table shows the UFFO contribution from Hawthorn on a line-by-line basis.

	31 March 2022			31 March 2021		
UNDERLYING FUNDS FROM OPERATIONS	Retail £m	Hawthorn[1] £m	Total £m	Retail £m	Hawthorn[2] £m	Total £m
Revenue	77.7	18.1	95.8	77.7	18.0	95.7
Property operating expenses	(25.9)	(10.9)	(36.8)	(30.5)	(17.0)	(47.5)
Net property income	**51.8**	**7.2**	**59.0**	**47.2**	**1.0**	**48.2**
Administrative expenses	(11.7)	(4.2)	(15.9)	(12.0)	(9.5)	(21.5)
Other income	-	4.8	4.8	2.7	4.5	7.2
Operating profit	**40.1**	**7.8**	**47.9**	**37.9**	**(4.0)**	**33.9**
Net finance costs			(19.5)			(23.7)
Taxation			(0.1)			1.3
Underlying Funds From Operations			**28.3**			**11.5**
UFFO per share (pence)			**9.2**			**3.8**
Ordinary dividend per share (pence)			**7.4**			**3.0**
Ordinary dividend cover			**125%**			**127%**
Admin cost ratio			16.9%			24.9%
Admin cost ratio – continuing operations			16.0%			18.1%
Weighted average # shares			307.2			306.4

1. Pubs performance from 1 April 2021 to 20 August 2021 when disposal of Hawthorn business was completed.
2. Pubs performance from 1 April 2020 to 31 March 2021. This is not comparable with the shorter period of ownership in FY22 and therefore the analysis that follows focuses on comparing FY22 performance from 1 April 2021 to 20 August 2021 with performance from H1 FY21.

Hawthorn contributed £7.8 million of operating profit in the first half prior to its disposal on 20 August 2021, which compares to a £4.0 million loss for the entire prior year. In order to provide a more meaningful analysis, the contribution from Hawthorn prior to its disposal has been compared to its performance during the first half of the prior year of £0.4 million.

On this basis, Hawthorn contributed £7.8 million of operating profit pre-disposal, which compares to £0.4 million in the first half of the prior year. The key reason for the increase in contribution is the recognition of an insurance settlement of £3.3 million prior to disposal in FY22, which related to income disruption during the first national lockdown in the prior year. This settlement was recognised in FY22 within Other income, but in effect replaced Net property income lost in the prior year.

Analysis of contribution from Hawthorn (£m)

Contribution from Hawthorn for the six months ended 30 September 2020		**0.4**
Income disruption insurance claim	3.3	
HY21 contribution proforma incl. insurance claim		**3.7**
Lifting of Covid restrictions		2.7
Period of ownership		(1.9)
HY22 contribution proforma for insurance payment		**4.5**
Income disruption insurance payment	3.3	
Contribution from Hawthorn for period until 20 August 2021		**7.8**

Removing the impact of the timing of the insurance settlement, the contribution from Hawthorn increased from £3.7 million in the first half of the prior year, to £4.5 million in the current year pre-disposal. This increased contribution reflects the impact of UK-wide operating restrictions in the prior period, specifically the first national lockdown in Q1 FY21, and the relaxation of operating restrictions in the current period, the effect of which was offset by our shorter period of ownership due to the disposal of the pubs on 20 August 2021.

Underlying Funds From Operations

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

Reconciliation of loss after taxation to UFFO

	31 March 2022			31 March 2021		
	Retail[1] £m	Hawthorn[2] £m	Total £m	Retail £m	Hawthorn £m	Total £m
Loss for the period after taxation	**7.0**	**(33.6)**	**(26.6)**	**(122.1)**	**(28.4)**	**(150.5)**
Adjustments						
Revaluation of property	12.3	-	12.3	131.5	23.2	154.7
Revaluation of joint ventures' and associates' investment properties	(5.8)	-	(5.8)	(1.8)	-	(1.8)
Loss on disposal of investment properties	5.4	(0.8)	4.6	4.1	1.4	5.5
Changes in fair value of financial instruments and associated close out costs	(0.6)	-	(0.6)	0.1	-	0.1
Loss on disposal of subsidiary	-	39.7	39.7	2.2	-	2.2
Acquisition costs	-	-	-	-	0.1	0.1
Deferred tax	0.6	1.9	2.5	-	(1.4)	(1.4)
EPRA earnings	**18.9**	**7.2**	**26.1**	**14.0**	**(5.1)**	**8.9**
Depreciation of property	-	0.4	0.4	-	1.1	1.1
Forward looking element of IFRS 9	(0.2)	-	(0.2)	0.6	-	0.6
Abortive fees	-	0.2	0.2	0.3	-	0.3
Restructuring costs[3]	0.9	-	0.9	-	-	-
Share-based payment charge	0.9	-	0.9	0.6	-	0.6
Underlying Funds From Operations	**20.5[4]**	**7.8**	**28.3**	**15.5**	**(4.0)**	**11.5**

1. Retail UFFO after tax for the year ended 31 March 2022, including all Group net finance costs. Disclosed as "continuing operations" in the consolidated statement of comprehensive income
2. Pub operating performance from 1 April 2021 to 20 August 2021 when disposal of Hawthorn business was completed. Disclosed as "discontinued operations" in consolidated statement of comprehensive income
3. During the year the Group incurred restructuring costs in relation to employee related matters following the sale of Hawthorn
4. The Retail column reflects the full impact of the finance costs of £19.5 million (FY21: £23.7 million) none of which has been allocated to Hawthorn

Underlying Funds From Operations is represented on a proportionally consolidated basis in the following table. The following UFFO commentary is focused on the continuing retail business, and the "Contribution from Hawthorn" during the year is discussed separately in the "Hawthorn disposal" section of this review.

UNDERLYING FUNDS FROM OPERATIONS	31 March 2022 Group £m	31 March 2022 Adjustments[1] £m	31 March 2022 JVs & Associates	31 March 2022 Proportionally consolidated £m	31 March 2021 Proportionally consolidated £m
Revenue	73.7	-	4.0	77.7	77.7
Property operating expenses	(25.5)	(0.2)	(0.2)	(25.9)	(30.5)
Net property income	**48.2**	**(0.2)**	**3.8**	**51.8**	**47.2**
Administrative expenses	(13.4)	1.8	(0.1)	(11.7)	(12.0)
Other income	-	-	-	-	2.7
Operating profit	**34.8**	**1.6**	**3.7**	**40.1**	**37.9**
Net finance costs	(18.4)	(0.1)	(1.0)	(19.5)	(23.7)
Taxation	-	-	(0.1)	(0.1)	1.3
Retail UFFO				**20.5**	**15.5**
Contribution from Hawthorn[2]	(33.6)	41.4	-	7.8	(4.0)
Underlying Funds From Operations				**28.3**	**11.5**
UFFO per share (pence)				**9.2**	**3.8**
Ordinary dividend per share (pence)				**7.4**	**3.0**
Ordinary dividend cover				**125%**	**127%**
Admin cost ratio				16.9%	24.9%
Admin cost ratio – continuing ops				16.0%	18.1%
Weighted average # shares				307.2	306.4

1. Adjustments to Group figures to remove non-cash and non-recurring items, principally forward looking element of IFRS 9 £0.2 million, share-based payment charge £(0.9) million, restructuring costs £(0.9) million, changes in fair value of financial instruments and associated close out costs £0.1 million. Adjustments to Contribution from Hawthorn include £(39.7) million of loss on disposal, profit on disposal of investment properties £0.8 million, depreciation on public houses £(0.4) million, abortive fees and acquisition costs £(0.2) million and Deferred tax £(1.9) million

2. Pub operating performance from 1 April 2021 to 20 August 2021 when disposal of Hawthorn business was completed. Disclosed as "discontinued operations" in consolidated statement of comprehensive income. See "Hawthorn disposal" section of this review for performance commentary

Net property income

Analysis of retail net property income (£m)

Retail net property income for the year ended 31 March 2021		**47.2**
Like-for-like rental income	(0.5)	
Rent and service charge provisions	4.9	
Car park and commercialisation income	2.9	
Retail NRI recovery		**7.3**
Asset management fees		0.7
		55.2
Net disposals		(3.4)
Retail net property income for the year ended 31 March 2022		**51.8**

On a proportionally consolidated basis, retail net property income was £51.8 million for the year to 31 March 2022 compared to £47.2 million in the year ended 31 March 2021. The principal reasons for the £4.6 million increase were the recovery of £7.3 million of net property income previously lost due to COVID-19 impact, offset by our net disposal activity which reduced net property income by £3.4 million.

In the year to 31 March 2021, we grouped a number of items directly impacted by the pandemic under the heading of "COVID-19 impact", showing a reduction in net property income of £15.2 million during FY21. We have maintained the categorisation in FY22 as "Retail NRI recovery", which shows that £7.3 million of income disruption has been recovered to date. The key reason for this recovery is the net reduction year on year of £4.9 million of Retail rent and service charge provisions, reflecting the conservative approach we took in the prior year in providing against retail rents and service charge amounts that we deemed unlikely to be received as a result of COVID, and reflecting our continued resilient rent collection.

This is partially offset by a modest decline in like-for-like income of £0.5 million, an improvement on £0.7 million at H1 as we have begun to see the results of positive leasing performance throughout the financial year.

Car park and commercialisation income has increased by £2.9 million, representing 70% of pre-COVID revenue levels and encouragingly and importantly we have continued to see a positive trend quarter on quarter during FY22.

The £0.7 million increase in asset management fee income reflects the continued growth of our capital partnership with BRAVO, with two further asset management mandates added in the last 18 months on Sprucefield Retail Park and The Moor in Sheffield.

Net disposals reduced net property income by £3.4 million, with the capital partnership transactions noted above, namely the disposal of 90% of Sprucefield Retail Park into the BRAVO partnership in September 2020 offset slightly by the acquisition of The Moor in Sheffield (NRR 10% share) in April 2021, contributing a net £1.4 million reduction. The balance of the reduction is split evenly between the fully annualised impact of the remaining disposals completed at the end of FY21, and the part year impact of the £77.1 million of disposals completed during FY22.

Administrative expenses

Retail administrative expenses were £11.7 million in the year to 31 March 2022, a reduction compared to the £12.0 million incurred in the year ended 31 March 2021 as we begin to see the benefit of cost efficiencies unlocked across the business. During the first half we completed an extensive review of our cost base, following which we set a target to reduce admin costs by 15% from the baseline FY21 figure of £12 million. We have targeted unlocking these savings by the end of FY23, so that we expect to see the fully annualised impact of these savings in FY24. To date, we have unlocked £1 million of annualised administrative cost savings, much of the benefit of which will begin to flow through in FY23.

Other income

There was no other income recognised across the Retail portfolio in the year ended 31 March 2022, compared to £2.7 million in the year ended 31 March 2021. The prior year figure related primarily to insurance proceeds received following the fire in October 2018 at the unit formerly occupied by B&M at Clifton Moor Retail Park in York.

Net finance costs

Net finance costs were £19.5 million in the year to 31 March 2022, compared to £23.7 million in the year to 31 March 2021. The principal reason for the reduction was the repayment of £170 million of RCF and cancellation of £165 million of term loan and associated swaps during the first six months of the year. The RCF was repaid in two tranches of £70 million at the end of June 2021 and £100 million in August 2021 immediately following the Hawthorn disposal, and the term loan was cancelled in late September 2021. These actions unlocked a finance cost saving of £7 million per annum versus the prior year, £3.5 million of which benefitted the year ended 31 March 2022, with the balance of the saving to follow in FY23.

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, including income and gains within the Hawthorn business. The majority of the Group's income is therefore tax free as a result of its REIT status. Our REIT exemption did not extend to profits arising from the margin made on the sale of drinks within the Hawthorn portfolio during our period of ownership, or the element of the disposal of the Hawthorn portfolio relating to non-qualifying property assets, and it does not extend to other sources of income.

Dividends

At the FY21 results in June 2021, NewRiver announced a new dividend policy under which dividends equivalent to 80% of UFFO would be declared 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 the policy allows the final dividend to be "topped-up" where required to ensure REIT compliance, such that the blended payout in any financial year may be higher than 80%.

In-line with this policy, in November 2021 the Board declared an interim dividend of 4.1 pence per share in respect of the six months ended 30 September 2021, based on 80% of UFFO per share of 5.1 pence. The Board has today declared a final dividend of 3.3 pence per share in respect of the year ended 31 March 2022, taking the total FY22 dividend declared to 7.4 pence, equivalent to 80% of UFFO per share of 9.2 pence and an increase of 147% versus the 3.0 pence per share declared in relation to the year ended 31 March 2021.

The final dividend of 3.3 pence per share in respect of the year ended 31 March 2022 will, subject to shareholder approval at the 2022 AGM, be paid on 2nd September 2022 to shareholders on the register as at 29 July 2022. 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 2022			As at 31 March 2021
	Group £m	JVs & Associates £m	Proportionally consolidated £m	Proportionally consolidated £m
Properties at valuation[1]	609.1	40.3	649.4	974.2
Right of use asset	75.7	-	75.7	86.5
Investment in JVs & associates	31.9	(31.9)	-	-
Other non-current assets	0.7	1.5	2.2	3.5
Cash	82.8	5.4	88.2	154.3
Other current assets	18.9	0.7	19.6	27.2
Total assets	819.1	16.0	835.1	1,245.7
Other current liabilities	(33.5)	(1.4)	(34.9)	(49.5)
Lease liability	(75.7)	-	(75.7)	(84.9)
Borrowings[2]	(295.8)	(13.9)	(309.7)	(647.6)
Other non-current liabilities	-	(0.7)	(0.7)	(3.3)
Total liabilities	(405.0)	(16.0)	(421.0)	(785.3)
IFRS net assets	**414.1**	-	**414.1**	**460.4**
EPRA adjustments:				
Goodwill			-	(0.5)
Deferred tax			0.6	0.7
Fair value financial instruments			(0.3)	2.6
EPRA NTA			**414.4**	**463.2**
EPRA NTA per share			**134p**	**151p**
IFRS net assets per share			**135p**	**150p**
LTV			**34.1%**	**50.6%**

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 2022, IFRS net assets were £414.1 million, a decrease when compared to the position as at 31 March 2021 of £460.4 million, but an increase when compared to the position at 30 September 2021 of £402.1 million. The reduction during the first half was primarily due to the disposal of Hawthorn, the community pub business, as outlined in the "Hawthorn disposal" section of this review. Portfolio valuation was also a contributor to the reduction at the half year, decreasing by 3.1%, but encouragingly valuations have shown a like-for-like increase of 2.6% during the second half, which is the key reason for the increase in IFRS net assets between September 2021 and March 2022.

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. EPRA NTA decreased by 11% to £414.4 million, from £463.2 million at 31 March 2021, and EPRA NTA per share decreased similarly to 134 pence per share at 31 March 2022 from 151 pence per share at 31 March 2021. The decrease in EPRA NTA and EPRA NTA per share is primarily due to the Hawthorn disposal which completed on 20 August 2021. As noted above when discussing IFRS net assets, both the EPRA NTA and EPRA NTA per share positions improved in the second half of the financial year, from £402.1 million and 131 pence per share at 30 September 2021, as the portfolio returned to capital growth in the second half.

Properties at valuation

Proportionally consolidated properties at valuation was £649.4 million at 31 March 2022, compared to £974.2 million at 31 March 2021, with the reduction due principally to the completion of the Hawthorn disposal. Portfolio valuation reduced by 3.1% on a like-for-like basis in the first half, before increasing by 2.6% in the second half, meaning valuations reduced by a modest 0.9% during FY22. Importantly in Core shopping centres, Regeneration shopping centres and Retail Parks, which are the resilient retail sectors on which NewRiver will be focused going forward, we saw an increase in portfolio valuation of 5.2% during FY22, with the majority of the declines concentrated in the Work Out shopping centres, which now account for only 14% of the total portfolio and which we are committed to exiting by the end of FY23.

Debt & financing

	Proportionally consolidated	
	31 March 2022	31 March 2021
Principal value of gross debt	£314.0m	£653.1m
Weighted average cost of debt[1]	3.4%	3.2%
Weighted average debt maturity – total[2]	4.8 yrs	4.3 yrs
Weighted average debt maturity – drawn only[3]	5.7 yrs	4.5 yrs

1. Cost of debt assuming £125 million revolving credit facility is fully drawn. Currently entirely undrawn
2. Contracted weighted average debt maturity on total debt
3. Contracted weighted average debt maturity on drawn debt only

The principal value of our gross debt has reduced by £339.1 million since 31 March 2021, principally due to the repayment of £170 million of drawn RCF and the cancellation of our £165 million term loan following the completion of the Hawthorn disposal.

Our weighted average cost of debt has increased slightly, because the unsecured corporate bond now constitutes a larger proportion of our debt structure following the debt reduction and the coupon on the unsecured bond is 3.5%, hence the weighted average cost of debt has increased towards this level. Weighted average debt maturity increased to 4.8 years from 4.3 years because the unsecured bond does not expire until March 2028 and now constitutes a larger proportion of our debt structure and because we agreed a one-year RCF extension with our bank lenders immediately in October 2021. On a drawn basis, i.e. including the bond only, weighted average debt maturity increases further to 5.7 years.

The strength of our balance sheet was recognised in December 2021, when Fitch Ratings reaffirmed NewRiver's Long-Term Issuer Default Rating (IDR) at 'BBB' with a Stable Outlook, its senior unsecured rating at 'BBB+' and its Short-Term IDR at 'F2.' The senior unsecured rating applies to NewRiver's £300 million senior unsecured bond dated 2028.

Share premium account

The share premium account balance of £227.4 million at 31 March 2021 was transferred to retained earnings, following the cancellation of the share premium account effective from 31 August 2021. See note 25 for further details.

Financial policies

Our conservative financial policies were put in place in consultation with shareholders and form a key component of our financial risk management strategy. We have five financial policies in total, including LTV and interest cover which also appear as debt covenants on our unsecured bank facilities and our bond.

During the year ended 31 March 2021, we experienced significant retail valuation and pub income decline due to COVID-19, which led to us being outside of policy on LTV, Balance sheet gearing and Net debt: EBITDA. However, the decisive actions we completed during FY22, together with the continued resilience of our operational performance and the stabilisation we have seen in our valuations mean that we are now in compliance with all five policies, with significant headroom restored.

	Financial policy	Proportionally consolidated		
		31 March 2022	30 September 2021	31 March 2021
Loan to value	Guidance <40% Policy <50%	34.1%	39.4%	50.6%
		Group		
		31 March 2022	30 September 2021	31 March 2021
Balance sheet gearing	<100%	51%	65%	104%
		Proportionally consolidated		
		FY22	HY22	FY21
Net debt: EBITDA	<10x	4.6x	6.9x	14.6x
Interest cover[1]	>2.0x	3.5x	2.7x	2.3x
Ordinary dividend cover[2]	>100%	125%	125%	127%

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

Our LTV reduced from 50.6% at 31 March 2021 to 39.4% at 30 September 2021 principally due to the disposal of Hawthorn, the community pub business, which completed during the first half. In the second half, we completed a further £69.5 million of retail disposals and the portfolio returned to capital growth, meaning that the LTV reduced further to 34.1% at 31 March 2022.

At this level, LTV is now within our guidance of less than 40%, which means that we are now in a surplus capital position which we believe leaves us very well placed given the increasingly uncertain macro-economic outlook. We have worked hard to achieve this strengthened position, and while we maintain our guidance, we will not rush to redeploy to the 40% level and instead we intend to retain some headroom to our guidance in the near-term along with excess cash in the bank which together give us maximum optionality.

Balance sheet gearing is now also comfortably within guidance having improved half on half during the financial year, ending the year at 51% compared to 104% at 31 March 2021 and Net debt: EBITDA is also now within our stated policy, at 4.6x, compared to 14.6x in the year ended 31 March 2021. Again, the improvements reflect the successful completion of the Hawthorn disposal, with Net debt: EBITDA also enhanced due to improved operational performance following the relaxation of Covid restrictions and because EBITDA benefitted from income from Hawthorn in the first half of the year prior to its disposal.

Interest cover was within policy at 31 March 2021 at 2.3x and has improved from there to 3.5x due to improved operational performance and the repayment £335 million of bank facilities during the first half following the Hawthorn disposal.

The Board has declared a final dividend of 3.3 pence in respect of the year ended 31 March 2022, taking the total dividend declared up to 7.4 pence, up 147% on last year and in-line with the dividend policy we launched at the full year last year which links dividends directly to UFFO and means that the dividend is 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 2022
Single retailer concentration	<5% of gross income	2.9% (B&M)
Development expenditure	<10% of GAV	<1%
Risk-controlled development	>70% pre-let or pre-sold on committed	100%
Pub weighting (excluding c-stores)	<30% of GAV	N/A following Hawthorn disposal

Conclusion

This has been a transformative year for NewRiver, during which the recovery in our underlying operations has gathered pace and our decisive actions have fundamentally improved our financial position and future prospects.

Throughout the Covid period, one of the key strengths of NewRiver has been its unsecured balance sheet, and we have enhanced this strength during the year through repaying our RCF and extending its maturity, in so doing preserving valuable liquidity and optionality whilst ensuring that our earliest maturity on drawn debt is not until 2028. Our LTV position has dramatically improved and we are now comfortably within all of our financial policies thanks to the debt reduction exercise we completed during the year and the continued recovery in our underlying operations.

We are conscious that the macro-economic picture remains challenging, but we believe that the fundamentals of our business and the actions we have completed during the year mean we are well placed. Furthermore, we have no exposure to interest rate fluctuations on our drawn debt and we have the surplus capital and cash resources to deploy at the right time into the right opportunities that we are confident will present themselves in the future. We are encouraged by the strong return to capital growth in our core portfolio in the second half of the financial year and the total accounting return of 5.4% that has been delivered as a result of this. As such we are confident in our ability to deliver our target of a consistent 10% total accounting return in the medium-term.

Will Hobman
Chief Financial Officer

15 June 2022

Delivering on our commitment to sustainability

Emma Mackenzie
Head of Asset Management and ESG

Key highlights

- Published our Pathway to Net-Zero by 2050
- Emissions reduction targets validated by SBTi as consistent with a 1.5 degree future
- Awarded 'B' Rating by the CDP for our management of climate issues, improved from a 'C' last year
- GRESB score improved by +13%
- Gold Award in EPRA Sustainability Best Practice Recommendation Awards
- Achieved zero waste to landfill by 2022 target
- All energy supplied to our common areas is carbon neutral
- Introduced a new Sustainability Brief and Framework for Developments and a Green Procurement Policy

Support for climate action gathered significant momentum over the course of this year, with COP26 in November marking a pivotal opportunity for world leaders to reach agreement on our collective pathway to a 1.5-degree future.

I was personally pleased to see the Glasgow Climate Pact address funding for climate justice, acknowledging that many of the countries that feel the impact of rising temperatures most severely are not only those that have contributed least to climate change, but which are also least able to financially address the impacts they are already facing.

Pathway to Net-Zero

At NewRiver, we have been developing our own pathway to aligning our business and portfolio with a 1.5-degree future and have now published our detailed net-zero carbon pathway, which provides the scope of our commitment, our three-step target, and our intentions for measuring our progress. In my dual role as Head of Asset Management and ESG, I look forward to overseeing the tangible change this pathway will guide across our portfolio.

An industry-wide net-zero roadmap was also launched by the UK Green Building Council (UKGBC) last year. We were pleased to have contributed to the consultation, which brought together views from all areas of the sector. The UKGBC's roadmap identifies stakeholder actions required across the entire industry, many of which NewRiver has already addressed, including the adoption of a comprehensive green leasing strategy. We also supply helpful occupier guidance for reducing energy consumption, welcome ideas for centre improvements, and encourage the sharing of crucial data, which will continue to be a focus for us into FY23, and a key feature of our annual staff ESG training.

For our development activities, our new Sustainability Brief and Framework for Developments outlines the operational and embodied carbon targets we have set ourselves, in line with industry guidance and our commitment to achieving net-zero.

Over the course of 2021, we also updated a host of our internal ESG-related policies, including our Green Procurement Policy. I am proud that NewRiver achieved an 'A' in the governance section of the CDP this year, contributing to our overall score of 'B' and recognition for "taking coordinated action on climate issues". Reflective of our continuous efforts to ensure a sustainable approach to the management of our assets, we also achieved a 13% improvement in the Global Real Estate Sustainability Benchmark (GRESB) this summer (68/100), comprising a perfect score in the management, social and governance pillars of the assessment.

As we move forward and further into the implementation phase of our net-zero strategy, communication with our stakeholders will continue to be of critical importance to us in achieving our ambition. We saw an 85% increase in our Corporate Scope 3 emissions during FY22, largely driven by a significant increase in business travel with staff now able to travel to our assets, coupled with an anticipated increase in utilities consumption and waste generation at our head office, reflective of increased occupancy levels. As part of our FY23 ESG programme, we look forward to increasing our engagement on climate issues with our top goods and services providers, which is a pivotal step on our pathway to bringing our corporate emissions to net-zero by 2025.

We also continue to build upon our employee engagement initiatives and made mental wellbeing a key focus of our employee satisfaction survey this year. The success of any business is a direct reflection of its people, and so it is extremely important to NewRiver to understand how the implementation of our flexible working policy is influencing perceptions of the office atmosphere, productivity, work/life balance, and the level of social interaction we enjoy at work. We are pleased to have found that most staff are satisfied with their work/life balance and that the flexible working policy is a key enabler of this, releasing time to be more active or spend it with family or friends. Importantly, visits to the office were rated to be of high social benefit by 78% of staff, demonstrating that our culture remains strong. We are excited to be moving to a BREEAM Excellent office building this summer and look forward to embracing all the facilities it has to offer.

In FY23, we will increase ESG engagement beyond our own value chain, to extend to the wider real estate sector, through The Academy of Real Assets. We recognise that the industry has much to benefit from greater socioeconomic diversity and, for it to change, we must start at grass roots level. Our membership of The Academy of Real Assets will allow us to engage with students from some of the most underserved UK state schools and introduce them to the wide variety of careers in real estate by providing them with insight to, and contacts within, the industry. This will hopefully replicate the access and mentorship opportunities that more privileged students typically enjoy, in addition to giving us insight into what more we can do to drive greater progress in this key area for our industry.

We continue to support the exceptional work of our corporate charity partner The Trussell Trust, which, through another year characterised by COVID-19 related uncertainty, coupled with the cost-of-living crisis, continued to make emergency food supplies available to those most in need. This year, 2.5 million emergency food parcels were given to people in crisis by Trussell Trust food banks, representing a 33% increase compared to the previous year. During this very challenging period, we have been able to increase our food donation support by an additional 0.5 tonnes, alongside providing 224 hours of volunteer support at the Trussell Trust's community food banks.

We have been equally inspired by the enormous generosity of the thousands of individuals across the country who have donated, coordinated aid packages, and even opened their own homes to Ukrainian refugees. The events that continue to unfold in Ukraine mean that many are forced to flee with only the items they are able to carry. We have made a donation to the Disaster Emergency Committee's appeal to provide essential food, water, healthcare, and protection to those whose lives have been uprooted and endangered. Our thoughts are very much with them at this time.

The impact of our ESG programme reflects its local, community focus and its clear alignment with our business model. The holistic nature of our ESG strategy is embedded into every part of our business and would not be possible without the enthusiasm and support of our staff, property managers, site teams, and professional advisers whom I would like to take this opportunity to thank most sincerely for their continued commitment to our vision.

Emma Mackenzie
Head of Asset Management and ESG

Our ESG Journey through to 2022

2015
Formalised our four ESG objectives and established an official programme of engagement and improvement

2016
ESG considerations embedded into our business model and targets set against our ESG priorities

2017
EPC Assessment roll-out and MEES risk exposure review.
Established data management programme and initiated AMR and LED lighting rollout

2018
Energy and GHG emission targets set, installed 18 InstaVolt electric charging points, launched sustainable occupier fitout guide and green lease clauses, established our wellbeing programme

2019
Embedded ESG risks into our corporate risk management and governance practices, established our first corporate charity partnership with the Trussell Trust, fitted solar PVs to five assets

2020
100% renewable electricity across managed retail assets, increased our community funding in response to the COVID-19 outbreak, first CDP submission, 12% reduction in GHG emissions

Developed net-zero strategy, salary waivers given to the Trussell Trust, Romford Premier Inn achieved a BREEAM Very Good certification for design stage, achieved EPRA Sustainability Best Practice award for the first time (bronze)

2021

Sustainability Accreditations and Commitments

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

	Accreditation or commitment	Score or equivalent	Observations
Global Real Estate Sustainability Benchmark		Score: 68/100	We achieved a perfect score in the Management module (30/30) and the Social (18/18) and Governance (20/20) aspects of the GRESB assessment this year, outperforming our peers for another year. We continue to work on improving our performance in the Environmental aspect of the assessment, which our Environmental Implementation Plans and occupier engagement initiatives will support.
CDP (formerly Carbon Disclosure Project)		Score: B	We improved on our 2020 score of 'C' to achieve a 'B' in 2021, taking us from the 'awareness' to the 'management' level of the assessment. This means we are now recognised by the CDP as "taking coordinated action on climate issues".
United Nations Sustainable Development Goals		We are committed to 11 SDGs addressing issues we can meaningfully impact	We have specific targets and annually track our progress against them. Please see Our Environmental & Social Targets for more information.
Task Force on Climate-related Financial Disclosures		4th consecutive year reporting	NewRiver publicly supports the TCFD Recommendations and is in its 4th consecutive year of reporting in alignment with them. We continued to develop our capabilities and refine our internal processes and systems to equip the business to respond to emerging and evolving climate-related risks.
FTSE Russell		Score: 2.7	In our most recent assessment, we received an overall ESG Rating of 2.7 out of 5, above the 'Retail REIT' average of 2.6 and 'Financials' industry average of 2.4. Our key strengths identified by FTSE's assessment include Corporate Governance (5/5), Risk Management (4/5), Anti-Corruption (4/5), Human Rights & Community (4/5) and Environmental Supply Chain (4/5). We have identified the following areas as opportunities for improvement: Pollution & Resources and Water Security.
EPRA sBPR		Award: Gold	Awards are given to listed real estate companies in recognition of excellence in the transparency and comparability of their ESG disclosures. NewRiver was one of only nine companies to newly receive a Gold award in 2021, and one of only two to improve performance from Bronze to Gold over the course of only 12 months.

We Achieved Recognition from the CDP for Managing Climate Issues

NewRiver seeks to be transparent in its approach to climate action, and participating in the CDP is an essential part of the way we achieve this. In the 2021 benchmarking process, we were awarded a score of 'B', taking us from the 'awareness' to the 'management' level; testament to the dedication of our business to driving alignment with a best practice approach to climate risk management.

We Received an EPRA sBPR Gold Award

Our ESG performance is reported in accordance with EPRA's Sustainability Best Practice Recommendations, which support the transparency and comparability of disclosures on a full breadth of ESG metrics, from gender diversity to waste generation. NewRiver is one of just two companies to have improved performance from Bronze to Gold in 2021.

About our ESG Performance Reporting

Our ESG reporting continues to evolve with the maturation of our ESG programme. This year, we have integrated our previously separate ESG report into our Annual Report and Accounts (ARA), to better reflect the way in which our ESG strategy is embedded into our business.

We stay abreast of emerging market and ESG disclosure trends alongside the proactive management of our data collection processes to ensure our stakeholders are provided with valuable insight into our ESG performance.

Scope and Boundaries

This report relates to our ESG performance during our 2022 fiscal period, 1 April 2021 – 31 March 2022. In disclosing our ESG performance, we adopt the Operational Control boundary, in recognition of this boundary being reflective of our ability to implement our operating policies and influence ESG performance.

Structure and Materiality

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

To maintain transparency and comparability of our performance disclosures over time, we consistently monitor and report against the ESG metrics recommended by EPRA.

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

Reporting Frameworks

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

We Became a Signatory to the BBP Climate Commitment

The BBP Climate Commitment acknowledges the transformation required across the industry to deliver net-zero buildings by 2050. It aims to leverage collaborative and tangible action on climate change whilst increasing transparency and accountability, providing an important catalyst for change within the sector.

Broadening our Board's ESG expertise

The Board's commitment to ESG has continued to deepen with the Board undertaking specific training on ESG during the fiscal period. The Board receive quarterly ESG Strategy updates to continue to track progress and assess potential ESG risks posed to the business. We are also delighted to announce that as part of the Board's recognition of the growing importance of ESG being embedded within the business and portfolio, the Board has appointed a new Non-Executive Director with wide-ranging strategic and practical ESG expertise who will have Board responsibility for ESG across the business moving forward.

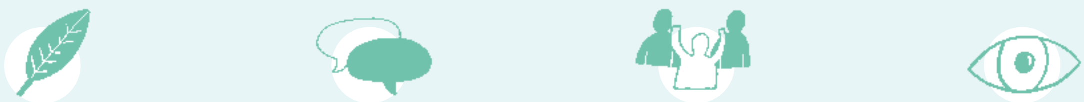
Our approach to ESG

Our unique position as a long-term investor in local communities across the United Kingdom creates invaluable opportunities to leverage change. We are committed to ensuring that we are responsible neighbours in our communities, supporting and championing local causes and innovating to address the needs of local people, whilst minimising our impact on the environment. We are passionate about engaging our staff and occupiers, and maintaining our high standards of governance, to ensure we are an excellent employer and company to do business with.

Our ESG activities are applied through our business model to meet our ESG objectives. Aligned with our corporate strategy, our objectives are built around four focus areas which reflect the issues that are important to our stakeholders and our business.

Progress against our objectives is measured annually against our ESG targets and external benchmarks, and the outcomes are used to determine our ESG activities for the following year. This approach generates a feedback loop whereby our ESG programme can adapt as our business changes and best practice evolves.

Our ESG objectives



Minimising our environmental impact

Engaging our team and occupiers

Supporting our communities

Leading governance and disclosure

Our Environmental and Social Targets

In 2018, we set ourselves specific, time-bound environmental and social targets which have served to guide the asset-level action we have taken to realise our ESG objectives thus far. Having now formalised our pathway to net-zero carbon, we have reviewed our 2018 targets against our heightened ambitions and developed a holistic pathway to a 1.5-degree future which engages our stakeholders and delivers positive social impact. Our original 2018 targets have been combined with our new net-zero targets and are presented below. Previous emissions reduction targets set in 2018 have been superseded by our more ambitious net-zero commitment.

2021

N Publicly commit to net-zero carbon (NZC) and set FY20 carbon emissions baseline.

2022

S Provide a minimum of one work experience placement per year at 50% of our assets.

Achieve a 90% response rate to our annual staff wellbeing survey.

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

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

N Receive target validation from the Science-Based Targets Initiative (SBTi for aligning our net-zero pathway with a 1.5-degree global warming trajectory.

E 100% of waste generated at our managed properties is diverted from landfill.

100% of landlord electricity is procured from renewable sources.

2025

S Achieve a 75% response rate to our occupier satisfaction survey.

Biodiversity plans to be in place for at least 15% of our assets.

N Achieve NZC for all corporate-related carbon emissions (Scope 1-3).

E 85% recycling rate at our managed properties.

Electric vehicle charging points installed across all retail properties with a surface-level car park.

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

Building certifications targeted, and lifecycle carbon assessments undertaken, for 100% of our new construction and major renovation projects.

2030

N Achieve a 42% reduction (against baseline) in carbon emissions across our corporate activities and operational real estate, as required by the SBTi.

E 75% of occupiers transitioned to renewable energy supplies.

2040

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

2050

N Achieve NZC in terms of operational and embodied emissions (Scope 1-3) across our portfolio, whether space is directly managed, or managed by third parties.

E Over 25% of landlord energy is generated on-site from renewable sources.

Key

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

Minimising our Environmental Impact

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

Our Centre Teams helped to "Keep Britain Tidy"

Centre manager, Craig Allen, led a "Great British Spring Clean" event at Morecambe beach. The Arndale Centre team was joined by representatives from Morecambe Town Council and Morecambe RNLI and together, the group of volunteers collected 15 bags of litter from the beach.

Progress Towards Our Near-Term Environmental Targets (Targets set in 2018)

Target	Target Year	FY22 Progress Report
100% of waste generated at our managed properties is diverted from landfill	2022	We are pleased to have achieved our target of zero waste to landfill by the end of FY22.
100% of landlord electricity is procured from renewable sources	2022	We exceeded our target, having transitioned all landlord electricity supplies across our portfolio to REGO-backed tariffs in FY20.
85% recycling rate at our managed properties	2025	Our FY22 recycling rate was 54%, bringing us 64% of the way to achieving this target.
Electric vehicle charging points installed across all retail properties with a surface-level car park	2025	We are currently 94% of the way to achieving this target, with new contracts recently agreed to provide a further 120 charging stations across the portfolio.
50% improvement (from a 2020 baseline) in landlord on-site renewable energy generation	2025	Our FY22 renewable energy generation unfortunately did not exceed our FY20 generation. During the year, we also sold our St Elli centre which benefits from PV installations. We continue to explore opportunities for further on-site renewable energy generation at our assets, and recognise this as a focus area over the next 3 years.
Building certifications targeted, and lifecycle carbon assessments undertaken, for 100% of our new construction and major renovation projects	2025	51%* of our recently completed new construction and major renovation projects were subject to a lifecycle carbon assessment and achieved a BREEAM Certification. * by floor area

Energy and GHG Emissions Performance

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

Our Scope 1 & 2 emissions reduction targets have been approved by the Science Based Targets Initiative (SBTi). In seeking the approval of our targets, we have re-set our emissions profile to a baseline year of 2020, having previously reported against a baseline of 2018. This change has been made, together with a recalculation of our FY21 emissions to reflect our sale of Hawthorn Leisure, in order to follow best practice and maintain our high standards of transparency in reporting.

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

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

You can read more about our commitment and delivery strategy in our Pathway to Net-Zero.

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

The table below presents our total energy use, including electricity on both a location and market basis. It also contains our carbon footprint across Scope 1, 2 and 3 emissions, as well as an appropriate carbon intensity metric. The performance data presented below relates to the 2022 financial year, 1st April 2021 – 31st March 2022.

Our FY22 SECR disclosures	**FY22**	**FY21**	**% change**
Greenhouse Gas Emissions by Scope (tCO_2e)			
Scope 1 Emissions from combustion of gas & other fuels	657.46	782.91	-16%
Scope 2 Location-based emissions from electricity purchased for own use	2,473.61	2,485.07	0%
Scope 2 Market-based emissions from electricity purchased for own use	0	0	0%
Scope 3 Emissions from purchased goods & services, fuel & energy-related activities, waste, business travel & employee commuting, and downstream leased assets	26,356.75	25,671.65	3%
Total Scope 1, 2 & 3 location-based emissions	29,487.82	28,939.63	2%
Total Scope 1, 2 & 3 market-based emissions	27,014.21	26,454.56	2%
Intensity Scope 1 & 2 (location-based) tCO_2e/m^2	0.014	0.014	0%
Energy Consumption (kWh)			
Energy use from the combustion of gas and other fuels	3,604,182	4,259,424	-15%
Energy use from consumption of electricity purchased for own use	11,649,834	10,664,200	9%
Energy use from business travel	110,108	24,117	357%

Performance Highlights

- 16% reduction in Scope 1 emissions from the combustion of gas & other fuels
- 57% reduction in total scope 1, 2 & 3 emissions from our baseline year of FY20
- 383,796 kWh of renewable electricity generated on-site at our assets
- Scope 1 & 2 emissions reduction targets validated by the SBTi

Energy Management and Efficiency Measures

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

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

We have increased AMR coverage (electricity and gas) across our portfolio to 77% over the course of FY22. We have also begun the process of switching our water meters to AMRs.

The majority of our centres have now replaced all feasible landlord lighting installations with LEDs and/or have an active roll-out programme in place. At centres that benefit from passenger lifts, energy efficient kinetic motors are being installed where possible.

The ongoing reviews of plant equipment run times and controls has led to, for example, monitoring of car park usage at Horsefair Shopping Centre and reducing hours of operation to eliminate unnecessary electricity consumption after required opening hours.

Our Environmental & Social Implementation Plans also review opportunities to install electric vehicle charging points across our portfolio. We are pleased to have recently agreed contracts which will provide 120 new charging stations in total, representing an 11-fold increase on the capacity of our current installations. We estimate that this project has the potential to save up to 4,406 tonnes of CO_2e per year[1], enough to power 1,453 homes across the UK[2]!

Data Notes

Reporting Period	Aligned with our financial reporting, our GHG emissions relate to the financial year ended 31 March 2022. Emission data from the financial year ended 31 March 2021 has also been included.
Boundary	We have used the operational control method to outline our carbon footprint boundary. Occupiers' energy usage and emissions are not included in our Scope 1 and 2 reporting boundary, but are reported in Scope 3 as downstream leased assets. Where we hold more than a 25% ownership stake in a real asset, we report on 100% of its associated emissions. Where we hold less than a 25% stake, we report proportionately in accordance with our share of ownership, as we consider this approach to be consistent with our operational control reporting boundary.
Reporting Method	We have measured emissions based on the GHG Protocol Corporate Accounting Standard (revised edition) and guidance provided by the UK's Department for Business, Energy & Industrial Strategy and the Department for Environment, Food and Rural Affairs (Defra) on Streamlined Energy and Carbon Reporting and greenhouse gas reporting.
Emissions Factor	The emission factors and conversions used for FY22 reporting are from the Defra greenhouse gas reporting tool 2021 and the factors and conversions used for FY21 reporting are from Defra's 2020 reporting tool.
Scope 3 emissions	We used the GHG Protocol Scope 3 Standard to collate and report on our Scope 3 emissions in the form of emissions from purchased goods and services, fuel and energy-related activities, waste, business travel, employee commuting and downstream leased assets.
Intensity Level	For intensity level reporting, we have used the operationally controlled (landlord) area of our portfolio as the denominator. Vacant units have been excluded in the intensity measure due to the year-on-year variability. In any event, vacant units represent a de minimis percentage of our total GHG emissions.
Data Restatement	In our FY21 annual report, energy consumption and emissions associated with the Hawthorn pub business were included in our disclosures. Following the sale of the business, we recalculated our FY21 emissions to exclude those arising from HL business activities, to ensure continued comparability and transparency of our emissions performance reporting. This process has been followed for all FY21 environmental disclosures made within this report. For the avoidance of doubt, our FY22 disclosures also exclude any emissions arising from the HL business that fell within the relevant reporting period.

1. Based on the savings reported by the providers of our existing installations
2. Based on national statistics provided by the Department for Business, Energy, and Industrial Strategy

Our Corporate Environmental Performance Measures

EPRA Code	Performance Measure	Unit(s) of measure	% of data estimation	Absolute Performance (Abs) FY22	FY21	% Change
Elec-Abs	Electricity consumption[1]	Annual kWh	0%	33,864	32,992	3%
DH&C-Abs	District heating & cooling	Annual kWh	Our corporate offices are not connected to district heating & cooling			
Fuels-Abs	Fuel consumption[1]	Annual kWh	See footnote	42,814	26,706	60%
Energy-Int	Energy intensity	kWhelec-eq/m^2/yr		77	62[2]	24%
GHG-Dir-Abs	Scope 1 emissions	Kg CO_2e		5,043	4,910	3%
GHG-Indir-Abs	Scope 2 emissions (location-based)	Kg CO_2e	0%	7,109	6,066	17%
	Scope 2 emissions (market-based)	Kg CO_2e	0%	0	0	0%
	Scope 3 emissions[4]	Tonnes CO_2e	See data notes on page 60	587.6	317	85%
GHG-Int	Scope 1 and 2 emissions	Kg CO_2e/ m^2/ year	See footnote	14.5	13.1[2]	11%
Water-Abs	Water consumption[1]	Annual m^3		324	65	398%
Water-Int	Water intensity	M^3 consumption/ m^2		0.39	0.08[2]	398%[3]
Waste	Kg total waste[1]	Kg		2,176	-	-
	Recycling rate	% of total waste recycled	0%	45%	-	-

1. Carbonxgen prepares precise apportionment of electricity charges for our head office, whilst gas and water are apportioned based on whole building data. In the above disclosures, we have apportioned gas and water consumption based on the percentage of direct NewRiver usage of the total electricity consumed on site, which in FY22 was 5%. Waste data has been apportioned based on floor area.
2. FY21 intensity metrics have been re-stated due to a floor area denominator correction.
3. Water consumption at our head office has proportionately increased significantly more than energy consumption. As the water data is prepared for the building as a whole and apportioned to us, we are working with the property managers to understand the considerable increase.
4. Corporate Scope 3 emissions include emissions arising from waste generation and water use at our head office, our purchased goods & services, business travel and employee commuting

Our Portfolio Environmental Performance Measures

EPRA Code	Performance Measure	Unit(s) of measure	% of data estimation	Absolute Performance (Abs) FY22	Absolute Performance (Abs) FY21	Like-for-like Performance (LfL) FY22	Like-for-like Performance (LfL) FY21	% Change
Elec-Abs, Elec-LfL	Electricity consumption	Annual MWh	15%	11,615	10,631	11,365	9,911	15%
DH&C-Abs & LfL	District heating & cooling	Annual MWh	None of our properties were connected to or benefitted from district heating & cooling					
Fuels-Abs,Fuels-LfL	Fuel consumption	Annual MWh	1%	3,561	4,233	3,554	4,087	-13%
Energy-Int	Energy intensity	kWhelec-eq/ m²/yr		64	57	63	54	17%
GHG-Dir-Abs	Scope 1 emissions	Tonnes CO_2e		652	778	651	751	-13%
GHG-Indir-Abs	Scope 2 emissions (location-based)	Tonnes CO2e		2,466	2,479	2,413	2,311	4%
	Scope 2 emissions (market-based)	Tonnes CO_2e		0	0	0	0	0%
	Scope 3 emissions	Tonnes CO_2e		25,769	25,355	23,991	23,798	1%
GHG-Int	Scope 1 and 2 emissions	Tonnes CO_2e/ m²/ year		0.014	0.014	0.018	0.018	0%
Water-Abs, Water-LfL	Water consumption	Annual m³	39%	57,177	66,019	56,743	65,868	-14%
Water-Int	Water intensity	m³ consumption/ m²		0.40	0.46	0.41	0.48	-14%
Waste-Abs, Waste-LfL	Tonnes total waste	Tonnes	0%	2,546	2,031	2,483	1,932	29%
	Tonnes diverted from landfill		0%	2,546	2,022	2,483	1,930	29%
	Tonnes waste to energy		0%	1,108	764	1,064	807	32%
	Tonnes recycling		0%	1,372	921	1,354	1,120	21%
Cert-ToT	Type and number of sustainably certified assets	Total number by certification/ rating/ labelling scheme	Please see page 64 for a detailed breakdown of this performance measure.					

1. Data coverage: the figures reported against each performance measure represent 100% of the assets within our Operational Control reporting boundary.
2. Normalisation: Intensity indicators for energy, water and waste are based on relevant floor area.
3. Absolute and like-for-like asset-level performance measures include only landlord-procured energy/water. NewRiver does not procure utilities for sub-metered tenant consumption.
4. "Estimation" refers to filling invoice gaps, not to whether invoices are based on "estimated" or "actual" readings. Although a vast majority of the data presented is based on actual consumption, in the instances where there were gaps in electricity consumption, the average of the months where we had data was applied to the missing months. Where data covered only part of a month, a pro-rata method using known consumption was applied. With regards to natural gas, due to the significant change of consumption throughout the year, any unknown consumption was estimated using the average trend for the supplies with actual data. Water data estimations are based on average intensity across actual FY22 data and cross-referenced with the previous years' data.
5. FY21 intensity metrics have been restated due to an improvement in the accuracy of the floor area denominator used.
6. As our portfolio is now comprised of entirely retail properties within the UK only, we no longer undertake segmental analysis.
7. Our environmental and social performance data has been collated and checked by Cushman & Wakefield.

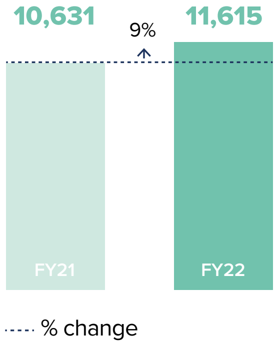
A Review of Our Performance

In FY22, we saw a 16% decrease in our absolute gas consumption across our portfolio, equating to a CO2e saving of 126 tonnes. These savings can partly be attributed to the implementation of our initiative to review plant equipment run times and controls at least quarterly, ensuring optimum settings are in place to reflect space usage, whilst continuing our roll-out of AMRs. We also switched our gas supplies to a carbon offset tariff[8], to support with further reducing our environmental impact ahead of our target to bring these emissions to net-zero. Alongside this, we saw an increase in our electricity usage, contributing to an overall increase in total energy consumption. Like-for-like electricity consumption over the course of the year increased by 15%; an increase we had anticipated with the lifting of lockdown restrictions. Combined with our corporate emissions performance, our overall Scope 1 & 2 emissions have decreased by 4% by comparison to last year.

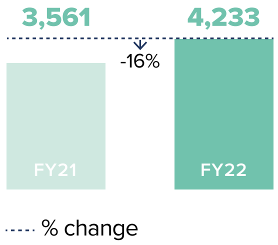
Over the course of the year, our solar PV installations generated 383,796 kWh of electricity on-site, representing 3.2% of total landlord electricity consumption. We continue to explore opportunities for further on-site renewable energy generation at our assets, and have a target to increase this proportion to 25% by 2050.

Our total (corporate & portfolio) Scope 3 emissions increased by 3% in FY22, largely driven by the gradual return to "normal" over the course of the year. We saw a significant increase in our business travel, with employees now able to travel and visit site again, alongside an expected increase in utilities consumption at our head office. During FY23, we look forward to moving to a new net-zero head office location at 80 Charlotte Street and developing our employee engagement processes to understand opportunities to reduce emissions associated with employee commuting and business travel. In doing so, we will also seek to understand the impact of our shift to a flexible working model.

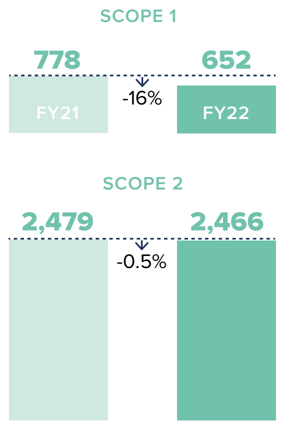
Electricity Consumption (Portfolio)



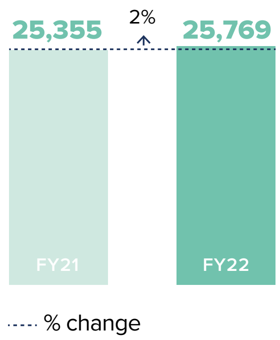
Gas Consumption (Portfolio)



Total Portfolio Scope 1 & 2 GHG Emissions (absolute)



Total Portfolio Scope 3 GHG Emissions Performance (absolute)



8. For the avoidance of doubt, these offsets are not reflected in our emissions calculations

Certifications & Energy Performance Certificates

Since October 2008, an Energy Performance Certificate (EPC) has been legally required when a building is sold, rented, or constructed. A certificate is valid for a period of 10 years; on expiry there is no legal requirement to replace an EPC unless the property is to be sold or let. Under the EPC regulations, a lease renewal is not required to have an EPC in place. In England & Wales, it has been a legal requirement since April 2018 that any domestic or non-domestic property, where a valid EPC exists, must have an asset rating of "E" or above to be let to a new or renewed tenancy. For domestic properties, these regulations were extended from April 2020, to cover all existing tenancies. For non-domestic properties, the date at which the regulations will be extended is April 2023.

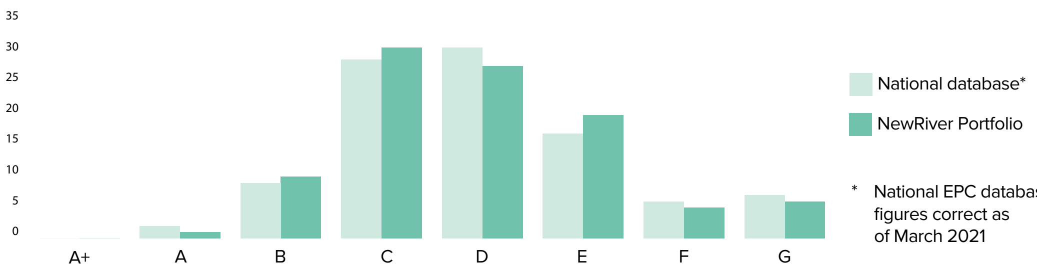
EPC certificates by Region and Asset Rating

In the below table, the number of certificates is presented within each legislative region (England & Wales, Ireland, and Scotland) by asset rating, A+ through to G. We have also disclosed the number of units with no/expired EPCs to provide clarity on certification coverage across the portfolio. We are pleased to have increased EPC coverage to 63% since 31st March 2021 (up from 54%). This excludes recently sold assets for which we acquired new EPCs for the purposes of sale.

Region	A+	A	B	C	D	E	F	G	No/ Expired EPC
England & Wales	0	3	67	217	211	123	24	21	366
Northern Ireland	0	0	1	13	11	3	0	4	38
Scotland	0	0	0	10	15	36	14	24	71
Total	0	3	68	240	237	162	38	49	475

The below chart shows NewRiver EPCs for the England & Wales retail portfolio in comparison to the national EPC register, comparing against other non-domestic certificates. Our data shows that the NewRiver portfolio out-performs the EPC profile of the national database, having a higher proportion of certificates providing a minimum rating of "C", and a lower proportion of certificates rated "F" or "G". Our programme of EPC assessments and Minimum Energy Efficiency Standards (MEES) risk reduction has helped to ensure we can continue to let properties lawfully. Through continued management of non-compliant and expiring EPCs in accordance with the MEES, the NewRiver portfolio is well defended against potential compliance-related risks to value.

EPC Performance



* National EPC database figures correct as of March 2021

Water Performance Summary

FY22 Performance Highlights

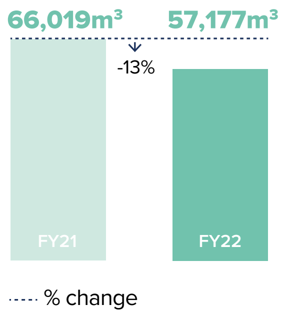
- 14% decrease in like-for-like water consumption across our portfolio during FY22
- Water efficiency measures installed across various sites, including storm water re-use in connection with irrigation
- We have begun switching our water meters to AMRs
- Our energy broker, who manages our water meters, has upgraded their water validation systems to improve the data we receive on our consumption

Narrative on FY22 Performance

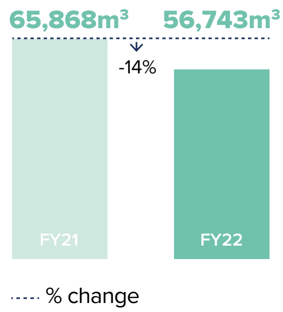
In FY22, we saw a 14% decrease in like-for-like water consumption across our portfolio, which can partly be attributed to recent efficiency measures implemented. For example, The Ridings Centre has fitted Ozygen units to its public washrooms, saving 2.4 million litres of water per year, as well as a storm water collection system to its roof for use within the centre's garden. The Cornmill Centre has also installed water butts to various points on its roof, again for irrigation purposes. We also have various water efficiency initiatives currently in motion, such as fitting sensor taps to our public washrooms at the Hillstreet Centre.

Our Environmental & Social Implementation Plans require that opportunities to install leak detection systems, reuse stormwater and/or grey water, and to install low-flow fixtures are reviewed on a quarterly basis. This ensures that there is an ongoing process of assessing the feasibility of initiatives that will contribute to further reducing our water consumption in future.

YoY Total Water Consumption graph comparing FY21 and FY22



YoY Like-for-like Water Consumption graph comparing FY21 and FY22

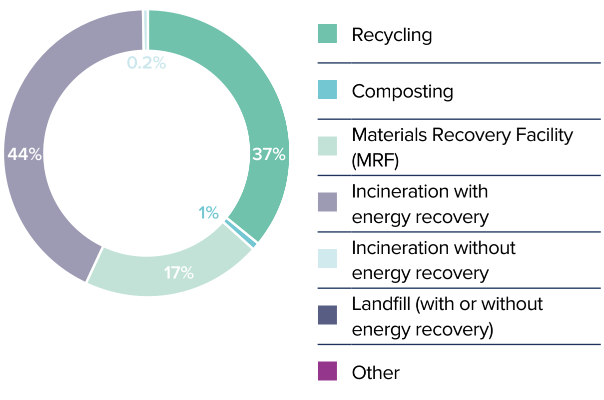


Waste Performance Summary

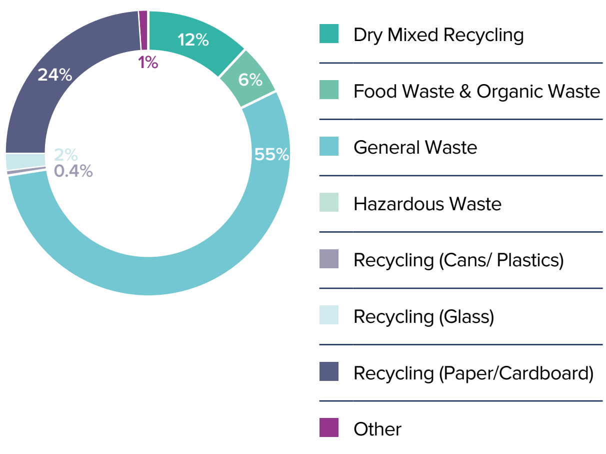
FY22 Performance Highlights

- We achieved our target to divert 100% of our waste from landfill
- Our recycling rate was 54%, bringing us 64% of the way to our 2025 target
- Our Arndale Centre extended their waste management practices to their local area, taking part in a community beach clean as part of the "Great British Spring Clean"
- The Prospect Centre increased its recycling rate by 9% over the course of 2021, saving over 125,000 m3 of CO2e, over 400,000 kWh of energy, over 1.3 million litres of water, and 847 trees[1]

Disposal route



Waste Type



Narrative on FY22 Performance

In FY22, the waste generated across our like-for-like portfolio increased by 29%, largely attributable to the re-opening of our occupiers' stores following successive periods of closure throughout FY21. Over the year, we continued to make good progress against our short-term waste management targets, and are pleased to have now achieved our 2022 target of diverting 100% of our managed waste from landfill. We were also able to recycle over half of all waste generated.

1. Savings based on reports provided by our waste contractor

Maximising our Social Impact

Maximising our social impact means leveraging every opportunity to generate meaningful social value in our workplace and in our communities. We recognise that social value comes in many forms and believe that action should respond to need; therefore, we take careful consideration of the most pertinent issues to our staff, our occupiers, and the thousands of visitors to our centres across the country.

We Supported Local Veterans in our Community

10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

The Hildreds Centre won a Corporate Social Responsibility award for designing and building a sculpture to commemorate the 75th anniversary of VE and VJ day last year, and for supporting the Royal British Legion in raising both awareness for the organisation and funds for local veterans.

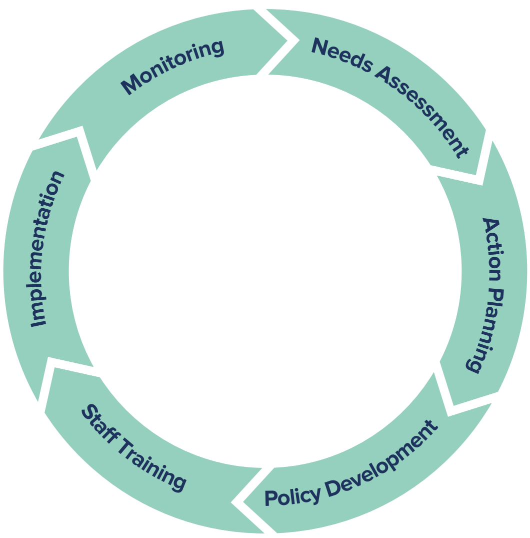
Progress Towards Our Near-Term Social Targets

Target	Target Year	FY22 Progress Report
Provide a minimum of one work experience placement per year at 50% of our assets	2022	We have developed community engagement plans for all of our managed centres, within which the offering of work experience is a key component. However, our progress towards this target was unfortunately impeded by COVID-19 restrictions and we found that many of our centres were unable to meet the supervision requirements of providing work experience via school engagement programmes. In response, we have this year reviewed our school engagement and careers support strategy, to ensure our efforts are focused where they will have most value for recipients. To this end, NewRiver has become a member of the Academy of Real Assets, having so far contributed to the Academy book and expressed our interest in providing work experience placements. We will develop a new, measurable engagement target as we learn more about the various opportunities that exist to support the Academy's important mission.
Achieve a 90% response rate to our annual staff wellbeing survey	2022	We are pleased to have exceeded our target, having achieved a 100% response rate to our FY22 staff wellbeing survey.
All enclosed shopping centres to participate in our Quiet Hour Initiative and have a community engagement plan in place	2022	We have achieved this target with the introduction of asset-level Environmental & Social Implementation Plans across our portfolio in FY21. Whilst some centres have experienced COVID-19 disruptions to these initiatives, all centres will resume Quiet Hour before the end of the year, and have an action plan in place for ongoing community engagement activities.
50% of NewRiver staff to participate in our volunteering programme	2022	In FY22, NewRiver staff provided 132 hours of volunteer support to the Trussell Trust, with volunteering sessions typically lasting around five hours each. We have therefore exceeded our target, delivering a total of 26.4 volunteering sessions, equating to a 51% staff participation rate.
Achieve a 75% response rate to our occupier satisfaction survey	2025	Based on our most recent occupier survey, we are currently at the halfway point to achieving this target. Our centre managers play a pivotal role in our ability to collect a representative sample of occupier views, and we have sought their feedback on our current research collection processes, which we will utilise to help increase our response rate. We will also be introducing a charity donation incentive to encourage greater levels of participation.
Biodiversity plans to be in place for at least 15% of our assets	2025	Pre-defined biodiversity initiatives are reviewed on a quarterly basis across all centres as part of our Environmental & Social Implementation plans. We have also commissioned a specialist ecology survey of one of our centres, the Avenue, to assess both biodiversity enhancement opportunities and landscaping improvements. Considering only externally produced biodiversity plans, our current progress against our target is 20%.

Engaging our Team

Our approach to engaging our team is centred around our aspiration to listen. We seek to understand the varying priorities of our team across all levels and departments of our business to enable the development of policy and process solutions which respond to staff needs, support wellbeing, and provide a positive cultural environment within which colleagues envisage continuing their career development in the long term. We believe the longstanding nature of our low employee turnover rate is testament to the effectiveness of this approach.

The Board has taken the decisive step to further strengthen this commitment by undertaking specific ESG training during the year and appointing a new Non-Executive Director to the Board as of 30 May 2022 who will have specific responsibility for ESG across the business. Members of senior management also have specific ESG-linked performance goals connected to their remuneration.



Monitoring and needs assessment take place both through the employee appraisal process and anonymously via our annual staff survey. Our staff survey is developed in partnership with, and responses are independently analysed by, our ESG consultants. Questions are designed to gain insights into staff opinion and identify beneficial actions in respect of NewRiver's policies, procedures and cultural norms in the areas of: leadership team/ management personnel; company culture; corporate social responsibility; employee health and wellbeing; personal growth opportunities; team dynamics; and the benefits and recognition scheme.

Insights from our FY22 survey:

>80% of NewRiver staff identify that they:

- Resonate with the company values
- Frequently receive useful career and personal development feedback, recognition and encouragement from their line managers
- Are confident in our zero-tolerance approach to discrimination
- Feel that we are flexible towards family commitments
- Are satisfied with the information we provide on mental health
- Consider their mood at work to be generally positive
- Find it easy to concentrate in the office environment provided
- Feel supported by their team members and enjoy working with them
- Are challenged and excited by the work they do at NewRiver

Actions identified by our FY22 survey:

- Utilise key findings from the survey to further educate staff on the wellness benefits of our flexible working policy and ensure full cultural acceptance of our new ways of working, to empower all staff to exercise the policy in a way that reflects their personal circumstances
- Consider opportunities to broaden our staff training programme to include soft skills training on topics such as communication, presentation and listening skills
- Consider the feasibility of introducing a "focus time" policy, allocating dedicated focus time in all staff calendars, during which internal meetings would be discouraged. This is identified as a potential action to support employees' preferred ways of working
- Utilise survey feedback to inform the design of our new office space. Employees have communicated that breakout spaces which encourage social interaction are particularly important to them

Overall satisfaction score: 71/100

Our Commitment to SDG 5: Gender Equality

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

This year, we have taken the decision to publish our gender pay gap information. As we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information Regulations 2017) to disclose our gender pay gap, but in the spirit of our commitment to gender equality, we are pleased to provide our first disclosure below.

30.6%
Mean gender pay gap

33.2%
Median gender pay gap

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

Our commitment to diversity and inclusion also extends beyond our business, to the wider real estate sector. During FY22, we formalised our membership of the Academy of Real Assets, whose mission is to increase accessibility and diversity through connecting young talent that might otherwise not have access to the world of real estate. We recognise that the longstanding issue of female underrepresentation within the industry persists, despite recent progress, and this will therefore remain to be a key driver of our ongoing support of the Academy.

Our Employee Satisfaction & Wellbeing Survey returned a Satisfaction Score of 71

Responses to our FY22 employee survey – independently analysed by Cushman & Wakefield – were overwhelmingly positive; with staff identifying that they feel valued by NewRiver and that our people, policies, culture, and values serve to support this feeling.

Our team volunteered to help end Food Poverty

The Trussell Trust's vital work supports over 1,200 food banks across the UK, while campaigning to ensure everyone can afford their own food. As the longer-term impacts of the pandemic unfold together with the impact of higher inflation, more people than ever are expected to need a food bank. We continued our support for the Trussell Trust throughout FY22, through donations and volunteering time, with the total value of this support amounting to £70,621. See page 71 for more information on how we've calculated this.

We became a Member of the Academy of Real Assets

The Academy of Real Assets has a mission to engage students from some of the most underserved UK state schools and introduce them to a career in the world of real estate by providing them with insight to, and contacts within, the industry.

Employee Social Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	Boundary	FY21[1]	FY22
Diversity-Emp	Employee gender diversity	Percentage of employees, Board diversity	NewRiver Board	29% female/ 71% male	29% Female 71% Male
		Percentage of employees, All employee gender diversity	NewRiver head office employees	49% female/ 51% male	49 % Female 51 % male
—	Employee racial diversity	Percentage of employees, All employee racial diversity		—	67% White/ 8% Asian/ 2% mixed/ 2% MOTH/ remainder undisclosed.
Diversity-Pay	Gender pay ratio	Ratio of gender pay, mean/median		—[2]	30.61% Mean/ 33% Median
Emp-Training	Employee training and development	Average hours/employee		18	23
	Employee training, subscriptions, surveys, and online platforms	Total £s invested		£247,000	£210,110
	Employee health & safety training	Average hours/ employee		—	0
Emp-Dev	Employee performance appraisals	Percentage of employees		100%	100%
Emp-Turnover	Total number of new hires	Total number		26	5
	Total number of leavers	Total number		13	7
	Rate of new hires	Percentage		18%	10%
	Rate of employee turnover	Percentage		9%	13%
—	Temporary staff	Percentage of employees who are contractors or temporary staff		—	0%
H&S-Emp	Injury rate	Per 100,000 hours worked		0	0
	Lost day rate	Per 100,000 hours worked		0	0
	Absentee rate	Days per employee		0	0
	Fatalities	Total number		0	0
—	Instances of non-compliance with labour standards	Total number		0	0

1. FY21 figures include the employees of Hawthorn Leisure
2. As we have fewer than 250 employees, we are not obliged by The Equality Act 2010 (Gender Pay Gap Information Regulations 2017) to disclose our gender pay information, therefore this did not form part of our disclosures last year. We have however voluntarily disclosed this information for FY22 and intend to continue to do so going forward

Insights from our FY22 occupier survey:

86% of retailers agree that their centre manager is easily contactable, responsive, and that general communication is timely and effective.

67% of respondents rated their general satisfaction as 8/10 or higher, with 26% providing a rating of 10/10.

- Most of our occupiers are satisfied with the various community events we host throughout the year, as well as the initiatives we implement to support the elderly and people with disabilities
- 89% of respondents are satisfied with the management of cleaning and waste in common areas
- Most of our occupiers are satisfied with the sustainability initiatives we implement at our centres
- 82% of retailers agree that improving the sustainability performance of their business is important, with over 64% rating it as "very important"

Actions identified by our FY22 survey:

- 60% of retailers would be interested to hear more from us on the overall sustainability performance of their individual centre. With improved occupier data visibility this year and the introduction of our Environmental & Social Implementation Plans, we are currently considering the best format for introducing sustainability performance reporting directly to our occupiers.
- Our retailers advised us that they would welcome more opportunities to charge electric vehicles, and we are pleased to have now secured the installation of 125 new charging stations across our portfolio.
- We also received some suggestions from our occupiers as to appropriate new uses to introduce at our centres. We ensure our assets provide a mix of convenience, value and services for customers' everyday needs, whilst also using space to support and raise awareness of local charities. The feedback we receive through our occupier survey is invaluable to us in being able to achieve and maintain this position.

Engaging our Occupiers

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

The opportunity to respond to our FY22 survey was offered to 100% of our occupiers, and we received a total of 415 responses. Please see "Progress Towards Our Near-Term Social Targets" for information on how we intend to improve our response rate.

We Received Valuable Feedback through our Occupier Satisfaction Survey

Over two thirds of the respondents to our occupier survey rated their overall satisfaction as 8/10 or higher, and over a quarter awarded us a rating of 10/10. We learnt that more than 80% of our occupiers consider it important to improve their sustainability performance, and we are hopeful about the collaboration opportunities this presents.

Working with our Occupiers to enhance how we capture Energy Consumption

Through our proactive centre management teams, we have been successful in collecting electricity data for circa 40% of the occupied space across our managed shopping centres, and gas data for almost 50%.* The collection of this data has significantly increased our understanding of our assets' energy usage, and in turn, improved the accuracy of our emissions reporting. We have also greatly improved our visibility of occupier-controlled gas supplies across our portfolio, which we currently understand to cover in the region of 15% of the lettable floor area. We continue to explore options for further increasing the reliability of this data through, for example, formal meter surveys of our assets.

* Based only on assets where centre teams are in place. Percentage of gas data coverage is higher due to lower incidence of gas consumption across the portfolio

Supporting our Communities

Supporting impactful local causes through our position in our communities has always been central to our culture and strategy of creating shared value for our stakeholders.

This year, we have updated our volunteering policy to provide NewRiver-funded time for our staff to support causes which matter most to them, and to share team bonding opportunities in doing so.

The Trussell Trust

Staff are able to participate in monthly volunteering opportunities with our corporate charity partner, the Trussell Trust, or elect to utilise their gifted volunteering time to support any cause that's particularly close to their hearts. In FY22, our support for the Trussell Trust provided:

4.5 tonnes
of food donations, the equivalent of 59,300 portions or £8,900 worth of pasta, enough dinners for

40 families of 4 for a whole year!

£58,117
of direct monetary donations

224 hours
of volunteered support, with a total value of £3,604*

We also showed our support for the Trussell Trust via a social media campaign and received the following impact statement from their team:

> **"Every engagement is a chance to build support to our fight against hunger in the UK, so we are especially grateful for the 687 social media engagements the NewRiver team generated and we'd welcome opportunities to partner with them in the future."**

CEO, Allan Lockhart and Head of Asset Management & ESG, Emma Mackenzie visiting one of the Trussell Trust's Food Banks

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

Asset Social Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	Boundary	FY21	FY22
H&S-Asset	Asset health and safety assessments	Percentage of assets		100%	100%
H&S-Comp	Asset health and safety compliance	Number of incidents in reporting year		0	0
	Development and major refurbishment project health and safety compliance	Number of incidents over past 3 years	Managed Assets	-	0
Comty-Eng	Community engagement, impact assessments and development programmes	Percentage of assets		100%	100%

At our Centres

1,978
hours spent by on-site staff supporting community initiatives

£76,744
Monetary donations raised by aggregate charity fundraising activities

295
social, community or charitable initiatives supported

Our Centres brought Festive Cheer to our Communities

"When travelling to work over the festive season early in the morning, it was lovely to see all of the decorations hung up in the Forum. It made me feel magical and got me excited to spend the Christmas period with my family. I have recently been struggling with my mental health due to work, so hearing the Christmas music in the background and seeing all the wonderful decorations made me feel happier and made the rest of my day seem less daunting." – Feedback collected via our customer survey at the Forum Shopping Centre, Wallsend.

Our Governance of Sustainability and Climate-Related Matters

Our purpose is to buy, manage and develop retail assets across the UK which provide essential goods and services, supporting the development of thriving communities.

Our Board recognises our responsibility to ensure our portfolio can weather the physical and transitional risks created by a changing climate to ensure the long-term resilience of our business and the returns we achieve for our investors, as well as the all-important communities we serve.

Governance Performance Measures

EPRA Code	Performance Measure	Unit(s) of Measure	FY21	FY22
Gov-Board	Composition of the highest governance body	Number of executive board members	2	2
		Number of independent/ non-executive board members	4	5
		Average tenure on the governance body	3.8	4.1
		Number of independent/ non-executive board members with competencies relating to environmental and social impacts	2	2
Gov-Selec	Process for nominating and selecting the highest governance body	Narrative on process	As a Stock-Exchange-Listed business, NewRiver is required under the UK Corporate Governance code to have a Nomination Committee which is responsible for identifying and nominating candidates to the Board. Please refer to page 100 for the latest report from the NewRiver Nomination Committee.	
Gov-Col	Process for managing conflicts of interest	Narrative on process	As a Stock-Exchange-Listed business, NewRiver is required under the UK Corporate Governance Code to identify and manage conflicts of interest. Directors also have duties under the Companies Act 2006. To manage this process, the Company Secretary keeps a register of all Directors' interests. The register sets out details of situations in which each Director's interest may conflict with those of the Company (situational conflicts). The register is reviewed at each Board meeting so that the Board may consider and authorise any new situational conflicts identified. At the beginning of each Board meeting, the Chairman reminds the Directors of their duties under sections 175, 177 and 182 of the Companies Act 2006, which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board.	
-	Board oversight of code of conduct	Narrative on process	The Company has a Code of Conduct which is included in the staff handbook. Non-compliance with the Code would be a staff disciplinary matter. The Board, through its Audit Committee, has oversight of non-compliance. The Company also has a whistleblowing policy and process which is regularly reviewed by the Audit Committee, giving consideration to its effectiveness. There have been no instances of non-compliance with the Company's Code of Conduct.	
-	Due diligence of partner organisations	Narrative on process	The Company has an on-boarding process for partner organisations and suppliers, including a Supplier Code of Conduct. The Company also has a Modern Slavery policy which all organisations we do business with are required to confirm their agreement to as part of the on-boarding process.	
-	Anti-corruption measures	Narrative on process	The Company has an Anti-bribery and anti-corruption policy. As part of this policy there is a gifts and hospitality approval process and register.	
-	Fines and settlements in connection with non-compliance with environmental, anti-bribery/ corruption, or other ESG-related regulation	Total GBP of fines in past three years, type of non-compliance	£0, no incidences of non-compliance	

TCFD: our journey to climate resilience

NewRiver's Board recognises the importance of adopting a sound framework that supports the business to enhance the resilience of our assets against the impacts of climate change.

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

Our 2022 report marks our fourth consecutive year reporting consistently with the TCFD's recommendations. We continue to develop our capabilities and explore new methods and technologies to support our response to emerging climate-related risks. Two current focus areas include the identification of a suitable portfolio-wide approach to scenario analysis, and deepening our understanding of our Scope 3 emissions to reduce reliance on estimations, for example in connection with the Scope 3 categories of Downstream Leased Assets and Employee Commuting. We have identified the actions we will take in this regard within our Pathway to Net-Zero which can be found on our website.

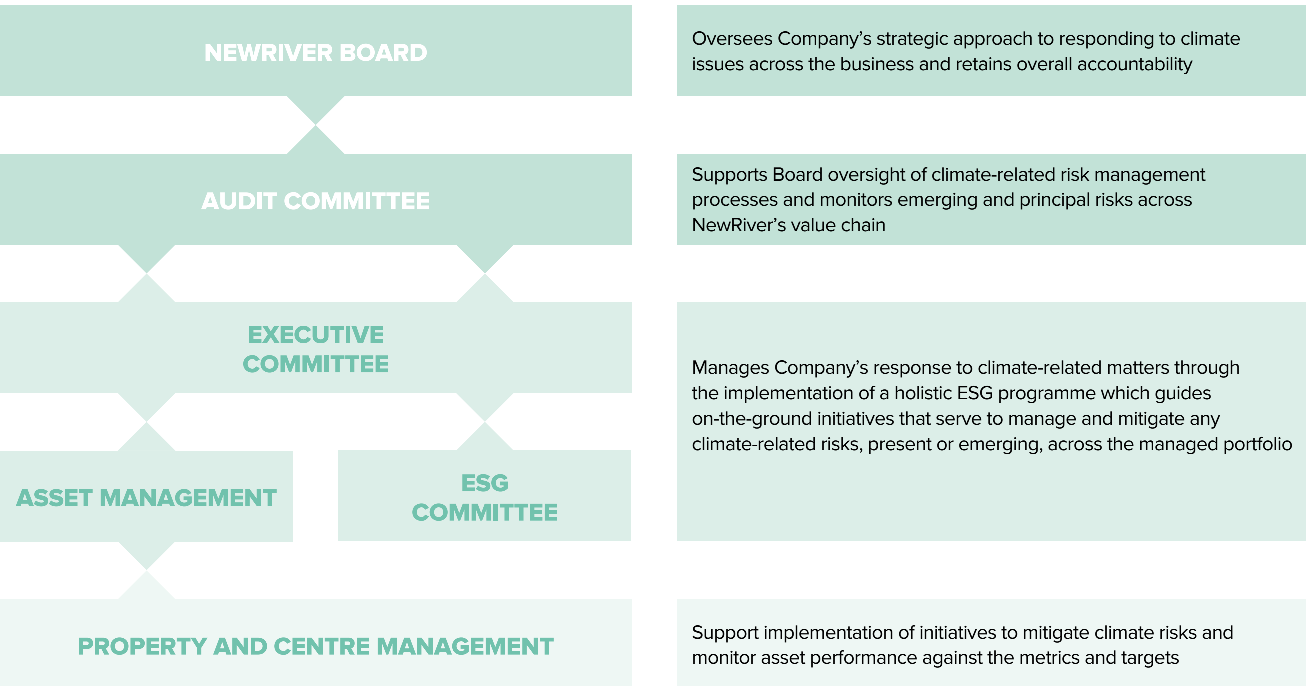
Governance

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

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

The Board's oversight is supported by the ESG Committee, led by our Head of Asset Management and ESG, Emma Mackenzie. The Committee meets quarterly to oversee NewRiver's approach, which is guided by our Pathway to Net-Zero, whilst reviewing and ensuring that appropriate resources are mobilised to enable proactivity. The Committee provides quarterly briefings to the Board, updating its members on key milestones achieved by the ESG programme.

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



The Terms of Reference for each of our Board Committees are being updated to further clarify the role of the committee members in considering and managing climate-related risks in the context of each of the committee's respective functions. We have also confirmed the appointment of a new Non-Executive Director to the Board as of Q1 FY23, who will leverage existing climate-related capabilities to have specific responsibility for ESG matters across the business.

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

Senior management is closely involved in our day-to-day approach to climate issues. Through her dual role as Head of Asset Management and ESG, Executive Committee member Emma Mackenzie regularly engages with asset and property management teams to ensure appropriate energy and carbon management processes and policies are integrated within all management activities.

In addition, asset and property management teams interact with centre management to ensure that policies are implemented across the portfolio and that performance is tracked through our ESG programme. Quarterly performance updates are provided to the Board via the ESG Committee.

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

SHORT-TERM	MEDIUM-TERM	LONG-TERM
Less than 5 years	5-15 years	Longer than 15 years

Climate-related risks and opportunities				Time horizons: Short-term	Medium-term	Long-term
Physical risks and opportunities	Acute	Floods	Exposure to flood risk from extreme weather events, potentially impacting certain properties where a heightened exposure risk exists due to a combination of physical factors.	●	●	●
	Chronic	Heat Stress	Increased heat waves may manifest, affecting the operation of managed assets and installed plant equipment, potentially leading to breakdowns from increased demand/running time.		●	●
		Sea-level Rise	Long-term sea-level rise may affect the viability of certain managed assets which are located in geographies at a higher risk of exposure to rising sea levels.			●
Transition risks and opportunities	Policy and legal	Energy efficiency and carbon regulations relating to managed assets	Evolving policy designed to support the UK's 2050 net-zero commitment presents opportunities to improve the resilience of our managed assets by deploying initiatives to improve energy efficiency, reduce costs, and transition to a low-carbon operating model.	●	●	●
	Technology	Costs to transition managed assets to low-carbon model	Opportunities exist to implement a range of efficient technologies designed to improve environmental impact and efficiency.	●	●	●
	Market	Changing customer behaviour	Changes in consumer shopping patterns present an opportunity for our managed assets to implement key initiatives that cater to the evolving needs of our customers.		●	●
	Reputation	Avoid stigmatisation of the real estate sector based on ineffective response to climate change	Continuously work towards, and monitor our progress against, our SBTi approved emissions reduction targets. Key milestones consistent with a 1.5-degree future include our 2030 and 2050 targets. Ensure that any offsets purchased as part of our strategy are additional, not overestimated, lead to permanent removals, do not support double counting, and do not cause wider social or environmental harm.		●	●

Strategy

TCFD Strategy Recommendation 'a': Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.
NewRiver considers climate-related risks, as well as opportunities, that may arise from both the physical impacts of climate change and the transition of our managed assets across the UK to a low-carbon operating model.

We recognise that climate risks and opportunities have the potential to arise across a range of timeframes. Through our integrated risk management process, we identify climate-related issues across three clear time horizons, which inform our ESG and corporate strategies.

TCFD Strategy Recommendation 'b': Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
The Board has a low risk tolerance for principal risks affecting our business, including climate-related issues. Consistent with this appetite, our robust ESG programme guides our actions on our pathway to net-zero and supports our response to climate-related issues through the implementation of asset-level initiatives designed to improve efficiency, reduce environmental impact, and enhance resilience.

We have embedded ESG and climate considerations throughout our business processes, departments, and functions. Our Pathway to Net-Zero Carbon communicates our delivery strategy, which details how we have and will continue to achieve this in the context of our business model. Please see page 9 of our pathway to net zero on our website for more information, including examples of how climate-related risks and opportunities impact financial planning.

Key risks we have further explored and addressed over the past 18 months include the Policy and Legal, Technology, and Reputation risks identified in the table above. Actions we have taken to advance our approach to these risks include:

- Commissioning Net-Zero Asset Plans for a sample of our portfolio, comprising one shopping centre and one retail park, to understand the financial materiality of transitioning these assets to a low-carbon operating model. We continue to work with our consultants on understanding any extrapolation potential these studies have to develop a broader picture for our portfolio.
- Significantly improving the coverage of EPC assessments across our portfolio, as the opportunity arises to undertake such assessments as lease events occur. To understand the materiality of works required to remain compliant with proposed updates to the Minimum Energy Efficiency Standards, we continue to commission EPC+ reports to quantify and assess costs associated with various intervention options.
- We have become a signatory to the Better Buildings Partnership's Climate Commitment, joining other responsible organisations across the real estate sector in actively reducing our emissions to avoid the very worst effects of climate change.

TCFD Strategy Recommendation 'c': Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
Together with developing a strategic response to realising our net-zero commitments, we continue to evaluate methods of undertaking detailed climate scenario analysis to deepen our understanding of asset-level exposure to physical and transition risks. We have a comprehensive view of the portfolio exposure to near-term risks through the maintenance of our EPC schedule, MEES risk management processes, and flood risk register. Through our continuous efforts to improve occupier data collection rates, we are also improving our understanding of the energy usage intensity of our assets, supporting our assessment of associated transition risks and opportunities.

As part of our evaluation of detailed climate scenario analysis tools, we have piloted a Climate Value at Risk (CVaR) approach on two of our assets; one shopping centre and one retail park. We worked with our sustainability consultants to understand how this method analyses risk exposure, including its benefits and limitations. The model assessed risk exposure under three scenarios: 3-degrees, 2-degrees and 1.5-degrees. Whilst the studies were helpful to assessing physical risk exposure, which was found to be relatively low, we continue to explore more meaningful methods of quantifying the potential financial impact of collective physical and transition risks, as CVaR in this instance has not been identified as an appropriate metric for our business.

We took the next step on our Climate Resilience Journey

13 CLIMATE ACTION

Continuing our work on adopting the recommendations of the TCFD, we have piloted a Climate Value at Risk approach to scenario analysis. We worked with our sustainability consultants to understand how this method analyses risk exposure, including its benefits and limitations. We will explore further scenario analysis solutions over the next six months to identify the most meaningful method for adoption by our business.

Risk Management

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

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

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

Accountability for mitigating actions is assigned to a senior asset and property manager. This approach allows NewRiver to ensure there is a top-down understanding of principal risks across the business, backed by bottom-up mechanisms to support monitoring by management and their ability to address principal risks in a timely manner. With the support of our centre managers, we implement a host of initiatives designed to manage environmental impact and promote the efficient operation of our assets.

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

Please see pages 52-58 for a detailed presentation of how the identification, assessment and management of climate-related risks are integrated into NewRiver's overall risk management processes.

Metrics and Targets

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

Annually, we disclose a suite of climate-related metrics which track our performance towards realising our core objective of minimising our environmental impact.

These metrics are aligned with the EPRA's best practice recommendations for transparently disclosing sustainability performance. The EPRA performance tables on pages 61-62 present our 2022 performance across these metrics, alongside historical performance.

We guide action towards making positive progress against these metrics using a set of short, medium and long-term targets, detailed on page 57. These targets are aligned with the UN Sustainable Development Goals to which we have committed, including SDG 13, Climate Action.

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

In accordance with our reporting obligations under the UK's Streamlined Energy and Carbon Reporting regulations, we disclose our annual carbon emissions performance. Please refer to pages 59-60, where we provide further information on our FY22 emissions performance, together with a comparison against our historical performance and the methodologies used to prepare these disclosures. Methodologies used are consistent with the WBCSD/WRI Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and capture all Scope 3 emissions categories identified as material to our business.

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

Following the release of the Science Based Targets initiative's (SBTi) Corporate Net-Zero Standard in October 2021 – the world's first framework for corporate net-zero targets consistent with a 1.5°C future – we have published our Pathway to Net-Zero and have received validation from the SBTi for our Scope 1 and 2 emissions reduction targets.

Science-based targets (SBTs) provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their GHG emissions to achieve a net-zero world by no later than 2050. Pragmatic net-zero strategies place the corporate SBT methodology at their heart, prioritising rapid decarbonisation before the use of carbon offsets. This is the approach that we will take in pursuing the following targets:

1. Our corporate emissions will be brought to net-zero by 2025
2. We will achieve a 42% reduction in total absolute emissions by 2030*
3. Our landlord-controlled portfolio emissions will be brought to net-zero by 2040
4. Our tenant-controlled portfolio emissions, and emissions associated with our development activities, will be brought to net-zero by 2050

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

* Against a baseline year of 2020

Our approach to risk management

Risk is inherent in all businesses and effective risk management is a key element in the delivery of our strategy and operation of our business model.

The COVID-19 pandemic continued to bring economic and social disruption during FY22, however our culture and strong governance systems and risk mitigation have continued to support the business during the year.

Our small workforce encourages flexibility and collaboration across the business in all areas including risk. The accessibility and flexibility of the Board and senior staff are particularly pertinent when adapting to emerging and external risks such as a global pandemic and geopolitical unrest. 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 of the Company and regularly evaluates our 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 appetite

There are multiple risks that could impact our ability to successfully execute our strategy. The Board generally has a low-risk appetite but recognises that the external environment in which it operates is inherently risky. Mitigating actions are therefore agreed for all risks that exceed the Group's risk appetite. Our experienced leadership team continuously works to mitigate the risks arising from the external environment in some of the following ways:

- Maintaining an unsecured balance sheet, with the Company benefitting from a more diversified debt structure and gaining access to a larger pool of capital to help achieve our strategic goals
- Our disciplined approach to stock selection with probability risk-adjusted returns
- Deploying capital in joint ventures, thereby diversifying risk
- A diverse tenant base in which there is no single tenant exposure of more than 3%
- Our experienced Board and senior management

Risk monitoring and assessment including emerging risks

The identification of risks is a continual process. This has been highlighted more so over the last couple of years with a global pandemic creating uncertainty across all sectors both economically and socially and other geopolitical events impacting 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 assists in identifying emerging risks as they develop and ensures that their impact is continually assessed as they emerge and progress. Last year as a result of this continuous assessment of emerging risks we created a new principal risk, 'Cyber Security'. This year no further emerging risks have been identified or upgraded to principal risk. We have however split the Climate Risk to reflect its constituent parts of Climate change strategy and Climate change impacts on our assets. All risks on the register are 'scored' in terms of impact and probability. A risk heat map can be a useful visual aid to understand the potential impact and probability of each significant risk on a gross basis prior to mitigation.

Risk assessment during the year

The risk environment in which the Company operates has continuously changed throughout the year with various iterations to the COVID-19 measures and the changing macroeconomic landscape. While there was an easing of restrictions during April 2021 with non-essential retail re-opening, uncertainty remained over the year with a number of COVID-19 measures still in place. The winter saw ''Plan B' measures introduced with the spread of the Omicron variant until all restrictions were completely lifted in the UK on 1 April 2022. Wider concerns around the deterioration of the UK retail market and continued political and economic uncertainty both in the UK and globally have remained or increased during the year.

The Risk Management process and responsibility

BOARD
Collectively responsible for managing risk

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

AUDIT COMMITTEE
Oversees risk management process

- Conducts formal reviews of the risk management process twice a year – one of which is in connection with consideration of the viability statement.
- Considers the use of external advisers for specific specialist risk impacts and deep-dive reviews.
- Receives reports on the risk management process twice annually.

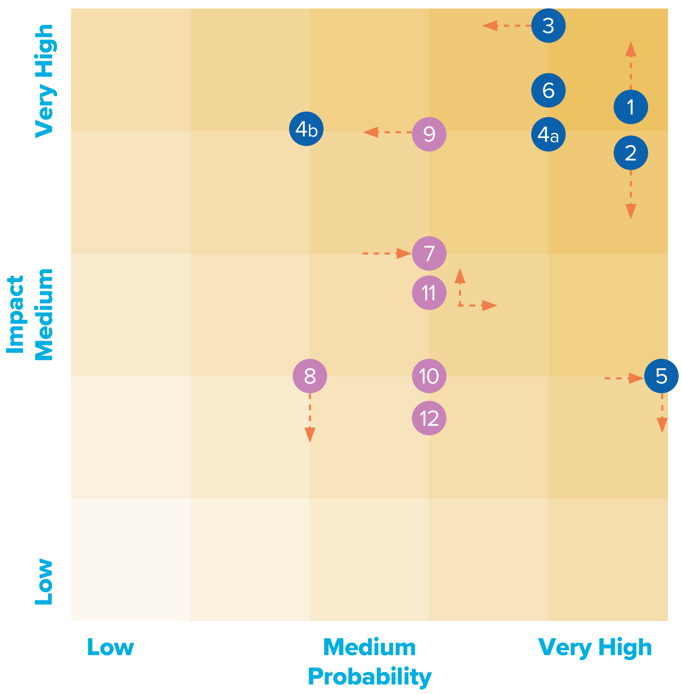
EXECUTIVE COMMITTEE
Regularly reviews the entire risk register – members are responsible for managing risk within their area of accountability

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

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

COMPANY SECRETARY
Conducts individual 'deep-dive' risk reviews with ExCo members and individual business areas. Maintains the risk register and presents the outcome of risk reviews to the ExCo, the Audit Committee and the Board at least twice a year. Has responsibility for training staff on policies and regulations.

Risk matrix



Principal risks

External risk

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

Operational risk

7. People
8. Financing
9. Asset management
10. Development
11. Acquisition
12. Disposal

Movement from FY21

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. **Responsibility:** Board & ExCo **Impact:** **Link to strategy:** 1 2 3 **Probability:** **Movement:** ↑	• 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 increased during the year and is considered a **medium to high impact** risk with a **medium to high probability**. • Retail sales rebounded after each lockdown however sentiment has been impacted by cost of living and energy cost worries and inflation fears. • Valuations have increased in the second half and the disposal of the Hawthorn business and subsequent debt repayment means our covenant and policy headroom has also improved. • Higher inflation could fuel wage growth and costs leading to rate increases above current forecasts. • The Bank of England is expecting inflation to rise further this year and the economy to slow. However with interest rate adjustments the Bank of England expects inflation to fall next year and be close to its 2% target in around two years' time.
2. Political and regulatory Changes in UK Government policy, the adverse effects of Brexit on our tenants, or the impact of political uncertainty on consumers' retail and leisure spend. **Responsibility:** Board & ExCo **Impact:** **Link to strategy:** 1 2 3 **Probability:** **Movement:** ↓	• 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 decreased slightly during the year with the easing of COVID-19 restrictions. This is considered a **medium to high impact** risk with a **medium to high probability**. • Political uncertainty surrounding COVID-19 has improved with the roll out of vaccinations and opening up of all restrictions. • There still remain uncertainties around the longer-term impacts of Brexit and also uncertainties relating to the possibility of Scottish devolution. • The Coronavirus Act imposed a moratorium on landlords' ability to forfeit leases of commercial property for non-payment of rent in England and Wales and Northern Ireland. This moratorium expired on 31 March 2022. • There are further uncertainties around the outcome of the Government review of the Landlord and Tenant Act 1954. • There are now also uncertainties around the impact of the Levelling Up and Regeneration Bill. • The impact on the property market of the Register of Overseas Entities owning UK property is currently unclear. • The conflict in Ukraine and its long term impact on the UK and the rest of the world is unknown.

Key

Risk change during 2021/22

↑	Risk has increased
↓	Risk has decreased
↔	Risk has not changed

Impact and probability

Low	
Medium	
High	

Risk and impact	Monitoring and management	Change in risk assessment during the period
3. Catastrophic external event An external event such as civil unrest, a civil emergency including a large-scale terrorist attack or pandemic, could severely disrupt global markets and cause damage and disruption to our assets. **Responsibility:** Board & ExCo **Impact:** Medium **Link to strategy:** 1 2 3 **Probability:** Medium **Movement:** ↓	• The Board has developed a comprehensive crisis response plan which details actions to be taken at a head office and asset-level. • The Board regularly monitors the Home Office terrorism threat level and other security guidance. • The Board regularly monitors advice from the UK Government regarding pandemic responses and emergency procedures at our assets are regularly tested and enhanced in-line with the latest UK Government guidance. • We have robust IT security systems which cover data security, disaster recovery and business continuity plans. • The business has comprehensive insurance in place to minimise the cost of damage and disruption to assets.	• Catastrophic external event risk has been slightly decreased during the year and is considered a **high impact** risk with a **medium to high probability**. • The impact of COVID-19 caused unprecedented economic and operational disruption. We mitigated the impact through our portfolio positioning focusing on essential goods and services, our cash position and liquidity and our active approach to asset management. • COVID-19 has also demonstrated the effectiveness of home working for the business, which has ensured preparedness for any future lockdowns or restrictions. • The successful roll out of vaccinations and the opening up of restrictions was positive and our operational performance has proved the resilience of our portfolio. • The National Terrorism Threat Level is substantial and the impact from the war in Ukraine is unclear.
4.a Climate change strategy A failure to implement appropriate climate risk management measures, comply with evolving regulations and meeting our ESG targets could impact the operation and value of our assets, leading to a risk of asset obsolescence, reputational damage and erosion of investor value. **Responsibility:** Board & ExCo, CEO and ESG Committee, Head of ESG **Impact:** Medium **Link to strategy:** 1 2 3 ESG **Probability:** Medium **Movement:** ↔	• We have a comprehensive ESG programme which is regularly reviewed by the Board and Executive Committee. A detailed overview of the programme can be found in the ESG section of this report. • 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 new 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.	• The climate change risk has been separated into two risks to focus on it constituent parts (Climate Change Strategy and Climate change impacts on our assets). • Climate change 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 allocations and is considered for all future acquisitions.

Key

Risk change during 2021/22

- ↑ Risk has increased
- ↓ Risk has decreased
- ↔ Risk has not changed

Impact and probability

- Low
- Medium
- High

Risk and impact	Monitoring and management	Change in risk assessment during the period
4.b Climate change impacts on our assets Adverse impacts from environmental incidents such as extreme weather or flooding could impact the operation of our assets. A failure to implement appropriate climate risk management measures at our assets could lead to erosion of investor value and increases in insurance premiums. **Responsibility:** Board & ExCo, CEO and ESG Committee, Head of ESG **Impact:** Medium **Link to strategy:** 1 2 3 **Probability:** Medium **Movement:** NEW	• 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 considered low.	• The climate change risk has been separated into two risks to focus on it constituent parts (Climate Change Strategy and Climate change impacts on our assets). • Climate change impacts on our assets risk remained the same during the period and is considered a **medium to high impact** risk with a **medium to low probability**. • 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 imminently is low. • Climate impacts are embedded into capital allocation decisions and considered for all future acquisitions of both equipment installed at the assets and for the assets themselves.
5. Changes in technology and consumer habits and demographics Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets. **Responsibility:** Board & ExCo **Impact:** Medium **Link to strategy:** 3 **Probability:** Low **Movement:** ↑	• 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 CACI, our research provider, 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 increased during the year and is considered a low-**medium impact** risk with a **high probability**. • Although COVID-19 lockdown restrictions significantly increased home working and online shopping, we expect some of this to unwind in the short term but consumer habits will evolve over the medium term. • Our portfolio is focused on providing essential retail to local communities, which continues to mitigate the impact of online retail on our portfolio. • While COVID-19 may have accelerated the trend to online shopping this provides opportunities for our portfolio, particularly retail parks and local community shopping centres. • Our strategy is to reshape our portfolio to ensure 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 many employees working from home during the pandemic. **Responsibility:** Board & ExCo, Head of IT **Impact:** Low **Link to strategy:** 1 2 3 **Probability:** Medium **Movement:** ↔	• There are limited IT servers on sites. • Multiple third-party supplier programmes are used which have their own security systems and are independently audited by Deloitte and ISO2000 accredited. • ExCo receives quarterly reporting on IT matters. • Security protocols are in place to ensure swift changes to data access following staff changes and authority limit access. • We have reviewed our IT systems and have enhanced a number of areas during the year. • Cyber insurance cover is in place. • We have recently carried out an external review of the Group's IT security and systems as part of our internal audit process.	• This was a new Principal Risk in 2021 and has remained unchanged during the year. Whilst this risk has always been recorded and monitored on our risk register its prominence was elevated in 2021 because one of our third- party suppliers experienced a cyber security incident. No data breaches were found but our normal reporting systems were slower while the incident was being investigated. • This risk could also be increased due to employees working from home during the pandemic. Staff continue to work from home on a flexible basis.

Operational Risks

Risk and impact	Monitoring and management	Change in risk assessment during the period
7. People The inability to attract, retain and develop our people and ensure we have the right skills in place could prevent us from implementing our strategy. **Responsibility:** Remco, ExCo, SID (as employee engagement director), Head of HR **Impact:** **Link to strategy:** 1 2 3 **Probability:** **Movement:**	• 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. • Succession planning is in place for all key positions and is reviewed regularly by the Nomination Committee. • 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.	• People risk has increased during the year and is considered a **medium impact** risk with a **medium probability**. • It remains a challenging operating environment for the Company, which could present some issues in attracting and retaining talent. Inflation will also put 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. • We continue to focus on staff wellbeing and actively seek regular feedback from staff. • We also offer many forms of flexible working including job share, annualised hours, variation of hours and working from home. Since the pandemic we have implemented a policy of working enabling staff to work from home a number of days a week should they choose to do so.
8. Financing If gearing levels become higher than our risk appetite or lead to breaches in bank covenants this would impact our ability to implement our strategy. The business could also struggle to obtain funding or face increased interest rates as a result of macroeconomic factors. **Responsibility:** ExCo & CFO **Impact:** **Link to strategy:** 1 3 ESG **Probability:** **Movement:**	• 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 has reduced during the year and is considered a **low to medium impact** risk with a **low to medium probability**. • Although macroeconomic developments, particularly in the wake of COVID-19 and an 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. • The strength of the Company Balance sheet improved further with the sale of the Hawthorn Pub business in August 2021. • The Company has also extended the maturity on its undrawn Revolving Credit Facility to August 2024. • There is no exposure to interest rate rises on drawn debt. • Through its asset disposal programme strategy the Company has managed to mitigate the impact COVID-19 might otherwise have had on its cash and liquidity position and LTV.
9. Asset management The performance of our assets may not meet with the expectations outlined in their business plans, impacting financial performance and the ability to implement our strategies. **Responsibility:** ExCo, Emma Mackenzie, Head of Asset Management and the Asset Managers **Impact:** **Link to strategy:** 1 2 3 ESG **Probability:** **Movement:**	• Asset-level business plans are regularly reviewed by the asset management team and the Executive Committee and detailed forecasts are updated frequently. • The Executive Committee reviews whole portfolio performance on a quarterly basis to identify any trends that require action. • Our asset managers are in contact with centre managers and occupiers on a daily basis to identify potential risks and improvement areas. • Revenue collection is reviewed regularly by the Executive Committee. • Retailer concentration risk is monitored, with a guideline that no retailer will account for more than 5% of gross income (currently largest retailer is B&M accounting for 2.9% of gross income)	• Asset management risk has decreased during the year and is considered a **medium to high impact** risk with a **medium probability**. • The COVID-19 pandemic placed restrictions on the operations of our occupiers and impacted performance and rent collection at our assets. These have improved greatly and are now close to pre-pandemic levels. • There have, however, been a number of high-profile retail failures since the beginning of the pandemic, including amongst our occupier base. • Our COVID-19 response was focused on supporting occupiers and ensuring businesses could emerge from the crisis in robust financial shape. • The successful roll out of vaccinations and the opening up of restrictions was positive and our operational performance has proved the resilience of our assets.

Risk and impact	Monitoring and management	Change in risk assessment during the period
10. Development Delays, increased costs and other challenges could impact our ability to pursue our development pipeline and therefore our ability to profitably recycle development sites and achieve returns on development. **Responsibility:** Board & ExCo, Development team leaders **Impact:** **Link to strategy:** 3, ESG **Probability:** **Movement:** ↔	• We apply a risk-controlled development strategy through negotiating long-dated pre-lets for the majority of assets. • All development is risk-controlled and forms only 3% 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 has remained unchanged through the period and is considered a **low to medium impact** risk with a **low to medium probability**. • Supply issues and increases in costs of building supplies will impact developments, as they remain a small part of portfolio the overall impact is low. • A number of our regeneration assets have been sold which decreases the proportion of assets focused on development which inherently reduces risk exposure.
11. Acquisition The performance of asset and corporate acquisitions might not meet with our expectations and assumptions, impacting our revenue and profitability. **Responsibility:** Board & ExCo, Charlie Spooner Head of Capital Markets **Impact:** **Link to strategy:** 1 **Probability:** **Movement:** ↑	• 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 increased through the year and is considered a **low to medium impact** risk with a **medium probability**. • The lack of supply and relative price of some assets may reduce opportunities for acquisition. • Having sold the Hawthorn pub business and completed planned retails disposals, we are now in the position to deploy capital in line with our returns-focussed approach to capital allocation and subject to our LTV guidance.
12. Disposal We may face difficulty in disposing of assets or realising their fair value, thereby impacting profitability and our ability to reduce debt levels or make further acquisitions. **Responsibility:** Board & ExCo, Charlie Spooner Head of Capital Markets **Impact:** **Link to strategy:** 1 **Probability:** **Movement:** ↔	• 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 unchanged during the year and is considered a **low to medium impact** risk with a **medium probability**. • National and geopolitical uncertainty and COVID-19 increased market uncertainty are causing some purchasers to reconsider or delay acquisition decisions. • We have an active and successful disposal programme, with the volume of transactions being completed naturally increasing disposal risk. The average lot size however is lower than most in the market so tends to be more liquid.

Viability Statement

Period of assessment

The UK Corporate Governance Code requires the Directors to appraise the viability of the Group over what they consider to be an appropriate period of assessment taking into account the Group's current position, its business model (page 20), strategy (pages 14 and 15) and principal risks and uncertainties (pages 78 to 84).

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

The Directors consider the appropriate period of assessment to be three years from the current financial year end, to 31 March 2025. This period of assessment is aligned to performance measurement and management remuneration, and in the opinion of the Directors, this period of assessment strikes the optimal balance of allowing the impact of strategic decisions to be modelled while maintaining the accuracy of underlying forecast inputs.

Principal risks

In making their viability assessment, the Directors assessed the potential impacts, in severe but plausible scenarios, of the principal risks as set out on pages 78 to 84, together with the likely degree of effectiveness of mitigating actions reasonably expected to be available to the Group. The most relevant of these risks to viability, with the highest potential impact, were considered to be:

- Macroeconomic – Economic conditions in the UK with high inflation and a low growth outlook and changes to fiscal and monetary policy may impact market activity.
- Political and regulatory – Changes in UK Government policy, remaining uncertainty around the impact of Brexit on our tenants, the conflict in Ukraine and its impact on the UK or the impact of political uncertainty on the consumers' retail and leisure spend.
- Catastrophic external event – An external event such as civil unrest, a civil emergency including a large-scale terrorist attack or pandemic, or a cyber-attack, could severely disrupt global markets and cause damage and disruption to our assets.

Although the Board is encouraged with improved position in the UK with respect to Covid the position going forward will be monitored closely. At the time of writing there also remains significant uncertainty around prospects for the UK economy due to the mix of high inflation and low expected growth, coupled with the potential impact on the UK economy of the conflict in Ukraine.

Process

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

The exercise is completed at a granular level, on a lease-by-lease basis and considers the Group's profitability, capital values, loan to value, cash flows and other key financial metrics over the forecast period. The Group benefits from a wholly unsecured balance sheet, and during the year has taken actions to strengthen it further, being:

- Disposing of Hawthorn for gross consideration of £224m;
- Repaying and cancelling the £165m term loan and repaying £170m of drawn revolving credit facility; and
- Extending the maturity of the revolving credit facility to August 2024 and right-sizing the facility from £215m to £125m (with the facility fully undrawn).

The only drawn debt currently in the Group is the £300m bond which is not due for repayment until the end of FY28.

At the end of FY21 the Directors completed a thorough review of all of the Group's assets and developed a clear view of what resilient retail looks like in the future. Following this review, in early FY22, the Group committed to the following strategic priorities :

- Divest itself of its community pub business in order to reset its LTV and provide the firepower to reshape its portfolio. This disposal completed on 20 August 2021
- Sell its non-core retail assets and recycle the resultant capital into resilient retail. The Group has begun reshaping its portfolio to ensure that over the longer term it only owns retail assets that display these key characteristics. It is considered that resilient retail assets in the future will be those located in catchments with long-term growth potential and the right balance between the supply of physical retail space and demand for that space; they will have an offering that meets the everyday needs of customers while playing a distinct role within their communities. The Group has completed £77m of retail disposals in FY22 and expects further sales in FY23 in line with the strategy.
- Transform its regeneration assets to create long-term value by jointly working with sector specialists and appropriate capital partners.

By 2025 the Group's clear strategic aim is that assets in its portfolio will display only the characteristics of resilient retail and the Directors believe that the collective measures outlined above will transform the Group into a more agile business committed to delivering attractive returns to shareholders.

The forecast scenario selected by the Directors to assess the Group's viability is based on the strategy update announced on 14 April 2021. This assumes exiting the workout portfolio by the end of FY23 along with other retail strategic acquisitions and disposals. Under this scenario, the Group is forecast to maintain sufficient cash & liquidity resources and remain compliant with its financial covenants with significant headroom.

Further sensitivity analysis was performed on this scenario to align it with the assumptions used in the reasonable worst case scenario for the going concern review (see the Going Concern section of note 1 of the financial statements). This includes removing all uncommitted acquisitions and disposals, assuming no valuation growth and a lower income collection rate. Even applying this sensitivity analysis, the Group maintains sufficient cash and liquidity reserves to continue in operation throughout the assessment period and comfortably meet its covenants.

Viability statement

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

Going concern

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

The Strategic Report was approved by the Board on

15 June 2022

By order of the Board

ALLAN LOCKHART
Chief Executive Officer

The Chairman's Letter on Governance

Margaret Ford
Chairman

Dear Shareholders

I have pleasure in introducing NewRiver's Corporate Governance report for the year ended 31 March 2022. In my introductory statement to the Annual Report 2022 on pages 2 and 3 I comment on NewRiver's overall business performance and resilience during the past 12 months. In this letter I would like to comment briefly on the Board's continued commitment to strong governance and the work of the Board and its committees.

A culture that supports our purpose

Our purpose is to own, manage and develop resilient retail assets across the UK that provide essential goods and services and support the development of thriving communities. Two years of a global pandemic has proved that this business purpose provides us with a resilient and long-term sustainable business that will generate value for shareholders and contributes to wider society.

NewRiver has a collaborative and supportive culture which gives every individual who works for us a sense of purpose and an opportunity to thrive and develop. This culture supports our purpose and is evidenced in our positive staff engagement responses. This year our staff have been able to feedback to us face to face informally and also more formally in staff meetings as well as through our Annual Employment Survey. Each of these methods have provided positive feedback with the Employment Survey providing a high satisfaction score. Our teams are also hardworking and adaptable as well as passionate and resilient. This has been especially evidenced in the support and motivation of our teams across the business during the COVID-19 crisis and during the sale of the Hawthorn Pub business. We now have a small workforce, following the sale of the Hawthorn Pub business, with only around 50 employees. This proximity between the Board and a small workforce makes it easier for the Board to engage with the culture and enables the Board to monitor and assess the Company's culture in a way not possible for larger companies. It also allows for flexibility and the ability to adapt and respond to fast changing situations. This culture, along with our strong governance systems, has therefore continued to support the business during the COVID-19 crisis and during the busy time selling the Hawthorn Pub business.

Succession planning in action

Board Appointments
In August 2021 we welcomed Will Hobman to the Board as Chief Financial Officer following Mark Davies stepping down from the Board in July 2021 prior to the completion of the Hawthorn Pub sale. Will's appointment is an example of orderly succession planning in action. Will was previously Finance Director for two years prior to his appointment as CFO.

Kay Chaldecott will be stepping down from the Board at the 2022 AGM so much of the Nomination Committee's activity this year has been to scope and recruit her replacement. Following this recruitment process in May 2022 we were delighted to welcome Dr Karen Miller to the Board as a Non-Executive Director. Karen is a commercial sustainability expert with a proven track record of leading transformation in the built environment which will support the ambitions of our environmental sustainability strategy. The process for appointing Karen is more fully detailed later in the Nomination Report.

Board effectiveness

The Board's review of its effectiveness follows a three year plan. Last year the effectiveness review was carried out by an external facilitator. This year the effectiveness review involved internally facilitated questionnaires. The anonymised questionnaires were reviewed by an external facilitator and a summary report shared with myself and the Company Secretary. I'm pleased to report that the Board continues to work effectively.

Shareholder Engagement

The AGM process has been somewhat disrupted over the last couple of years with a closed meeting necessary in 2020 and a hybrid arrangement in 2021; we are therefore very much looking forward to having a fully physical Annual General Meeting this year and to welcoming and engaging with shareholders at this meeting.

Yours sincerely

BARONESS FORD OBE
Chairman

15 June 2022

Board of Directors

Baroness Ford OBE

Baroness Ford OBE Ⓝ Ⓡ
Non-Executive Chairman, Appointed September 2017

Key Skills and Experience
Baroness Ford has over 20 years' experience as a Non-Executive Director and Chairman of private and Stock Exchange listed companies and extensive experience of working with the Government. Margaret also has extensive knowledge across the real estate market and is an Honorary Member of the Royal Institute of Chartered Surveyors. From 2002 to 2008, she was Chairman of English Partnerships (now Homes England) and from 2009 to 2012, she was a member of the Olympic Board and Chairman of the Olympic Park Legacy Company. Margaret was previously a Non-Executive Director of Taylor Wimpey plc and SEGRO plc, and the former Chairman of STV Group plc, Grainger plc and May Gurney Integrated Services plc.

External Appointments
Listed Companies
Lendlease Corporation (Senior Advisor to the Board)

Other
Chairman of Challenge Board; Buckingham Palace Reservicing Programme; National President of the British Epilepsy Association; Trustee, British Olympic Association; Director, Deloitte UK LLP and Chair of the UK Audit Governance Board; Director, North/South Europe Board;Member of the Global Advisory Board for Deloitte.

Baroness Ford was appointed to the House of Lords in 2006 and is a Cross bench peer.

Allan Lockhart

Allan Lockhart
Chief Executive Officer

Key Skills and Experience
Allan has over 30 years' experience in the UK retail real estate market. He started his career with Strutt & Parker in 1988 advising major property companies and institutions on retail leasing, investment and development. In 2002, Allan was appointed as Retail Director to Halladale Plc with a remit to acquire value add opportunities In the UK retail real estate market and ensure the successful implementation of asset management strategies. Following the successful sale of Halladale Plc In early 2007, Allan co-founded NewRiver and served as Property Director since its IPO until being appointed Chief Executive Officer in May 2018.

External Appointments
Chair of the British Property Federation (BPF) Retail Board

Will Hobman

Will Hobman
Chief Financial Officer, Appointed August 2021

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

External Appointments
British Property Federation Finance Committee Member

Kay Chaldecott

Kay Chaldecott Ⓐ Ⓝ Ⓡ
Independent Non-Executive Director, Appointed March 2012

Key Skills and Experience
Kay has over 25 years' experience of developing and managing regional shopping centres throughout the UK. Kay is a member of the Royal Institution of Chartered Surveyors and has a breadth of industry knowledge covering the retail development process, retail mix and leasing and shopping centre operations. Kay was Managing Director of the shopping centre business of Capital Shopping Centres Group plc (now Intu Properties plc) and served as a main Board Director. She was also previously a Non-Executive Director of St. Modwen Properties PLC.

External Appointments
Other
Lichfields planning and development consultancy (Board member);
Next Leadership (member of the Advisory Board)

Key

● Chair of committee (A) Member of Audit Committee (N) Member of Nomination Committee (R) Member of Remuneration Committee

Alastair Miller

Alastair Miller A N R

Senior Independent Director, Appointed January 2016

Key Skills and Experience

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

External Appointments

Listed Companies

Superdry Plc (Director and Auditco Chair)

Other

RNLI (Risk and Audit committee member & Council Member)

Charlie Parker

Charlie Parker A N R

Independent Non-Executive Director, Appointed September 2020

Key skills and Experience

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

External Appointments

Other

Buckingham Palace Reservicing Programme Challenge Board
Griffin Investments Ltd

Dr Karen Miller

Dr Karen Miller A N R

Independent Non-Executive Director, Appointed May 2022

Key Skills and Experience

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

External Appointments

Listed Companies

None

Other

Buckingham Palace Reservicing Programme Challenge Board
Co Director, Cambridge Sustainability Programme
Leader of European Institute for Innovation and Technology (EIT) Food Programmes

Colin Rutherford

Colin Rutherford A N R

Independent Non-Executive Director, Appointed February 2019

Key Skills and Experience

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

External Appointments

Public Companies

Evofem Biosciences Inc (Independent Director and Audit Committee Chairman)

Private Companies

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

Executive Committee

Allan Lockhart
Chief Executive Officer

See page 88 for key skills and experience.

Will Hobman
Chief Financial Officer

See page 88 for key skills and experience.

Emma Mackenzie
Head of Asset Management Head of ESG

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

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

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

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

Charles Spooner
Head of Capital Markets

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

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

Edith Monfries
Chief Operating and People Officer

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

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

Board leadership and company purpose

Generation and preservation of value over the long term

The Board's role is to lead the Group and ensure that it delivers sustainable and growing returns for our shareholders over the longer term. NewRiver's business model and strategy is set out on pages 14 and 20 of the Strategic Report and describes the basis upon which the Company generates and preserves value over the long term.

Purpose, Values and Strategy

Our purpose is to own, manage and develop resilient retail assets across the UK that provide essential goods and services and support the development of thriving communities. NewRiver's collaborative and supportive culture underpins this purpose and drives business practices.

Board Leadership

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

The Board has overall authority for the management and conduct of the Group's business, strategy and development and is responsible for ensuring that this aligns with the Group's culture. The Board, supported by the company secretary, ensures the maintenance of a system of internal controls and risk management (including financial, operational and compliance controls) and reviews the overall effectiveness of the systems in place. The Board delegates the day-to-day management of the business to the Executive Committee. However, there is a schedule of matters reserved for the Board's decision which forms part of a delegated authority framework, to ensure that unusual or material transactions are brought to the Board for approval. The schedule is reviewed regularly to ensure that it is kept up to date with any regulatory changes and is fit for purpose. The last review and extensive revision was undertaken in May 2021.

Compliance with the UK corporate governance code

As a Company with a premium listing on the London Stock Exchange, NewRiver is required under the Financial Reporting Council (FRC) Listing Rules to comply with the Code Provisions of the Corporate Governance Code 2018 issued in July 2018 (the 2018 Code), which is available on the FRC website (www.frc.org.uk). The principles and provisions of the 2018 Code have applied throughout the year to 31 March 2022. Throughout the financial year ended 31 March 2022, the Company has fully complied with all the provisions of the Code, except provisions 10 and 38 and we provide a full explanation below.

Code Provision 10 requires the Board to identify in its Annual Report each Non-Executive Director it considers to be independent. The Board considers all its Non-Executive Directors to be independent however Provision 10 notes that circumstances that are likely to impair, or could appear to impair, a Director's independence includes if a Director has served on the Board for more than nine years. Kay Chaldecott was appointed in 2012 and was due to retire last year. Against a backdrop of COVID-19 the Board requested that Kay extend her tenure by one year in 2021. This allowed the Board to continue to benefit from her significant knowledge and expertise of the real estate sector as the Company continued to navigate the effects of the COVID-19 pandemic. The Board was of the opinion that Kay remained independent after nine years on the Board and continued to exercise objective and independent judgement. Kay will not be offering herself for re-election at the AGM this year.

Code Provision 38 requires, among other things, that the pension contribution rates for executive directors should be aligned with those available to the workforce. Since the adoption of the new Remuneration policy at the AGM in 2020 any new Executive Directors receive Company contributions in line with the UK workforce which is currently 4%. Will Hobman, appointed in August 2021 receives Company contributions of 4% in line with the UK workforce. The Company is currently contributing 15% of base salary for the CEO. As outlined in the Remuneration Policy this contribution rate will be reduced for this incumbent director to the rate applicable to the majority of the workforce at the end of this remuneration policy period.

The Governance section has been organised to follow the structure of the 2018 Code. Details of the way the Code has been applied can be found in the following pages:

Board Leadership and Company Purpose
pages 91 to 95

Division of Responsibilities
pages 96 to 97

Composition, Succession and Evaluation (Including the Nomination Committee Report)
pages 98 to 102

Audit, Risk and Internal Control (Including the Audit Committee Report)
pages 103 to 108

Remuneration (the Directors' Remuneration Report)
pages 109 to 127

Section 172(1) statement

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2022.

Details of our key stakeholders and how the Board engages with them can be found in the strategic report on pages 22 to 29. Further details of the Board activities and principal decisions are set out on pages 94 to 95 providing insight into how the Board makes decisions and their link to strategy. Other disclosures relating to our consideration of the matters set out in s172(1)(a-f) of Act can be found as follows:

S172 factor	Our approach	Relevant disclosures
(a) the likely consequence of any decision in the long term	As a Board of a REIT owning assets which also include a risk-controlled development pipeline the Board is always conscious of the long term. Looking to the future the Board and Executive Committee regularly assess the overall corporate strategy and acquisition, asset management and disposal decisions in the context of current and future long-term trends and markets. We closely assess the latest trends reported by CACI, our research provider, to ensure we are aligned with evolving trends. These insights and the Board's own extensive experience steer the long-term strategic direction.	Company purpose (pages 3 and 91) Business Model (pages 20 to 21) Our strategy (pages 14 to 15)
(b) the interests of the company's employees	We have a small workforce which allows a naturally close proximity between the Board and the workforce making it easy for the Board to engage with staff directly especially as the Directors regularly visit the London office and other sites.	Employee engagement (pages 22 to 24)
(c) the need to foster the company's business relationships with suppliers, customers and others	The Board is committed to fostering the Company's business relationships with occupiers, local authorities and other stakeholders. These stakeholders are key to our business model and therefore members of the Exco (including Board members) have direct responsibilities for managing and developing these relationships.	Our Stakeholders (pages 22 to 29) Human Rights and Modern Slavery (page 98)
(d) the impact of the company's operations on the community and the environment	The Board is committed to our communities and our assets are integral to the communities they serve. We aim to enhance the lives of consumers and minimise our impact on the environment. These matters are therefore considered in all strategic decisions and embedded into the business model.	Our Business Model (pages 20 to 21) Our Stakeholders (pages 22 to 29) Our pathway to Net Zero (page 57) TCFD disclosures (pages 74 to 77) GHG and emissions data (pages 59 to 62)
(e) the desirability of the company maintaining a reputation for high standards of business conduct	Our values mirror our culture and as a team our values are to be trusted and respected and this is entrenched into Board decisions. During the year we have reviewed and updated our modern slavery policy and our anti-corruption and anti-bribery policy and provided extensive training to staff on these matters to ensure they are also entrenched in all staff decisions.	The Chairman's Letter on Governance (page 87) Whistleblowing (page 107) Internal control structure (page 106) Employee engagement (pages 22 to 24)
(f) the need to act fairly as between members of the company.	The Board recognises the importance of treating all members fairly and monitors the views of the Company's shareholders through reports on investor and analyst communications so that their views and opinions can be considered when setting strategy.	Annual General Meeting (page 98) Share capital structure (page 130) Our Stakeholders (pages 22 to 29)

Workforce Engagement Mechanism – the role of our designated Non-Executive Director

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

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

We have a small workforce which allows a naturally close proximity between the Board and the workforce making It easy for the Board to engage with staff directly especially as the Directors regularly visit the London office and also other sites. This year with the relaxing of COVID-19 restrictions we have been able to expand on the previous online staff forums by having a hybrid meeting between staff and Alastair. Staff were invited to attend a group meeting with Alastair in the London office or online if preferred. Questions were invited ahead of the session as well as live on the day. Questions covered thoughts on home working, the new London office, inflation impacts, salaries and pension contributions, the business and strategy, Board appointments, ESG and share price performance. As a result of some of the questions raised by staff additional sessions were organised to explain some of the features of the Company Strategy in greater detail and to provide further information about the Company's approach to ESG. This included a session with staff to guide them through the net zero plans and more about the work carried out with the Trussell Trust. Further details on our engagement with staff can be found on pages 22 to 24.

Staff Engagement

BOARD

(Led by Alastair Miller our Non-Executive Director responsible for workforce engagement).

- NED/Staff engagement sessions
- Staff survey results

EXECUTIVE COMMITTEE ("EXCO")

- Direct report engagement and staff appraisals and feedback
- Monthly All Staff sessions
- Staff survey results

OUR STAFF

- Monthly All Staff sessions
- Staff survey results

Board activities

	Discussion
Strategy	• The Board discussed the strategy for the divestment of the community pub business in order to reset the LTV and provide the firepower to reshape the portfolio • A working Committee which included Board members was set up to progress this divestment and report regularly to the Board and bring the decisions to the Board at key points in the process including the ultimate sale terms and conditions, price and buyer. The Remuneration Committee reported on the Hawthorn leaver staff awards treatment • The Board has continued to review the short- and long-term implications of COVID-19 on the Group and its assets, our developments and occupiers
Finance & Financing	• The Chief Financial Officer has presented a financial report at each Board meeting • Approval of the Annual Report and interim report and associated financial statements • Approval of the annual budget • The Board has regularly reviewed the Group's financial position and structure and following the disposal of the Hawthorn pub business, the Board made the decision to repay and cancel £335 million of bank facilities and agree the one-year extension of our undrawn Revolving Credit Facility ('RCF')
Audit and Risk	• The Chair of the Audit Committee reported to the Board on the proceedings of each Audit Committee meeting and meetings with valuers • The Board considers the risk register and internal controls at least twice a year • Update to the Board on the whistleblowing procedures and amendments to the policy
Operational and Investor Relations	• The CEO presented a report at each Board meeting which also included updates on investor relations • Members of the ExCo are regularly invited to attend the Board meetings to present on various projects • In September 2021 the Group held a capital markets day to set out the strategy following the sale of the Hawthorn pub business
Stakeholders	• Stakeholders including employees, occupiers, councils and communities, lenders and shareholders are regularly considered as part of the CEO report • HR reports are either reported separately or in the CEO's report • Staff survey results are considered at the Board meeting • The Board received updates from Alastair Miller's attendance at a staff sessions
Environmental	• The Board was provided with training on ESG matters. • The Board also regularly discussed the net zero targets and issues in the lead up to making the decisions around setting the net zero target • The Board considered and updated all ESG related policies during the year.
Governance	• The Committee chairs reported on key matters discussed at the Board Committees • The Company Secretary reported on key governance developments and on work carried out to update the Group's governance policies and procedures • The Board reviewed their schedule of matters and updated the terms of reference of the Board committees

Link to strategy

1 2 3 ESG

1 2 3 ESG

1 2 3 ESG

1 2 3 ESG

1 2 3 ESG

1 2 3 ESG

1 2 3 ESG

Conflicts of interest

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

Director concerns

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

Board time commitments

All Directors pre-clear any proposed appointments to listed company boards with the Board, prior to committing to them. None of the Directors took on any significant new additional external appointments in the year.

The Non-Executive Directors are required, by their letters of appointment, to devote as much of their time, attention, ability and skills as are reasonably required for the performance of their duties. This is anticipated as a minimum of one day a month. The Nomination Committee annually reviews the time commitments to ensure that all Board members continue to be able to devote sufficient time and attention to the Company's business. Whilst a number of the Board have other Non-Executive directorships and commitments the Nomination Committee remains satisfied that all of the Directors spend considerably more than this amount of time on Board and Committee activity. This has been especially demonstrated during the process of the sale of the Hawthorn business. Each Non-Executive Director has made themselves available at short notice to discuss the sale and the process as the sale progressed.

The other listed company directorships of the NewRiver REIT plc Directors is set out on pages 88 to 89. The Board and committee attendance record of each of the Directors during FY22 is set out on page 97 of this report.

Division of responsibilities

Role	Responsibilities
Chairman **Margaret Ford**	Margaret's role is to lead the Board and ensure that it operates effectively. Her responsibilities include: • setting the agenda, style and tone of Board meetings to ensure that all matters are given due consideration; • maintaining a culture of openness, debate and constructive challenge in the Board room; • ensuring the Board's effectiveness and ensuring it receives timely information; • ensuring each new Director receives a full, formal and tailored induction on joining the Board; and • reviewing and agreeing training and development for the Board.
Chief Executive Officer **Allan Lockhart**	Allan's responsibilities include: • managing the business of the Group; • recommending the Group's strategy to the Board; • Environment, Social & Governance strategy; • implementing the strategy agreed by the Board; and • management of the Group's property portfolio, including developments.
Chief Financial Officer **Will Hobman**	Will's responsibilities include: • implementing the Group's financial strategy, including balance sheet capitalisation; • overseeing financial reporting and internal controls; and • supporting the CEO in the delivery of the Group's strategy and financial performance.
Senior Independent Non-Executive Director **Alastair Miller**	Alastair's responsibilities include: • acting as a sounding board for the Chairman; • evaluating the Chairman's performance as part of the Board's evaluation process; • serving as an intermediary for the other Directors when necessary; • being available to shareholders should the occasion occur when there was a need to convey concern to the Board other than through the Chairman or the Chief Executive; and • ensuring that the Board successfully engages with our workforce.
Non-Executive Directors	Non-Executive Directors Kay Chaldecott, Alastair Miller, Charlie Parker and Colin Rutherford bring independent judgement, knowledge and varied commercial experience to the meetings and in their oversight of the Group's strategy. Alastair and Colin chair the Remuneration and Audit Committees respectively.

Balance between Non-Executive and Executive Directors

The Board currently comprises five independent Non-Executive Directors (excluding the Chairman) and two Executive Directors. Kay Chaldecott will be stepping down from the Board at the AGM in July 2022. The Nomination Committee is of the opinion that the Non-Executive Directors remain independent, in line with the definition set out in the Code and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The Chairman was independent on appointment and the Board still consider her to be independent. All Directors are subject to re-election at the AGM each year.

Company Secretary

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

BOARD

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

AUDIT COMMITTEE

Reviews and monitors the Group's risk management processes.

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

Monitors the effectiveness of the audit process.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

EXECUTIVE COMMITTEE ("EXCO")

To assist the Chief Executive with the development and implementation of the Group strategy, the management of the business and the discharge of its responsibilities delegated by the Board.

Attendance

Each of the Directors has committed to attend all scheduled Board and relevant committee meetings and have committed to make every effort to attend ad hoc meetings, either in person or by telephone/video call. Board papers are circulated to Directors in advance of the meetings via an electronic board portal. This allows for an efficient and secure circulation of Board papers and if a Director cannot attend a meeting, he or she is able to consider the papers in advance of the meeting as usual and will have the opportunity to discuss them with the Chairman or Chief Executive and to provide comments. The Non-Executive Directors meet without the Executive Directors and the Chairman present at least once a year. As a result of the Hawthorn disposal process, there were a number of ad-hoc Board meetings in addition to the scheduled Board meetings this year. A steering Committee of the Board was also authorised to progress the process and then Board meetings were held to discuss and approve any matters that required direct Board approval. All Directors have been in attendance (via phone or video call) at all of these short notice ad hoc meetings.

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

	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE
Board Members	Attendance	Attendance	Attendance	Attendance
Margaret Ford: Chairman	7/7	-	7/7	4/4
Executive Directors				
Allan Lockhart	7/7	-	-	-
Mark Davies[1]	2/2	-	-	-
Will Hobman[2]	5/5	-	-	-
Non-Executive Directors				
Kay Chaldecott	7/7	2/3	7/7	4/4
Alastair Miller	7/7	3/3	7/7	4/4
Charlie Parker[3]	7/7	3/3	6/7	1/1
Colin Rutherford	7/7	3/3	7/7	4/4

1. Mark Davies stepped down 28 July 2021
2. Will Hobman joined 20 August 2021
3. Charlie Parker was appointed to the Nomination Committee on 24 November 2021

Composition, succession and evaluation

Induction of new Directors

The Chairman, Company Secretary and Chief Operating and People Officer manage an induction process to ensure that new Directors are fully briefed about the Company and its operations. This process usually includes asset visits and meetings with members of the executive management team as well as specific briefings with regard to their legal and regulatory obligations as a Director. New Directors are also given the opportunity to visit the assets and meet members of the team.

Annual General Meeting ("AGM")

The AGM is the annual opportunity for all shareholders to meet with the Directors and to discuss with them the Company's business and strategy. In 2021 limited social contact was permitted at the time of the AGM. Shareholders were therefore welcomed to attend in person. Recognising that some shareholders may not have felt comfortable attending in person as restrictions were only just easing, we provided a facility for shareholders to follow the AGM remotely and submit questions to the Board on the business of the meeting. We also provided facilities for shareholders to submit questions ahead of the AGM via email. Subject to any restrictions we intend to hold the AGM as a physical meeting again this year.

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

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

Anti-corruption and anti-bribery

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

Human rights

Being mindful of human rights, the Company has a Modern Slavery policy to ensure that all of its suppliers are acting responsibly and are aware of the risks of slavery, human trafficking and child labour within their own organisation and supply chain. The Modern Slavery statement was updated and published during the year.

Board effectiveness review

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

YEAR 1 (FY21)
Externally facilitated Board evaluation using interviews

YEAR 2 (FY22)
Follow-up on actions prepared in response to the year 1 evaluation using internally facilitated questionnaires

YEAR 3 (FY23)
Continued follow up on actions arising from the previous two years using internally facilitated questionnaires

During FY21 Ceradas Limited, a board effectiveness consultancy with no other connections with the Company, undertook an effectiveness review of the Board using one-to-one interviews conducted with the Board members and the Company Secretary. Ceradas prepared a report of its findings from the Board evaluation including recommendations to enable Directors to develop an active plan response. Ceradas presented the report to the Board. Recommendations and progress made against those recommendations are shown below.

Recommendations:	Progress:
1 Schedule additional 'regular' Board meetings rather than quarterly	Additional regular Board meetings have been held during the year
2 Schedule more formal executive team updates to the Board	ExCo members have attended Board meetings to provide updates on operational matters
3 Involve the whole Board in succession planning as well as the Nomination Committee	All NEDs are members of the Nomination Committee and reports are given to the Board to enable the Executive Directors to join the discussions
4 Consider other mechanisms for employee engagement	A return to face to face engagement has been possible following the lifting of restrictions. Also Board members are more visible in the office as Board meetings and other meetings have returned to the office
5 Review the Board paper process to ascertain if improvements can be made	Circulation of Board papers has been more timely and the papers themselves have been evolving.

During FY22 Ceradas has assisted with the creation of a follow-up questionnaire based on the actions identified in FY21 and the development of the strategy in FY22. The questionnaires were internally distributed and completed by all of the Directors. Ceradas has reviewed the questionnaire responses and has recently provided a summary report to the Board. We will report on the outcomes of this review in next year's Annual Report and on the progress made during the year.

Nomination Committee Report

Baroness Ford OBE
Non-Executive Chairman

Dear Shareholders

I am pleased to present the Nomination Committee Report for 2022. Monitoring and continuing to plan for orderly succession to Board and executive positions has been a key focus this year.

In August 2021, we welcomed Will Hobman to the Board as Chief Financial Officer as Mark Davies stepped down from the Board prior to the completion of the Hawthorn pub business sale. Will's appointment has been a fine example of orderly succession planning. Will was Finance Director of the Company for two years prior to his appointment.

During last year Kay Chaldecott reached her nine-year term. We were however delighted to announce that Kay had agreed to extend her tenure for a further year, so that we could continue to benefit from her significant knowledge and expertise of the retail real estate sector as we continued to navigate the effects of the COVID-19 pandemic. As a Committee we had considered this extension beyond nine years against the backdrop of the disruption of COVID-19 and the skills needed on the Board at the time. Kay will now be stepping down from the Board at the AGM. Much of the Committee activity this year has therefore been seeking a replacement for Kay and we are delighted to welcome Dr Karen Miller to the Board with effect from 30 May 2022. Further details of Karen's appointment process can be found later in this report.

The Committee's focus for FY23 will include a smooth induction for our newest Director and the continued succession planning and diversity priorities.

Baroness Ford
Chairman

15 June 2022

Committee role

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

Nomination Committee membership

Our Committee consists of four Independent Non-Executive Directors and the Chair of the Board (Biographies are available on pages 88 and 89).

Margaret Ford: Committee Chairman
Kay Chaldecott
Alastair Miller
Colin Rutherford
Charlie Parker (appointed to the Committee 24 November 2021)

Key Focus for the Committee in 2021/22:

- Monitor and continue to plan for orderly succession to Board and Executive positions
- Ensure a smooth handover for Will Hobman as he succeeds Mark Davies as CFO
- Review the composition, skills and needs of the Board to agree the specifications for a future Non-Executive Director to replace Kay Chaldecott
- Carry out the recruitment process for a new Non-Executive Director and recommend the appointment to the Board

How the Committee operates

The Committee is required to meet twice a year and holds ad hoc meetings when required. During the year the Committee met four times.

Only members of the Committee are entitled to attend the meetings. The Chief Executive Officer is invited to attend so that the Committee can understand the views of executive management when making its deliberations, especially on succession planning. The Chief Operating and People Officer is also invited to attend on occasion to assist with succession planning discussions.

The Committee reviews its Terms of Reference annually to ensure that they continue to be compatible with the Corporate Governance Code 2018 and best practice and are available on the Company's website at www.nrr.co.uk.

Activities of the Committee during the year

Succession planning

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

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

The Committee works with the Executive Directors to nurture a pipeline of talented employees below Board level who will be able to serve as the next generation of plc Board directors. This detailed succession planning enabled the Committee to quickly identify a replacement for Mark Davies, CFO, when he stepped down from the Board in July 2021. Will Hobman was identified as having the relevant skills, experience and knowledge to provide an excellent replacement. Will was Finance Director of the Company for two years prior to his appointment and had been with the Company for over five years.

Succession planning has been considered at the majority of the Committee's meetings to ensure that the Board, its Committees and the senior leadership team have the structure and the skills to carry out the Group's strategy. Again this year, this planning has aided our assessment of skills and balance for the specification for a replacement Non-Executive Director as detailed below.

Board tenure

Under the UK Corporate Governance Code an appointment term of longer than nine years from election to the Board is a factor that may affect whether a Non-Executive Director is considered independent. Kay Chaldecott was appointed in 2012. Against the backdrop of COVID-19 in 2020 the Board requested that Kay Chaldecott extend her tenure for a further year in 2021. This allowed the Board to continue to benefit from her significant knowledge and expertise of the real estate sector as we continued to navigate the effects of the COVID-19 pandemic. The Committee was of the opinion that Kay remained independent after nine years on the Board and continued to exercise objective judgement. Kay will, this year, be stepping down from the Board and not offering herself for re-election at the AGM in July 2022. During the year the Committee has taken steps to find a replacement Non-Executive Director as detailed below.

Board appointment

To progress the Group's ESG strategy the Committee acknowledged that there was a need for a Board role with strong environmental credentials. Following presentations from various recruitment consultants we appointed Nurole Limited, a Global Executive Search consultancy with no other relationship with the Group, to conduct an external search for a Non-Executive Director. Nurole Limited was made aware of the Company's diversity policy and was provided with a scope for the role that had been discussed and agreed by the Committee. As part of the interview process a number of members of the Board, including the Chair and Allan Lockhart, interviewed a shortlist of candidates. Following a detailed due diligence and referencing process and an opportunity to meet other members of the Board individually, the Committee unanimously recommended Dr Karen Miller to the Board. Karen joined the Board on 30 May 2022 and has commenced an extensive induction process.

Board Committee membership

During the year we have continued to consider the roles of each Committee. Having altered the leadership of the Committees last year to progress the work of each Committee we have not felt the need to make any changes this year other than to appoint Charlie Parker to the Nominations Committee in addition to his other Committee memberships.

Independence

The Nomination Committee is of the opinion that the Non-Executive Directors and the Chairman remain independent, in line with the definition set out in the 2018 Code and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. Following the appointment of Dr Karen Miller the balance of independent directors (excluding the Chair) is two Executive Directors and five independent Non-Executive Directors. Kay Chaldecott will, however, be stepping down as a Non-Executive Director at the forthcoming AGM. This will make the balance of independent directors (excluding the Chair) two Executive Directors and four independent Non-Executive Directors.

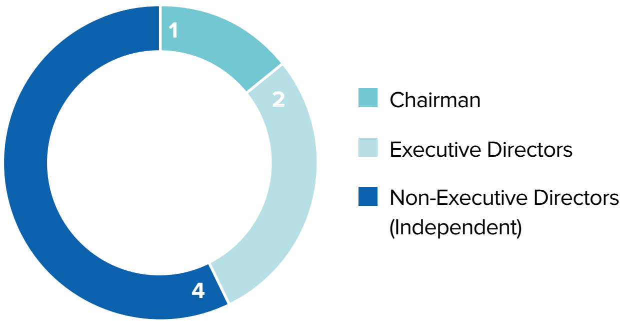
Diversity Policy

As a Company, we are committed to a culture of diversity and inclusion in which everyone is given equal opportunities to progress regardless of gender, race, ethnic origin, nationality, age, religion, sexual orientation or disability. We have been successful at recruiting key members of our senior management team from a range of different backgrounds. We continually strive to provide the most flexible employment policies to enable all of our employees to have a fulfilling career supported by family-friendly policies.

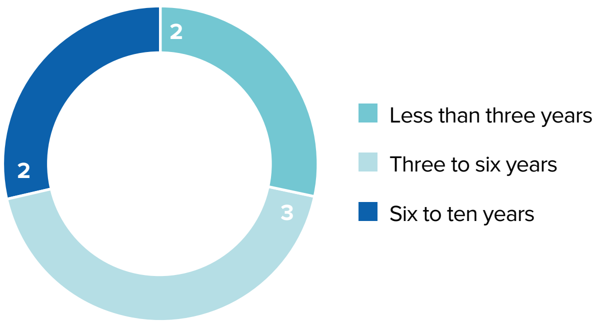
At the date of this report, the Board comprises three female Directors and five male Directors, equivalent to 37.5% female representation. Kay Chaldecott will however be stepping down from the Board at the 2022 AGM following which there will be two female Directors and five male Directors, equivalent to 29% female representation. Below Board level in the Executive Committee there are two female ExCo members and three male ExCo members equivalent to 40% female representation. Direct reports of the Executive Committee are 52% female and 48% male.

When recruiting, the Company has always considered all aspects of diversity during the process. The Company is very mindful of the need to strive to create as diverse a Company as possible, and to create as many opportunities as possible for nurturing emerging female talent. The Company always ensures there is a selection of candidates who have a good balance of skills, knowledge and experience. The Committee places particular value on experience of operating in a listed company, experience of the real estate and retail sectors, with financial or real estate training. The Company aims to recruit the best candidates on the basis of their merit and ability.

Composition of the Board at the year end



Length of Directors' tenure



Gender Balance at the year end

	Female		Male	
Board	2	29%	5	71%
Executive Committee	2	40%	3	60%
Direct Reports of Executive Committee	12	52%	11	48%
Group	25	49%	26	51%

Other Nomination Committee activity

During the year the Nomination Committee also considered the following matters:

- Committee Report: Approval of the Nomination Committee Report prior to publication;
- Time Commitment: A review of the time commitment required from each Director and their other external appointments, prior to making a recommendation to the Board that all of the continuing Directors be proposed for re-election at the 2022 AGM; and
- Terms of Reference: Annual review of the Committee Terms of Reference.

Audit, risk and internal control

Colin Rutherford
Audit Committee Chairman

Dear Shareholders

I am pleased to present the Audit Committee Report for 2022. As well as continuing to monitor the impact of COVID-19 on the financial projections and controls of the business, we have overseen and monitored the smooth handover between outgoing and incoming CFOs. The handover has indeed proved seamless given Will's breadth of experience and knowledge of the Group.

With the sale of the Hawthorn pub business completed in August 2021 we have been able to resume our internal audit programme and commissioned two third-party reviews. One was to review the Group's IT security and systems and the other to review and provide assurance over the design and effectiveness of the key controls to manage cash collection and bank accounts within the Group. Further details of these reviews can be found later in this report.

As part of our normal programme and duties we have reviewed the significant financial reporting matters and judgements identified by the finance team and PwC through the external audit process, and the approach to addressing those matters is set out in the table on page 105 of this report.

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

Colin Rutherford
Audit Committee Chairman

15 June 2022

Committee role

- Oversight of financial reporting and internal controls
- Risk management and review of control processes
- Oversight of the external audit process
- Maintaining a whistleblowing procedure
- Assessment of management judgements and external valuers
- Oversight of the Internal Audit process

Audit Committee composition

Our Committee consists of four Independent Non-Executive Directors (biographies are available on pages 88 to 89).

Committee Members
Colin Rutherford: Committee Chairman
Kay Chaldecott
Alastair Miller
Charlie Parker (appointed 1 April 2021)

Key Focus for 2021/22

- Monitor the smooth handover for Will Hobman as he succeeded Mark Davies as CFO
- Continue to monitor the Group's relationship with its External Auditors
- Oversight of the financial aspects of the Hawthorn pub business sale
- Monitoring the successful management of the LTV reduction
- Monitoring the ESG achievements

How the Committee operates

The Committee provides independent review and monitoring of the risk management and control procedures within the Group.

Each Committee member is independent and has broad commercial experience as a director. Colin Rutherford also has significant, recent and relevant financial experience and was previously the Chairman of the Audit Committee of Mitchells & Butlers plc. Alastair Miller is a Chartered Accountant and was previously the Chief Financial Officer of New Look Group and has significant, recent and relevant financial experience. The Committee as a whole has competence relevant to the sector in which the Company operates.

During the year the Audit Committee held three meetings.

The Chief Financial Officer and the Group's external auditors were invited to attend the Committee meetings. The Company Secretary acts as secretary to the Committee.

Responsibilities of the Committee during the year

During the year, the Committee was responsible for:

- overseeing the Group's relationship with its external auditors, PwC, including their remuneration;
- monitoring the integrity of the half-year and annual financial statements before submission to the Board;
- discussing any issues arising from the half-year review and year-end audit of the Group;
- reviewing significant financial reporting matters and judgements;
- reviewing the effectiveness of the Group's system of internal controls;
- reviewing the Group's whistleblowing procedures and reports to the Board;
- reviewing and monitoring the Group's risk management processes;
- conducting an annual review of the need to establish an internal audit function;
- oversight of third-party internal audit workstreams; and
- monitoring and annually reviewing the auditor's independence, objectivity and effectiveness of the audit process.

Activities during the year

Relationship with the auditors

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

PricewaterhouseCoopers LLP (PwC) were appointed as the Group's external auditors in 2019. The Committee keeps under review the need for future tenders in accordance with current regulations and subject to the annual assessment of the auditor's effectiveness and independence.

Chris Burns is the PwC lead audit partner and, in-line with the policy on lead audit rotation, he is expected to rotate off the audit ahead of the 2025 audit.

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

External auditor

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

In respect of the audit for the financial year ended 31 March 2022, PwC presented their audit plan (prepared in consultation with management) to the Committee. The Audit plan included an assessment of audit risks, audit scope, independence, the terms of engagement and robust testing procedures.

The Committee approved the implementation of the plan following discussions with both PwC and management.

Audit and non-audit fees

Audit fees for the financial year ended 31 March 2022 were £510,000.

The Company has a non-audit services policy in place which limits PwC to working on the audit or such other matters where their expertise as the Company's auditor makes them the logical choice for the work. This is to preserve their independence and objectivity. The Company paid £95,000 in non-audit fees to PwC for the financial year ended 31 March 2022. The non-audit fees relate solely to PwC's review of the interim results for the six months to 30 September 2021.

Effectiveness and independence

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

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

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

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

The Audit Committee is satisfied with the scope of PwC's work, and that PwC continues to be independent and objective. The Committee is therefore pleased to recommend that PwC be re-appointed as the Group's external auditors at the 2022 AGM.

Key judgements and estimates

The Committee reviewed the external reporting of the Group including the interim review, quarterly announcements and the Annual Report. In assessing the Annual Report, the Committee considered the key judgements and estimates.

Going Concern was considered a key judgement in the prior year due to the impact of COVID-19 on the Group's financial position and operations. In respect of the year ended 31 March 2022, the Going Concern review was no less rigorous and was given the same level of prominence by the Committee, but the improvements made to the Group's financial position and the recovery in operations seen during the year, has resulted in the Committee concluding that both its Going Concern and Viability key judgements remain satisfactory.

During the year the Committee also reviewed the treatment of the Hawthorn disposal, and its presentation as a discontinued operation as this was a material transaction completed during the year. However, the Committee did not identify any additional key judgements or estimates in the accounting or presentation adopted in the financial statements.

The significant issue considered by the Committee in respect of the year ended 31 March 2022, which contained a significant degree of estimation uncertainty, is set out in the table below.

Significant issue	How the issue was addressed
Valuation of properties Changes in key estimates can have a significant impact on the valuation of properties. The Group has a property portfolio recognised on its Consolidated Balance Sheet valued by external valuers at £609.1 million at 31 March 2022.	The Committee and management met with Colliers, Knight Frank and Duff and Phelps (the Group's external valuers) on several occasions to discuss the valuation of the assets and understand the process that was followed, the key estimates used and to ensure a robust and independent valuation had taken place. The meetings were productive and management and the Committee have confirmed that they continue to adopt the valuations as being the fair valuation of the properties as at the reporting date. In addition the external auditors have performed additional audit procedures over the valuer judgements which were reported to and discussed with the Committee.

Risk management and internal controls

Internal control structure

The Board oversees the Group's risk management and internal controls and determines the Group's risk appetite. The Board has, however, delegated responsibility for review of the risk management methodology and the effectiveness of internal controls to the Audit Committee. The Group's system of internal controls includes financial, operational and compliance controls and risk management. Policies and procedures, including clearly defined levels of delegated authority, have been communicated throughout the Group. Internal controls have been implemented in respect of the key operational and financial processes of the business. These policies are designed to ensure the accuracy and reliability of financial reporting and govern the preparation of the Financial Statements. During the year as part of the disposal of the Hawthorn pub business a full review of the procedures and processes that the Company has in place was carried out in order to produce a Financial Position and Prospects Procedures document (FPPP). The findings of this review provided the Committee with additional comfort that the Group's system of internal controls remains fit for purpose and robust.

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

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

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

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

The effectiveness of the Company's risk management and internal control systems is reviewed annually and was last reviewed by the Committee in May 2022. The review concluded that:

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

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

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

Internal audit function

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

Cyber security

Cyber security was a new principal risk in 2021. A cyber event can affect any company and the number of such events has increased significantly in the UK particularly with more staff working from home.

To address this risk and ensure the Group's systems were properly protected, BrightCyber were requested to undertake a review of the Group's IT security and systems. The outcome of this review has been completed and found the IT systems were secure and fit for purpose. There were a number of areas where BrightCyber recommended improvements which have already been implemented or will be actioned during the coming months.

BrightCyber have also now been requested to undertake a review of Cyber Security and IT Systems in a sample of our shopping centres.

Cash Controls

As part of the internal audit plan, BDO were requested to scope and carry out a review to provide assurance over the design and effectiveness of the key controls to manage cash collection and bank accounts within the Group. BDO's review highlighted that generally there was a sound system of internal control designed to achieve system objectives and there were a number of areas of good practice with some exceptions. BDO were therefore able to provide moderate assurance over both the design and the operational effectiveness of the systems the Group had in place. Four low to medium risk recommendations for improvement were made by the BDO review. The majority of these have now been incorporated into the systems or will be developed further during FY23 and will be monitored by the Committee.

Whistleblowing Policy

The Committee conducts an annual review of the Group's Whistleblowing Policy to ensure it remains up to date and relevant and reports its findings to the Board. During the year the Whistleblowing Policy was reviewed and updated. Training on whistleblowing is an annual compulsory training event for staff in our online training portal. Using this portal, the Company can monitor which individuals are missing their training. The Committee provides feedback to the Board on the Whistleblowing Policy and procedures and effectiveness of the policy at least every six months. There have never been any concerns raised through the whistleblowing process or through any other process to the Committee.

Other compliance policies and staff training

During the year we also reviewed other employee and wider stakeholder compliance policies. This included the Bribery Policy and the Gifts and Hospitality Policy and the registration process f or gifts and hospitality. Training has been provided to staff on these policies and the Committee regularly reviews the Gifts and Hospitality register.

Statement of compliance

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

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

Viability Statement and Going Concern

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

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

The Committee further focused on the appropriateness of adopting the going concern basis in preparing the Group's financial statements for the year ended 31 March 2022 and satisfied itself that the going concern basis of presentation of the financial statements and the related disclosure is appropriate.

Fair, balanced and understandable

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

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

Experienced Team

- a core experienced team is responsible for the co-ordination of submissions, verification, review and consistency
- the narrative sections are drafted by the members of the team with specific responsibility for that area, such as the Chairman, the CEO, the CFO, Sustainability Manager, Director of Communications and IR, Company Secretary

Senior Review

- as narrative sections are prepared they are circulated to Board and ExCo members to review and comment

Staff Review

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

Committee oversight and review

- the Committee reviews the Annual Report on behalf of the Board, taking into account the comments made by the Board and reports issued by PwC and makes recommendations to the Board

Controls and confirmation

- the Committee satisfies itself that the controls over the accuracy and consistency of information presented in the Annual Report are robust and that the information is presented fairly (including the calculations and use of alternative performance measures)
- the Committee confirms to the Board that the processes and controls around the preparation of the Annual Report are appropriate, allowing the Board to make the "fair, balanced and understandable" statement in the Directors' Responsibilities Statement

Remuneration Committee Report

Alastair Miller
Committee Chairman

Dear Shareholders

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the financial year ended 31 March 2022. This is the second year of the application of the Remuneration Policy approved by the shareholders at the 2020 AGM and there have not been any significant changes to the operation of the policy. In this statement I have summarised the link between remuneration and performance, our decisions on remuneration for FY22 and how we will operate the policy in FY23.

FY22 has been a successful year for NewRiver despite the continuing impact of COVID-19 on the wider economy and the general uncertainty around various restrictions imposed during the year. Our community assets have proven to be resilient throughout this period and have under-pinned our performance for the year. We successfully sold our Hawthorn Pub business which has lowered our LTV to a more sustainable level and our balance sheet is now well positioned to take advantage of opportunities that we will seek out over the coming year. Our financial and operational performance allowed us to recommence distributing dividends under our new dividend policy from the end of FY21 and this has continued throughout FY22. The Committee has had regular updates on workforce pay and benefits throughout this year and the health and wellbeing of our staff has remained a key priority. We are mindful of the current inflationary pressures which are driving up the cost of living and will be recognising this in pay awards for our staff during FY23.

It is against this backdrop that the Committee has carried out its duties and made its decisions.

Implementation of the policy in FY22

Base Salary

As reported in the FY21 Remuneration Report base salaries remained unchanged during FY22 for both the Executive Directors and the members of ExCo. The wider team's salaries however did benefit from a pay review.

Annual Bonus

Following a scale back in the bonus opportunity in FY21 from 125% of salary to 100% of salary, the Committee reset the bonus opportunity for the Executive Directors at 125% of salary in FY22 in accordance with our Remuneration Policy.

The strong performance of the business in FY22 has resulted in a solid performance against the FY22 bonus targets, which were consistent with the targets set in FY21, the measures being closely aligned to business strategy and focused on business priorities.

The resultant out-turn was a 75% of maximum for Allan Lockhart and an 85% of maximum for Will Hobman whose bonus will be pro rata to reflect the seven months in which Will has been CFO.

Mark Davies, who stood down from the Board on 28 July 2021, received a bonus on a pro rata basis to reflect his contribution to the successful completion of the Hawthorn disposal.

In FY20 and FY21, the Committee exercised discretion when approving the appropriate bonus for the Executive Directors. In FY22, the Committee feel that in recognition of the excellent progress made by the business during the year, the outcome from the FY22 bonus targets reflects a fair reward for the efforts and performance of the Executives and as such have agreed and confirmed the bonus out-turns.

Long Term Incentive Plan

Awards granted in 2019 due to vest in 2022 by reference to performance over the previous three years were based on Total Shareholder Return (TSR) and relative Total Accounting Return (TAR). As the minimum hurdle was not met for either measure, the awards will lapse. The Committee is comfortable that the level of vesting is in line with underlying performance and shareholder experience over the performance period.

The Committee is comfortable that the Policy operated as intended during the year.

Other considerations during the year

During the year the Committee had oversight of the reward and compensation packages that operate across the Company, which are considered competitive. I am the appointed designated Non-Executive Director who has the responsibility of ensuring that the Board successfully engages with the workforce. As a result of being a small team there is naturally proximity between the Board and the workforce which makes it easier for the Board to engage with staff directly. Staff forums are held to ensure that there is an opportunity for staff to raise questions. We also use our appraisal process to explain and discuss with employees how the policy for Executive Directors aligns with the pay and conditions of the workforce.

The Committee consults with its larger shareholders on executive pay matters, where considered appropriate. As there are no significant changes in the implementation of the Remuneration Policy, we have not carried out a further formal consultation with shareholders in relation to the policy or its operation in FY22. However, we do intend to consult shareholders and employees in relation to the new policy, which will be proposed for shareholder approval at the 2023 AGM and I am always happy to make myself available to shareholders to discuss any concerns or feedback shareholders may have.

Board changes

Will Hobman has succeeded Mark Davies as CFO and was appointed on 20 August 2021. Prior to this, Will was the Financial Director. Will's starting salary is £325,000. This salary is below that of the former CFO's salary. The salary was set taking into account that this will be Will Hobman's first CFO role and provides head room to increase the base salary with more experience in the role. His pension contribution is 4%, in line with the rate applying to the majority of the workforce and the other elements of his package are in line with the remuneration policy, with full details set out later in this report.

Implementation of the Policy in FY23

The current Remuneration Policy enters its third year in FY23 and will operate consistently during this year. When considering the implementation of the Remuneration Policy, the Committee considered several factors including pay ratios and the gender pay gap. The outcome of the review was that our current approach remains appropriate. Therefore, there will be no significant changes to the implementation of the Policy in FY23.

The implementation of the Remuneration Policy for FY23 is outlined on page 127. The key decisions made by the Committee in relation to FY23 include:

Base salary: Similar to FY22, there will be no increases in base salary for either the Executive Directors or ExCo. The inflationary pressures being felt throughout the economy have informed the level of increase across the wider workforce to ensure pay awards which reflect those inflationary pressures and ensure we reward competitively with the wider market.

Pensions: The Company currently contributes 15% of base salary for Allan Lockhart as an existing Director when the policy was first implemented. This will reduce at the end of the policy period to the rate applying to the workforce. As a new Director, appointed during the policy period, Will Hobman's Company pension contributions are in line with the workforce, currently at 4% of base salary.

Annual Bonus: Executive Directors will have the opportunity to earn a bonus up to a normal maximum of 125% of salary. In line with FY22, 75% of the bonus will be based on corporate and financial measures, and for FY23 we have introduced an element based on absolute growth in Total Accounting Return (TAR). 25% will remain based on strategic measures (including measurable ESG objectives consistent with the Company's ESG commitments and strategy). Thirty percent of any bonus paid will be deferred into shares for two years.

Long-term incentives: Grant levels will be 100% of base salary. In line with FY22 grants, performance will be assessed against relative TSR and relative TAR vs a peer group of UK REITs. Awards must be held by Executive Directors for a further two years after vesting.

Closing remarks

We believe we have taken sensible steps in ensuring the robust operation of our Remuneration Policy with recognition to the experience of both shareholders, employees and other stakeholders. Bonuses have been awarded to the wider team to ensure alignment with the level of bonuses awarded to the Executive Directors.

We have exercised pay restraint for the Executive Directors and members of ExCo whilst ensuring that the wider workforce have received pay increases recognising the impact of the significant inflationary pressures which currently prevail.

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

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

Alastair Miller
Committee Chairman

15 June 2022

Remuneration at a glance

FY22 Annual Bonus Performance

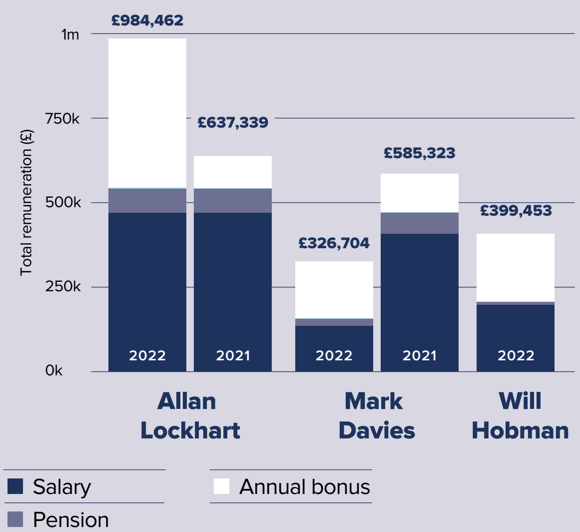
Corporate and financial measures (75% weighting)

	Measure	Achievement (% of max)
Corporate	Total return vs IPD All Retail	50%
Corporate	Earnings yield (FFO)	100%
Financial	LTV	100%

Strategic measures (25% weighting)

	Director	Achievement (% of max)
Strategic	Allan Lockhart	40%
Strategic	Will Hobman	80%

Executive Pay in FY21/22



FY20-22 Performance Share Plan

Measure	Achievement (% of max)
Relative TSR vs FTSE All Share Index	0%
Relative Total Accounting Return vs Peer Group	0%
Total	**0**

Implementation of Policy in FY23

Base Salaries	• Allan Lockhart: £470,000 no increase from previous year • Will Hobman: £325,000
Benefits	• No change
Pension	• Allan Lockhart: 15% of salary to reduce in FY24 to align with staff • Will Hobman: 4% of salary
Annual Bonus	• Maximum opportunity is 125% of salary • Performance conditions: • 75% Corporate Targets • 25% individual strategic objectives • 30% deferred into shares for two years

Long Term Incentive Plan	• Grant levels will not exceed 100% of salary
	• Performance conditions:
	  • Relative TSR (50%)
	  • Relative TAR (50%)
	• two-year post-vesting holding period applies

Shareholding requirements	• 200% of salary

Summary Remuneration Policy

The Remuneration Policy was approved by shareholders at the 2020 Annual General Meeting on 14th August 2020. The full Remuneration Policy can be found in the 2020 Annual Report which is available at www.nrr.co.uk.

Executive Directors

Element	Purpose and Link to Strategy	Operation	Maximum	Performance Target
Fixed				
Salary	Market competitive remuneration base reflecting role, responsibilities, skills and experience.	Normally reviewed annually, effective 1 April although salaries may be reviewed more frequently or at different times of the year if the Committee determines this is appropriate. Paid in cash monthly. Reviewed in context of the salary increases across the Group. Reviewed periodically against peer companies.	There is no prescribed maximum. Increases will typically be dependent on the results of an annual review in the context of the average increase for the wider work force, inflation and market data. Increases will not normally be above the level implemented across the wider workforce. Increases may be above this level, for example if there is an increase in the scale, scope or responsibility of the role.	Not applicable
Pension	To provide competitive post-retirement benefits. To assist with recruitment and retention.	The Company currently contributes 15% of base salary for Allan Lockhart as an existing Director when the policy was first implemented. This will reduce at the end of the policy period. As a new Director, appointed during the policy period, Will Hobman's Company pension contributions are in line with the UK workforce at 4% of base salary. The Company reserves the right to pay a non-pensionable cash supplement in lieu of pension contributions.	The maximum Company contribution is 15% of base salary for existing Executive Directors. This will reduce to the rate applicable to the majority of the workforce at the end of the policy period. This currently only applies to one Executive Director (CEO). Future Executive Directors will receive Company contributions in line with the UK workforce, currently 4% of base salary. Will Hobman, an Executive Director who was appointed during the year, has a pension contribution of 4% in line with the UK workforce.	Not applicable
Benefits	To provide a competitive and cost-effective benefits package. To assist with recruitment and retention.	The Company provides a range of non-pensionable benefits to Executive Directors which may include medical insurance, life assurance, permanent health insurance, holiday and sick pay. Other benefits such as relocation allowances may be offered if considered appropriate and reasonable by the Committee.	Benefits are set at a level which the Committee considers appropriate when compared to the Company's listed real estate investment trust peers. There is no prescribed maximum.	Not applicable

Executive Directors

Element	Purpose and Link to Strategy	Operation	Maximum	Performance Target
Variable				
Bonus	To incentivise performance in the reporting year through the setting of targets at the beginning of the year. These annual targets are intended to be consistent with the Group's long-term strategy. The deferral of a proportion of the bonus in shares aligns directors' interests with those of shareholders and to discourage short-term decision making.	Awards of annual bonus are made pursuant to the Annual Bonus Plan. All measures and targets will be reviewed and set annually by the Committee at the beginning of the financial year and levels of award determined by the Committee after the year end are determined based on achievement of performance against the stipulated measures and targets. The Committee retains an overriding discretion to adjust pay-outs from formulaic outcomes to ensure that overall bonus payments reflect its view of corporate performance during the year and are fair to both shareholders and participants. 30% of the bonus must be deferred into shares for two years. Vesting of the deferred shares will be subject to continued employment. The value of the bonus does not contribute to the pensionable salary. Clawback and malus provisions apply.	The maximum bonus is 125% of salary. On target performance would result in a bonus payment of 50% of maximum bonus. Threshold performance would result in bonus payment of up to 25% of maximum bonus.	All measures and targets relate to a financial year of the Company and are reviewed on an annual basis. At least 50% of the bonus will be subject to financial performance conditions.
Performance Share Plan	To incentivise and reward the delivery of returns to shareholders and sustained long-term performance. Aligns the Executive Directors' interests with those of shareholders. Rewards and helps retain/recruit executives.	Discretionary grant of nil-cost options. Awards normally vest three years from the date of award. Vesting of awards is subject to satisfaction of performance targets normally measured over a three-year period. The Committee has discretion to determine the applicable performance targets and their weightings to ensure they are appropriate. Performance conditions will be based on financial and stock market-based measures. A holding period of two years will apply following vesting before participants are entitled to sell their shares. Clawback and malus provisions apply.	The maximum award level permitted under the 2016 PSP plan rules and this policy is 200% of salary. The normal annual award is 100% of salary for all Executive Directors. Awards would not be increased above 100% of base salary without prior consultation with shareholders. 25% of the award is payable at threshold performance.	Performance targets will apply in respect of a performance period which will not be less than three years. Notwithstanding the extent to which the performance targets are met, awards shall only vest if the Committee (in its absolute discretion) is satisfied that performance against the conditions is a fair reflection of underlying performance.

Executive Directors

Element	Purpose and Link to Strategy	Operation	Maximum	Performance Target
Variable				
Shareholding Requirement	To encourage long term share ownership and support alignment of interests with shareholders.	The Company operates a shareholding requirement which is subject to periodic review. At least half of the net shares vested under the deferred annual bonus and the LTIP must be retained until the shareholding requirement is met. After employment, shares that have been purchased voluntarily may be excluded from the post-cessation shareholding requirement.	During employment, Executive Directors must build up a shareholding worth 200% of salary. After employment, Executive Directors will be required to retain the lower of the shareholding requirement during employment or actual shareholding at cessation for one year. In the second year, Executive Directors will be required to hold the lower of the actual shareholding at cessation or half of the shareholding requirement during employment. The Committee has the discretion to relax this requirement in exceptional circumstances (e.g. serious ill-health).	Not applicable

Chairman and Non-Executive Directors

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

Considerations in relation to the Policy Review

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

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

The Committee addresses the following factors when determining the remuneration policy and practices, as recommend by the UK Corporate Governance Code:

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

Service contracts

The details of the service contracts for Executive Directors and Letters of Appointment for the Non-Executive Directors are summarised below:

Executive Directors	Date of Appointment	Expiry date of service agreement of letter of appointment
Allan Lockhart	18 August 2016	12 month rolling contracts
Will Hobman	20 August 2021	
Margaret Ford	1 September 2017	3 month rolling contracts
Colin Rutherford	5 February 2019	
Kay Chaldecott	18 August 2016	
Alastair Miller	18 August 2016	
Charlie Parker	10 September 2020	

The service agreements are available to shareholders to view at the Company's Registered Office on request from the Company Secretary and at the Annual General Meeting.

External Directorships and Memberships

Executive Directors may take up one external directorship, subject to the prior approval of the Board. In considering the appointment, the Board will consider whether the appointment will have an adverse impact on the Director's role within the Company and whether it will be a conflict of interest. Fees earned may be retained by the Director. At present, no Executive Director has an external directorship.

Executive Directors are encouraged to join, when invited, advisory committees of industries and professional bodies directly related to the Company's business. This helps to keep the Company informed of any future regulations or trends which may affect it in the future, as well as providing the opportunity to influence future decision making.

Recruitment arrangements

The Committee will apply the same Remuneration Policy and principles when setting the remuneration package for a new Executive Director. The Committee will take into consideration all relevant factors to ensure that pay arrangements are in the best interests of the Company and its shareholders.

Ongoing benefits, pension provisions, annual bonus participation and awards under both the DBP and the PSP will be in line with those stated in the policy.

Different performance measures may be set for any initial awards under the ABP and PSP considering the responsibilities of the individual and the point in the year that they joined and the rules of the applicable plan. The rationale will be clearly explained in the Annual Report following such recruitment. The level of bonus which may be paid will be pro-rated to reflect the time in the year when the Executive Director joins.

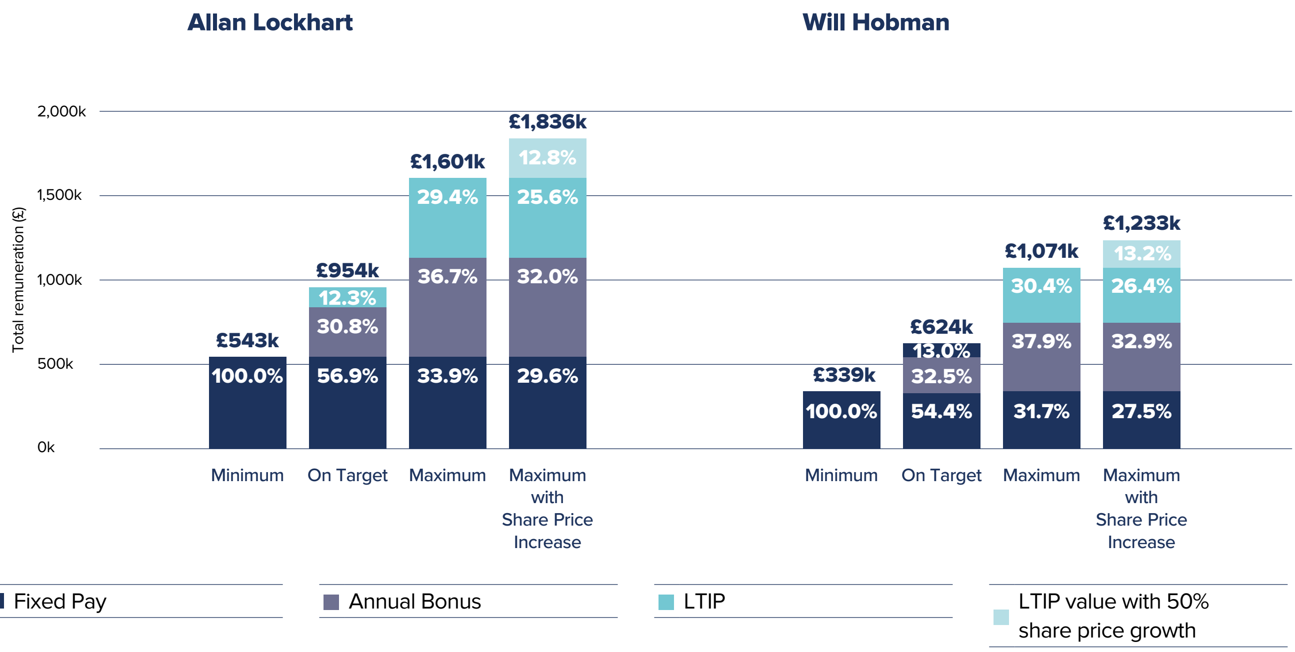
The Committee will have discretion to make payments or awards to buy out incentive arrangements forfeited on leaving a previous employer, i.e. over and above the approach outlined in the table above and may exercise the discretion available under Listing Rule 9.4.2R if necessary to do so. In doing so, the Committee will match the fair value of the awards forfeited, taking account of the applicable performance conditions, the likelihood of those conditions being met and the proportion of the applicable vesting period remaining.

Where an Executive Director appointment is an internal candidate, the Committee will honour any pre-existing remuneration obligations or outstanding variable pay arrangements that relate to the individual's previous role.

Non-Executive Directors will be recruited on the basis of a Letter of Appointment with a three-month notice period.

Illustration of Remuneration Policy

The charts below illustrate the remuneration opportunity provided to each Executive Director in line with the policy at different levels of performance for the FY23 financial year. Four scenarios have been illustrated for each Executive Director:



Minimum performance:	• comprising the minimum remuneration receivable (being normal base salary, pension and benefits calculated using the 2021/22 figures;
On target performance:	• comprising fixed pay, annual bonus payment at 50% of the maximum opportunity and long-term incentive awards vesting at 25% of maximum opportunity;
Maximum performance:	• comprising fixed pay, 100% of annual bonus and 100% vesting of long-term incentive awards, and
Maximum performance with share price increase:	• comprising fixed pay, 100% of annual bonus and 100% vesting of long-term incentive awards with the value increased for share price appreciation of 50%.

Remuneration Report

This section sets out how the Directors' Remuneration Policy was implemented during the financial year ended 31 March 2022. Where stated, disclosures regarding Director's remuneration have been audited by the Company's external auditors, PwC. This section, together with the Chairman's Statement, is subject to an advisory vote at the 2022 AGM.

Remuneration Committee

The Remuneration Committee is comprised of all the Non-Executive Directors, including the Chair. Charlie Parker joined the Committee on 1 April 2021. The Remuneration Committee meets at least four times a year, together with adhoc meetings when required. It met seven times during the year and all members attended the meetings. A Board and Committee attendance chart is contained in the Governance report on page 97:

Committee Members
Alastair Miller: Committee Chairman
Kay Chaldecott
Margaret Ford
Colin Rutherford
Charlie Parker

The Chief Executive Officer and Chief Operating and People Officer were invited to attend all or part of the meetings as relevant. These individuals were not present when their own remuneration was discussed. The Company Secretary acts as secretary to the Committee.

Role of the Remuneration Committee

The role of the Remuneration Committee is to establish a formal and transparent procedure for developing and implementing the remuneration policy. The Policy should have regard to the risk appetite of the Company and Executive remuneration should be aligned to the Company's purpose and values and be clearly linked to the successful delivery of the Company's long-term strategy. The Committee also reviews the remuneration of the Chairman and senior executives below Board level. Terms of reference for the Remuneration Committee can be found on the Company's website.

Other main responsibilities of the Committee are to:

- ensure that the Directors and executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company and to align their interests with those of Shareholders;
- attract, retain and motivate Directors and executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;
- review and have regard to workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting remuneration policy for Directors and especially when determining annual salary increases;
- consider and set the objectives, annual pay and targets for the Directors and executive management; and
- review the operation of the Group's share incentive schemes and the granting and vesting of the schemes.

Any potential conflicts of interest are managed carefully. No Director is present when their own remuneration is being discussed and Committee papers are redacted where appropriate to avoid individuals seeing proposals before they are discussed by the Committee. Each meeting minutes whether there are any potential conflicts for any members or attendees.

Focus of the Remuneration Committee during FY22

The Committee focussed on the following items within its remit during the year:

- considering carefully the continued impact of the COVID-19 pandemic on the application of the Remuneration Policy;
- reviewing the wider workforce arrangements and pay policies and reviews;
- reviewing incentive plan performance conditions;
- approving the remuneration report;
- reviewing a report from Korn Ferry on developments in market practice in remuneration matters;
- setting the salary and remuneration arrangements for the incoming CFO;
- setting the bonus KPIs for the CEO and CFO for FY22 to align with the Company's strategy;
- considering Mark Davies' bonus as a Director;
- considering Mark Davies' bonus as an employee in relation to Hawthorn;
- considering the treatment of Hawthorn Good Leavers' share awards; and
- determining the grant level and performance conditions for the FY22 PSP award;
- approving ExCo bonuses.

Statement of voting at the Annual General Meeting

The following table summarises the details of votes cast for and against the Directors' remuneration policy and the Directors' remuneration report at the 2020 and 2021 AGM, along with the number of votes withheld.

	Votes for	%	Votes against	%	Total shares for and against	Votes withheld
That the Directors' remuneration report be received and approved (2021 AGM)	123,377,051	93.01	9,276,709	6.99	132,653,760	2,241,038
That the Directors' remuneration policy be received and approved (2020 AGM)	160,581,406	94.19	9,902,752	5.81	170,484,158	89,031

Remuneration Committee advisor

The Committee keeps itself fully informed on developments and best practice in the field of remuneration and it seeks advice from external advisers when appropriate. The Committee appoints its own independent remuneration advisers and appointed Korn Ferry in 2018 following a competitive process. During the year the Committee continued to retain the services of Korn Ferry. Korn Ferry is a member of the Remuneration Consultants Group and signatory to its Code of Conduct which can be found at www.remunerationconsultantsgroup.com. During FY22 Korn Ferry did not provide any other services to the Company. Fees charged by Korn Ferry were on a time and materials basis and totalled £36,954 in the year ended 31 March 2022. The Committee reviews the performance and independence of its advisers on an annual basis and is satisfied that the advice provided is objective and independent.

Total remuneration payable to Directors for FY22 (audited)

The following tables show a single figure total of remuneration for the year ended 31 March 2022 for each of the Directors and compares this figure to the prior year.

Executive Directors

	Financial Year	Salary[1] £	Benefits[2] £	Pension[5] £	**Subtotal for fixed pay £**	Cash bonus £	Value of bonus deferred into shares £	Long-term incentive plans £	**Subtotal for variable pay £**	**Total £**
Allan Lockhart	2022	470,000	3,337	70,500	543,837	308,438	132,187	_	440,625	984,462
	2021	470,000	2,839	70,500	543,339	65,800	28,200	–	94,000	637,339
Will Hobman[3]	2022	189,583	855	7,583	198,021	141,002	60,430	_	201,432	399,453
	2021	–	–	–	–	–	–	–	–	–
Mark Davies[4]	2022	136,000	304	20,400	156,704	119,000	51,000	-	170,000	326,704
	2021	408,000	1,883	61,200	471,083	79,968	34,272	–	114,240	585,323

1. Directors paid 20% of their base salaries to charity between 1 May-1 August 2020
2. Benefits are the Director's private medical cover.
3. Will Hobman was appointed to the Board on 20 August 2021 and the remuneration shown is from this date. Prior to this, Will Hobman was the Financial Director (below Board level role).
4. Mark Davies retired from the Board on 28 July 2021. The amounts disclosed represent the remuneration for the period that Mark was an Executive Director.
5. Allan Lockhart and Mark Davies received a pension contribution of 15% of salary. Will Hobman received a pension contribution of 4% of salary.

Non-Executive Directors

	Financial Year	Base Fee £	Audit Committee Chairman £	Remuneration Committee Chairman £	Senior Independent Non-Executive Director £	Total £
Margaret Ford	2022	160,000	–	–	–	160,000
	2021	160,000	–	–	–	160,000
Kay Chaldecott[1]	2022	50,000	–	–	–	50,000
	2021	50,000	–	3,324	–	53,324
Alastair Miller[2]	2022	50,000	–	7,500	7,500	65,000
	2021	50,000	3,324	4,176	7,500	65,000
Charlie Parker[3]	2022	50,000	–	–	–	50,000
	2021	25,000	–	–	–	25,000
Colin Rutherford[4]	2022	50,000	7,500	–	–	57,500
	2021	50,000	4,176	–	–	54,176

1. Kay Chaldecott stepped down as Remuneration Committee Chair on 10 September 2020.
2. Alastair Miller stepped down as Audit Committee Chair and took up the role of Remuneration Committee Chair on 10 September 2020.
3. Charlie Parker was appointed on 10 September 2020.
4. Colin Rutherford was appointed Audit Committee Chair on 10 September 2020.

Annual bonus for the year to 31 March 2022 (audited)

Executive Directors had the opportunity to earn a bonus up to a maximum of 125% of salary on the basis of the achievement of the following measures.

The performance against measures to 31 March 2022 are set out in the tables below. For Allan Lockhart and Will Hobman, the bonus was subject to relative Total Return, Earnings yield (UFFO), LTV and strategic objectives.

	Weighting	Threshold	Target	Stretch	Actual result	Achievement % of maximum available under that element		**Pay-out as a percentage of total bonus**	
Measure		25% of maximum	50% of maximum	100% of maximum		Allan Lockhart	Will Hobman	Allan Lockhart	Will Hobman
Corporate									
Total Return vs IPD All Retail	20%	At index	10% ahead	20% ahead	target	50%	50%	10%	10%
Earnings yield (UFFO)	25%	<5% below	26m	>5% or above	28.3m	100%	100%	25%	25%
Financial									
LTV	30%	<42%	<40%	<38%	34.1%	100%	100%	30%	30%
Strategic									
Strategic objectives	25%		See overleaf			40%	80%	10%	20%

A summary of the strategic objectives for the Allan Lockhart and Will Hobman are shown below:

Allan Lockhart				
Strategic objectives		Weighting	Assessment of performance by the Committee	Achievement
Cost reductions: Unlocking £1m, £2m and £2.5m of savings		7.5%	£1.0m	2.5%
Achieve further disposals from the Workout portfolio worth £10m, £20m, £30m		10%	£8.5m	0%
ESG	Materially improve GRESB Score	3.75%	GRESB score improved from 60% to 68%	3.75%
	Materially improve EPRA Score	3.75%	EPRA improved two categories from Bronze to Gold	3.75%
Total		25%		10%

Will Hobman				
Strategic objectives		Weighting	Assessment of performance by the Committee	Achievement
Cost reductions: Unlocking £1m, £2m and £2.5m of savings		7.5%	£1.0m	2.5%
To complete refinance strategy		10%	Repayment of Term Loan of £165m, reduction in RCF of £170m and reduction in annualise debt costs of £7m	10%
ESG	Materially improve GRESB Score	3.75%	GRESB score improved from 60% to 68%	3.75%
	Materially improve EPRA Score	3.75%	EPRA improved two categories from Bronze to Gold	3.75%
Total		25%		20%

Based on performance to 31 March 2022, the annual bonus outcome for Executive Directors during the year are shown below. The Committee is satisfied that no adjustments to the pay-outs is required, and that the outcome is reflective of underlying performance.

	Annual Bonus outcome		
Executive	**% of maximum**	**% of salary**	**Bonus outcome**
Allan Lockhart	75%	93.75%	£440,625
Will Hobman	85%	106.25%	£201,432

30% of the bonus will be deferred into shares for two years. Deferred shares are subject to continued employment.

Mark Davies, who stood down from the Board on 28 July 2021, received a bonus on a pro rata basis of a maximum of 125% of salary to reflect his contribution to the successful completion of the Hawthorn Pubs disposal. The Committee set the bonus opportunity based on the Committee's assessment of the financial performance of the Hawthorn business (80%) and Mark's performance and contribution to the completion of the Hawthorn disposal (20%). The Remuneration Committee assessed Mark's performance for the proportion of the financial year that he served as an Executive Director and determined that he should be paid a pro rata bonus of £170,000. This reflected the very strong performance of the business at that time and Mark's contribution to the strategy to create the right conditions for a complex disposal in a very challenging market environment for a Hospitality business, and the significant value that this has brought to the Group. In-line with the Director's Remuneration Policy this was payable 30% in deferred shares, which will vest on the second anniversary of grant.

Long-term Incentive Plans (audited)

Vesting of Performance Share Plan awards

The Performance Share Awards were granted to Allan Lockhart, Will Hobman and Mark Davies on 27 June 2019. The performance targets for these awards and the performance to 31 March 2022 are shown below:

	Weighting	Threshold	Target	Stretch	Actual result	Vesting (% of max)
Measure		25% of maximum	75% of maximum	100% of maximum		
Total Shareholder Return vs FTSE All Share (excluding investment trusts)	50%	Median	62.5 percentile	Upper Quartile	Below median	0%
Total Accounting Return ranking vs. UK REITs[1]	50%	Median	62.5 percentile	Upper Quartile	Below median	0%
					Total	0%

1. The UK REIT peer group included the following companies Segro, Land Securities Group, British Land, Derwent London, Hammerson, Shaftesbury, Unite Group, Tritax Big Box REIT, Capital & Counties Properties, Great Portland Estates, Workspace Group, Big Yellow Group, Assura, Grainger, Londonmetric Property, Safestore Holdings, UK Commercial Property REIT, Primary Health Properties and CLS Holdings.

PSP awards granted in the year to 31 March 2022 (audited)

The following Performance Share Plan awards were granted to Executive Directors as nil cost options on 7 September 2021:

Executive	Value of awards at grant date[1] (% salary)	Number of shares comprising award	% of award vesting at threshold	Vesting Period End Date	Holding Period End Date
Allan Lockhart	£470,000 (100%)	597,964	25%	7 Sept 2024	7 Sept 2026
Will Hobman	£205,000 (100%[2])	260,814	25%	7 Sept 2024	7 Sept 2026

1. The closing price on the day before the grant date has been used to determine the number of shares comprising the award. This was 78.6p.
2. Prior to appointment as CFO, Will Hobman was NewRiver REIT Finance Director. The grant was 100% of Will Hobman's salary at 31 March 2021 prior to his appointment as a Director.

Performance will be assessed from 1 April 2021 to 31 March 2024. The targets for both performance conditions are as follows:

	TSR ranking vs. UK REITs (50% of award)	Total Accounting Return ranking vs. UK REITs (50% of award)	Vesting (% of award)[1]
Below threshold	Less than Median (50th percentile)	Less than Median (50th percentile)	0
Threshold	Equal to Median (50th percentile)	Equal to Median (50th percentile)	25
	Equal to 62.5th percentile	Equal to 62.5th percentile	75
Maximum	Equal to Upper Quartile (75th percentile) and above	Equal to Upper Quartile (75th percentile) and above	100

1. Vesting is calculated on a straight-line basis between 25%, 75% and 100%.
2. 50% of each award may vest based on the Company's TSR compared to a group of UK REITs.
3. 50% of each award may vest based on the Company's Total Accounting Return ("TAR") compared to a group of UK REITs that report their NAV on an EPRA basis. TAR is defined as the annualised return over the performance period based on the change in EPRA NAV per share and the level of dividends paid per share.

The TSR and TAR comparator group was composed of the companies set out in the list below.

SEGRO	GREAT PORTLAND ESTATES	UNITE GROUP	LONDONMETRIC PROPERTY
LAND SECURITIES GROUP	WORKSPACE GROUP	TRITAX BIG BOX REIT	SAFESTORE HOLDINGS
BRITISH LAND	BIG YELLOW GROUP	CAPITAL & COUNTIES PROPERTIES	UK COMMERCIAL PROPERTY REIT
DERWENT LONDON	ASSURA	CLS HOLDINGS	PRIMARY HEALTH PROPERTIES
HAMMERSON	SHAFTESBURY	GRAINGER	

Deferred Shares granted in the year to 31 March 2022 (audited)

Awards of Deferred Bonus Shares over the Company's shares were granted to Executive Directors as nil cost options in FY22 as shown below. The deferred share awards are based on 30% of the bonus awarded for the year to 31 March 2021. Vesting of the awards is normally subject to continued employment at the date of vesting in two years' time.

Executive	Number of shares granted[1,2]	Face value of the award at grant date	Grant date	Vest date
Allan Lockhart	35,878	£28,200	7 September 2021	7 September 2023
Mark Davies	43,603	£34,272	7 September 2021	7 September 2023
	65,764	£51,000	1 November 2021[3]	1 November 2023
Will Hobman	20,992	£16,500	7 September 2021	7 September 2023

1. The closing price on the day before the grant date has been used to determine the number of shares comprising the award. This was 78.6p for the September awards and 77.55p for the November award.
2. Awards are not subject to performance conditions
3. Deferred bonus award for the period as a Director (1 April 2021 to 28 July 2021)
4. Vesting of awards is normally subject to continued employment unless an employee leaver is deemed a 'Good Leaver'.

Summary of Directors Interests (audited)

The beneficial interests of the Executive Directors in share awards and share options as at 31 March 2022 are shown in the following tables.

Allan Lockhart										
Grant Date	Plan	Vesting by	Share price at date of award £	Exercise price £	At 31 March 2021	Granted	Dividend equivalent shares added[3]	Lapsed	Exercised	At 31 March 2022
Sep 2011	USOP	Vested	2.35	2.35	338,000	–	–	(338,000)	–	–
May 2018	DBP	May 2020	2.86	nil	62,194	–	–	–	–	62,194
May 2018	PSP	May 2021	2.98	nil	170,772	–	–	(170,772)	–	–
Jun 2019	PSP	Jun 2022	1.77	nil	290,915	–	24,682	–		315,597
Jun 2019	DBP	Jun 2021	1.79	nil	66,952	–	–	–	–	66,952
Aug 2020	PSP	Aug 2023	0.63	nil	497,354	–	42,198	–	–	539,552
Sept 2021	DBP	Sept 2023	0.78	nil	–	35,878	1,621	–	–	37,499
Sept 2021	PSP	Sept 2024	0.78	nil	–	597,964	27,030	–	–	624,994
Total					**1,426,187**	**633,842**	**95,531**	**(508,772)**	**–**	**1,646,788**

Will Hobman										
Grant Date	Plan	Vesting by[1]	Share price at date of award £	Exercise price £	At 31 March 2021[2]	Granted	Dividend equivalent shares added[3]	Lapsed	Exercised[4]	At 31 March 2022
May 2018	PSP	May 2021	2.98	nil	31,640	–	–	(31,640)	–	–
Jun 2019	PSP	Jun 2022	1.77	nil	64,991	–	5,513	–	–	70,504
Jun 2019	DBP	Jun 2021	1.79	nil	10,050	–	–	–	(10,050)	–
Aug 2020	DBP	Aug 2022	0.63	nil	45,044	–	3,821	–	–	48,865
Aug 2020	PSP	Aug 2023	0.63	nil	158,730	–	13,467	–	–	172,197
Sept 2021	DBP	Sept 2023	0.78	nil	–	20,992	948	–	–	21,940
Sept 2021	PSP	Sept 2024	0.78	nil	–	260,814	11,789	–	–	272,603
Total					**310,455**	**281,806**	**35,538**	**(31,640)**	**(10,050)**	**586,109**

1. A holding period of two years is applied following vesting
2. At date of appointment 20 August 2021
3. The right to dividends is accrued and is only payable if and to the extent that the awards vest.
4. Will's awards were exercised on 03 September 2021, some were sold to cover tax at a share price of 78.9p. The aggregate gain from exercising this award was £7,929.45

Mark Davies										
Grant Date	Plan	Vesting by	Share price at date of award £	Exercise price £	At 31 March 2021	Granted	Aggregate Dividend equivalent shares added	Lapsed	Exercised	At 28 July 2021
May 2018	PSP	May 2021	2.86	nil	160,725	–	–	(160,725)	–	–
Jun 2019	PSP	Jun 2022	1.77	nil	252,540	–	–	(252,540)	–	–
Jul 2019	DBP	Jun 2021	1.79	nil	58,587	–	–	–	–	58,587
Aug 2020	PSP	Aug 2023	0.63	nil	431,746	–	–	–	–	431,746
Total					**903,598**	**–**	**–**	**(413,265)**	**–**	**490,333**

1. Mark stepped down from the Board on 28 July 2021

DBP = Deferred Bonus Plan.

PSP = Performance Share Plan.

USOP = Unapproved Share Option Plan.

Unapproved Share Option Plan

Awards made under the Unapproved Share Option Plan have vested and the participants have until the tenth anniversary from the date of grant for each award in which to exercise the options. The exercise price per share to be paid upon exercise is shown against each award. There were no exercises of awards or market value share options during the year an the remaining unexercised options lapsed in the year.

Details of the Directors' shareholdings and rights to shares (audited)

It is the Board's policy that Executive Directors build up and retain a minimum shareholding of 200% of base salary. Beneficially owned shares, the net of tax value of vested and unvested DBP awards plus vested but unexercised PSP awards may be counted towards the value of the executives' shareholdings for the purposes of the 200% holding guideline.

The beneficial interests of Directors who served during the year, in the shares of the Company are as follows:

	Beneficially owned shares held at 31 March 2022	Value of beneficially owned shares as % of salary[1]	Vested DBP awards held at 31 March 2022[2]	Vested but unexercised PSP awards held at 31 March 2022	Unvested DBP awards held at 31 March 2022	Value of holdings including vested and unvested DBP and PSP[1]	Unvested PSP awards held at 31 March 2022	Total held as at 31 March 2022	Shareholding % of salary
Allan Lockhart	347,355	63%	129,146	–	37,499	94%	1,480,143	1,994,143	unmet
Will Hobman[3]	111,035	50%	–	–	70,805	82%	515,304	697,144	unmet
Mark Davies[4]	291,315	61%	_	234,188	114,410	134%	_	639,813	N/A
Margaret Ford	106,440	–			–	–	–	106,440	N/A
Kay Chaldecott	39,445	–	–	–	–	–	–	39,445	N/A
Alastair Miller	68,746	–	–	–	–	–	–	68,746	N/A
Colin Rutherford	–	–	–	–	–	–	–	–	N/A
Charlie Parker	11,454	–	–	–	–	–	–	11,454	N/A

1. Based on the closing share price of 85.6p as at 31 March 2022 and salary for 2021/22. Shareholding guidelines, under the Remuneration Policy, require the CEO and CFO to hold a minimum number of shares with a value in excess of 200% of base salary. Will Hobman's calculation is based on salary paid post appointment as CFO.
2. Includes dividend equivalent shares added to that date. Although vested these awards have not yet been exercised.
3. Will Hobman was appointed on 20 August 2021. The shareholding as a percentage of salary has been calculated on the basis of his prorated salary.
4. Mark Davies retired from the Board on 28 July 2021, and his shareholding is at this date. He remains subject to post-employment shareholding requirements.
5. All awards are nil cost awards.

DBP = Deferred Bonus Plan.
PSP = Performance Share Plan.
USOP = Unapproved (market value) Share Option Plan.

There have been no changes in the number of shares held from 31 March 2022 to 6 June 2022, being the latest practicable date before the publication of this Annual Report.

Payments to past Directors

Payments to former Director: Mark Davies

Mark Davies stepped down from the Board and as CFO on 28 July 2021. Mark remained in the employment of the Company until 30 September 2021.

Mark's salary, pension and benefits for the proportion of the year served as an Executive Director were:

	Salary	Benefits	Pension
Earned in relation to service as an Executive Director to 28 July 2021	£136,000	£304	£20,400

Bonus in relation to qualifying services as an Executive Director

The Committee set performance targets at the start of the FY21/22 financial year based on the Committee's assessment of the financial performance of the business and Mark's performance and contribution to the successful completion of the Hawthorn disposal. The Remuneration Committee assessed Mark's performance for the proportion of the financial year that he served as an Executive Director and determined that he should be paid a bonus of £170,000. This amount represented 125% of salary, pro rata to the proportion of the year served as an Executive Director. In line with the Directors' Remuneration Policy this was payable 30% in deferred shares, which vest on the second anniversary of grant.

Outstanding Share Awards

The status and terms of the unvested Deferred Bonus Shares and Performance Share Plan awards were unaffected by Mark's stepping down from the Board and remaining an employee, including deferral periods and post vest holding requirements. Mark did not receive a PSP award during the 2021/22 financial year.

Post-Employment shareholding requirement

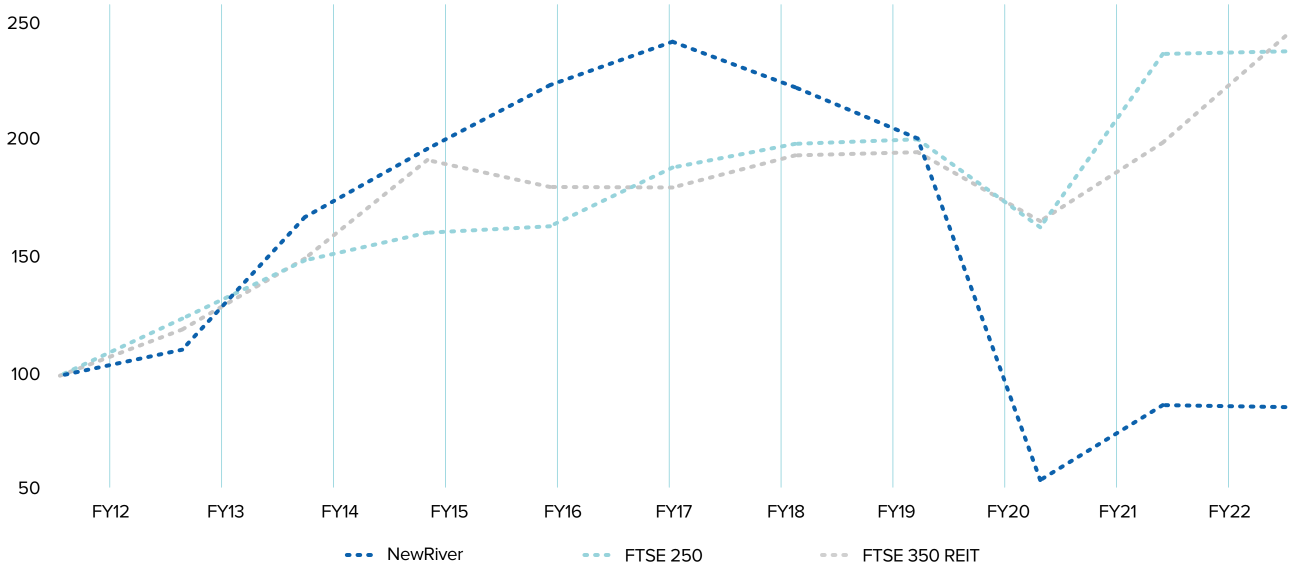
Mark was required to abide by the post-employment shareholding requirement in accordance with the remuneration policy. The effective date is 28 July 2021 being the date he stood down from the Board and qualifying shares must continue to be held for two years from this date.

Remuneration arrangements after stepping down from the Board

Ongoing contractual and remuneration arrangements were unchanged for the period of time as an employee as CEO of Hawthorn. Separate from any payment for qualifying services, consistent with other Hawthorn employees, Mark was eligible and received a further bonus payment in his capacity as an employee, based on Mark's performance and contribution to the successful completion of the Hawthorn Pub disposal. Subsequent to the disposal and, again, consistent with other Hawthorn employee leavers, Mark was treated as good leaver for the purposes of his share awards when he left the Hawthorn business.

Historic Total Shareholder Return performance and Chief Executive Officer remuneration

The following information allows comparison of the Company's TSR (based on share price growth and dividends reinvested) with the remuneration of the CEO over the last ten years, together with bonus and LTIP pay-outs (as a percentage of the maximum).



The chart shows the Company's TSR and that of the FTSE250 and the FTSE350 REIT Indices based on an initial investment of £100 on 1 April 2011 and values at intervening financial year ends over a ten-year period to 31 March 2022. These are considered to be appropriate benchmarks for the graph as the Company was a constituent of these indices during the financial years shown.

	2012 David Lockhart	2013 David Lockhart	2014 David Lockhart	2015 David Lockhart	2016 David Lockhart	2017 David Lockhart	2018 David Lockhart	2019 Allan Lockhart	2020[1] Allan Lockhart	2021 Allan Lockhart	**2022 Allan Lockhart**
Total remuneration (£)	467,500	504,000	642,000	850,000	1,792,205	1,341,958	1,012,946	911,972	543,239	637,339	984,462
Annual bonus (% of max)	36.5	32.6	69.0	70.0	100.0	66.7	77.3	64.0	–	20.0	75.0
Total LTIP vesting (% of max)	–	–	–	–	50.0	76.3	13.1	–	–	–	–

[1] Allan Lockhart received no bonus in 2020

CEO pay ratio

As the Company has less than 250 employees, we are not required to disclose the CEO pay ratio. We however consider it appropriate to disclose our pay ratios on a voluntarily basis as we are committed to supporting strong governance and transparency. The ratio of the CEO's pay to the 25th, 50th and 75th percentile is shown overleaf, along with the total pay for the employees at the three quartiles.

We have based the calculation on the methodology outlined in Option A under the regulations, although, we have chosen not to disclose the three salary levels for the relevant employees to allow a simpler comparison with the total pay of the CEO. This method is, in the Committee's view, the most comprehensive and accurate reflection of the remuneration picture across our employee population.

The ratio calculated by reference to actual pay rates on 31 May 2022 and based on the CEO's full salary. The total employee pay at the 50th and 75th percentile has changed following the sale of the Pubs business leading to changes to the make up of the workforce (rather than this being reflective of increases to pay levels in the workforce of this magnitude).

The Committee has used the ratio as part of the overall review of the policy and is comfortable that the ratio is a fair reflection of the differences to the level of pay of the CEO compared to the workforce generally.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY22	Option A	7:1	12.7:1	17.2:1
FY21	Option A	7:1	9:1	19:1
FY20	Option A	8:1	17:1	34:1

The total pay for the individuals identified at the Lower quartile, Median and Upper quartile positions are set out below:

	FY2022
	Total Pay
Upper quartile	£141,894
Median	£77,757
Lower quartile	£57,365

Annual percentage change in remuneration of Directors and employees

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for all the Directors compared with the average percentage change for employees.

	FY21/FY22			FY20/FY21		
Directors	Salary/fee	Benefits	Annual Bonus	Salary/fee	Benefits	Annual Bonus
Executive Directors						
Allan Lockhart	0%	18%	369%	0%	0%	100%
Mark Davies[1]	0%	-50%	356%	0%	0%	100%
Will Hobman[2]	N/A	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors						
Margaret Ford	0%	N/A	N/A	0%	N/A	N/A
Kay Chaldecott[3]	-6%	N/A	N/A	0%	N/A	N/A
Alastair Miller	0%	N/A	N/A	0%	N/A	N/A
Charlie Parker[4]	0%	N/A	N/A	0%	N/A	N/A
Colin Rutherford[5]	6%	N/A	N/A	0%	N/A	N/A
All Employees[6]	5.15%	20%	96%	0%	0%	100%

1. Mark Davies stepped down from the Board on 28 July 2021. For ease of comparison we have compared his fees on a pro rated basis.
2. Will Hobman was appointed to the Board on 20 August 2021 and so no comparison can be made.
3. Kay Chaldecott stepped down as Remuneration Committee Chair on 10 September 2020 therefore the fees Kay received decreased.
4. Charlie Parker was appointed on 10 September 2020.
5. Colin Rutherford was appointed Audit Committee Chair on 10 September 2020 therefore the fees Colin received increased.
6. All employees are used as there are no employees of the listed parent company.

Relative importance of spend on pay

The table below shows employee pay and distributions to shareholders for FY22 and FY21.

	FY22 £'000	FY21 £'000	% difference from prior year
Total spend on employee pay[1, 2]	7,614	6,851	11%
Total distributions to shareholders	21,661	–	100%
Share Buy Backs	–	–	0%

1. Includes salaries, bonuses, social security costs and pension costs as shown in the notes to the Financial Statements.
2. For comparison purposes Hawthorn employees have been removed from the spend on employee pay as they were only employed in FY22 for part of the year.

What the Executive Directors can earn in FY23

The section below sets out the planned implementation of the remuneration policy in FY23. There are no significant changes to the proposed implementation of the remuneration policy.

Salaries and fees

The base salaries and fees for FY23 are set out below, which are unchanged from the prior year:

	salary for FY23	
Allan Lockhart – Chief Executive Officer	£470,000	0% increase
Will Hobman – Chief Financial Officer	£325,000	0% increase

Fees payable to the Chairman and Non-Executive Directors will be in line with FY22 and are as follows:

	Fees[1] for FY23
Chairman	£160,000
Basic fee for a Non-Executive Director	£50,000
Additional fee for serving as Chairman of the Audit and Remuneration Committees	£7,500
Additional fee for serving as the Senior Independent Non-Executive Director	£7,500

1. The Non-Executive Directors' fees were last increased in April 2018

Annual bonus

The annual bonus will operate as laid out in the Remuneration Policy. Executive Directors will have the opportunity to earn a bonus up to a normal maximum of 125% of salary.

For the FY23 annual bonus, 25% will be based on TAR compared to the relevant IPD Index, 25% will be based on Underlying Funds From Operations, 10% will be based on LTV and 15% will be based on absolute growth in TAR and 25% will be based on personal strategic objectives. This revised mix of measures is considered by the Committee to provide a strong link to the business strategy. There will be a full narrative of the Committee's approach in next year's Directors' Remuneration Report. The measures have been selected to reflect a range of key financial and operational goals which support the Company's strategic objectives. The respective targets have not been disclosed as they are commercially sensitive. However, retrospective disclosure of the targets and performance against them will be set out in the Remuneration Report for the year ending 31 March 2023. 30% of the bonus will be deferred into shares for two years.

Long-term incentives – Performance Share Plan

The Performance Share Awards will be granted with the performance targets as shown below:

Measure	Weighting	Threshold 25% of maximum	Target 75% of maximum	Stretch 100% of maximum
Total Shareholder Return vs FTSE All Share (excluding investment trusts)	50%	Median	62.5 percentile	Upper Quartile
Total Accounting Return ranking vs. UK REITs[1]	50%	Median	62.5 percentile	Upper Quartile

1. The UK REIT peer group included the following companies Segro, Land Securities Group, British Land, Derwent London, Hammerson, Shaftesbury, Unite Group, Tritax Big Box REIT, Capital & Counties Properties, Great Portland Estates, Workspace Group, Big Yellow Group, Assura, Grainger, Londonmetric Property, Safestore Holdings, UK Commercial Property REIT, Primary Health Properties and CLS Holdings.

Grant levels will not exceed 100% of base salary. Awards must be held by Executive Directors for a further two years after vesting.

Signed on behalf of the Board

Alastair Miller
Committee Chairman

15 June 2022

Directors' Report

The Directors present their report together with the audited consolidated financial statements and the report of the auditor for the year ended 31 March 2022.

Principal activities and status

NewRiver REIT plc (the "Company") is a premium listed REIT on the London Stock Exchange. The Company is a specialist real estate investor, asset manager and developer focused solely on the UK retail sector. Details of the Group's principal subsidiary undertakings are set out on pages 180 to 181.

Governance

The Financial Reporting Council published a revised UK Corporate Governance Code in July 2018 (the Code). Further information on the Code can be found on the Financial Reporting Council's website at: www.frc.org.uk. The Company's Statement on Governance can be found on page 91.

Results and dividend

The Directors have proposed a final dividend of 3.3 pence per share. Together with the interim dividend of 4.1 pence, the total dividend for FY22 is 7.4 pence. The final dividend is payable on 2nd September 2022 to shareholders on the register as at 29 July 2022. 3.3 pence will be paid as a PID net of withholding tax where appropriate. The Company will be offering a scrip dividend alternative. A dividend of 3.0 pence per share was paid in FY21.

The Board

The Directors, who served throughout the year unless stated otherwise, are detailed below:

	Service in the year 31 March 2022
Margaret Ford	Served throughout the year
Allan Lockhart	Served throughout the year
Will Hobman	Appointed 20 August 2021
Mark Davies	Resigned 28 July 2021
Kay Chaldecott	Served throughout the year
Alastair Miller	Served throughout the year
Charlie Parker	Served throughout the year
Colin Rutherford	Served throughout the year

Unless stated otherwise these Directors were in office during the year and up to the date of signing the financial statements. The roles and biographies of the Directors in office as at the date of this report are set out on pages 88 to 89.

Additional Information

The Strategic Report is set out on pages 1 to 86 and is incorporated into the Directors' report by reference. Additional information which is incorporated by reference into this Directors' Report, including information required in accordance with the Companies Act 2006 and the Listing Rule 9.8.4R of the UK Financial Conduct Authority's Listing Rules, can be located as follows:

Directors' responsibility statement	Page 131
s.172 statement	Page 92
Staff, culture and employee involvement	Staff – pages 22 to 24
Directors' interests	Pages 122 to 124 of the Directors' Remuneration Report
Stakeholder engagement	Strategic report – pages 22 to 29, Governance report – page 93
Environmental policy	ESG report – pages 52 to 77
Greenhouse gas emissions	ESG report – page 59
Future business developments	Strategic Report – pages 1 to 86
Financial risk management objectives and policies	Pages 78 to 84 and pages 174 to 175
Going concern	Page 86
Viability statement	Pages 85 to 86
Governance report	Pages 87 to 131
Listing Rule:	
9.8.4R (1)(2) (5-14)(B)	Not applicable
9.8.4R (4)	Long-term incentive plans - pages 121 to 123

Powers of Directors

Subject to the Company's Articles of Association, UK legislation and any directions given by special resolution, the business of the Company is managed by the Board, which may exercise all the powers of the Company.

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. It also sets up the Group's strategic aims, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and review management performance. The Board also sets the Group's values, standards and culture. Further details on the Board's role can be found in the Corporate Governance Report on pages 87 to 131.

Directors' interests

Details of the Directors' share interests can be found in the Remuneration Committee Report on pages 109 to 127. All related party transactions are disclosed in note 29 to the financial statements.

Directors' indemnification and insurance

The Company's Articles of Association provide for the Directors and officers of the Company to be appropriately indemnified, subject to the provisions of the Companies Act 2006. Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 March 2022 and remain in force at the date of signing this report. The Company purchases and maintains insurance for the Directors and officers of the Company in performing their duties, as permitted by section 233 Companies Act 2006. This insurance has been in place during the year and remains in place at the date of signing this report.

Articles of Association

The rules governing the appointment and replacement of Directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by shareholders in accordance with legislation in force from time to time. A copy of the Company's Articles of Association can be found on the Company's website, www.nrr.co.uk.

Significant interests

The table below shows the interests in shares notified to the Company in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority. As at 31 March 2022 and as at 6 June 2022 (being the latest practicable date prior to publication of the Annual Report):

As at 31 March 2022

Shareholder	Number of shares	% of issued Share Capital
M&G	17,768,427	5.80%
Premier Milton	15,803,355	5.15%
IntegraFin Holdings	15,480,100	5.00%
BlackRock	16,117,371	5.22%
Farringdon Capital Management	9,663,935	3.16%

As at 6 June 2022

Shareholder	Number of shares	% of issued Share Capital
M&G	17,768,427	5.80%
Premier Milton	15,803,355	5.15%
IntegraFin Holdings	15,480,100	5.00%
Farringdon Capital Management	9,663,935	3.16%

Internal controls review

Taking into account the principal risks, emerging risks and the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board, the Directors:

- are satisfied that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems and no significant failings were identified.

Branches outside the UK

The Company has no branches outside the UK.

Financial instruments

The Group's exposure to, and management of, capital risk, market risk and liquidity risk is set out in note 27 to the Group's financial statements.

Share capital structure

As at 31 March 2022, the Company's issued share capital consisted of 310,298,677 ordinary shares of one penny each. No shares are held in treasury. 2,116,980 ordinary shares are held in the Employee Benefit Trust. Therefore, the total number of voting rights in the Company is 308,181,697. Further details of the share capital, including changes throughout the year are summarised in note 25 of the financial statements.

Ordinary shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands, every shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which he or she is the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

There are no restrictions on the transfer of shares except the UK Real Estate Investment Trust restrictions. The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights.

Authority for the Company to purchase its own shares

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase. At the Annual General Meeting held in 2021, shareholders authorised the Company to make purchases (within the meaning of section 693 of the Companies Act 2006) of the Company's ordinary shares, up to a maximum of 10% of the issued share capital at that time, as well as the allotment of new shares within certain limits approved by shareholders. The Company has not repurchased any of its ordinary shares under this authority, which is due to expire at the AGM in 2022 and appropriate renewals will be sought.

There are no securities of the Company carrying special rights with regards to the control of the Company in issue.

Change of control – significant agreements

The Company was not party to any significant contracts that are subject to change of control permissions in the event of a change of control, but other agreements may alter or terminate upon such an event.

Compensation for loss of office in the event of a takeover

The Company does not have any agreements with any Executive Director or employee that would provide compensation for loss of office or employment resulting from a takeover except that the Group's incentive plans and share plans contain provisions relating to termination of employment. Further information is provided in the Directors' Remuneration Policy summary set out on pages 112 to 114.

Auditor

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution seeking to re-appoint PricewaterhouseCoopers LLP will be proposed at the forthcoming AGM.

Annual General Meeting

The Annual General Meeting will be held on 26 July 2022. At the meeting, resolutions will be proposed to receive the Annual Report and financial statements, approve the Directors' Remuneration Report, re-elect Directors and appoint as auditor and determine the remuneration of PricewaterhouseCoopers LLP. In addition, it will be proposed that expiring authorities to allot shares and to repurchase shares are extended. An explanation of the resolutions to be put to the shareholders at the 2022 AGM and the recommendations in relation to them will be set out in the 2022 AGM Notice.

Political donations

No political donations were made by the Company or its subsidiaries during the year (2021: Nil).

The Directors' Report was approved by the Board of Directors on 15 June 2022.

By Order of the Board

Kerin Williams
Company Secretary

15 June 2022

Statement of Directors' responsibilities in respect of the financial statements

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

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

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

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

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

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

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

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

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

In the case of each Director in office at the date the Directors' report is approved:

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

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Baroness Ford OBE
Non-Executive Chairman

15 June 2022

Independent auditors' report to the members of NewRiver REIT plc

Report on the audit of the financial statements

Opinion

In our opinion:

- NewRiver REIT plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2022 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2022; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Group financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

- Valuation of investment properties (Group)
- Sale of the Hawthorn Pub business (Group)
- Valuation of investments in subsidiaries (Company)

Materiality

- Overall Group materiality: £8,191,000 (2021: £12,259,000) based on 1% of the Group's total assets.
- Specific Group materiality: £1,305,000 (2021: £1,800,000), based on 5% of EPRA earnings.
- Overall Company materiality: £7,958,000 (2021: £11,522,000) based on 1% of the Company's total assets.
- Overall Group performance materiality: £6,143,000 (2021: £9,194,000), Specific Group performance materiality: £978,000 (2021: £1,350,000) and Company performance materiality: £5,968,000 (2021: £8,641,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The sale of the Hawthorn Pub business (Group) is a new key audit matter this year. Recoverability of trade receivables, accrued income, lease incentives and service charge debtor balances (Group), and the Impact of Covid-19 (Group and Company), which were key audit matters last year, are no longer included because the risk surrounding these uncertainties has reduced. There is evidence of continued improvement in rent collection rates and the long term ability of certain tenants to meet their rental obligations, hence these are not considered to be key audit matters at year end. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (Group) *Refer to page 105 (Audit Committee report), Notes to the financial statements - Note 1 (Accounting policies), Note 2 (Critical accounting judgements and estimates) and Note 14 (Investment properties).* The Group currently owns and manages a portfolio of commercial assets within the UK which includes shopping centres, retail warehouses, high street shops and a number of development properties. The total value of the portfolio as at 31 March 2022 was £649.4 million (investment properties £609.1 million and £40.3 million held on a proportional basis within the associates and joint ventures) (2021: £974.2 million, which represented investment properties of £681.9 million, Pub assets (investment properties and public houses held as property, plant and equipment related to the Hawthorn Pub business) valued at £248.2 million which were disposed of in the year and £44.1 million held on a proportional basis within the associates and joint ventures). This was identified as a key audit matter given the valuation of the portfolio is inherently subjective and complex due to, among other factors, the individual nature of each property, its location, and the expected future rental streams for that particular property. The wider challenges facing the retail real estate market, including changing consumer habits and the impact of macroeconomic factors, further contributed to the subjectivity for the year ended 31 March 2022. The valuations were carried out by external valuers (Colliers, Knight Frank and Duff & Phelps) in accordance with RICS Valuation - Professional Standards and the Group accounting policies which incorporate the requirements of International Accounting Standard 40 'Investment Property'. **Retail assets** The shopping centres, retail warehouses and high street shops are valued at fair value, reflecting the fact that the properties are largely existing investment properties generating rental income. In determining the valuation of retail assets, the valuers consider property specific information such as the current tenancy agreements and rental income. They then apply judgemental assumptions such as estimated rental value ('ERV') and yield, which are influenced by prevailing market yields and, where appropriate, comparable market transactions to arrive at the final valuation. Due to the unique nature of each property, the judgemental assumptions to be applied are determined having regard to the individual property characteristics at a detailed tenant by tenant level, as well as considering the qualities of the property.	Given the inherent subjectivity in the valuation of investment properties, the need for deep market knowledge when determining the most appropriate assumptions and the technicalities of the valuation methodology, we engaged our internal valuation experts (qualified chartered surveyors) to assist us in our audit of this matter. **Assessing the valuers' expertise and objectivity** We assessed the external valuers' qualifications and expertise and read their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity, such as the length of their relationship with the Group, or that may have imposed scope limitations on their work. We also considered fee arrangements between the external valuers and the Group, and other engagements which might exist between the Group and the valuers. We found no evidence to suggest that the objectivity of the external valuers in their performance of the valuations was compromised. **Data provided to the valuers** We checked the accuracy of the underlying lease data and capital expenditure used by the external valuers in their valuation of the portfolio by tracing the data back to the signed lease agreements on a sample basis. We found the data provided by management to the valuers to be appropriate for the purposes of the valuation. **Assumptions and estimates used by the valuers** We read the external valuation reports for the assets and confirmed that the valuation approach for each was in accordance with RICS standards and suitable for use in determining the final value for the purpose of the financial statements. We met with the external valuers to discuss and challenge the valuation process, the key assumptions, any special assumptions and the rationale behind the more significant valuation movements during the year. It was evident from our interaction with the external valuers and from our review of the valuation reports, that close attention had been paid to the individual characteristics of each property, such as the overall quality of the tenant base, latest leasing activity and geographic location, depending on the type of asset being valued. In addition, we performed the procedures described below for each type of property. We were able to obtain sufficient evidence to support the valuation and did not identify any material issues during our work. **Retail assets** For retail assets, we obtained details of each property and set an expected range for yield and capital value movement, determined by reference to published benchmarks and using our experience and knowledge of the market. We compared the yield and capital value movement of each property with our expected range. We also considered the reasonableness of other assumptions that are not so readily comparable with published benchmarks, such as ERV. When assumptions were outside of the expected range, we undertook further investigations and, when necessary, obtained corroborating evidence to support the explanations received. This enabled us to assess the property specific factors that had an impact on the value, including recent comparable transactions where appropriate, to conclude on the reasonableness of the assumptions utilised.

Key audit matter	How our audit addressed the key audit matter
Development assets Development assets which are subject to active ongoing development are valued using the residual valuation approach. Certain operational properties which have development potential are valued at investment value, adjusted to account for development potential. In determining the valuation of development property held under a residual valuation, the valuers consider the property specific information, such as the development plans for the site. They then apply several judgemental assumptions including the gross development value, estimated costs to complete and developers profit to arrive at the valuation. Due to the unique nature of an ongoing development, the judgemental assumptions to be applied are determined having regard to the nature and risks associated with each development. In determining the valuation of investment properties with development potential, the valuers initially follow the same methodology as described previously to arrive at an investment value. The likelihood of the development progressing, and the status of planning consents or any offers received for the development are considered and the valuers make adjustments to the valuation to reflect development potential. In determining the value of development land, valuers primarily consider recent comparable land transactions.	**Development assets** For significant developments valued by the residual method, we obtained the development appraisal and assessed the reasonableness of the valuers' key assumptions. This includes comparing the yield to comparable market benchmarks, comparing the costs to complete estimates to development plans, and considering the reasonableness of other assumptions, such as developers profit. Where necessary, we obtained corroborating evidence to support explanations received. For investment properties with development potential, we performed the same procedures as described for retail assets. Additionally, we considered the reasonableness of any additional value recognised for development potential by reviewing the stage of progress of the proposed development, including any planning consent obtained, as well as any third party offers received for development assets. Properties held for future development are valued using the highest and best use method. This is determined by assessing both the residual method of valuation (allowing for all associated risks) and the investment method of valuation for each individual asset to determine the most appropriate method. **Overall findings** We found that the assumptions used in the valuations were predominantly consistent with our expectations and comparable benchmarking information for the asset type. Assumptions were applied appropriately, reflected comparable market transactions (where available) and included consideration for climate change and a range of other external factors like any ongoing Covid-19 impacts. Where assumptions did not fall within our expected range, we were satisfied that the variances were due to property specific factors. We concluded that the assumptions used in the valuations by the external valuers were supportable when considering available comparable market evidence.
Sale of the Hawthorn Pub business (Group) *Refer to page 105 (Audit Committee Report) and Note 8 (Loss on disposal of subsidiary).* In August 2021, the Group disposed of its interest in the Hawthorn Pub business for gross proceeds of £224.0m, generating a loss on disposal of £39.7million. Given the transaction constituted a disposal of an entire segment, has been disclosed as a discontinued operation, and the material nature of the balances involved (being the valuation of the investment properties and public houses held as property, plant and equipment of £256.1million) we considered this to be a key audit matter.	We obtained management's loss on disposal calculation, including the profit recognised during the trading period prior to disposal, and have performed the following: • substantively tested transactions recognised during the trading period prior to disposal; • reviewed the Sales and Purchase agreement to gain an understanding of the terms of the transaction and verified receipt of the proceeds; • tested the net asset value transferred on sale to supporting documentation; • tested transaction fees to supporting documentation such as invoices or contractual agreements and have confirmed that they are directly attributable to the disposal; • tested the accuracy of the loss on disposal; and • considered the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations" and determined whether the financial statements included all required disclosures. From the work performed, we considered the loss on disposal of the Hawthorn Pub business and net asset value transferred to be accurately calculated and appropriately accounted for. We evaluated the disclosures in the financial statements and found these to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Valuation of investments in subsidiaries (Company) *Refer to Notes to the financial statements - Note A (Accounting policies) and Note B (Investments in subsidiaries).* The Company holds investments in subsidiaries amounting to £329.9 million as at 31 March 2022 (2021: £570.3 million). The Company's accounting policy is to hold its investments in subsidiary undertakings at cost less provision for cumulative impairments. Where an impairment has been recognised in previous periods, and the conditions that caused the impairment are no longer present, the impairment charge previously recognised will be reversed, up to the cost of the original investment value. As a result of the Hawthorn Pub business disposal, £249.2 million of investments were disposed of during the year. In addition, the Company recognised an impairment reversal of £9.4 million as a result of positive movements in investment property valuation and trading profits (2021: impairment charge of £220.4 million). Given the material size of the investments, the impairment reversal and the level of estimation involved, we considered this to be a key audit matter.	We obtained the Company's assessment of the valuation of investments held in subsidiaries as at 31 March 2022 and performed the following: • assessed the accounting policy for investments in subsidiaries and verified that the methodology used by the Directors in arriving at the value of each subsidiary was compliant with FRS 101 "Reduced Disclosure Framework"; • identified the key judgement within the valuation of investments in subsidiaries to be the valuation of investment properties. For details on our work on property valuations, refer to the key audit matter above; • verified that the carrying value of investment properties had been appropriately included in the assessment of the valuation of investments in subsidiaries; • reviewed the disclosures within the Annual Report, including the £9.4 million impairment reversal and the £249.2 investment disposal, and considered these to be complete and accurate. Based on the work performed, we found the amount of impairment reversal and the disclosures in the financial statements to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group currently owns and invests in a number of shopping centres, retail warehouses, high street shops and developments across the United Kingdom. These are held within a variety of subsidiaries, joint ventures and associates. Following the disposal of the Hawthorn Pub business in the year, we have identified a single component, being the Retail business, that makes up the Group. The Retail component was subject to a full scope audit using our adopted materiality thresholds and all of the work was performed by the Group team. These procedures, together with additional procedures performed at the Group level (including audit procedures over the consolidation and consolidation adjustments), gave us the evidence we needed for our opinion on the Group financial statements as a whole. The Hawthorn Pub business was audited to our Overall Group materiality threshold and we performed the audit of the stub trading period through to the date of disposal, including the audit of the loss on disposal of the business. All of this work was performed by the Group team. In respect of the audit of the Company, the Group audit team performed a full scope statutory audit.

As part of our audit we also made enquiries of management to understand the process they had adopted to assess the potential impact of climate change on the business. Management considers that the impact of climate change does not give rise to a material financial statement impact in the current year. We used our knowledge of the Group to evaluate management's assessment. We particularly considered how climate change risks would impact the assumptions made in the valuation of investment property. We also considered the consistency of the climate change disclosures included in the Annual Report, drawing on our knowledge of the business gained through the audit process.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£8,191,000 (2021: £12,259,000).	£7,958,000 (2021: £11,522,000).
How we determined it	1% of the Group's total assets	1% of the Company's total assets
Rationale for benchmark applied	We determined materiality based on total assets given the valuation of investment properties, whether held directly or through joint ventures and associates, is the key determinant of the Group's value. This materiality was used in the audit of investing and financing activities.	Given the NewRiver REIT plc entity is primarily a holding Company we determined total assets to be the appropriate benchmark.
Specific materiality	£1,305,000 (2021: £1,800,000).	Not applicable.
How we determined it	5% of the Group's 2022 EPRA earnings (2021: 5% of the Group’s weighted average EPRA earnings from 2019 to 2021). Given the market has continued to rebound from Covid-19, utilising a weighted average in 2022 was no longer considered relevant.	Not applicable.
Rationale for benchmark applied	In arriving at this materiality, we had regard to the fact that EPRA earnings are a secondary financial indicator of the Group (refer to page 184 of the financial statements which includes a reconciliation between IFRS and EPRA earnings). This materiality was used in the audit of operating activities.	Not applicable.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality for investing and financing activities was 75% (2021: 75%) of overall materiality, amounting to £6,143,000 (2021: £9,194,000) for the Group financial statements and £5,968,000 (2021: £8,641,000) for the Company financial statements. Our performance materiality for operating activities was 75% of specific materiality, amounting to £978,000 (2021: £1,350,000) for the Group financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £409,000 (Group audit) (2021: £612,000) for investing and financing activities, £65,000 (Group audit) (2021: £90,000) for operating activities and £795,000 (Company audit) (2021: £576,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's paper that supports the Board's assessment and conclusions with respect to the disclosures provided over going concern;
- discussing the key assumptions supporting the going concern review and forecasts, challenging the rationale for those assumptions, using our knowledge of the business and industry to ensure they reflect the latest expectations of the retail market and industry data;
- checking the mathematical accuracy of management's model;
- assessing management's forecasting accuracy by comparing the forecasts established to the actual performance for the past 3 years up to and including 2022;
- reviewing management's reasonable worst case scenario and performing our own sensitivity analysis on the forecasts, focusing on the Loan to Value (LTV) covenant to identify the key assumptions and understand the potential impact on the financial covenants and liquidity headroom;
- confirming the Group's revolving credit facility, Corporate bond and long-term credit rating; and
- performing a stress test on the reasonable worst case scenario by assessing the total fall in investment property required in order to breach banking covenants.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Remuneration Committee Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Real Estate Investment Trust (REIT) status section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- discussions with management, including the Company Secretary, over their consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- understanding and evaluating management’s controls designed to prevent and detect irregularities;
- assessing matters reported on the Group’s whistleblowing helpline and the results of management’s investigation of such matters where relevant;
- evaluating compliance with the REIT tax rules with the involvement of our tax specialists in the audit;
- performing procedures relating to the valuation of investment properties described in the related key audit matter above;
- reviewing relevant meeting minutes, including those of the Board of Directors and the Audit Committee; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or those posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Remuneration Committee Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 4 July 2019 to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the years ended 31 March 2020 to 31 March 2022.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Christopher Burns (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

15 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

		Year ended 31 March 2022			Year ended 31 March 2021 (Re-presented)*		
Continuing Operations	Notes	Operating and financing 2022 £m	Fair value adjustments 2022 £m	Total 2022 £m	Operating and financing 2021 £m	Fair value adjustments 2021 £m	Total 2021 £m
Revenue	4	**73.7**	**–**	**73.7**	73.1	–	73.1
Property operating expenses**	5	**(25.5)**	**–**	**(25.5)**	(30.1)	–	(30.1)
Net property income		**48.2**	**–**	**48.2**	43.0	–	43.0
Administrative expenses	6	**(13.4)**	**–**	**(13.4)**	(12.7)	–	(12.7)
Other income	7	**–**	**–**	**–**	2.7	–	2.7
Share of income from joint ventures	15	**1.1**	**2.9**	**4.0**	2.3	1.2	3.5
Share of income from associates	16	**0.2**	**2.9**	**3.1**	0.1	0.6	0.7
Net property valuation movement	14	**–**	**(12.3)**	**(12.3)**	–	(131.5)	(131.5)
Loss on disposal of subsidiary	8	**–**	**–**	**–**	(2.2)	–	(2.2)
Loss on disposal of investment properties	9	**(4.2)**	**–**	**(4.2)**	(4.1)	–	(4.1)
Operating profit / (loss)		**31.9**	**(6.5)**	**25.4**	29.1	(129.7)	(100.6)
Finance income	10	**1.4**	**–**	**1.4**	0.3	–	0.3
Finance costs	10	**(19.8)**	**–**	**(19.8)**	(23.1)	–	(23.1)
Profit / (loss) for the year before taxation		**13.5**	**(6.5)**	**7.0**	6.3	(129.7)	(123.4)
Taxation	11	**–**	**–**	**–**	1.3	–	1.3
Profit / (loss) for the year after taxation from continuing operations		**13.5**	**(6.5)**	**7.0**	7.6	(129.7)	(122.1)
Loss for the year after taxation from discontinued operations	3	**(31.7)**	**(1.9)**	**(33.6)**	(6.6)	(21.8)	(28.4)
(Loss) / profit for the year		**(18.2)**	**(8.4)**	**(26.6)**	1.0	(151.5)	(150.5)
Other comprehensive loss							
Revaluation of property, plant and equipment - discontinued operations				**–**			(0.5)
Other movement- discontinued operations				**–**			0.2
Total comprehensive loss for the year				**(26.6)**			(150.8)
Comprehensive loss for the year – discontinued operations				**(33.6)**			(28.7)
Comprehensive profit / (loss) for the year – continuing operations				**7.0**			(122.1)
Total comprehensive loss for the year				**(26.6)**			(150.8)
Earnings / (loss) per share – continuing operations							
Basic (pence)	12			**2.3**			(39.8)
Diluted (pence)	12			**2.3**			(39.8)
Loss per share							
Basic (pence)	12			**(8.6)**			(49.1)
Diluted (pence)	12			**(8.6)**			(49.1)

* Re-presentation relates to the sale of Hawthorn which was completed on 20 August 2021 and has been presented as a discontinued operation above, please see note 3. All other activities derive from continuing operations of the Group.

** Included in property operating expenses is a loss allowance reversal of £0.3 million (2021: £7.0 million charge (re-presented)) of expected credit loss relating to debtors for continuing operations.

The notes on pages 146 to 177 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 £m	2021 £m
Non-current assets			
Investment properties	14	**684.6**	934.9
Right of use asset	24	**0.2**	3.5
Investments in joint ventures	15	**24.0**	25.6
Investments in associates	16	**7.9**	5.3
Property, plant and equipment	17	**0.7**	54.1
Goodwill		**–**	0.5
Total non-current assets		**717.4**	1,023.9
Current assets			
Trade and other receivables	18	**18.9**	26.0
Cash and cash equivalents	21	**82.8**	150.5
Total current assets		**101.7**	176.5
Assets held for sale	19	**–**	25.5
Total assets		**819.1**	1,225.9
Equity and liabilities			
Current liabilities			
Trade and other payables	22	**33.5**	46.9
Lease liability	24	**0.7**	0.7
Total current liabilities		**34.2**	47.6
Non-current liabilities			
Derivative financial instruments	20	**–**	2.6
Deferred tax liability	11	**–**	0.7
Lease liability	24	**75.0**	84.9
Borrowings	23	**295.8**	629.7
Total non-current liabilities		**370.8**	717.9
Net assets		**414.1**	460.4
Equity			
Share capital	25	**3.1**	3.1
Share premium	25	**1.1**	227.4
Merger reserve	25	**(2.3)**	(2.3)
Retained earnings and other reserves	25	**412.2**	232.2
Total equity		**414.1**	460.4
Net Asset Value (NTA) per share (pence)			
Basic	12	**135p**	150p
Diluted	12	**134p**	150p
EPRA NTA	12	**134p**	151p

The notes on pages 146 to 177 form an integral part of these financial statements.

The financial statements on pages 142 to 177 were approved by the Board of Directors on 15 June 2022 and were signed on its behalf by:

Allan Lockhart
Chief Executive

Will Hobman
Chief Financial Officer

NewRiver REIT plc

Registered number: 10221027

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £m	2021 £m
Cash flows from operating activities		
Profit / (loss) for the year before taxation – continuing operations	**7.0**	(123.4)
Loss for the year before taxation – discontinued operations	**(31.7)**	(29.8)
Loss for the year before taxation	**(24.7)**	(153.2)
Adjustments for:		
Loss on disposal of investment property	**3.4**	5.5
Loss on disposal of Hawthorn	**39.7**	–
Loss on disposal of subsidiary	**–**	2.2
Net valuation movement	**12.3**	154.7
Net valuation movement in joint ventures	**(2.9)**	(1.2)
Net valuation movement in associates	**(2.9)**	(0.6)
Share of income from joint ventures	**(1.1)**	(2.3)
Share of income from associates	**(0.2)**	(0.1)
Net interest expense	**18.4**	22.8
Rent free lease incentives	**(1.4)**	(2.6)
Movement in expected credit loss	**(0.3)**	7.1
Amortisation of legal and letting fees	**0.1**	0.2
Depreciation on property plant and equipment	**1.2**	1.9
Share based-payment expense	**0.9**	0.6
Cash generated from operations before changes in working capital	**42.5**	35.0
Changes in working capital		
Decrease / (increase) in trade and other receivables	**9.7**	(8.2)
Increase in payables and other financial liabilities	**7.6**	2.2
Cash generated from operations	**59.8**	29.0
Interest paid	**(20.3)**	(22.1)
Corporation tax received	**–**	1.7
Dividends received from joint ventures	**5.6**	–
Dividends received from associates	**2.0**	–
Net cash generated from operating activities	**47.1**	8.6
Cash flows from investing activities		
Cash proceeds net of cash disposed and transaction costs from disposal of subsidiaries	**196.0**	38.5
Interest income	**0.4**	0.3
Investment in associate investments	**(4.0)**	(2.4)
Disposal of associate investments	**2.5**	–
Purchase of investment properties	**(7.3)**	–
Disposal of investment properties	**65.2**	40.1
Development and other capital expenditure	**(9.6)**	(10.0)
Purchase of plant and equipment	**(3.0)**	(3.3)
Net cash generated from investing activities	**240.2**	63.2
Cash flows from financing activities		
Repayment of bank loans	**(335.0)**	–
Repayment of principal portion of lease liability	**(0.7)**	(0.7)
Dividends paid – ordinary	**(19.3)**	(1.4)
Net cash generated used in financing activities	**(355.0)**	(2.1)
Cash and cash equivalents at beginning of the year	**150.5**	80.8
Net (decrease) / increase in cash and cash equivalents	**(67.7)**	69.7
Cash and cash equivalents at 31 March	**82.8**	150.5

The notes on pages 146 to 177 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings and other reserves £m	Total £m
As at 1 April 2020		3.1	227.4	(2.3)	382.4	610.6
Loss for the year after taxation						
– continuing operations		–	–	–	(122.1)	(122.1)
– discontinued operations		–	–	–	(28.4)	(28.4)
Loss for the year after taxation		–	–	–	(150.5)	(150.5)
Other movements		–	–	–	0.2	0.2
Revaluation of property, plant and equipment	17	–	–	–	(0.5)	(0.5)
Total comprehensive loss for the year		–	–	–	(150.8)	(150.8)
Transactions with equity holders						
Share-based payments		–	–	–	0.6	0.6
As at 31 March 2021		**3.1**	**227.4**	**(2.3)**	**232.2**	**460.4**
Profit / (loss) for the year after taxation						
– continuing operations		**–**	**–**	**–**	**7.0**	**7.0**
– discontinued operations		**–**	**–**	**–**	**(33.6)**	**(33.6)**
Loss for the year after taxation		**–**	**–**	**–**	**(26.6)**	**(26.6)**
Transactions with equity holders						
Transfer from share premium	25	**–**	**(227.4)**	**–**	**227.4**	**–**
Issue of new shares		**–**	**1.1**	**–**	**–**	**1.1**
Share-based payments		**–**	**–**	**–**	**0.9**	**0.9**
Dividends paid		**–**	**–**	**–**	**(21.7)**	**(21.7)**
As at 31 March 2022		**3.1**	**1.1**	**(2.3)**	**412.2**	**414.1**

The notes on pages 146 to 177 form an integral part of these 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 16 New Burlington Place, London, W1S 2HX.

Summary of significant accounting policies

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

Basis of preparation

These consolidated financial statements have been prepared on the going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006.

Discontinued operations

On 20 August 2021, the Group sold its pub segment, Hawthorn, which constituted a major line of business. As such the comparative information has been re-presented to show the results of Hawthorn as a discontinued operation. Further details can be found in notes 3 and 8.

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 consists of a £125 million (plus £50 million accordion, at lenders' consent) of undrawn revolving credit facility ('RCF') and a £300 million unsecured corporate bond. The undrawn RCF matures in August 2024, and the bond in March 2028. The debt has financial covenants that the Group is required to comply with including an LTV covenant of less than 60% on the RCF (65% on the bond), and a 12 month historical interest cover ratio of more than 1.75x on the RCF (1.50x on the bond), and both sources of unsecured financing have cure provisions in the event of a breach.

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 remain flat throughout the forecast horizon, in contrast to the growth noted in 2H22 of +2.6% across the portfolio and the upward trend noted in the Core and Retail park assets across FY22;
- A 15% reduction in net income. This reflects a significant downside to rental agreements re-geared or re-negotiated throughout the pandemic given that 94% of rents relating to FY21 were collected or alternative payments agreed at the time of reporting despite the multiple national lockdowns in place throughout the year; FY22 rent collection or alternative payments agreed is 96%, whilst 1Q23 rent collection or alternative payments agreed is 91% at the time of reporting demonstrating continued high rent collection rates during the Covid recovery period;
- No disposal proceeds are assumed throughout the forecast period which have not yet completed at the time of reporting, despite the completion of £77 million of disposals during FY22, and £20 million of retail disposals now under offer or exchanged and a further £17m in active discussions at the date of approval of these financial statements. Similarly, no assumption is made for the deployment of any surplus capital available as at 31 March 2022 and the growth and returns that would otherwise 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 38% and a further 39% 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. Interest received is presented within investing cash flows; interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

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 2022 have been prepared on the historical cost basis, except for the revaluation of investment properties, the revaluation of property, plant and equipment and derivatives which are held at fair value through profit and loss.

New accounting polices

The Group has adopted the following amendments for the first time in the year ended 31 March 2022:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Covid-19-Related Concessions beyond 30 June 2021 (Amendment to IFRS 16)

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 2021.

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 2023

- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

Effective for 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 IAS12)
- Disclosure of Accounting Policies (Amendments to IAS 1)

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

1. Accounting policies continued

Revenue recognition

Rental income

Rental 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, it is 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 met.

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.

Managed pub income

Managed pub income relates to income received in the pub business relating to food, drinks and machine income. The revenue from drink and food is recognised at the point at which the goods are provided. The revenue earned from machines is recognised in the period in which it relates.

In the Group's pub business, revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. This forms part of discontinued operations.

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 made.

Pub turnover related rent

Pub turnover related rent relates to the margin earnt on the sale of wet products and is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business. This forms part of discontinued operations in the current and prior year.

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.

Government grants

Monetary resources transferred to the Group by the government, government agencies or similar bodies are recognised at fair value, when the Group is reasonably certain that the grant will be received. Grants are recognised in the profit and loss account within other income, on a systematic basis, over the same period during which the expenses, for which the grant was intended to compensate, are recognised.

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.

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

1. Accounting policies continued

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 at 3.2%. 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 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 at 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

Financial liabilities are classified at fair value through profit or loss or as other liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised 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 values of derivative financial liabilities are determined as follows:

Interest rate swaps and caps are measured using the midpoint of the yield curve prevailing on the reporting date. The valuations do not include accrued interest from the previous settlement date to the reporting date. The fair value represents the net present value of the difference between the contracted rate and the valuation rate when applied to the projected balances for the period from the reporting date to the contracted expiry dates.

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

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 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 and discontinued operations

The Group's operations were organised into two operating segments, being investment in retail property and in pubs. The retail investments comprise shopping centres, retail parks and high street stores. On 20 August 2021, the Group disposed of its pub segment. This has therefore been classified as discontinued operations. The pub investments consisted of community public houses. All of the Group's operations are in the UK and therefore no geographical segments have been identified.

The relevant gross revenue, net rental income and property and other assets, being the measures of segment revenue, segment result and segment assets used by the management of the business, are set out below. The results include the Group's share of assets and results from properties held in joint ventures and associates.

The segmental information is presented for the period the Group owned the pubs up to 20 August 2021. Since this date, the Group is a single segment business focused on retail.

For ease of presentation, the breakdown of the pubs results presented as a single line on the face of the Consolidated Statement of Comprehensive Income are set out in the table below.

	2022			2021		
Segment revenues and result	**Retail £m**	**Pubs £m**	**Group £m**	Retail £m	Pubs £m	Group £m
Property rental and related income	**57.7**	**2.3**	**60.0**	61.1	4.4	65.5
Managed pub income	**–**	**15.8**	**15.8**	–	9.1	9.1
Turnover related rent	**–**	**–**	**–**	–	4.5	4.5
Service charge income	**14.6**	**–**	**14.6**	11.6	–	11.6
Amortisation of tenant incentives and letting costs	**(1.3)**	**–**	**(1.3)**	(1.8)	–	(1.8)
Asset management fees	**1.9**	**–**	**1.9**	1.2	–	1.2
Surrender premiums and commissions	**0.8**	**–**	**0.8**	1.0	–	1.0
Segment revenue	**73.7**	**18.1**	**91.8**	73.1	18.0	91.1
Service charge expense	**(20.3)**	**–**	**(20.3)**	(17.5)	–	(17.5)
Rates	**(1.8)**	**(0.1)**	**(1.9)**	(2.2)	(0.3)	(2.5)
Other property operating expenses	**(3.4)**	**(10.8)**	**(14.2)**	(10.4)	(16.7)	(27.1)
Property operating expenses	**(25.5)**	**(10.9)**	**(36.4)**	(30.1)	(17.0)	(47.1)
Administrative expenses	**(13.4)**	**(4.8)**	**(18.2)**	(12.7)	(10.7)	(23.4)
Other income	**–**	**4.8**	**4.8**	2.7	4.5	7.2
Segment result	**34.8**	**7.2**	**42.0**	33.0	(5.2)	27.8
Share of joint ventures' and associates' profit after tax	**7.1**	**–**	**7.1**	4.2	–	4.2
(Loss) / profit on disposal of investment properties	**(4.2)**	**0.8**	**(3.4)**	(4.1)	(1.4)	(5.5)
Loss on disposal of subsidiaries	**–**	**(39.7)**	**(39.7)**	(2.2)	–	(2.2)
Finance income	**0.4**	**–**	**0.4**	0.3	–	0.3
Finance costs	**(18.9)**	**–**	**(18.9)**	(23.2)	–	(23.2)
Net valuation movement	**(12.3)**	**–**	**(12.3)**	(131.5)	(23.2)	(154.7)
Changes in fair value of financial instruments and associated close out costs	**0.1**	**–**	**0.1**	0.1	–	0.1
Taxation	**–**	**(1.9)**	**(1.9)**	1.3	1.4	2.7
Profit / (loss) for the year after taxation	**7.0**	**(33.6)**	**(26.6)**	(122.1)	(28.4)	(150.5)

3. Segmental reporting and discontinued operations continued

Segment assets	2022 Retail £m	2022 Pubs £m	2022 Unallocated £m	2022 Group £m	2021 Retail £m	2021 Pubs £m	2021 Unallocated £m	2021 Group £m
Non-current assets								
Investment properties	**684.6**	**–**	**–**	**684.6**	739.3	195.6	–	934.9
Investments in joint ventures	**24.0**	**–**	**–**	**24.0**	25.6	–	–	25.6
Investment in associates	**7.9**	**–**	**–**	**7.9**	5.3	–	–	5.3
Public houses	**–**	**–**	**–**	**–**	–	52.7	–	52.7
Property, plant and equipment	**0.7**	**–**	**–**	**0.7**	–	–	1.4	1.4
Other non-current assets	**0.2**	**–**	**–**	**0.2**	–	–	4.0	4.0
Total non-current assets				**717.4**				1,023.9
Current assets								
Trade and other receivables	**18.9**	**–**	**–**	**18.9**	25.1	0.9	–	26.0
Cash and cash equivalents	**82.8**	**–**	**–**	**82.8**	–	–	150.5	150.5
Assets held for sale	**–**	**–**	**–**	**–**	25.5	–	–	25.5
Total current assets including assets held for sale				**101.7**				202.0
Segment assets	**819.1**	**–**	**–**	**819.1**	820.8	249.2	155.9	1,225.9

4. Revenue

	2022 £m	2021 £m
Property rental and related income*	**57.7**	61.1
Amortisation of tenant incentives and letting costs	**(1.3)**	(1.8)
Surrender premiums and commissions	**0.8**	1.0
Rental related income	**57.2**	60.3
Asset management fees	**1.9**	1.2
Service charge income	**14.6**	11.6
Revenue	**73.7**	73.1

* Included within property rental and related income is car park income of £4.9 million (2021: £2.7 million) which falls under the scope of IFRS 15. The remainder of the income is covered by IFRS 16.

Asset management fees, managed pub income (now within discontinued operations) and service charge income which represents the flow through costs of the day-to-day maintenance of shopping centres falls under the scope of IFRS 15. Refer to accounting policies in Note 1.

5. Property operating expenses

	2022 £m	2021 £m
Service charge expense	**20.3**	17.5
Rates on vacant units	**1.8**	2.2
Expected credit loss (reversal) / charge	**(0.3)**	7.0
Other property operating expenses	**3.7**	3.4
Property operating expenses	**25.5**	30.1

6. Administrative expenses

	2022 £m	2021 £m
Wages and salaries	**5.1**	4.8
Social security costs	**0.7**	0.8
Other pension costs	**0.1**	0.2
Staff costs	**5.9**	5.8
Depreciation	**0.1**	0.4
Share-based payments	**0.9**	0.6
Other administrative expenses	**5.6**	5.6
Abortive costs	**–**	0.3
Restructuring costs*	**0.9**	–
Administrative expenses	**13.4**	12.7

* During the year the Group incurred restructuring costs totalling £0.9 million (2021: £nil) in relation to employee related matters following the sale of Hawthorn.

Net administrative expenses ratio is calculated as follows:

	2022 £m	2021 £m
Administrative expenses	**13.4**	12.7
Adjust for:		
Asset management fees	**(1.9)**	(1.2)
Share of joint ventures' and associates administrative expenses	**0.2**	0.2
Share based payments	**(0.9)**	(0.6)
Restructuring costs	**(0.9)**	(0.3)
Group's share of net administrative expenses – continuing operations	**9.9**	10.8
Group's share of net administrative expenses – discontinued operations	**4.2**	9.5
Group's share of net administrative expenses – Reported Group	**14.1**	20.3
Property rental and related income*	**58.0**	55.9
Share of joint ventures' and associates' property income	**3.9**	3.9
Property rental, other income and related income – continuing operations	**61.9**	59.8
Property rental, other income and related income – discontinued operations	**21.4**	21.7
Property rental, other income and related income – Reported Group	**83.3**	81.5
Net administrative expenses as a % of property income (including share of joint ventures and associates) – continuing operations	**16.0%**	18.1%
Net administrative expenses as a % of property income (including share of joint ventures and associates) – Reported Group	**16.9%**	24.9%

* This balance includes an expected credit reversal/(loss) of £0.3 million (2021: £(5.0) million), which excludes the £0.2 million reversal (2021: £(0.6) million charge) forward looking element of the calculation and includes the expected credit loss held in joint ventures and associates of £(0.2) million (2021: £(0.3) million).

Average monthly number of staff – continuing

	2022	2021
Directors	**7**	7
Operations and asset managers	**17**	17
Support functions	**32**	31
Total	**56**	55

On disposal of Hawthorn 101 employees were employed by subsidiaries that were sold on 20 August 2021.

6. Administrative expenses continued

Auditors' remuneration

	2022 £'000	2021 £'000
Audit of the Company and consolidated financial statements	**310**	315
Audit of subsidiaries, pursuant to legislation	**200**	235
	510	550
Non-audit fees – interim review	**95**	100
Total fees	**605**	650

In addition to this the joint ventures and associates paid £103k (2021: £82k) in audit fees.

7. Other income

	2022 £m	2021 £m
Insurance proceeds	**–**	2.7
Other income	**–**	2.7

8. Loss on disposal of subsidiary

Year ended 31 March 2022

Hawthorn

On 20 August 2021 NewRiver REIT plc ('NRR') completed the sale of the entire issued share capital of Hawthorn Leisure REIT Limited ('Hawthorn'), the entity that held, either directly or indirectly through its wholly-owned subsidiaries, NewRiver's entire community pub business to AT Brady Bidco Limited. Financial performance for the period to 20 August 2021 is included in Note 3 – Segmental reporting and discontinued operations.

Subsidiaries disposed

Hawthorn Leisure REIT Limited
Hawthorn Leisure (Bravo Inns) Limited
Bravo Inns Limited
Bravo Inns II Limited
Hawthorn Leisure Community Pubs Limited
Hawthorn Leisure (Mantle) Limited
Hawthorn Leisure Public Houses Limited
Hawthorn Leisure Holdings Limited
Hawthorn Leisure Limited
Hawthorn Leisure Acquisitions Limited
Hawthorn Leisure Honey Limited
Hawthorn Leisure Management Limited
Hawthorn Leisure Scotco Limited
NewRiver Retail Holdings No 4 Limited
NewRiver Retail Holdings No 7 Limited
NewRiver Retail Property Unit Trust No 4

	2022 £m
Gross disposal proceeds	**224.0**
Net assets disposed of:	
Investment property	**(202.3)**
Managed houses	**(53.8)**
Property, plant and equipment	**(1.2)**
Cash	**(16.6)**
Other net liabilities	**19.9**
Carrying value	**(254.0)**
Loss on disposal of subsidiary before transaction costs	**(30.0)**
Transaction costs	**(9.7)**
Loss on disposal of subsidiary (discontinued operations – Note 3)	**(39.7)**

Cash flows from discontinued operations	Year ended 31 March 2022 £m	31 March 2021 £m
Cash flows from operating activities	**13.8**	12.1
Cash flows from investing activities	**187.9**	(10.4)
Total cash flows from discontinued operations	**201.7**	1.7

Year ended 31 March 2021

On 30 September 2020, the Group disposed of a subsidiary which owned Sprucefield Retail Park for gross disposal proceeds of £38.5 million with a carrying value of £40.7 million, resulting in a loss of £2.2 million. The Group then acquired a 10% interest, see note 16.

9. Loss on disposal of investment properties

	2022 £m	2021 £m
Gross disposal proceeds	**66.3**	27.8
Carrying value	**(68.9)**	(31.3)
Cost of disposal	**(1.6)**	(0.6)
Loss on disposal of investment properties	**(4.2)**	(4.1)

10. Finance income and finance costs

	2022 £m	2021 £m
Finance income		
Income from loans with joint ventures and associates	**(0.4)**	(0.3)
Write off of derivatives	**(1.0)**	–
Finance expense		
Interest on borrowings	**17.1**	20.2
Finance cost on lease liabilities	**2.7**	3.0
Revaluation of derivatives	**–**	(0.1)
Net finance expense	**18.4**	22.8

11. Taxation

	2022 £m	2021 £m
Current tax - prior year adjustment	**–**	(1.3)
Taxation (credit) – continuing	**–**	(1.3)
Taxation charge / (credit) – discontinued	**1.9**	(1.4)
Taxation charge / (credit) – Reported Group	**1.9**	(2.7)

	2022 £m	2021 £m
Loss before tax from continuing operations	**7.0**	(123.4)
Loss before tax from discontinuing operations	**(31.7)**	(29.8)
Loss before tax	**(24.7)**	(153.2)
Tax at the current rate of 19% (2021: 19%)	**(4.7)**	(29.1)
Revaluation of property	**2.3**	29.3
Movement in unrecognised deferred tax	**2.1**	2.2
Non-taxable loss on disposal of subsidiary	**7.6**	–
Non-taxable profit due to REIT regime	**(5.4)**	(6.7)
Non-deductible expenditure	**–**	2.9
Non-taxable income	**(0.8)**	–
Transfer pricing adjustment	**0.8**	–
Prior year adjustment	**–**	(1.3)
Taxation charge / (credit)	**1.9**	(2.7)

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;
- 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 2021 £m	Charge £m	Disposals £m	31 March 2022 £m
Deferred tax asset	–	–	–	**–**
Deferred tax liabilities	(0.7)	(1.9)	2.6	**–**
Net deferred tax	(0.7)	(1.9)	2.6	**–**

	31 March 2020 £m	Credit / (Charge) £m	Disposals £m	31 March 2021 £m
Deferred tax asset	1.2	(1.2)	–	–
Deferred tax liabilities	(3.3)	2.6	–	(0.7)
Net deferred tax	(2.1)	1.4	–	(0.7)

The deferred tax assets and liabilities have been calculated at the tax rate effective in the period that the tax is expected to crystallise. The Group has not recognised a deferred tax liability or deferred tax asset. As at 31 March 2022 the Group has unrecognised tax losses of £12.5 million (2021: £46.0 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.

The Finance Act 2021, which was substantively enacted on 24 May 2021 and received Royal Assent on 10 June 2021, provided for an increase in the main rate of corporation tax from 19% to 25% for companies with profits in excess of £250,000 with effect from 1 April 2023. These changes have been taken into account in calculating the current year deferred tax charge. Deferred taxes at the balance sheet date have been measured using the expected enacted tax rate and this is reflected in these financial statements.

12. Performance measures

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

	Year ended 31 March 2022			Year ended 31 March 2021		
	Continuing* £m	Discontinued £m	Total £m	Continuing* £m	Discontinued £m	Total £m
Profit / (Loss) for the year after taxation	**7.0**	**(33.6)**	**(26.6)**	(122.1)	(28.4)	(150.5)
Adjustments						
Net valuation movement	**12.3**	**–**	**12.3**	131.5	23.2	154.7
Loss on disposal of investment properties	**4.2**	**(0.8)**	**3.4**	4.1	1.4	5.5
Changes in fair value of financial instruments and associated close out costs	**(0.1)**	**–**	**(0.1)**	(0.1)	–	(0.1)
Acquisition costs	**–**	**–**	**–**	–	0.1	0.1
Deferred tax	**–**	**1.9**	**1.9**	–	(1.4)	(1.4)
Loss on disposal of subsidiary	**–**	**39.7**	**39.7**	2.2	–	2.2
Group's share of joint ventures' and associates' adjustments						
Revaluation of investment properties	**(5.8)**	**–**	**(5.8)**	(1.8)	–	(1.8)
Revaluation of derivatives	**(0.5)**	**–**	**(0.5)**	0.2	–	0.2
Deferred tax	**0.6**	**–**	**0.6**	–	–	–
Loss on disposal of investment properties	**1.2**	**–**	**1.2**	–	–	–
EPRA earnings	**18.9**	**7.2**	**26.1**	14.0	(5.1)	8.9
Share-based payment charge	**0.9**	**–**	**0.9**	0.6	–	0.6
Forward looking element of IFRS 9**	**(0.2)**	**–**	**(0.2)**	0.6	–	0.6
Depreciation on public houses	**–**	**0.4**	**0.4**	–	1.1	1.1
Abortive costs	**–**	**0.2**	**0.2**	0.3	–	0.3
Restructuring costs***	**0.9**	**–**	**0.9**	–	–	–
Underlying Funds From Operations (UFFO)	**20.5**	**7.8**	**28.3**	15.5	(4.0)	11.5

* The continuing column reflects the full impact of the finance costs of £18.4 million (31 March 2021: £22.8 million).
** Forward looking element of IFRS 9 relates to a provision against debtor balances in relation to invoices in advance for future rental income. These balances are not due in the current year and therefore no income has yet been recognised in relation to these debtors
*** During the year the Group incurred restructuring costs totalling £0.9 million (2021: £nil) in relation to employee related matters following the sale of Hawthorn.

Number of shares

Number of shares	2022 No. M	2021 No. M
Weighted average number of ordinary shares for the purposes of Basic EPS, UFFO and EPRA	**307.2**	306.4
Effect of dilutive potential ordinary shares:		
Deferred bonus shares	**1.8**	0.8
Weighted average number of ordinary shares for the purposes of diluted EPS, UFFO and EPRA	**309.0**	307.2

	2022			2021		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
IFRS Basic EPS	**2.3**	**(10.9)**	**(8.6)**	(39.8)	(9.3)	(49.1)
EPRA Basic EPS	**6.2**	**2.3**	**8.5**	4.6	(1.7)	2.9
UFFO Basic EPS	**6.7**	**2.5**	**9.2**	5.1	(1.3)	3.8
IFRS Diluted EPS	**2.3**	**(10.9)**	**(8.6)**	(39.8)	(9.3)	(49.1)
EPRA Diluted EPS	**6.1**	**2.3**	**8.4**	4.6	(1.7)	2.9
UFFO Diluted EPS	**6.7**	**2.5**	**9.2**	5.0	(1.3)	3.7

12. Performance measures continued

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

EPRA NTA per share and basic NTA per share:

	2022			2021		
	£m	Shares m	Pence per share	£m	Shares m	Pence per share
Net assets	**414.1**	**307.2**	**135p**	460.4	306.5	150p
Unexercised employee awards	**–**	**1.8**		–	0.8	
Diluted net assets	**414.1**	**309.0**	**134p**	460.4	307.3	150p
Deferred tax liability	**0.6**	**–**		0.7	–	
Goodwill	**–**	**–**		(0.5)	–	
Fair value derivatives	**(0.3)**	**–**		2.6	–	
EPRA net tangible assets	**414.4**	**309.0**	**134p**	463.2	307.3	151p

13. Dividends

There were no dividends paid in the prior year; the dividends paid in the year are set out below:

Payment date	PID	Non-PID	Pence per share	£m
Year to March 2022				
Ordinary dividends				
3 September 2021	3.0	–	3.0	9.1
14 January 2022	4.1	–	4.1	12.6
				21.7

The final dividend of 3.3 pence per share in respect of the year ended 31 March 2022 will, subject to shareholder approval at the 2022 AGM, be paid on 2nd September 2022 to shareholders on the register as at 29 July 2022. The dividend will be payable as a REIT Property Income Distribution (PID).

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

	2022 £m	2021 £m
Fair value brought forward	**851.9**	1,102.3
Acquisitions	**7.3**	–
Capital expenditure	**9.6**	10.0
Lease incentives, letting and legal costs	**1.3**	2.4
Reclassification to plant property and equipment	**–**	(4.1)
Transfer from / (to) assets held for sale (Note 19)	**25.5**	(25.5)
Disposals	**(72.9)**	(44.7)
Disposal of subsidiaries	**(202.3)**	(40.7)
Net valuation movement	**(11.3)**	(147.8)
Fair value carried forward	**609.1**	851.9
Right of use asset (investment property)	**75.5**	83.0
Fair value carried forward	**684.6**	934.9

Retail – continuing operations

The Group's investment properties have been valued at fair value on 31 March 2022 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 2022

		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 %
Shopping Centres – Core	**216.2**	**8.5**	**30.1**	**14.2**	**8.2**	**30.7**	**12.8**	**9.3%**	**9.5%**
Shopping Centres – Regeneration	**162.6**	**7.4**	**15.3**	**9.8**	**2.6**	**8.4**	**5.1**	**6.5%**	**5.8%**
Shopping Centres – Work Out	**89.7**	**5.3**	**19.4**	**16.0**	**4.6**	**14.0**	**11.1**	**15.7%**	**11.1%**
Retail parks	**132.5**	**9.1**	**14.0**	**11.1**	**0.6**	**14.7**	**9.7**	**6.6%**	**6.0%**
High street and other	**8.1**	**5.4**	**15.0**	**8.0**	**3.8**	**8.6**	**3.0**	**8.4%**	**4.7%**
	609.1								

As at 31 March 2021

		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 %
Shopping Centres – Core	209.5	9.1	25.4	13.8	8.4	26.9	12.6	9.3%	9.5%
Shopping Centres – Regeneration	210.5	5.3	19.7	14.7	5.1	13.5	10.5	6.4%	5.7%
Shopping Centres – Work Out	127.5	6.4	17.1	10.1	3.3	9.1	5.8	13.1%	9.3%
Retail parks	117.1	9.5	14.1	11.6	2.3	14.7	9.4	7.7%	6.9%
High street and other	17.3	5.7	14.2	8.1	2.2	17.0	6.7	4.6%	5.4%
	681.9								

14. Investment properties continued

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 increased 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
- Estimated development costs

There were no changes to valuation techniques during the year. Valuation reports are based on both information provided by the Group, e.g. current rents and lease terms which is derived from the Company'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.

2022: 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	£m Increase 10%	£m Decrease 10%	£m Increase 1.0%	£m Decrease 1.0%
Shopping Centres – Core	***216.2***	***19.9***	***(18.7)***	***(22.6)***	***28.5***
Shopping Centres – Regeneration	***162.6***	***14.3***	***(13.6)***	***(21.1)***	***29.2***
Shopping Centres – Work Out	***89.7***	***7.5***	***(7.4)***	***(7.2)***	***8.3***
Retail parks	***132.5***	***9.5***	***(11.2)***	***(15.7)***	***19.4***
High street and other	***8.1***	***0.7***	***(1.1)***	***(0.9)***	***0.7***
	609.1	***51.9***	***(52.0)***	***(67.5)***	***86.1***

2021: 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	£m Increase 10%	£m Decrease 10%	£m Increase 1.0%	£m Decrease 1.0%
Shopping Centres – Core	*209.5*	*18.5*	(16.9)	(22.1)	*27.8*
Shopping Centres – Regeneration	*210.5*	*17.6*	(18.2)	(26.2)	*35.6*
Shopping Centres – Work Out	*127.5*	*10.8*	(11.2)	(11.2)	*13.4*
Retail parks	*117.1*	*8.9*	(9.3)	(14.4)	*18.9*
High street and other	*17.3*	*0.7*	(0.7)	(0.4)	*0.5*
	*681.9**	*56.5*	(56.3)	(74.3)	*96.2*

* This number includes assets held for sale of £25.5m.

Pubs – discontinued operations

At 31 March 2021, the valuations across the leisure and hospitality sector, including pubs were reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – was attached to the valuations provided than would normally be the case. The external valuers confirmed that the inclusion of the "material valuation uncertainty" declaration did not mean that the valuations for NewRiver's pub portfolio could not be relied upon. Rather, the phrase was used in order to be clear and transparent with all parties, in a professional manner that – in the extraordinary circumstances at 31 March 2021 – less certainty could be attached to valuations than would otherwise have been the case. Due to the pubs disposal in the year, there were no investment properties subject to material uncertainty (2021: £195.6 million).

For the purposes of the Circular for the sale of Hawthorn, Colliers performed a valuation at 30 June 2021 for the Hawthorn assets which identified no material valuation movements from 31 March 2021. The Directors are satisfied that there was no material valuation movement between 30 June 2021 and the date of disposal on 20 August 2021.

Sensitivities of measurement of significant inputs

Given the disposal of Hawthorn on 20 August 2021 no sensitivity analysis has been presented. Any change in valuation of the pub investment property assets at the date of disposal would have no net impact on the total loss for the period from discontinued operations in the consolidated statement of comprehensive income.

Reconciliation to net valuation movement in consolidated statement of comprehensive income

Net valuation movement in investment properties	**2022 £m**	2021 £m
Net valuation movement in investment properties	**(11.3)**	(131.2)
Net valuation movement in right of use asset	**(1.0)**	(0.3)
Net valuation movement in consolidated statement of comprehensive income – continuing operations	**(12.3)**	(131.5)

The reduction net valuation movement attributable to discontinued operations in the consolidated statement of comprehensive income was £nil (2021: £23.2 million).

Reconciliation to properties at valuation in the portfolio

	Note	**2022 £m**	2021 £m
Investment property	14	**609.1**	851.9
Property, plant and equipment	17	**–**	52.7
Assets held for sale	19	**–**	25.5
Properties held in joint ventures	15	**30.6**	35.2
Properties held in associates	16	**9.7**	8.9
Properties at valuation		**649.4**	974.2

15. Investments in joint ventures

As at 31 March 2022 the Group has two joint ventures.

	2022 £m	2021 £m
Opening balance	**25.6**	22.1
Group's share of profit after taxation excluding valuation movement	**1.1**	2.3
Net valuation movement	**2.9**	1.2
Distributions and dividends	**(5.6)**	–
Investment in joint venture	**24.0**	25.6

Name	Country of incorporation	2022 % Holding	2021 % Holding
NewRiver Retail Investments LP (NRI LP)	Guernsey	**50**	50
NewRiver Retail (Napier) Limited (Napier)	UK	**50**	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 and NewRiver Retail (Napier) Limited have 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:

	2022				2021			
Consolidated balance sheet	Napier £m	NRI LP £m	Total £m	Group's share £m	Napier £m	NRI LP £m	Total £m	Group's share £m
Non-current assets	**61.2**	**–**	**61.2**	**30.6**	62.6	8.0	70.6	35.3
Current assets	**9.1**	**0.3**	**9.4**	**4.7**	7.0	1.6	8.6	4.3
Current liabilities	**(1.8)**	**–**	**(1.8)**	**(0.9)**	(2.6)	(1.0)	(3.6)	(1.8)
Liabilities due in more than one year	**(26.8)**	**–**	**(26.8)**	**(13.4)**	(30.4)	–	(30.4)	(15.2)
Net assets	**41.7**	**0.3**	**42.0**	**21.0**	36.6	8.6	45.2	22.6
Loan to joint venture	**–**	**–**	**–**	**3.0**	–	–	–	3.0
Net assets adjusted for loan to joint venture	**41.7**	**0.3**	**42.0**	**24.0**	36.6	8.6	45.2	25.6

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.

	2022				2021			
Consolidated statement of comprehensive income	Napier £m	NRI LP £m	Total £m	Group's share £m	Napier £m	NRI LP £m	Total £m	Group's share £m
Revenue	**5.6**	**0.1**	**5.7**	**2.8**	6.6	1.3	7.9	4.0
Property operating expenses	**(0.1)**	**–**	**(0.1)**	**–**	(0.9)	(0.8)	(1.7)	(0.8)
Net property income	**5.5**	**0.1**	**5.6**	**2.8**	5.7	0.5	6.2	3.2
Administration expenses	**(0.2)**	**(0.1)**	**(0.3)**	**(0.1)**	(0.2)	(0.1)	(0.3)	(0.2)
Net finance costs	**(0.1)**	**–**	**(0.1)**	**(0.1)**	(1.3)	–	(1.3)	(0.7)
Group's share of joint ventures' profit before valuation movements	**5.2**	**–**	**5.2**	**2.6**	4.2	0.4	4.6	2.3
Net valuation movement	**5.8**	**–**	**5.8**	**2.9**	5.0	(2.6)	2.4	1.2
Profit / (loss) on disposal of investment property	**1.5**	**(4.5)**	**(3.0)**	**(1.5)**	–	–	–	–
Profit / (loss) after taxation	**12.5**	**(4.5)**	**8.0**	**4.0**	9.2	(2.2)	7.0	3.5
Add back net valuation movement	**(5.8)**	**–**	**(5.8)**	**(2.9)**	(5.0)	2.6	(2.4)	(1.2)
Group's share of joint ventures' profit / (loss) before valuation movements	**6.7**	**(4.5)**	**2.2**	**1.1**	4.2	0.4	4.6	2.3

The Group's share of contingent liabilities in the joint ventures is £nil (2021: £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 2022.

	2022 £m	2021 £m
Opening balance	**5.3**	0.9
Additions to Investment in associates	**4.0**	3.7
Disposals from Investment in associates	**(2.5)**	–
Distributions and dividends	**(2.0)**	–
Group's share of profit after taxation excluding valuation movement	**0.2**	0.1
Net valuation movement	**2.9**	0.6
Investment in associates	**7.9**	5.3

On 1 April 2021, Sealand S.à.r.l, completed the acquisition of The Moor shopping centre in Sheffield, via NewRiver Retail (Hamilton) Limited, in which the Group holds an indirect 10% interest. The gross asset value at the date of the transaction was £41.0 million.

On 20 December 2021 the Group sold its interest in NewRiver Retail (Nelson) Limited.

Name	Country of incorporation	2022 % Holding	2021 % Holding
NewRiver Retail (Nelson) Limited (Nelson)	UK	**–**	10
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 2022		31 March 2021	
Consolidated balance sheet	Total £m	Group's share £m	Total £m	Group's share £m
Non-current assets	**97.3**	**9.7**	89.5	8.9
Current assets	**14.7**	**1.5**	6.7	0.7
Current liabilities	**(17.5)**	**(1.8)**	(37.5)	(3.8)
Liabilities due in more than one year	**(62.7)**	**(6.3)**	(42.1)	(4.2)
Net assets	**31.8**	**3.1**	16.6	1.6
Loans to associates	**–**	**4.8**	–	3.7
Net assets adjusted for loans to associates	**31.8**	**7.9**	16.6	5.3

Consolidated statement of comprehensive income	2022 Total £m	2022 Group's share £m	2021 Total £m	2021 Group's share £m
Revenue	**12.6**	**1.2**	6.4	0.6
Property operating expenses	**(2.4)**	**(0.2)**	(1.6)	(0.2)
Net property income	**10.2**	**1.0**	4.8	0.4
Administration expenses	**(0.7)**	**–**	(0.2)	–
Net finance costs	**(3.6)**	**(0.4)**	(2.8)	(0.3)
	5.9	**0.6**	1.8	0.1
Net valuation movement	**29.1**	**2.9**	6.2	0.6
Profit on disposal of investment property	**2.7**	**0.3**	–	–
Taxation	**(7.2)**	**(0.7)**	–	–
Profit after taxation	**30.5**	**3.1**	8.0	0.7
Add back net valuation movement	**(29.1)**	**(2.9)**	(6.2)	(0.6)
Group's share of associates' profit before valuation movements	**1.4**	**0.2**	1.8	0.1

17. Property plant and equipment

Cost or valuation	Office equipment £m	Fixtures and fittings £m	Public houses £m	Total £m
At 1 April 2021	**2.4**	**0.6**	**55.4**	**58.4**
Additions	**0.6**	**0.1**	**2.3**	**3.0**
Disposals	**–**	**–**	**(0.8)**	**(0.8)**
Disposal of subsidiaries	**(2.1)**	**–**	**(56.9)**	**(59.0)**
At 31 March 2022	**0.9**	**0.7**	**–**	**1.6**
Accumulated depreciation				
At 1 April 2021	**1.1**	**0.5**	**2.7**	**4.3**
Charge for the year	**0.1**	**–**	**0.4**	**0.5**
Disposal of subsidiaries	**(0.8)**	**–**	**(3.1)**	**(3.9)**
At 31 March 2022	**0.4**	**0.5**	**–**	**0.9**
Net book value at 31 March 2022	**0.5**	**0.2**	**–**	**0.7**
Net book value at 31 March 2021	**1.3**	**0.1**	**52.7**	**54.1**

Cost or valuation	Office equipment £m	Fixtures and fittings £m	Public houses £m	Total £m
At 1 April 2020	1.8	0.6	56.6	59.0
Additions	0.6	–	2.7	3.3
Revaluation:				
Recognised in the consolidated statement of comprehensive income	–	–	(0.5)	(0.5)
Recognised in the income statement	–	–	(6.6)	(6.6)
Net transfers from investment property	–	–	4.1	4.1
Disposals	–	–	(0.9)	(0.9)
At 31 March 2021	2.4	0.6	55.4	58.4
Accumulated depreciation				
At 1 April 2020	0.7	0.5	1.6	2.8
Charge for the year	0.4	–	1.1	1.5
At 31 March 2021	1.1	0.5	2.7	4.3
Net book value at 31 March 2021	1.3	0.1	52.7	54.1
Net book value at 31 March 2020	1.1	0.1	55.0	56.2

The Group's public houses were disposed of in the period. As at 31 March 2021 they were valued at fair value by independent valuers, Colliers International Valuation UK 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 were performed by appropriately qualified valuers who have relevant and recent experience in the sector. As mentioned in note 14, there was a material uncertainty clause relating to the public house valuations included in the note above as at 31 March 2021.

18. Trade and other receivables

	2022 £m	2021 £m
Trade receivables	**3.7**	9.6
Restricted monetary asset	**5.6**	5.6
Service charge receivables*	**1.7**	2.6
Other receivables	**6.2**	4.9
Prepayments	**0.7**	1.9
Accrued income	**1.0**	1.4
	18.9	26.0

* Included in service charge receivables is £1.4 million of Value Added Taxation (2021: £0.4 million) and £0.3 million of service charge debtors (2021: £2.2 million).

Trade receivables are shown after deducting a loss allowance of £5.2m (2021: £9.3m). 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 £0.3 million (2021: £5.6 million charge). The Group has calculated the expected credit loss by applying a forward-looking outlook, impacted by the Covid-19 pandemic, to historical default rates.

The Group monitors rent collection in order to anticipate and minimise the impact of default by tenants, which may be impacted by Covid-19 and the ability of tenants to pay rent receivables. 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 on 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 current pandemic.

	2022 £m	2021 £m
Opening loss allowance at 1 April	**9.3**	4.2
Increase in loss allowance recognised in the consolidated statement of comprehensive income during the year	**0.3**	5.6
Disposal of subsidiary	**(2.5)**	–
Loss allowance write off	**(1.9)**	(0.5)
Closing loss allowance at 31 March	**5.2**	9.3

The restricted monetary asset relates to cash balances which legally belong to the Group but 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.

19. Assets held for sale

	2022 £m	2021 £m
Assets held for sale at 1 April	**25.5**	–
Transfer (to) / from investment properties	**(25.5)**	25.5
Assets held for sale at 31 March	**–**	25.5

In the year ended 31 March 2022 the Group made a number of strategic disposals. As at 31 March 2022 no investment properties meet the definition of assets held for sale under IFRS.

During the year the £25.5 million of properties held for sale as at 31 March 2021 were not sold and are no longer available for sale as the Group decided to retain them, therefore they have been transferred back to investment property.

20. Derivative financial instruments

The Group enters into derivative financial instruments to provide an economic hedge to its interest rate risks. These financial instruments are classified as Level 2 fair value measurements, being those derived from inputs other than quoted prices. There were no transfers between levels in the current year.

	2022 £m	2021 £m
Interest rate swaps		
Non-current liabilities	**–**	(2.6)
	–	(2.6)

	Average contract interest rate		Notional principal amount		Fair value	
	2022 %	2021 %	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Interest rate swaps – receive floating pay fixed						
In more than one year but less than two	**–**	0.8%	**–**	137.2	**–**	–
In more than two years but less than five	**–**	1.5%	**–**	137.2	**–**	(2.6)
Interest rate caps						
In less than one year	**–**	1.5%	**–**	70.0	**–**	–
	–	–	**–**	344.4	**–**	(2.6)

In September 2021 the Company repaid and cancelled its £165m term loan, see note 23. Following the cancellation of the term loan the related derivatives were terminated. The Group has no derivatives in issue in controlled entities.

21. Cash and cash equivalents

There are no restrictions on cash in place (2021: nil). As at 31 March 2022 and 31 March 2021 cash and cash equivalents comprised of cash held in bank accounts.

22.Trade and other payables

	2022 £m	2021 £m
Trade payables	**3.0**	4.4
Service charge liabilities*	**9.2**	10.9
Other payables	**3.5**	7.0
Accruals	**8.7**	15.0
Value Added Taxation	**3.4**	2.2
Rent received in advance	**5.7**	7.4
	33.5	46.9

* Service charge liabilities includes accruals of £1.7 million (31 March 2021: £0.3 million), service charge creditors and other creditors of £5.3 million (31 March 2021: £2.8 million), deferred income of £2.2 million (31 March 2021: £7.8 million) and £nil of Value Added Taxation (31 March 2021: £nil).

23.Borrowings

Maturity of drawn bank borrowings:	**2022 £m**	2021 £m
Between two and three years	**–**	335.0
After five years	**300.0**	300.0
	300.0	635.0
Less unamortised fees / discount	**(4.2)**	(5.3)
	295.8	629.7

Unsecured borrowings:	Carrying amount 2022 £m	Fair value 2022 £m	Carrying amount 2021 £m	Fair value 2021 £m
Term loan	**–**	**–**	165.0	165.0
Revolving credit facility	**–**	**–**	170.0	170.0
Corporate bond	**300.0**	**285.9**	300.0	283.7
	300.0	**285.9**	635.0	618.7

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. The fair value of the Group's bank loans in the prior year was approximately the same as their carrying amount, after adjusting for the unamortised arrangement fees, and also represented Level 2 fair value measurement.

Unsecured borrowings:	Maturity date	Facility £m	Facility drawn £m	Unamortised facility fees / discount £m	£m
Revolving credit facility	August 2024	125.0	–	(1.0)	(1.0)
Corporate bond	March 2028	300.0	300.0	(3.2)	296.8
		425.0	300.0	(4.2)	295.8

On 21 October 2021 the Group extended the maturity of its revolving credit facility to August 2024 and at the same time cancelled £90 million of the facility, reducing it from £215 million to £125 million with a £50 million accordion (subject to lenders consent). The revolving credit facility also references Sterling Over Night Indexed Average ('SONIA') as its floating rate.

In the year the Group drew down £nil (31 March 2021: £nil) and repaid £170 million (31 March 2021: £nil) of the revolving credit facility. In addition, on 29 September 2021 the Group fully repaid and cancelled its £165 million Term loan.

24. 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.

	2022 £m	2021 £m
Right of use asset (Investment property)	**75.5**	83.0
Right of use asset (Property, plant and equipment)	**0.2**	3.5
Current lease liability	**0.7**	0.7
Non-current lease liability	**75.0**	84.9

The expense relating to low value assets which have not been recognised under IFRS 16 was £nil million (31 March 2021: £0.1 million) and the expense relating to variable lease payments not included in the measurement of lease liabilities was £nil million (31 March 2021: £nil million). The total cash outflow in relation to lease commitments for the year was £2.7 million (31 March 2021: £3.5 million).

24. Lease commitment arrangements continued

Lease liability maturity table

	2022 £m	2021 £m
Within one year	**0.7**	0.7
Between one and two years	**0.7**	0.7
In the second to fifth year inclusive	**2.1**	2.1
After five years	**72.2**	82.1
	75.7	85.6

Lease commitments payable by the Group are as follows:

	2022 £m	2021 £m
Within one year	**3.2**	3.3
One to two years	**3.0**	3.3
Two to five years	**9.0**	10.0
After five years	**253.8**	253.9
	269.0	270.5
Effect of discounting	**(193.3)**	(184.9)
Lease liability	**75.7**	85.6

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

	2022 £m	2021 £m
Within one year	**50.0**	64.7
Between one and two years	**42.7**	55.9
In the second to fifth year inclusive	**89.4**	114.9
After five years	**133.7**	161.1
	315.8	396.6

The Group's weighted average lease length of lease commitments at 31 March 2022 was 5.3 years (March 2021: 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. The Group also grants lease incentives in order to encourage high quality tenants to remain in properties for longer lease terms. The expense for the year was £1.6 million (March 2021: £3.1 million).

25. Share capital and reserves

Share capital

Ordinary shares	Number of shares issued m's	Price per share pence	Total m's	Held by EBT m's	Shares in issue m's
1 April 2020			309.0	2.8	306.2
Shares issued under employee share schemes	0.1	–	309.0	2.7	306.3
31 March 2021			309.0	2.7	306.3
Scrip dividends issued	0.5	0.82	309.5	2.7	306.8
Shares issued under employee share schemes	0.6	–	309.5	2.1	307.4
Scrip dividends issued	0.8	0.86	310.3	2.1	308.2
31 March 2022			**310.3**	**2.1**	**308.2**

	Share capital £'000	Share premium £'000	Total £'000
1 April 2020 and 31 March 2021	3,062	227,349	230,411
Shares issued under employee share schemes	6	–	6
Transfer of share premium	–	(227,349)	(227,349)
Scrip dividends issued	14	1,147	1,161
31 March 2022	3,082	1,147	4,229

All issued shares are fully paid up.

Merger reserve

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

Share premium

Following the passing of the special resolution at the Company's Annual General Meeting on 27 July 2021 relating to the cancellation of the Company's share premium account and the order made by the Court on 24 August 2021 confirming the cancellation of the Company's share premium account (the 'Order'), the Order and the statement of capital in respect of the cancellation have been registered by the Registrar of Companies. The share premium account balance of £227.4 million has been transferred to retained earnings, following the cancellation of the share premium account effective from 31 August 2021.

Scrip dividend shares

Shares issued in respect of elections to participate in the Scrip Dividend Scheme in respect of dividends declared in the year.

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.

Shares held in Employee Benefit Trust (EBT)

As part of the scheme of arrangement and group reorganisation, 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.

There are currently 2,116,979 ordinary shares held by EBT.

26. Share-based payments

The Group has three share schemes for employees:

- Share option scheme
- Performance Share Scheme
- Deferred bonus scheme

Share option scheme

Options were granted between 2009 and 2012. The options were priced at the share price at date of issue. No options were granted in 2021 or 2022. The charge for the year recognised in the consolidated statement of comprehensive income was nil (2021: nil).

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)
2009-2011	2.54	–	–	–	–	–	–	–
2012	2.35	338,000	–	–	(338,000)	–	–	–
		338,000	–	–	(338,000)	–	–	

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 £0.5 million (March 2021: £0.3 million).

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)
2017	–	278,506	–	–	(278,506)	–	–	–
2018	–	–	–	–	–	–	–	–
2019	–	1,366,652	–	–	(1,366,652)	–	–	–
2020	–	1,818,153	143,127	–	(46,809)	1,914,471	–	7.2
2021	–	3,104,871	248,610	(123,952)	(414,259)	2,815,270	–	8.4
2022	–	–	2,960,526	–	(19,946)	2,940,580	–	9.4
		6,568,182	3,352,263	(123,952)	(2,126,172)	7,670,321	–	

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 £0.4 million (March 2021: £0.3 million).

Year issued	Average exercise price	Outstanding at start of year	Granted	Exercised	Lapsed	Outstanding at end of year	Number exercisable	Average remaining life (years)
2018	–	63,554	–	(9,665)	–	53,889	–	–
2019	–	154,692	–	(30,415)	–	124,277	–	–
2020	–	323,012	–	(200,568)	(4,394)	118,050	–	0.2
2021	–	526,640	35,520	(165,687)	(29,771)	366,702	–	1.4
2022	–	–	313,619	–	–	313,619	–	2.5
		1,067,898	349,139	(406,335)	(34,165)	976,537	–	

Fair value

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

	2022	2021
Share price	**0.78**	0.63
Exercise price	**Nil**	Nil
Expected volatility	**25%**	21%
Risk free rate	**0.252%**	-0.048 – -0.009%
Expected dividends*	**0%**	0%

* based on quoted property sector average.

27. 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

	Valuation level	2022 £m	2021 £m
Financial assets			
Financial assets at amortised cost			
Trade and other receivables		**15.9**	22.4
Cash and cash equivalents		**82.8**	150.5
Total financial assets and maximum exposure to credit risk		**98.7**	172.9
Financial liabilities			
Fair value through profit or loss			
Interest rate swaps and caps	2	**–**	(2.6)
At amortised cost			
Borrowings		**(295.8)**	(629.7)
Lease liabilities		**(75.7)**	(85.6)
Payables and accruals		**(22.2)**	(29.4)
		(393.7)	(747.3)
		(295.0)	(574.4)

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 23 for further details.

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

The Group's interest rate risk arises from borrowings issued at floating interest rates (see note 23). The Group's interest rate risk is reviewed quarterly by the Board. The Group manages its exposure to interest rate risk on borrowings through the use of interest rate derivatives (see note 20). Interest rate caps and interest rate swaps are used to both mitigate the risk of an increase in interest rates but also to allow the Group to benefit from a fall in interest rates. The Group has employed an external adviser when contracting hedging to advise on the structure of the hedging. At 31 March 2022 the Group 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 if interest rates increase or decrease as we have no drawn variable rate debt. In the prior year, the impact of a 200 bps increase in interest rates for the year would increase net interest payable in the consolidated statement of comprehensive income by £4.0 million and the impact of a 200 bps decrease in interest rates for the prior year would reduce the net interest payable in the consolidated statement of comprehensive income by £4.0 million. The directors considered this to be a reasonable sensitivity in the prior year given historical interest rates and the possibility for short term swings in rates.

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.

27. Financial instruments and risk management continued

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

	2022 Gross amount £m	2022 Loss allowance £m	2022 % applied	2022 Carrying amount £m	2021 Gross amount £m	2021 Loss allowance £m	2021 % applied	2021 Carrying amount £m
0-30 days	**3.3**	**0.8**	**24%**	**2.5**	5.0	1.0	20%	4.0
30-60 days	**0.4**	**0.1**	**25%**	**0.3**	0.9	0.2	22%	0.7
60-90 days	**0.1**	**0.1**	**100%**	**–**	0.5	0.2	40%	0.3
90-120 days	**0.5**	**0.2**	**40%**	**0.3**	1.6	0.5	31%	1.1
Over 120 days	**4.6**	**4.0**	**87%**	**0.6**	10.9	7.4	68%	3.5
	8.9	**5.2**		**3.7**	18.9	9.3		9.6

The Group recognises an expected credit loss allowance on trade debtors, as noted in the above table. The Group also recognises an expected credit loss allowance of £0.6 million (2021: £1.4 million) on service charge debtors and £nil (2021: £0.1 million) on insurance debtors.

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

	2022 £m	2021 £m
Risk level		
Very high	**4.6**	3.9
High	**0.5**	2.4
Medium	**0.5**	4.4
Low	**3.3**	8.2
Gross carrying amount before loss allowance	**8.9**	18.9
Loss allowance	**(5.2)**	(9.3)
Carrying amount	**3.7**	9.6

	2022 £m	2021 £m
Opening loss allowance at 1 April	**9.3**	4.2
Increase in loss allowance recognised in the consolidated statement of comprehensive income during the year	**0.3**	5.6
Disposal of subsidiary	**(2.5)**	–
Loss allowance write off	**(1.9)**	(0.5)
Closing loss allowance at 31 March	**5.2**	9.3

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 project-by-project 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:

2022 £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)**	**(31.5)**	**(9.7)**	**(62.2)**
Lease liabilities	**(3.2)**	**(3.0)**	**(9.0)**	**(253.8)**	**(269.0)**
Payables and accruals	**(22.2)**	**–**	**–**	**–**	**(22.2)**
	(35.9)	**(13.5)**	**(40.5)**	**(563.5)**	**(653.4)**
2021 £m					
Borrowings	–	–	(335.0)	(300.0)	(635.0)
Interest on borrowings	(19.1)	(19.1)	(34.4)	(20.2)	(92.8)
Interest rate swaps	(0.7)	(1.3)	(0.6)	–	(2.6)
Lease liabilities	(3.3)	(3.3)	(10.0)	(253.9)	(270.5)
Payables and accruals	(29.4)	–	–	–	(29.4)
	(52.5)	(23.7)	(380.0)	(574.1)	(1,030.3)

Reconciliation of movement in the Group's share of net debt in the year	2022 £m	2021 £m
Group's share of net debt at beginning of year	**493.3**	563.6
Cash flow		
Net decrease / (increase) in cash and cash equivalents	**67.7**	(69.7)
Bank loans repaid	**(335.0)**	–
Change in bank loan fees to be amortised	**1.1**	1.1
Group's share of joint ventures' and associates' cash flow		
Net increase in cash and cash equivalents	**(1.6)**	(2.5)
Bank loans repaid	**(4.0)**	(1.2)
New bank loans	**–**	2.0
Group's share of net debt	**221.5**	493.3
Being:		
Group borrowings	**295.8**	629.7
Group's share of joint ventures' and associates' borrowings	**13.9**	17.9
Group cash	**(82.8)**	(150.5)
Group's share of joint venture and associate cash	**(5.4)**	(3.8)
Group's share of net debt	**221.5**	493.3

27. Financial instruments and risk management continued

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.

Between 31 March 2021 and 31 March 2022, the Group's proportionally consolidated LTV decreased by 17% from 51% to 34% and the gearing ratio from 104% to 51% mainly as a result of the sale of Hawthorn, retail disposals and stabilisation in retail valuations. The Group continually monitors LTV and will continue to monitor LTV closely, factoring in disposal activity and 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	2022 £m	2021 £m
Borrowings	**295.8**	629.7
Cash and cash equivalents	**(82.8)**	(150.5)
Net debt	**213.0**	479.2
Equity attributable to equity holders of the parent	**414.1**	460.4
Net debt to equity ratio ('Balance sheet gearing')	**51%**	104%
Share of joint ventures' and associates' borrowings	**13.9**	17.9
Share of joint ventures' and associates' cash and cash equivalents	**(5.4)**	(3.8)
Group's share of net debt	**221.5**	493.3
Carrying value of investment property and public houses	**609.1**	851.9
Carrying value of managed houses	**–**	52.7
Carrying value of assets held for sale	**–**	25.5
Share of joint ventures' and associates carrying value of investment properties	**40.3**	44.1
Group's share of carrying value of investment properties	**649.4**	974.2
Net debt to property value ratio ('Loan to value')	**34%**	51%

Reconciliation of financial liabilities

Reconciliation of financial liabilities	Lease liabilities £m	Borrowings £m	Derivatives £m	Total £m
As at 1 April 2021	**85.6**	**629.7**	**(2.6)**	**712.7**
(Decrease)/Increase through financing cash flows				
Repayment of bank loans	**–**	**(335.0)**	**–**	**(335.0)**
Repayment of principal portion of lease liability	**(0.7)**	**–**	**–**	**(0.7)**
Other changes				
Lease modification	**(5.2)**	**–**	**–**	**(5.2)**
Disposals	**(1.7)**	**–**	**–**	**(1.7)**
Disposal of subsidiary	**(2.3)**	**–**	**–**	**(2.3)**
Termination of derivative	**–**	**–**	**2.6**	**2.6**
Change in capitalised loan fees to be amortised	**–**	**1.1**	**–**	**1.1**
As at 31 March 2022	**75.7**	**295.8**	**–**	**371.5**

Reconciliation of financial liabilities	Lease liabilities £m	Borrowings £m	Derivatives £m	Total £m
As at 1 April 2020	86.3	628.6	(2.7)	712.2
(Decrease)/Increase through financing cash flows				
Repayment of principal portion of lease liability	(0.7)	–	–	(0.7)
Change in fair value of derivative	–	–	0.1	0.1
Other changes				
Change in capitalised loan fees to be amortised	–	1.1	–	1.1
As at 31 March 2021	85.6	629.7	(2.6)	712.7

28. Contingencies and commitments

The Group has no material contingent liabilities (2021: None). The Group was contractually committed to £1.3 million of capital expenditure to construct or develop investment property as at 31 March 2022 (31 March 2021: £4.0 million). The Group also committed to a 5 year lease which has commenced on 1 April 2022 with rent per annum of £0.3 million.

Under the terms of the sale agreement to dispose of Hawthorn, 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.

29. 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 £2.8 million (2021: £1.9 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 £3.0 million (2021: £3.0 million) and loans with associates of £4.8 million (March 2021: £3.7 million).

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

	2022 £m	2021 £m
NewRiver Retail (Nelson) Limited	**0.1**	0.1
NewRiver Retail (Napier) Limited	**0.2**	0.2
NewRiver Retail (Hamilton) Limited	**0.2**	–
NewRiver (Sprucefield) Limited	**0.2**	0.1

As at 31 March 2022, an amount of £0.2 million (2021: £0.1 million) was due to the Group relating to management fees.

During the year, the Group recognised £0.4 million of interest from joint ventures and associates (2021: £0.3 million) and as at 31 March 2022 the amount owing to the Group was £0.2 million (2021: £0.2 million).

Key management personnel

Details of Directors' remuneration are given in the report of the Remuneration Committee on pages 109 to 127.

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.

30. Post balance sheet events

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

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 £m	2021 £m
Non-current assets			
Investment in subsidiaries	B	**329.9**	570.3
Amounts owed from subsidiary undertakings		**225.9**	235.7
Total non-current assets		**555.8**	806.0
Current assets			
Amounts owed from subsidiary undertakings		**238.0**	250.5
Other receivables		**1.1**	0.8
Cash and cash equivalents		**0.9**	94.9
Total current assets		**240.0**	346.2
Total assets		**795.8**	1,152.2
Equity and liabilities			
Current liabilities			
Trade creditors		**0.3**	–
Accruals		**2.3**	1.1
Other creditors		**–**	2.1
Amounts owed to subsidiary undertakings		**101.8**	66.8
Total current liabilities		**104.4**	70.0
Non-current liabilities			
Borrowings	D	**295.8**	629.7
Total non-current liabilities		**295.8**	629.7
Net assets		**395.6**	452.5
Equity			
Share capital		**3.1**	3.1
Share premium	E	**1.1**	227.4
Merger reserve		**33.6**	24.2
Retained earnings		**357.8**	197.8
Total equity		**395.6**	452.5

The notes on pages 180 to 183 form an integral part of the Company financial statements. The Company has applied the exemption in s408 of the Companies Act for omitting the income statement of the parent company. The loss for the year after taxation was £36.3 million (31 March 2021: loss of £156.0 million).

The financial statements were approved by the Board of Directors on 15 June 2022 and were signed on its behalf by:

Allan Lockhart
Chief Executive

Will Hobman
Chief Financial Officer

Registered number: 10221027

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Total £m
As at 1 April 2020	3.1	227.4	211.7	166.3	608.5
Loss after taxation	–	–	–	(156.0)	(156.0)
Transfer from merger reserve	–	–	(187.5)	187.5	–
As at 31 March 2021	3.1	227.4	24.2	197.8	452.5
Loss after taxation	–	–	–	(36.3)	(36.3)
Transfer from merger reserve	–	–	9.4	(9.4)	–
Equity issue	–	1.1	–	–	1.1
Transfer of share premium	–	(227.4)	–	227.4	–
Dividends paid	–	–	–	(21.7)	(21.7)
As at 31 March 2022	3.1	1.1	33.6	357.8	395.6

The notes on pages 180 to 183 form an integral part of these financial statements. There was no other income in the year therefore the loss after taxation is the Company's total comprehensive loss for the year.

A. Accounting policies

Basis of accounting

The Company's separate financial statements for the year ended 31 March 2022 are prepared in accordance with Financial Reporting Standard 101 (FRS 101) "Reduced Disclosure Framework" as issued by the Financial Reporting Council. The financial statements are presented in pounds Sterling. These financial statements have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate. The most critical estimates, assumptions and judgements relate to the determination of the carrying value of the investment in the Company's subsidiary undertakings. The nature, facts and circumstance of the investment are taken into account on assessing whether there are any indications of impairment.

For the Company's going concern assessment, refer to note 1.

Critical estimates

Impairment of investment in subsidiaries

The carrying value of the Company's investment in subsidiaries are disclosed in note B. The Company tests its investment in subsidiary balances annually for impairment. An impairment is recognised where the fair value of the investment is below its carrying amount. The fair values of investments are mainly driven by changes in the value of investment properties held on the balance sheets of those investments and any distributions made to the Company.

Changes to accounting policies

The Company has adopted the new accounting policies as set out in the accounting policies section of the Group financial statements. Adopting these new standards and amendments has not had a material impact on the Company in the current or prior years.

Disclosure exemptions

The Company has taken advantage of all disclosure exemptions allowed by FRS 101. These financial statements do not include:

- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- certain disclosures in respect of financial instruments;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with wholly-owned members of the Group.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated Group accounts into which the Company is consolidated.

Investment in subsidiaries

Investments in subsidiary undertakings are stated at cost less provision for cumulative impairments. Where an impairment has been recognised in previous periods, and the conditions that caused the impairment are no longer present, the impairment charge previously recognised will be reversed, up to the cost of the original investment value.

Financial instruments

Financial assets

The Company classifies its financial assets as fair value through profit or loss or amortised cost, depending on the purpose for which the asset was acquired and based on the business model test. Financial assets carried amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost, less provision for impairment. Impairment provisions for receivables are recognised based on IFRS 9 in the determination of the expected credit losses. If it is determined that a receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. If in a subsequent year the amount of the impairment loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised costs at the reversal date. Financial assets at amortised cost consist of loans and receivables. The Company determines the classification of its financial assets at initial recognition. The Company's financial assets consist of cash, and loans and receivables.

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

Financial liabilities

Financial liabilities are classified as other liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

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

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

The fair values of derivative financial liabilities are determined as follows:

Interest rate swaps and caps are measured using the midpoint of the yield curve prevailing on the reporting date. The valuations do not include accrued interest from the previous settlement date to the reporting date. The fair value represents the net present value of the difference between the contracted rate and the valuation rate when applied to the projected balances for the period from the reporting date to the contracted expiry dates.

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

Share-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 balance sheet date of the number of instruments expected to vest. The fair value is recognised over the vesting period in the statement of comprehensive income of the company that employs the recipient of the share-based payment, with a corresponding increase in equity.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved by equity holders at a general meeting. Dividend information is provided in note 13 to the consolidated accounts.

Merger reserve

The merger reserve resulted from the acquisition of NewRiver Retail Limited and represents the difference between the value of the net assets acquired of £524 million and the nominal value of the shares issued, adjusted for subsequent impairments and impairment reversals in NewRiver Retail Limited following the creation of the merger reserve in 2016.

B. Investment in subsidiaries

All subsidiaries are held indirectly except the companies marked* in the below listing.

Name	Country of incorporation	Activity	Proportion of ownership interest	Class of share
C-store REIT Limited	UK	Dormant company	100%	Ordinary Shares
Convenience Store REIT Limited	UK	Dormant company	100%	Ordinary Shares
NewRiver Capital Limited*	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Burgess Hill) Limited	UK	Dormant company	100%	Ordinary Shares
NewRiver (Darnall) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Finance Company Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver REIT (UK) Limited	UK	Asset management	100%	Ordinary Shares
NewRiver Leisure Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Bexleyheath) Holdings Limited	UK	Group holding company	100%	Ordinary Shares
NewRiver Retail (Bexleyheath) Limited	Jersey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Broadway Square) UK Limited	UK	Dormant	100%	Ordinary Shares
NewRiver Retail (Bexleyheath) UK Limited	UK	Dormant	100%	Ordinary Shares
NewRiver Retail (Boscombe No. 1) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Broadway Square) Limited	Jersey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Cardiff) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Carmarthen) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Darlington) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Grays S.a.r.l*	Luxembourg	Real estate investments	100%	Ordinary Shares
NewRiver (Grays) UK Limited*	UK	Dormant	100%	Ordinary Shares
NewRiver Retail (GP3) Limited	UK	General partner	100%	Ordinary Shares
NewRiver Retail (Leylands Road) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Market Deeping No. 1) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Morecambe) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Newcastle No. 1) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Nominee No.3) Limited	UK	Dormant company	100%	Ordinary Shares
NewRiver Retail (Paisley) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Penge) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 1) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 2) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 3) Limited	UK	Holding company	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 3) Limited Partnership	UK	Real estate investments	100%	Partnership
NewRiver Retail (Portfolio No. 5) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 6) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 4) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 8) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Ramsay Development) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Ramsay Investment) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Skegness) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Wakefield) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Warminster) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Wisbech) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Witham) Limited	UK	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Wrexham No.1) Limited	Guernsey	Real estate investments	100%	Ordinary Shares
NewRiver Retail (Portfolio No. 10) Limited*	UK	Real estate investments	100%	Ordinary Shares

Name	Country of incorporation	Activity	Proportion of ownership interest	Class of share
NewRiver Retail Holdings Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 1 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 2 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 3 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 5 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Holdings No. 6 Limited	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Limited*	Guernsey	Group holding company	100%	Ordinary Shares
NewRiver Retail Limited	UK	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 2	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 3	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 5	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 6	Jersey	Real estate investments	100%	Ordinary units
NewRiver Retail Property Unit Trust No. 7	Jersey	Real estate investments	100%	Ordinary units
Shopping Centre REIT Limited	UK	Dormant company	100%	Ordinary Shares

All UK incorporated companies have their registered offices at 16 New Burlington Place, London, W1S 2HX. All Jersey incorporated companies have their registered offices at 13 Castle Street, St Helier, Jersey, Channel Islands, JE4 5UT. All Guernsey incorporated companies have their registered offices at Floor 2 Trafalgar Court, Les Banques, St Peter Port, GY1 4LY. All Luxembourg incorporated companies have their registered offices at 5, Heienhaff L-1736 Senningerberg.

The Company's investments in joint ventures and associates are detailed in notes 15/16. The registered offices of the companies are:

Guernsey – NewRiver Retail (GP1) Ltd, Floor 2 Trafalgar Court, Les Banques, St Peter Port, GY1 4LY

UK – NewRiver Retail (Napier) Limited, 16 New Burlington Place, London, W1S 2HX

UK – NewRiver (Sprucefield) Limited, 16 New Burlington Place, London, W1S 2HX

UK – NewRiver Retail (Hamilton) Limited, 16 New Burlington Place, London, W1S 2HX

Reconciliation of the movement in investment in subsidiaries:

	2022 £m	2021 £m
Opening balance	**570.3**	560.4
Reversal / (Impairment) in subsidiaries	**9.4**	(220.4)
Disposal of subsidiaries	**(249.2)**	–
Additions to investments	**–**	230.3
Other movement	**(0.6)**	–
Investment in subsidiaries	**329.9**	570.3

The Company has recognised an impairment reversal of £9.4 million (2021: £220.4 million impairment) to reflect the increase in the valuation of the overall assets of the investment in subsidiary as a result of a positive movement in property valuations and trading profits.

On 20 August 2021 the Company completed the sale of the entire issued share capital of Hawthorn Leisure REIT Limited ('Hawthorn'), the entity that held, either directly or indirectly through its wholly-owned subsidiaries, NewRiver's entire community pub business, to AT Brady Bidco Limited.

The Company recognised a loss on disposal of £33.8 million.

C. Auditors remuneration

The auditors' remuneration in respect of the Company is disclosed in note 6.

D. Borrowings

All borrowings issued by the Group at 31 March 2022 were issued by the Company. See note 23 of the consolidated financial statements for details.

E. Capital reduction

Following the passing of the special resolution at the Company's Annual General Meeting on 27 July 2021 relating to the cancellation of the Company's share premium account and the order made by the Court on 24 August 2021 confirming the cancellation of the Company's share premium account (the 'Order'), the Order and the statement of capital in respect of the cancellation have been registered by the Registrar of Companies. The share premium account balance of £227.4 million has been transferred to retained earnings, following the cancellation of the share premium account effective from 31 August 2021.

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.

	FY22	FY21
EPRA Earnings Per Share (EPS)	**8.5p**	2.9p
EPRA Cost Ratio (including direct vacancy costs)	**41.1%**	61.3%
EPRA Cost Ratio (excluding direct vacancy costs)	**38.7%**	58.6%

	March 2022	March 2021
EPRA NRV per share	**148p**	170p
EPRA NTA per share	**134p**	151p
EPRA NDV per share	**139p**	155p
EPRA NIY	**7.5%**	8.4%
EPRA 'topped-up' NIY	**8.0%**	8.9%
EPRA Vacancy Rate	**4.4%**	4.2%

EPRA Earnings Per Share: 8.5p

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

	FY22 (£m)	FY21 (£m)
Earnings per IFRS income statement	**(26.6)**	(150.5)
Adjustments to calculate EPRA Earnings, exclude:		
Changes in value of investment properties, development properties held for investment and other interests	**12.3**	154.7
Profits or losses on disposal of investment properties, development properties held for investment and other interests	**43.1**	7.7
Changes in fair value of financial instruments and associated close-out costs	**(0.1)**	(0.1)
Acquisition costs on share deals and non-controlling joint venture interests	**–**	0.1
Deferred tax in respect of EPRA adjustments	**1.9**	(1.4)
Adjustments to above in respect of joint ventures (unless already included under proportional consolidation)	**(4.5)**	(1.6)
EPRA Earnings	**26.1**	8.9
Basic number of shares	**307.2m**	306.4m
EPRA Earnings per Share (EPS)	**8.5p**	2.9p
EPRA Earnings – continuing operations	**18.9**	14.0
EPRA Earnings per Share (EPS) – continuing operations	**6.2p**	4.6p

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

	FY22 (£m)	FY21 (£m)
EPRA Earnings	**26.1**	8.9
Share-based payment charge	**0.9**	0.6
Depreciation on property	**0.4**	1.1
Forward-looking element of IFRS 9	**(0.2)**	0.6
Restructuring and abortive costs	**1.1**	0.3
Underlying Funds From Operations (UFFO)	**28.3**	11.5
Basic number of shares	**307.2m**	306.4m
UFFO per share	**9.2p**	3.8p
Underlying Funds From Operations (UFFO) – continuing operations	**20.5**	15.5
UFFO per share – continuing operations	**6.7p**	5.1p

EPRA NRV per share: 148p; EPRA NTA per share: 134p; EPRA NDV per share: 139p

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 2022	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	414.1	414.1	414.1
Fair value of financial instruments	(0.3)	(0.3)	–
Deferred tax in relation to fair value gains of Investment Property/ PPE	0.6	0.6	–
Fair value of debt	–	–	14.1
Purchasers' costs	43.8	–	–
EPRA NRV / NTA / NDV	**458.2**	**414.4**	**428.2**
Fully diluted number of shares	309.0	309.0	309.0
EPRA NRV / NTA / NDV per share	**148p**	**134p**	**139p**

31 March 2021	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	460.4	460.4	460.4
Fair value of financial instruments	2.6	2.6	–
Deferred tax in relation to fair value gains of Investment Property/ PPE	0.7	0.7	–
Goodwill as per the IFRS balance sheet	–	(0.5)	(0.5)
Fair value of debt	–	–	16.3
Purchasers' costs	60.1	–	–
EPRA NRV / NTA / NDV	**523.8**	**463.2**	**476.2**
Fully diluted number of shares	307.3m	307.3m	307.3m
EPRA NRV / NTA / NDV per share	**170p**	**151p**	**155p**

EPRA NIY: 7.5%, EPRA 'topped-up' NIY: 8.0%

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 2022 (£m)	March 2021 (£m)
Properties at valuation – wholly owned		**609.1**	904.6
Properties at valuation – share of Joint Ventures & Associates		**40.3**	44.1
Trading property (including share of Joint Ventures & Associates)		**–**	25.5
Less: Developments		**(22.3)**	(32.0)*
Completed property portfolio		**627.1**	942.2
Allowance for estimated purchasers' costs and capital expenditure		**40.4**	47.3
Grossed up completed property portfolio valuation	B	**667.5**	989.5
Annualised cash passing rental income		**62.9**	96.4
Property outgoings		**(13.1)**	(13.7)
Annualised net rents	A	**49.8**	82.7
Add: Notional rent expiration of rent free periods or other lease incentives		**3.3**	5.4
Topped-up net annualised rent	C	**53.1**	**88.1**
EPRA NIY	A/B	**7.5%**	**8.4%**
EPRA 'topped-up' NIY	C/B	**8.0%**	**8.9%**

* Residual development value retrospectively applied to Grays as at March 2021. Previously stated 8.2% EPRA NIY and 8.8% EPRA 'topped-up' NIY.

Continuing operations as at March 2021 calculated as 7.4% EPRA NIY and 8.2% EPRA 'topped-up' NIY.

EPRA Vacancy rate: 4.4%

Definition

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

Purpose

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

		March 2022 (£m)	March 2021 (£m)
Calculation of EPRA Vacancy Rate			
Estimated Rental Value of vacant retail space	A	**2.6**	2.8
Estimated rental value of the retail portfolio	B	**58.6**	66.0
EPRA Vacancy Rate	A/B	**4.4%**	**4.2%**

EPRA Cost Ratio (including direct vacancy costs): 41.1%;

EPRA Cost Ratio (excluding direct vacancy costs): 38.7%

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.

		FY22 (£m)	FY21 (£m)
Administrative/operating expenses per IFRS		**33.4**	52.0
Net service charge costs/fees		**5.6**	5.9
Management fees less actual/estimated profit element		**(1.9)**	(1.2)
Other operating income/recharges intended to cover overhead expenses less any related profits		**(4.8)**	(7.2)
Share of Joint Ventures and associates expenses (net of other income)		**0.4**	1.3
Exclude (if part of the above):			
Investment property depreciation		**–**	–
Ground rent costs		**0.7**	0.3
Service charge costs recovered through rents but not separately invoiced		**–**	–
EPRA Costs (including direct vacancy costs)	A	**33.4**	51.1
Direct vacancy costs		**(2.0)**	(2.2)
EPRA Costs (excluding direct vacancy costs)	B	**31.4**	48.9
Gross Rental Income less ground rents – per IFRS		**77.3**	79.5
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)		**3.9**	3.9
Gross Rental Income	C	**81.2**	83.4
EPRA Cost Ratio (including direct vacancy costs)	A/C	**41.1%**	61.3%
EPRA Cost Ratio (excluding direct vacancy costs)	B/C	**38.7%**	58.6%
EPRA Cost Ratio (including direct vacancy costs) – continuing operations		**36.8%**	44.4%
EPRA Cost Ratio (excluding direct vacancy costs) – continuing operations		**33.8%**	41.5%

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

		FY22 (£m)	FY21 (£m)
EPRA Costs (including direct vacancy costs)	A	**33.4**	51.1
Exclude			
Ground rent costs		**(0.7)**	(0.3)
Share of Joint Ventures and associates property expenses (net of other income)		**(0.2)**	(1.1)
Other operating income/recharges intended to cover overhead expenses less any related profits		**4.8**	7.2
Net service charge costs/fees		**(5.6)**	(5.9)
Operating expenses (excluding service charge cost)		**(16.2)**	(28.9)
Tenant incentives (included within income)		**(0.2)**	(0.2)
Letting & legal costs (included within income)		**(1.2)**	(1.6)
Group's share of net administrative expenses as per IFRS	D	**14.1**	20.3
EPRA Gross Rental Income	C	**81.2**	83.4
Ground rent costs		**(0.7)**	(0.3)
Expected credit reversal / (loss)		**0.3**	(5.3)
Other income		**2.5**	3.7
Gross Rental Income	E	**83.3**	81.5
Administrative cost ratio as per IFRS	D/E	**16.9%**	24.9%
Administrative cost ratio as per IFRS – continuing operations		**16.0%**	18.1%

ALTERNATIVE PERFORMANCE MEASURES (APMS)

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

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

APM	Nearest IFRS measure	Explanation and reconciliation
Underlying Funds From Operations ('UFFO') and UFFO per share	(Loss) / Profit for the period 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	Glossary

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).

Average debt maturity: Is measured in years, when each tranche of Group debt is multiplied by the remaining period to its maturity and the result is divided by total Group debt in issue at the period end.

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 joint venture 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 Group loan interest and derivative costs at the period end, divided by total Group debt in issue at the period end.

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 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.

ERV: Is Estimated Rental Value, the external valuers' opinion of 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.

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 (formerly named IPD).

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.

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.

Interest-rate swap: Is a financial instrument where two parties agree to exchange an interest rate obligation for a predetermined amount of time. These are used by the Group to convert floating-rate debt obligation or investments to fixed rates.

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, asset management determinations and surrender premiums.

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-IPD: MSCI Real Estate Investment Property Databank Ltd or 'IPD' 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, less any ground rent payable under head leases.

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.

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 cash profits which includes recurring cash profits and excludes other one off or non-cash adjustments. UFFO measures the Company's underlying operational profits, excluding one-off or non-cash adjustments such as portfolio valuation movements and profits or losses on the disposal of investment properties.

Unsecured balance sheet: The Company's balance sheet is unsecured, which means that none of its debt is secured against any of its property assets.

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

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

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

Company Information

Directors

Margaret Ford
(Non-Executive Chairman)

Allan Lockhart
(Chief Executive Officer)

Will Hobman
(Chief Financial Officer)

Kay Chaldecott
(Non-Executive Director)

Alastair Miller
(Non-Executive Director)

Dr Karen Miller
(Non-Executive Director)

Charlie Parker
(Non-Executive Director)

Colin Rutherford
(Non-Executive Director)

Company Secretary
Kerin Williams

Registered office
16 New Burlington Place
London
W1S 2HX

Company Number
10221027

Brokers

Liberum Capital Limited
Ropemaker Place, Level 12
25 Ropemaker Street
London
EC2Y 9LY

Jefferies International Limited
Vinters Place
68 Upper Thames Street
London
EC4V 3BL

Shore Capital Limited
Cassini House
57 St James's Street
London
SW1A 1LD

Financial adviser

Kinmont
5 Clifford Street
London
W1S 2LG

Auditor

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Legal Advisers

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Tax Advisers

BDO LLP
55 Baker Street
London
W1U 7EU

Registrars

Link Group
10th floor
Central Square Wellington Street
Leeds
LS1 4DL

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Pureprint Ltd aims to reduce at source the effect its operations have on the environment and is committed to continual improvement, prevention of pollution and compliance with any legislation or industry standards.

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Designed and produced by Black Sun Plc
www.blacksunplc.com

www.nrr.co.uk

NewRiver REIT plc
16 New Burlington Place
London W1S 2HX
+44 (0) 20 3328 5800