SHAFTESBURY CAPITAL

2024 Annual Report

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SHAFTESBURY CAPITAL

The leading central London mixed-use REIT

EPRA Sustainability Data Report

https://www.shaftesburycapital.com/en/responsibility/policies-and-reports.html

Net Zero Carbon Pathway

https://www.shaftesburycapital.com/en/responsibility/environment/net-zero-carbon-pathway.html

TCFD Report

https://www.shaftesburycapital.com/en/responsibility/policies-and-reports.html

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The sections of the Annual Report which make up the Strategic Report are set out on the inside cover. The Strategic Report has been approved for issue by the Board of Directors on 26 February 2025.

On behalf of the Board

Ian Hawksworth
Chief Executive

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At a glance

COVENT GARDEN

53%

Read more on page 24

SOHO CARNABY STREET

32%

Read more on page 26

CHINATOWN LONDON

15%

Read more on page 28

Metrics reflect percentage of wholly-owned portfolio value.

Who we are

Shaftesbury Capital PLC is the leading central London mixed-use REIT. Our property portfolio extends to 2.7 million square feet of lettable space across the most vibrant areas of London's West End. With a diverse mix of shops, restaurants, cafés, bars, residential and offices, our destinations include the high footfall, thriving neighbourhoods of Covent Garden, Carnaby, Soho and Chinatown. Our properties are close to the main West End Underground stations and transport hubs for the Elizabeth Line.

www.shaftesburycapital.com

Diverse mixed-use portfolio

2024 2023

Property valuation (billion)

Annualised gross income (million)

ERV (million)

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The year in review

Strong financial performance

- Growth in rents, earnings, dividends and NTA
- +16.2% underlying earnings driven by rental growth and cost savings
- +5.2% growth in EPRA NTA driven by +4.5% L-f-L valuation growth
- Dividend of 3.5p per share (2023: 3.15p)
- Refinancing activity extending the debt maturity profile

Read more on page 50

Financial strength

Property valuation
£5.0bn
(2023: £4.8bn)

Underlying earnings per share
4.0p
(Pro forma FY 2023: 3.4p)

Basic earnings per share
13.8p
(2023: 45.5p)

EPRA NTA
200.2p
(2023: 190.3p)

EPRA LTV
27%
(2023: 31%)

Access to liquidity
£560m
(2023: £486m)

Read more on page 50

Excellent operating performance

- High footfall with +3% L-f-L customer sales growth vs 2023
- Significant growth in ERV and annualised cash rents
- 473 leasing transactions completed, £48.7 million, +9% vs Dec 2023 ERV
- Converting reversion into contracted income
- High occupancy, 2.6% ERV available to let
- Active capital rotation, improving portfolio quality

Read more on page 32

Operational performance

L-f-L valuation growth
+4.5%
2024 valuation £5.0bn

L-f-L ERV growth
+7.7%
2024 ERV £250.6m

L-f-L annualised gross income
+8.0%
2024 AGI £202.8m

Low vacancy
2.6%

Underlying earnings growth
+16.2%

Dividend growth
+11.1%

Read more on page 32

A sustainable business

- Commitment to become Net Zero Carbon by 2040
- Future proofing our heritage buildings
- 88% of units have an EPC rating of A-C
- Ongoing stakeholder and community engagement
- Value the communities that make our places thrive
- Our people are key to our success and achieving our purpose

Read more on page 78

Sustainability performance

Carbon footprint reduction on published 2019 baseline
50%
(2023: 45%)

Reduction in Scope 1 & 2 emissions on published 2019 baseline
34%
(2023: 31%)

Employee engagement
82%

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Delivering on our priorities

Deliver growth in rents, earnings and dividends

Leasing ahead of previous passing rents and cost discipline has resulted in 16.2 per cent growth in underlying earnings and progressive dividends.

Realise the long-term potential of our assets

Dynamic leasing and creative asset management activity has resulted in 7.7 per cent L-f-L ERV growth and 4.5 per cent L-f-L valuation growth during the year.

Accelerate cost savings and operating efficiencies

Significant cost savings achieved as we progress towards an effective and efficient organisational structure. EPRA cost ratio reduced to 37 per cent.

Accretive investment into our portfolio

Active asset management and refurbishment initiatives, including completion of office schemes at The Hide, Ganton Street and The Floral, delivering rents in excess of £100 per square foot.

Active asset rotation through capital recycling

£340.6 million of disposals completed since merger, including sale of 50 per cent interest in Longmartin associate. £86 million reinvested in acquisitions, including the freehold interests in 25-31 James Street, Covent Garden, presenting significant asset management opportunities with excellent rental growth prospects.

Maintain a strong balance sheet with access to liquidity

Completion of new £75 million unsecured loan facility, extension of £350 million senior unsecured loan facility to 2027, and refinancing of £300 million revolving credit facility, extending maturity to 2028.

Deliver on our environmental commitments and support our local communities and stakeholders

EPRA Sustainability Data Report published including the first year of combined data as Shaftesbury Capital and achieved a Gold award for our reporting.

Be a good partner for our people, customers and stakeholders

Our Community Investment Forum which comprises employees from across the business oversees our programme of community investment which totalled £0.9 million of value this year. We carried out an employee survey, which had an overall engagement score of 82 per cent, ahead of the global benchmark.

Our medium-term priorities

- Deliver growth in rents, earnings and dividends
- Realise the long-term potential of our assets
- Accelerate cost savings and operating efficiencies
- Accretive investment into our portfolio
- Active asset rotation through capital recycling
- Maintain a strong balance sheet with access to liquidity
- Deliver on our environmental commitments and support our local communities and stakeholders
- Be a good partner for our people, customers and stakeholders

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Impossible to replicate portfolio in the heart of London's West End

£5.0bn
Portfolio valuation

2.7m sq ft
Lettable space

c. 635
Buildings

c. 1,900
Lettable units[1]

1. Excludes long-leasehold residential interests

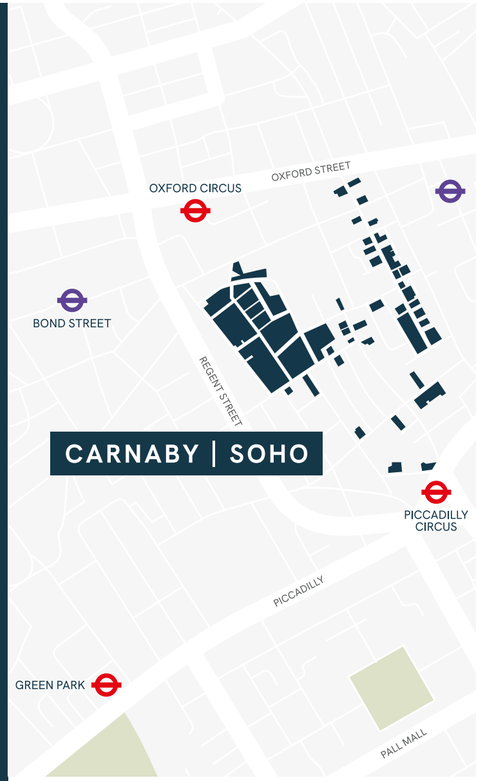
36%
Retail

33%
Food & beverage

18%
Office

13%
Residential

Represents percentage of wholly-owned portfolio valuation



Map is for indicative purposes only as at 31 December 2024

Carnaby Street

Chinatown

Covent Garden

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Why we invest in London's West End

Our property portfolio, valued at £5.0 billion, extends to 2.7 million square feet of lettable space across the most vibrant areas of London's West End.

London is a leading global city and has long demonstrated its enduring appeal as one of the world's greatest cities, it has the largest economy of any Western European city. Additionally, there is a substantial population in south-east England within easy commuting or visiting distance.

The breadth of its economy encompasses:

- a leading global commercial centre
- a major hub for creative industries, from technology to media
- a globally-recognised location for education and research
- home to world-class visual and performing arts facilities
- diverse and vibrant residential communities
- an unrivalled variety of heritage and cultural attractions which draw large numbers of domestic and international visitors.

c.200m[1]

West End visitors

c.220m[2]

2024 Elizabeth Line journeys

1. NWEC
2. TfL

At the heart of the city, the West End is a world-class destination for innovative and accessible dining, shopping, leisure, entertainment and culture with approximately 43 theatres and a significant number of hotel keys across the district, attracting approximately 200 million domestic and international visitors per annum. Its huge working and residential population provides a regular, daily customer base for its hospitality, retail and leisure businesses.

We are invested in the heart of London's West End, establishing and extending our ownership in high-footfall areas, which are close to major employment locations, transport hubs and visitor attractions. We adopt a disciplined approach to investment to deliver long-term income and value growth through investment, curation and responsible stewardship, benefitting all stakeholders and contributing to the success of the West End.

The West End, and our portfolio in particular, provides the prospect of high occupancy, low capital requirements and reliable, growing long-term cash flows. Whilst the buildings we buy tend to contain a mix of uses, we prefer those which either have, or have the potential for, hospitality, retail or leisure-led uses on the lower floors.

At the heart of London's transport network, our properties are close to the main West End Underground stations, within 10 minutes' walk of the two West End transport hubs for the Elizabeth Line at Tottenham Court Road and Bond Street, (where passenger traffic has increased significantly), and near major main line transport including Charing Cross Station and Waterloo Station.

Our iconic destinations provide a seven-days-a-week trading environment and exposure to an extensive and diverse local, domestic and international customer base which has proven to be resilient throughout economic cycles. There is a broad pool of domestic and international investors attracted to prime West End real estate.

London's West End >

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Our competitive strengths

Our portfolio

- Concentrated in iconic, high-footfall destinations in the West End
- Balance of uses with diversified income streams
- Long history of occupier demand exceeding availability
- Long-term resilience of exceptional destinations

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Our people

- High-performance, professional, inclusive and entrepreneurial culture, reflective of our business strategy where creativity and innovation are promoted across the business
- Collaborative environment where people are motivated to give their best

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Strong capital structure

- Resilience, flexibility and efficiency
- Access to significant liquidity
- Disciplined approach to capital allocation
- Prudent approach to financial leverage and risk

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West End mixed-use expertise

- Strong track record of delivering long-term value across the West End
- Extensive, detailed knowledge of the West End property market
- Creative and active approach to asset management to meet consumers' and our customers' evolving needs

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Customer focus and insights

- Placing our customers at the heart of our business to provide best-in-class service
- Leveraging our deep understanding of our customers and consumers together with data-led insights to inform our business strategy

Read more on page 30

Stakeholder relationships

- Delivering positive environmental and social outcomes to enhance value for stakeholders
- Collaborative approach, maintaining good relationships with our customers and local communities
- Commitment to becoming Net Zero Carbon by 2040

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Chief Executive's statement

"We are confident we can deliver our medium-term growth targets and are well-positioned to take advantage of market opportunities."

Ian Hawksworth
Chief Executive

Overview

Having set a clear and focused strategy, we have delivered excellent operational performance throughout 2024 with rental income and valuation growth. Footfall across our prime West End portfolio is high, with customer sales up 3.1 per cent year on year. There are excellent levels of activity, limited vacancy and a number of customers taking multiple units across the portfolio. The strong leasing activity and pipeline supports our medium-term growth targets.

This year, our portfolio valuation is up by 4.5 per cent, resulting in 10 pence increase in EPRA NTA per share to 200 pence per share. Despite the challenging macro-economic backdrop, we continue to deliver positive operational performance. Leasing ahead of previous passing rents and cost discipline has resulted in growth in underlying earnings. Like-for-like rental growth was 5.7 per cent and underlying earnings have increased by 16.2 per cent over the year.

Shaftesbury Capital has a strong balance sheet and significant liquidity to take advantage of market opportunities. Although the wider central London investment market for larger lot sizes has been relatively quiet, the West End market for smaller lot sizes has been active. Since merger, proceeds of over £246.6 million have been realised from property disposals and £94 million realised from exiting our 50 per cent interest in the Longmartin joint venture. £86 million has been reinvested in targeted acquisitions on core streets with excellent rental growth prospects. The pipeline of asset acquisitions is encouraging, with a number of buildings currently under review.

We are committed to reducing the impact of our operations on the environment. We continue to take a responsible approach, operating in an environmentally sustainable manner and engaging with our stakeholders to benefit the West End.

Confidence in the strength of our West End portfolio

London and particularly our West End portfolio continues to display its enduring appeal as a leading global destination, with international arrivals now ahead of 2019 levels. Vacancy rates, not only in our portfolio but across prime West End retail units continue to reduce and are also back in line with pre-pandemic levels creating competitive tension for prime space. Footfall has been consistently high, with the Elizabeth Line enhancing transport connectivity for visitors, shoppers, workers and tourists alike. Our West End portfolio is the destination of choice for both market entry and expansion, with occupiers seeking superior quality, sustainable space with high amenity value.

We are well-positioned to deliver on our medium-term targets of 5 to 7 per cent ERV growth, and with stable yields, 8 to 10 per cent Total Accounting Return per annum. Despite the well-documented macro-economic uncertainty, the West End continues to perform. Through our active approach to leasing and asset management, we continue to deliver ERV growth with ongoing positive momentum. 473 leasing transactions completed during the year, 9.1 per cent ahead of December 2023 ERV, in turn delivering 7.7 per cent ERV growth. The increased scale and depth of the portfolio provide opportunities to support the growth of our customers with over 30 customers having upsized or expanded across the portfolio since completion of the merger.

There is significant potential from each of our locations with rental reversion embedded across the portfolio with current ERV 24 per cent above annualised gross income. We are seeing the benefit of incorporating Seven Dials and Opera Quarter with the Covent Garden Piazza, unifying the Covent Garden district, through our leasing, asset management and marketing activity. Our customers are responding positively with demand for available shops and restaurants. We have been able to make changes in Seven Dials at pace, reinforcing consumer interest in the wider Covent Garden area and delivering leasing performance and customer sales growth. 33 new concepts have been introduced to the district this year.

Covent Garden Piazza

There has been good progress on evolving our offer in Soho, including Carnaby Street, through our targeted leasing programme, introducing differentiated concepts, relevant to the consumer with 21 new signings over the year. Our brand and category selection criteria are designed to generate higher productivity, whilst taking inspiration from the area's rich heritage. Based on our consumer data and experience, the average spend and dwell time has the potential to be significantly higher. Accordingly, we are introducing concepts in Carnaby which should be supportive of rental growth over time.

In Chinatown we are introducing more variety, choice and new concepts to the area increasing the pan-Asian offering at a range of price points, which is delivering good rental growth.

The office portfolio is performing well, with robust demand for well-fitted space. During the year, we completed a significant office refurbishment pipeline across 77,000 square feet, with rents for well-fitted, high-quality space regularly achieving more than £100 per square foot. Our residential offer continues to appeal to a broad range of occupiers delivering rental growth and limited vacancy.

Placing the customer at the heart of our business

We continue to place the customer at the heart of our business, great accommodation and service, focusing on providing lively, differentiated experiences for visitors, local workers and residents. Our marketing programme across the portfolio focuses on the consumer calendar, best in class experiences and digital reach, all of which supports the footfall and sales prospects in our destinations. The portfolio had a very successful Christmas trading period with a programme of festive events and shopping evenings; footfall across the portfolio in the last quarter was up 6.6 per cent compared to Q4 2023. Our digital engagement and followers continue to grow across all destinations, and we have launched new Soho and Carnaby Street branding which has been well received, aligning these locations more closely. Our collaborative approach provides brands with an opportunity to participate in the marketing of the estates, particularly through digital channels and activations. Through events and brand collaborations, we have increased revenue from our non-leased income activities, whilst benefiting stakeholders across the wider West End.

As well as maintaining close contact and presence on our estates, during the year, we launched a customer survey to identify improvements across our operating platform to provide enhanced service to our customers. We have improved our data environment and are now proactively utilising our data sources and insights on customer trends more effectively to support leasing activity and identify opportunities across the portfolio. We will continue to improve our processes and explore the use of AI and emerging technology.

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Leasing and asset management translating into valuation growth

The valuation of the wholly-owned property portfolio increased by 4.5 per cent (like-for-like) in the year to £5.0 billion, implying a capital value equivalent to £1,833 per square foot on average, well below replacement cost. ERV increased across all uses by 7.7 per cent blended (like-for-like) with particularly strong rental growth in prime retail.

The equivalent yield was 4.45 per cent, reflecting 13 basis points of like-for-like outward movement over the year (+9 basis points H1 2024, +4 basis points H2 2024). The equivalent yield for the commercial portfolio (excluding residential) is approximately 4.6 per cent. Total property return for the year was 7.6 per cent versus the MSCI Total Return Index which recorded 7.0 per cent.

Interest rates are moderating, albeit more slowly which has impacted the broader investment market, however investment yields in prime West End, which comprise predominantly freehold properties and often smaller lot sizes, remain relatively stable. There is a broad pool of domestic and international investors attracted to prime West End real estate, where investment can provide the prospect of high occupancy, good demand for space and reliable growth in long-term cash flows as demonstrated by recent sales at or above valuation.

7.6%
Total property return

7.0%
Total accounting return

Investment activity

Our investment activity is focused on our three core locations, Covent Garden, Carnaby | Soho and Chinatown. We maintain an active and disciplined approach to capital allocation and look at opportunities to expand selectively, adding to our growth prospects. Our approach is to assess the merits of all capital decisions including investment in our portfolio and repositioning opportunities, accretive acquisitions, the disposal of non-strategic assets and the return of surplus capital to shareholders as appropriate.

We are well-positioned with access to significant liquidity to take advantage of market opportunities and will rotate capital as appropriate, enhancing the quality of our portfolio. Since merger, we have realised £246.6 million at a premium overall to valuation, meeting our objective to initially recycle approximately 5 per cent of portfolio value. In addition, we completed the sale of our 50 per cent interest in the Longmartin investment to the joint venture partner for net cash consideration of £94 million.

To date we have deployed £86 million in acquisitions, and the pipeline of asset acquisitions is encouraging, with a number of buildings currently under review. Our focus is on acquiring properties which enhance and complement our existing ownership and have the potential to generate sustainable long-term growth in income and capital values.

Active asset management and refurbishment initiatives continue with capital expenditure of approximately 1 per cent of portfolio value per annum on average to enhance value and environmental performance across the estate.

Growth in rents, underlying earnings, dividends and EPRA NTA

Shaftesbury Capital's total accounting return for the year was 7.0 per cent. NTA increased by 5.2 per cent over the year to 200 pence per share (Dec 2023: 190 pence per share). Annualised gross income increased by 8.0 per cent to £202.8 million. ERV increased by 7.7 per cent (like-for-like) to £250.6 million, 24 per cent above annualised gross income. For the first time portfolio ERV is ahead of pre-pandemic levels in absolute terms, however retail ERVs remain 6 per cent below 2019 levels. EPRA vacancy has reduced to 3.9 per cent (Dec 2023: 4.9 per cent) with 2.6 per cent available to let and the balance under offer.

There have been significant cost savings across the business as we progress towards an effective and efficient organisational structure and cost base. The EPRA cost ratio is 37 per cent (Dec 2023: 40 per cent), having reduced from over 50 per cent at merger and we are targeting a reduction towards 30 per cent. Underlying administration costs were £39.4 million for the year, having reduced significantly since merger. Underlying earnings for the year are £73.0 million, equivalent to 4.0 pence per share and the Board has proposed a final dividend of 1.8 pence per share taking the total dividend for the year to 3.5 pence per share, up 11 per cent, reflecting the progression in underlying and cash earnings.

We maintain a strong balance sheet with a focus on flexibility and efficiency. EPRA LTV is 27 per cent and the interest cover ratio is 2.9 times, with ample headroom against debt covenants. During the year, a new £75 million unsecured loan facility was entered into, the one-year extension option on the £350 million senior unsecured loan facilities has been exercised and we completed the refinancing of the £300 million revolving credit facility extending the maturity to 2028. In combination with cash deposits, the Group has access to £560 million liquidity ensuring it is well-positioned to act on market opportunities.

Our people, values and culture

Our people are one of our competitive strengths. I am proud of the creativity and enthusiasm shown by the team demonstrating our corporate values whilst delivering high performance. During the year, we carried out an employee survey, with a very high participation rate of 92 per cent and an overall engagement score of 82 per cent, ahead of the global benchmark. Overall, the employee feedback received within the survey was positive and where areas of improvement have been identified, actions are being taken to implement change. We continue to invest in the personal development of our people and have introduced a number of initiatives to support our colleagues, providing greater career development opportunities over time.

Our sustainable approach

Our Environment, Sustainability and Community strategy delivers value for our stakeholders through our long-term, responsible stewardship of our destinations. Our sustainability strategy is founded in future proofing our heritage buildings and creating sustainable and healthy places where people enjoy visiting, working and living. We are committed to meeting our 2030 carbon reduction targets and have reset our Net Zero Carbon target to 2040 to align with the Science Based Targets initiative ("SBTi") long-term carbon reduction targets, achieving SBTi validation in January 2025.

We have already made great progress in reducing our carbon emissions and, working with our customers, will continue to decarbonise energy where practical by replacing gas with electricity. Our customer survey also covered sustainability, in order to provide customer insights on our sustainability actions and better understand their priorities.

We continue to work towards our aim to be a leader in sustainable heritage buildings. Through our ongoing refurbishment programme, we continue to improve the energy efficiency of our buildings. 88 per cent of our portfolio by ERV has EPC ratings of A-C and 70 per cent of commercial assets have EPC rating of A-B. Key sustainability activities include investment in our buildings, prioritising pedestrians where possible through initiatives to enhance the public realm, improving air quality and our extensive greening programme. As we look ahead, we will utilise technology and innovation to enhance our activities and continue to work closely with customers and other stakeholders to help deliver shared sustainability goals.

Community engagement

As a responsible, long-term investor, community engagement and collaboration are integral to our strategy and activities. As an active part of the community, being a good neighbour is important to us. We value the communities that make our places thrive. Our community programme prioritises initiatives and charity partners in the boroughs of Westminster and Camden. This includes financial support, the provision of space and employee volunteering time. Our approach includes supporting charities focused on education and employment opportunities, addressing issues of homelessness and food hardship, veterans and connecting older people in the local community. We have partnerships with hospitality, cultural and retail foundations.

With our experience and knowledge of the West End, we make an important contribution to safeguarding its long-term appeal and prospects. We continue to work with our local authorities and residents to make public realm enhancements to improve the experience and appeal of our vibrant destinations for visitors, workers, residents, businesses and communities.

Outlook

We are confident in the growth prospects of our West End portfolio which continues to demonstrate its enduring appeal. Despite the well-documented macro-economic uncertainty, the West End continues to perform. Footfall is high, with continued customer sales growth, limited vacancy and a strong leasing pipeline. We have delivered growth in cash rents, ERV and valuation, and we expect continued performance with our rents and valuation well underpinned and are positioned for further growth. As long-term responsible owners, we are committed to implementing our environmental, sustainability and community strategy.

Prime central London real estate continues to attract capital, and we see opportunities for investment and expansion within and alongside our portfolio. Shaftesbury Capital has a strong balance sheet and significant liquidity to take advantage of market opportunities. The quality of our portfolio, our active approach and the positive market fundamentals of the West End give us confidence in our target of 5 to 7 per cent rental growth, which with stable yields, would deliver total accounting returns of 8 to 10 per cent over the medium-term. Through active asset management of our irreplaceable prime West End portfolio together with the competitive advantage of our operating platform, we are focused on delivering sustainable long-term rental income, value, earnings and dividend growth.

Ian Hawksworth
Chief Executive

26 February 2025

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Our purpose-led strategy

Our purpose

Investing to create thriving destinations in London's West End where people enjoy visiting, working and living.

Our strategy

To deliver long-term income and value growth from our unique portfolio of properties through investment, curation and responsible stewardship, benefitting all stakeholders and contributing to the success of the West End.

Place our customers at the heart of the business

- Deliver best in class service to our customers
- Leverage deep understanding of consumers and commercial data

Creative and active approach

- Invest in and nurture remarkable destinations in London's West End
- Dynamic leasing strategy
- Re-use, re-purpose and improve our buildings
- Enhance public realm

Disciplined financial management

- Prudent, conservative approach to financial leverage and risk
- Maintain cost and capital discipline

Sustainable and community-minded

- Broad community and stakeholder engagement
- Responsible stewardship
- Commitment to the environment and clear sustainability goals

Our values

Take a responsible, long-term view

Act with integrity

Take a creative approach

Listen and collaborate

Make a difference

Underpinned by our talented team and dynamic culture

Our business model

Our resources

Impossible-to-replicate portfolio
A diverse mixed-use portfolio of scale in the heart of London's West End

Experienced, creative team
With a deep understanding of our markets and track record of value creation

Strong capital structure
Resilient and flexible capital structure with a prudent approach to financial leverage and risk

Effective governance and risk management
A governance structure that supports and helps the delivery of strategic objectives with transparency

How we deliver

How we measure

Value Creation
Create, grow and deliver long-term sustainable economic and social value

People
Attract, develop and retain talented people

Sustained long-term growth
Deliver long-term growth in portfolio value, earnings, cash flow and dividends

Impact
Minimise the environmental impact of our operations and engage with stakeholders

Creating value for our stakeholders

For more on our stakeholder engagement: see pages 44 to 49

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Business model in action

Place our customers at the heart of the business

As well as maintaining close contact and presence on our estates, we launched a customer survey with a focus on delivering improvements across our operating platform to provide excellent service to our customers. We also enhanced our data environment, which has enabled the automation of data processing and reporting of our customer sales. The monthly reporting times have improved significantly, providing more timely insights to our commercial decision-making.

Sustainable and community minded

We have achieved Science Based Targets initiative validation for our Net Zero Carbon targets, increased the proportion of assets rated EPC A-C (by ERV) to 88 per cent and significantly improved our data collection with 67 per cent of landlord meters now reporting automatically. We continue our extensive support for and involvement in local communities, and engage with key stakeholders.

EPC rating of A-C

88%

Disciplined financial management

We continue to maintain a strong balance sheet, with access to £560 million liquidity and EPRA LTV of 27 per cent. During the year, a new £75 million unsecured term loan was entered into, the first extension option on the £350 million senior unsecured loan facilities was exercised and the £300 million refinancing of the revolving credit facility was completed, extending the debt maturity to 2028 initially.

Creative and active approach

Dynamic approach to leasing, with 473 leasing transactions completed during the year, representing £48.7 million of contracted rent, 9 per cent ahead of December 2023 ERV and 14 per cent ahead of previous passing rents.

ERV growth

+7.7%

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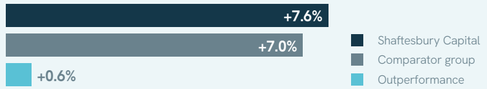
Measuring performance

We measure performance against key performance indicators which are selected to reflect Group strategy. Many of these metrics are performance measures under Group remuneration arrangements, ensuring alignment with shareholder interests.

The following performance measures are part of the Executive Directors' short-term or long-term incentive arrangements. Read more in the Directors' Remuneration report from page 138 to 161.

Total property return

+7.6%



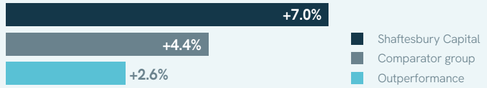
1 year

Measures gains and losses on portfolio valuation including disposals, and rents received less associated costs. Benchmarked against the MSCI Total Return All Property Index (comparator group).

During 2024, the Group generated TPR of 7.6 per cent, outperforming its benchmark of 7.0 per cent by 0.6 percentage points. (Target: 0.5 to 1.5 per cent per annum outperformance.)

Total accounting return

+7.0%



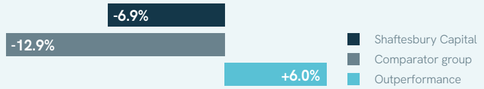
1 year

Measures growth in EPRA NTA per share plus dividends per share paid during the year. Benchmarked against the FTSE 350 Real Estate companies (comparator group).

The Group generated a total accounting return of 7.0 per cent in the year outperforming the median of the comparator group by 2.6 percentage points.

Total shareholder return

-6.9%



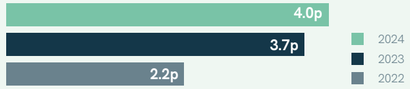
1 year

Measures shareholder value creation (share price movement plus dividend per share paid during the year). Benchmarked against the FTSE 350 Real Estate companies (comparator group).

The Group generated total shareholder return of -6.9 per cent in the year, outperforming the median of the comparator group by 6.0 percentage points.

Underlying earnings per share[1]

4.0p

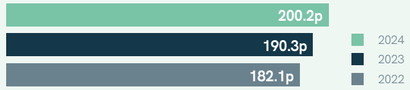


Measures income generation and cost control.

During 2024, the Group generated underlying EPS of 4.0 pence per share.

EPRA net tangible assets per share[1]

200.2p



The net assets as at the end of the year including the excess of the fair value of trading property over its cost and revaluation of other non-current investments, excluding the fair value of financial instruments and deferred tax on revaluations, divided by the diluted number of ordinary shares.

EPRA NTA per share as at 31 December 2024 was 200.2 pence, a 5.2 per cent increase from 31 December 2023.

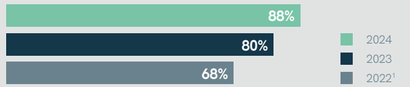
1. *Underlying earnings per share for 2023 reflects the standalone performance of Capco for the period 1 January to 5 March 2023 and the performance of the merged business, Shaftesbury Capital, from the completion date to 31 December 2023. The 2022 comparative information for underlying earnings per share and EPRA NTA per share relates to Capco pre-merger.*

Other measures

We also measure performance against a range of other financial and non-financial measures including health and safety performance, HR statistics and environmental targets. This includes measuring the EPC ratings of our properties.

▶ *Read more within our Sustainability reporting from page 78.*

Properties with an EPC rating of A to C



Measures the number of our properties with an A to C EPC rating. 88 per cent of our properties by ERV have an EPC rating of A to C, an increase of 8 percentage points from 31 December 2023.

1. 2022 measure reflects the combined portfolio based on ERV.

We are proud of the following environmental benchmarks and accreditations:

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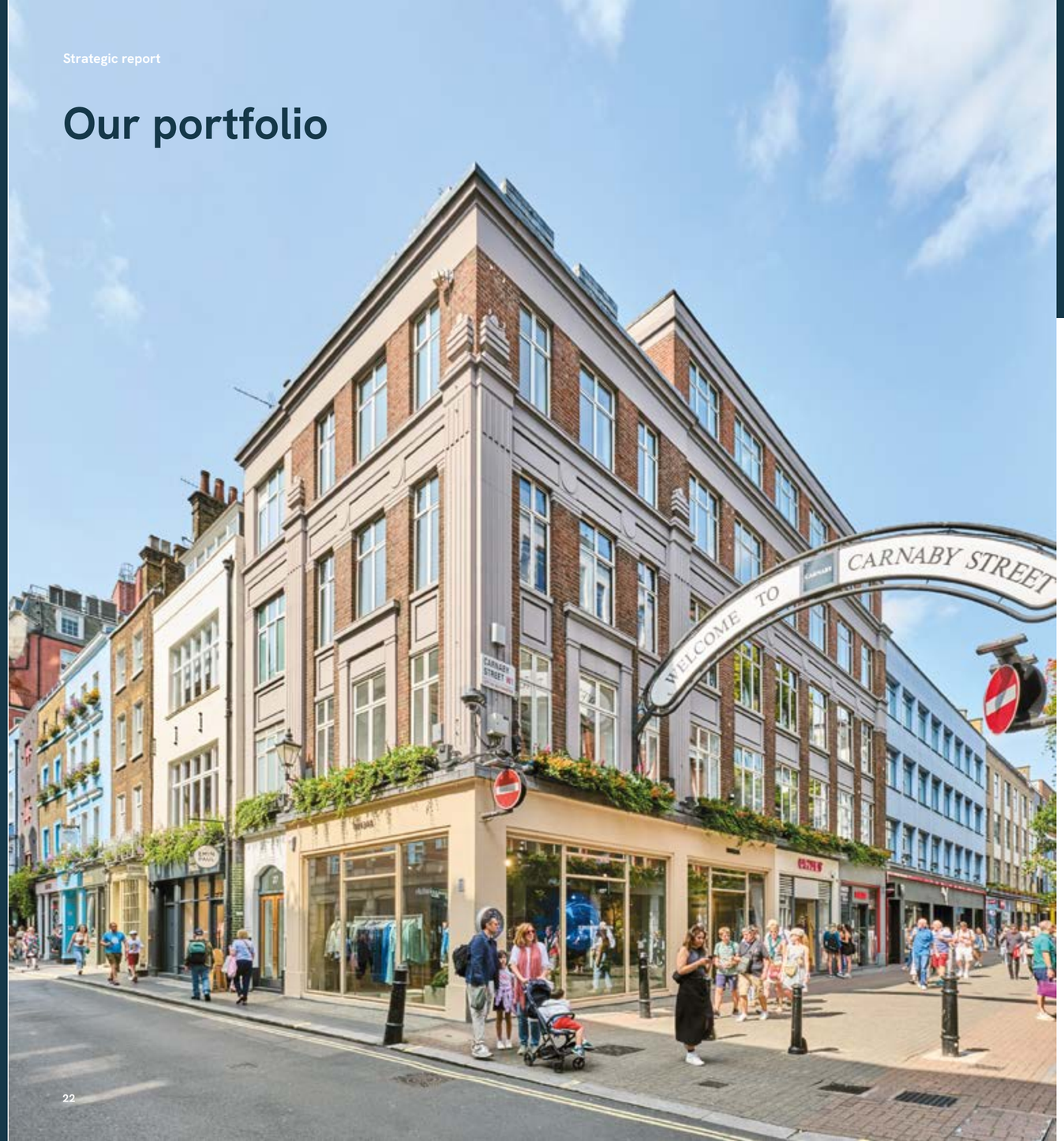
Our portfolio



COVENT GARDEN 53%

SOHO CARNABY STREET 32%

CHINATOWN LONDON 15%

Metrics reflect percentage of wholly-owned portfolio value.

Summary:

- Total property valuation growth of +4.5 per cent L-f-L to £5.0 billion (2023: £4.8 billion)
- 8.0 per cent growth in annualised gross income to £202.8 million (2023: £192.8 million)
- 7.7 per cent L-f-L ERV growth to £250.6 million (2023: £236.9 million)
- 473 leasing transactions completed 9.1 per cent ahead of December 2023 ERV and 14.4 per cent ahead of previous passing rent
- High occupancy, 2.6 per cent of ERV available to let
- £246.6 million property disposals since merger, with £86 million reinvested in acquisitions
- In addition, sale of 50 per cent interest in Longmartin joint venture for £94 million

Strategy:

- Deliver long-term sustainable rental income and value growth
- Creative and active approach to asset management across the portfolio
- Place our customer at the heart of the business to deliver best in class service to our customers
- Leverage deep understanding of consumers and commercial data
- Attract the best brands and concepts to meet evolving consumer demand
- Invest in and nurture our remarkable destinations in London's West End
- Dynamic leasing strategy
- Re-use, re-purpose and improve our buildings
- Enhance public realm
- Responsible stewardship; minimising our environmental impact
- Broad community and stakeholder engagement

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COVENT GARDEN

A world-class mixed-use destination

Covent Garden is a world-class global destination in the heart of the West End, steeped in history with a rich heritage, made up of unique neighbourhoods including the iconic Piazza, Market Building and surrounding streets, together with Seven Dials, a seventeenth-century network of streets and courtyards.

Covent Garden offers unique shopping and dining experiences complemented by offices and a high-quality residential neighbourhood. These sit alongside historic architecture and cultural institutions including the world-renowned Royal Opera House and more than half of London's West End theatres, attracting both domestic and international visitors alike.

This exceptional mixed-use portfolio of approximately 1.4 million square feet provides a broad range of unit sizes, attracting a wide spectrum of retail and hospitality customers.

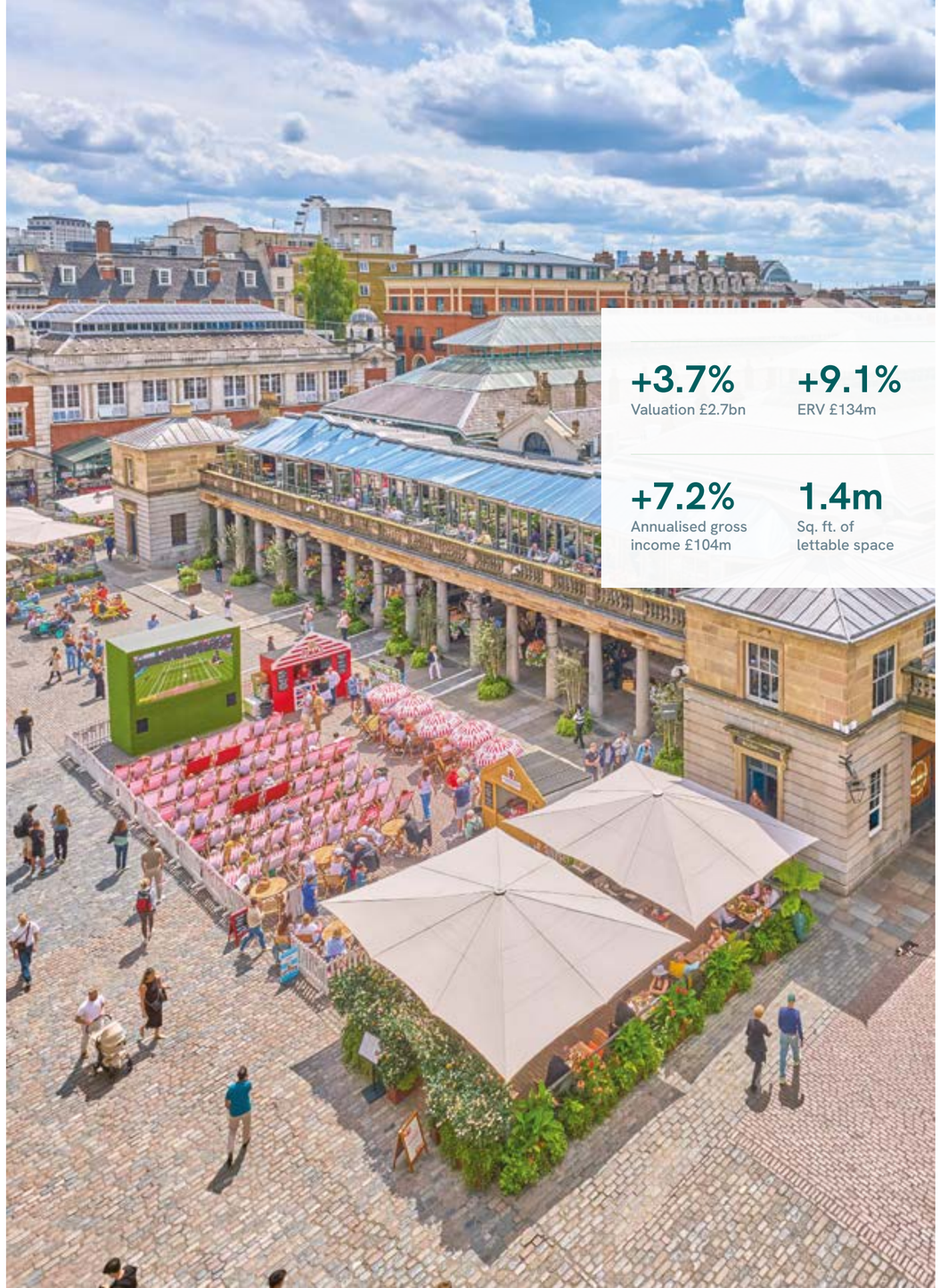
42% Retail

32% Food and beverage

13% Offices

13% Residential

Percentage of portfolio valuation as at 31 December 2024



+3.7% Valuation £2.7bn

+9.1% ERV £134m

+7.2% Annualised gross income £104m

1.4m Sq. ft. of lettable space

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SOHO CARNABY STREET

A globally recognised, vibrant district

Carnaby Street is a true London original. Constantly evolving, it continues to challenge convention with its world-class culture, game-changing culinary scene, and trendsetting style, courtesy of modern fashion flagships and one-of-a-kind premium boutiques. The diverse and vibrant character of Carnaby Street is showcased in its mix of famous shopping experience line-up paired with the pedestrianised streets.

Our portfolio in central Soho focused on Berwick, Beak and Broadwick streets offers a diverse array of creative and independent businesses, iconic restaurants and entertainment venues. Our Carnaby | Soho portfolio comprises approximately 0.9 million square feet with over 100 hospitality concepts across which are a key ingredient to the vibrancy within the area.

35% Retail

23% Food and beverage

33% Offices

9% Residential

Percentage of portfolio valuation as at 31 December 2024

+6.4% Valuation £1.6bn

+7.1% ERV £82m

+12.1% Annualised gross income £66m

0.9m Sq. ft. of lettable space

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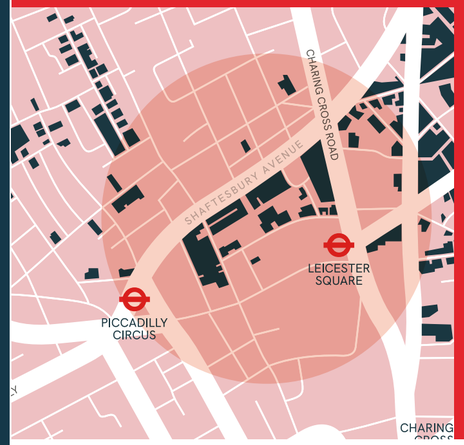
CHINATOWN LONDON



Europe's premier Chinatown

Europe's premier Chinatown is in the heart of the West End's entertainment district. Its twelve predominately pedestrianised and interconnected streets, lined with iconic red lanterns, offer an exceptional concentration of restaurants with a wide range of Chinese and East Asian dining choices.

Equally thriving day and night, the area's restaurants, bars, shops and cafés, as well as its unique mix of oriental supermarkets and authentic Asian retail stores, attract large numbers of Londoners, tourists, Chinese students and local workers.

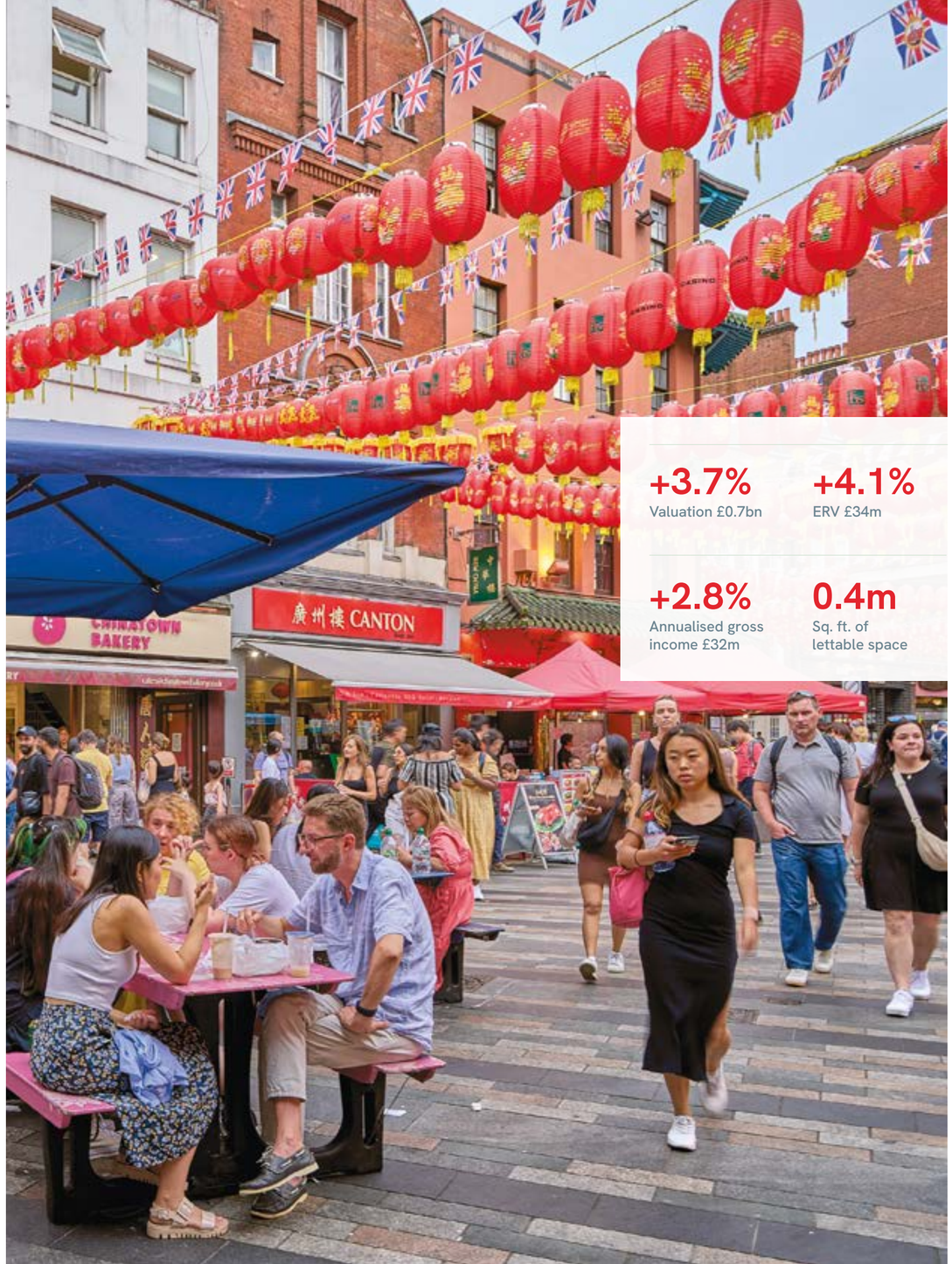
16% Retail

61% Food and beverage

3% Offices

20% Residential

Percentage of portfolio valuation as at 31 December 2024



+3.7% Valuation £0.7bn

+4.1% ERV £34m

+2.8% Annualised gross income £32m

0.4m Sq. ft. of lettable space

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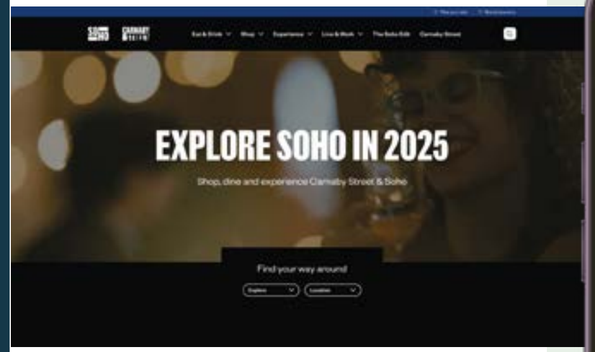
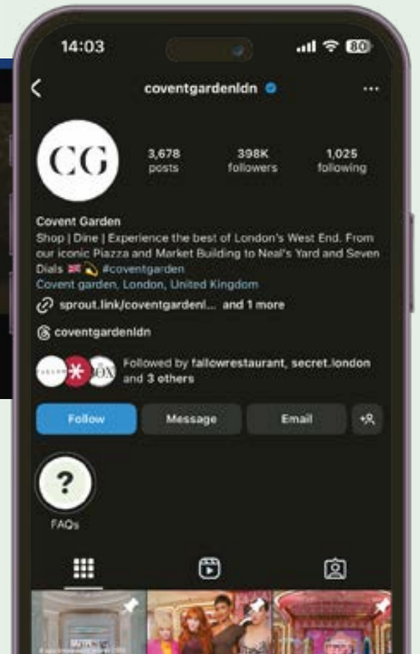
Creating consumer experiences across our West End portfolio

We enliven and enhance our vibrant, predominantly pedestrianised, thriving destinations through a thoughtful programme of events, campaigns and engaging consumer experiences.

Creating unique consumer experiences across our predominantly pedestrianised destinations throughout the year enhances operating metrics such as footfall, conversion and spend which, through close collaboration with our customers, in turn supports our rental growth prospects.

We continue to see significant growth across our digital platforms including social media, email newsletters and website. During the year, our level of engagement and number of followers increased by 9 per cent in aggregate across all destinations. We have direct engagement with over 1.3 million consumers across our channels and in November 2024 launched a new consumer website for Carnaby Street and Soho.





1.3m total social audience

260k email subscribers

125k new followers in 2024

In 2024 we launched new Christmas lighting schemes for Carnaby Street and for Covent Garden's Seven Dials neighbourhood. Across the portfolio, a series of festive shopping evening and pop up performances were held, including charity partnerships with Save The Children and Global's Make Some Noise.

Chinatown continues to see strong engagement and growth across both its Chinese and Western social media channels. The annual Chinese New Year parade, the largest outside of Asia, took place in February 2025 celebrating the year of the Snake.

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Portfolio and operating review

Confidence in the strength of our West End portfolio

+4.5%	+7.7%	+8.0%	473	2.6%
Valuation	ERV	Annualised gross income	Leasing transactions	ERV available to let

Overview

Shaftesbury Capital owns an impossible to replicate portfolio that extends to 2.7 million square feet of lettable space across the most vibrant areas of London's West End. The Group's portfolio of adaptable mixed-use buildings provides diversified income streams with a long history of occupier demand exceeding availability of space. With a diverse mix of shops, restaurants, cafés, bars, residential and offices, our destinations include the high footfall, thriving neighbourhoods of Covent Garden, Carnaby Street, Soho and Chinatown. Our properties are located at the heart of the West End's entertainment and cultural attractions, benefitting from excellent connectivity through close proximity to the main West End Underground stations and transport hubs for the Elizabeth Line.

Portfolio by use as at 31 December 2024	Retail	Food and beverage	Offices	Commercial	Residential	**Wholly-owned portfolio**
Valuation (£m)[1]	1,784.2	1,664.8	877.9	**4,326.9**	644.7	**4,971.6**
Valuation (%)	36%	33%	18%	**87%**	13%	**100%**
L-f-L valuation movement (FY 2024)	+7.5%	+4.7%	+3.1%	**+5.5%**	-1.6%	**+4.5%**
L-f-L valuation movement (H2 2024)	+6.5%	+2.2%	+1.2%	**+3.7%**	-1.0%	**+3.1%**
Annualised gross income (£m)	73.2	73.0	33.6	**179.8**	23.0	**202.8**
Annualised gross income (%)	36%	36%	17%	**89%**	11%	**100%**
L-f-L annualised gross income growth (FY 2024)	+9.1%	+4.2%	+18.3%	**+8.6%**	+3.9%	**+8.0%**
L-f-L annualised gross income growth (H2 2024)	+5.3%	-	+12.0%	**+4.2%**	+2.9%	**+4.1%**
ERV (£m)	90.2	85.0	50.5	**225.7**	24.9	**250.6**
ERV (%)	36%	34%	20%	**90%**	10%	**100%**
L-f-L ERV movement (FY 2024)	+11.2%	+7.2%	+6.1%	**+8.4%**	+1.4%	**+7.7%**
L-f-L ERV movement (H2 2024)	+8.8%	+3.4%	+1.5%	**+5.0%**	+1.6%	**+4.7%**
ERV psf (£)	126	91	79	**98**	60	**92**
Net initial yield	3.8%	4.0%	3.3%	**3.8%**	2.9%	**3.6%**
Topped up net initial yield	4.0%	4.3%	3.8%	**4.1%**	N/A	**3.9%**
Equivalent yield	4.5%	4.7%	4.9%	**4.6%**	3.1%	**4.4%**
WAULT	3.0	8.1	2.7	**4.8**	1.1	**4.4**
Floor Area (sq ft m)[2]	0.7	1.0	0.6	**2.3**	0.4	**2.7**
Unit Count[2]	415	394	404	**1,213**	656	**1,869**

1. Excludes £1.9 million of Group properties primarily held in Lillie Square LP Limited (a wholly-owned subsidiary).
2. Excluding long-leasehold residential interests.

Portfolio by location as at 31 December 2024	Covent Garden	Carnaby | Soho	Chinatown	Fitzrovia	**Wholly-owned portfolio**
Valuation (£m)[1]	2,652.7	1,597.1	716.3	5.5	**4,971.6**
Valuation (%)	53%	32%	15%	-	**100%**
L-f-L valuation movement (FY 2024)	+3.7%	+6.4%	+3.7%	-7.1%	**+4.5%**
L-f-L valuation movement (H2 2024)	+2.8%	+4.3%	+2.0%	-6.1%	**+3.1%**
Annualised gross income (£m)	104.3	66.2	32.0	0.3	**202.8**
Annualised gross income (%)	51%	33%	16%	-	**100%**
L-f-L annualised gross income growth (FY 2024)	+7.2%	+12.1%	+2.8%	-5.3%	**+8.0%**
L-f-L annualised gross income growth (H2 2024)	+2.7%	+8.4%	+0.4%	-6.0%	**+4.1%**
ERV (£m)	134.0	81.9	34.4	0.3	**250.6**
ERV (%)	53%	33%	14%	-	**100%**
L-f-L ERV movement (FY 2024)	+9.1%	+7.1%	+4.1%	-	**+7.7%**
L-f-L ERV movement (H2 2024)	+5.5%	+4.5%	+2.0%	-	**+4.7%**
ERV psf (£)	96	92	81	58	**92**
Net initial yield	3.6%	3.6%	4.0%	5.0%	**3.6%**
Topped up net initial yield	3.8%	4.0%	4.1%	5.0%	**3.9%**
Equivalent yield	4.5%	4.5%	4.3%	4.4%	**4.4%**
WAULT	4.4	4.0	5.6	6.1	**4.4**
Floor Area (sq ft m)[2]	1.4	0.9	0.4	-	**2.7**
Unit Count[2]	853	660	350	6	**1,869**

1. Excludes £1.9 million of Group properties primarily held in Lillie Square LP Limited (a wholly-owned subsidiary).
2. Excluding long-leasehold residential interests.

"The ERV and income growth delivered is underscored by the creative and active approach we take when managing our portfolio which alongside our ability to invest in and recycle capital from select assets has positioned us for long term success."

Michelle McGrath
Executive Director

Delivering valuation growth

The valuation of the wholly-owned property portfolio increased by 4.5 per cent on a like-for-like basis to £5.0 billion, equivalent to £1,833 per square foot on average (Dec 2023: £1,680 per square foot). The valuation gain has been driven by leasing and asset management activity particularly in the retail portfolio. Leasing activity was on average 9 per cent ahead of Dec 23 ERV, resulting in an overall increase in portfolio ERV by 7.7 per cent (like-for-like) to £250.6 million (Dec 2023: £236.9 million). The equivalent yield was 4.45 per cent, reflecting a marginal outward movement of 13 basis points like-for-like, whilst the portfolio net initial yield is 3.6 per cent. Including rent from leases currently in rent free periods, the topped-up initial yield of the portfolio at 31 December 2024 was 3.9 per cent (Dec 2023: 3.8 per cent). The equivalent yield for the commercial portfolio (excluding residential) is 4.6 per cent (Dec 2023: 4.6 per cent). The net initial yield for the commercial portfolio (excluding residential) is 3.8 per cent.

Prime West End property yields have stabilised supported by occupational and investment transactional evidence. The investment market continues to be more active for smaller lot sizes in the West End, with transactions demonstrating demand for high quality, prime central London real estate. This market, which is characterised by high occupancy, low capital requirements and reliable growing long-term cash flows, continues to attract significant interest from both international and domestic investors.

Overall portfolio ERV is 3 per cent ahead of 2019 levels on a like-for-like basis. Retail ERVs improved by 11.2 per cent over the year and are now 6 per cent below pre-pandemic levels, whilst food & beverage, office and residential ERVs are ahead of pre-pandemic levels in nominal terms.

Covent Garden generated ERV growth of 9.1 per cent driven by leasing and asset management activity across the retail and food & beverage space, with 33 new brands introduced to the district during the year. 76 new commercial leases and renewals were agreed during the year, 7.3 per cent ahead of ERV. Across Carnaby | Soho, ERV growth was 7.1 per cent during the year, as a result of 83 new commercial leases and renewals agreed 12.7 per cent ahead of ERV, primarily driven by office and food & beverage lettings and asset management activity. During the year, 15 new commercial leases and renewals were agreed in Chinatown, 22.5 per cent ahead of ERV. ERV growth in Chinatown was 4.1 per cent over the year, driven by food & beverage letting activity.

Total property return for the year was 7.6 per cent compared with the MSCI Total Return Index which recorded 7.0 per cent.

Independent valuations of the wholly-owned portfolio are undertaken in accordance with Royal Institution of Chartered Surveyors guidelines by CBRE and Cushman & Wakefield. The valuations represent the aggregated value of predominantly freehold properties. There is no reflection of any premium or discount which some potential investors may ascribe to the comprehensive ownership of a combination of some, or all, parts of the portfolio.

Our interests comprise a combination of properties which are wholly-owned and a 50 per cent share of property held in the Lillie Square joint venture, and Longmartin associate until October 2024. The consolidated financial statements, prepared under IFRS, include the Group's interest in the joint venture as one-line items in the Income Statement and Balance Sheet. Investment in joint ventures account for an additional £65 million of property interests (our 50 per cent share).

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Well-positioned to act on investment opportunities

We aim to maximise the potential from investment opportunities in our existing portfolio and acquisition opportunities which deliver attractive long-term rental growth and total returns. Capital expenditure of approximately 1 per cent of portfolio value is expected per annum. We are well-positioned with access to significant liquidity to take advantage of market opportunities and will rotate capital as appropriate enhancing the quality of our portfolio.

Since merger, proceeds of £246.6 million have been realised from property sales. ERV and contracted rent of disposals were both £14.8 million. £158.4 million of property sales completed during 2024, including the Fitzrovia portfolio. £86 million has been reinvested in targeted assets. In March 2024, we completed the acquisition of 25-31 James Street, Covent Garden for £75.1 million (before costs). The properties had a contracted rent of £3.9 million, and comprise 21,000 square feet of lettable area, including 12,000 square feet of retail and 9,000 square feet of residential and office accommodation. This acquisition presents asset management and rental growth opportunities as well as complementing our existing ownership on James Street, a prime retail street and key gateway into the Covent Garden Piazza. We have acquired two assets on Broadwick Street and Marshall Street for £7.8 million (before costs). In February 2025, we completed the acquisition of a small property on Neal Street for £6.0 million (before costs). Alongside organic investments inherent in the portfolio, the pipeline of asset acquisitions is encouraging, with a number of buildings currently under review.

In addition, in October 2024 the Company completed the sale of its 50 per cent interest in the Longmartin investment to its joint venture partner. Completion of the merger between Capital & Counties Properties PLC and Shaftesbury PLC triggered the right for the partner to require the Company to offer to sell its shares in the Longmartin investment. The partner elected to acquire the Company's shares for net cash consideration of £94 million.

Excellent leasing activity across all uses

The portfolio represents 2.7 million square feet of lettable space, comprising 1.7 million square feet of retail, food and beverage space together with 0.6 million square feet of offices and 656 residential apartments.

During the year, 473 leasing transactions were concluded with a combined rental value of £48.7 million, comprising:

- 175 commercial lettings and renewals: £37.5 million, 10.7 per cent ahead of 31 Dec 2023 ERV and 17.8 per cent ahead of previous passing rents; and
- 298 residential lettings: £11.2 million, 4.2 per cent ahead of 31 Dec 2023 ERV and 7.1 per cent ahead of previous passing rents.

"Our refurbishment initiatives continue to unlock income and value growth as well as enhance environmental performance of our buildings."

Andrew Price
Executive Director

In addition, 71 commercial rent reviews with a rental value of £18.1 million were concluded on average 8.3 per cent ahead of previous passing rents.

Leasing transactions by use concluded during the year

Use	Transactions	New contracted rent (£m)	% above Dec-2023 ERV	% above previous passing rent
Retail	69	14.5	9.3	20.2
Food and beverage	39	8.2	14.8	19.3
Offices	67	14.8	9.8	13.2
Residential	298	11.2	4.2	7.1
Total	**473**	**48.7**	**9.1**	**14.4**

Leasing transactions by destination concluded during the year

Destination	Transactions	New contracted rent (£m)	% above Dec-2023 ERV	% above previous passing rent
Covent Garden	219	23.5	6.4	16.3
Carnaby | Soho	163	19.7	11.4	11.2
Chinatown	87	5.3	13.2	15.8
Fitzrovia	4	0.2	7.4	4.4
Total	**473**	**48.7**	**9.1**	**14.4**

Annualised gross income and ERV

At 31 December 2024, annualised gross income had increased by 8.0 per cent (like-for-like) to £202.8 million. ERV was £250.6 million, up 7.7 per cent over the year (like-for-like).

Our creative approach enables the business to deliver rental growth through converting the portfolio's reversionary potential into contracted income and cash flow, whilst establishing new rental tones, the benefit of which is often compounded across nearby buildings.

As at 31 December 2024, the portfolio's reversion was £47.8 million, with the opportunity to grow annualised gross income by 24 per cent before taking into account any further ERV growth. The components of this reversion are set out as follows.

Components of the reversion

	2024 £m	2023 £m
Annualised gross income	202.8	192.8
Contracted	14.9	17.3
Under offer	3.0	6.2
Available-to-let	6.3	4.7
Under refurbishment	13.5	13.9
Net under-rented	10.1	2.0
ERV	250.6	236.9

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High occupancy

At 31 December 2024, EPRA vacancy (including units under offer) was 3.9 per cent of portfolio ERV (2023: 4.9 per cent); 1.3 per cent was under offer and 2.6 per cent was available-to-let.

Under offer

Use	% of portfolio ERV	ERV (£m)	Area ('000 sq. ft.)
Retail	0.2	0.3	6
Food and beverage	0.6	1.5	16
Offices	0.2	0.5	5
Residential	0.3	0.7	12
Total[1]	**1.3**	**3.0**	**39**

1. Includes 12 units let on a temporary basis with an ERV of £1.5 million (Dec 2023: £0.7 million).

Available-to-let space

Use	% of portfolio ERV	ERV (£m)	Area ('000 sq. ft.)
Retail	0.3	0.8	8
Food and beverage	0.6	1.5	37
Offices	1.4	3.3	39
Residential	0.3	0.7	13
Total	**2.6**	**6.3**	**97**

Refurbishment activity

Active asset management and refurbishment initiatives continue to unlock income and value as well as enhance environmental performance. The ERV of space under refurbishment amounts to £13.5 million across 161,000 square feet, representing 5.4 per cent of portfolio ERV (2023: 5.9 per cent) which will be delivered over the next 12-18 months. 47 per cent is already pre let representing £6.4 million rental income. Normalised refurbishment activity is expected to represent approximately 5 per cent of the portfolio by ERV.

During the year, £43.1 million of capital expenditure has been incurred, and capital commitments amounted to £24.1 million as at 31 December 2024. This is in line with our guidance of approximately 1 per cent of portfolio value expected to be invested per annum in refurbishment, asset management and repositioning opportunities, including actions to improve energy performance.

Under refurbishment

Use	% of portfolio ERV	ERV (£m)	Area ('000 sq. ft.)
Retail	1.2	3.1	25
Food and beverage	1.4	3.5	44
Offices	2.5	6.1	77
Residential	0.3	0.8	15
Total	**5.4**	**13.5**	**161**

Joint Venture

Shaftesbury Capital owns 50 per cent of the Lillie Square joint venture, a residential estate and consented land located in West London. All figures represent our 50 per cent share. The property valuation as at 31 December 2024 was £65.3 million, in line with the 31 December 2023 valuation of £65.2 million. In addition, Shaftesbury Capital owns £1.9 million of other related assets adjacent to the Lillie Square estate.

In total, 355 Phase 1 and 2 residential apartments have been sold. Over 60 apartments have been leased on a short-term basis generating annual contracted rental income of £3.8 million. The joint venture is in a cash position of £9.7 million (£4.9 million Shaftesbury Capital share). During the year £4.0 million was distributed to each partner.

Commitment to sustainability and environmental stewardship

We are committed to reducing the impact of our operations on the environment, whilst engaging and collaborating with our wide range of stakeholders. We continue to future proof our West End heritage buildings recognising our buildings they represent substantial long-term carbon stores. We reduce future operational carbon by improving energy efficiency and minimising embodied carbon emissions through the retention and re-use of structure, façade and materials.

We have reset our comprehensive Net Zero Carbon target to 2040 to align with our Science Based Targets initiative ("SBTi") validated long-term carbon reduction targets. Our rolling programme of energy efficient refurbishments delivers incremental energy performance benefits. 88 per cent of properties are EPC grade A to C by ERV, representing an 8 percentage points increase from the prior year. Furthermore, 70 per cent of commercial EPCs are A or B, which is up 14 percentage points in the year. We continue to focus on low-carbon refurbishment, at modest financial outlay which improves energy efficiency, and aim for a minimum rating of B on all new commercial refurbishment projects.

Detailed aligned energy efficiency analysis has been completed on a selection of our assets, representative of the portfolio. Findings have then been used to assess performance against Carbon Risk Real Estate Monitor ("CRREM") decarbonisation trajectories and identify actions that will be required to reduce carbon emissions including electrification of our buildings. We have continued to improve the coverage and accuracy of our sustainability data, with 67 per cent of landlord supplies on smart meters, an increase from 19 per cent at the end 2023.

We participate in a range of external benchmarks and indices to provide independent verification of our sustainability progress and help identify opportunities. During the year, we published our first EPRA Sustainability Data Report including our first year of combined data as Shaftesbury Capital and achieved a gold award for our reporting. Recognised indices ratings include CDP of B for our climate disclosure, MSCI of BBB and GRESB of 66.

Active community engagement

As an active member of the community, we are committed to engaging with stakeholders across the West End. During the year, we undertook a thorough evaluation of our community investment activity, developing our strategy to reflect local needs and better support the vibrant communities that make our places thrive. Our impact extends beyond our buildings, and we continue to enhance the public realm within and around our portfolio. Through placeshaping we help create healthy, welcoming and thriving locations. These include pedestrianisation, streetscape improvements, providing outdoor seating and schemes to reduce traffic congestion and pollution.

We support community-led initiatives which work with local people contributing to a diverse range of charitable and community initiatives across Camden and Westminster, with a specific focus on supporting educational and employment opportunities for young people and addressing the issues of homelessness and food hardship. Our support includes sponsorship of a student at Westminster University through our Scholar Programme, Young Westminster Foundation's Brighter Futures Fund, and Young Camden Foundation's Heads Up Mental Health Fund. Celebrating International Women's Day, pop up space was provided on Carnaby Street to Smart Works, a UK charity, focusing on getting out of work women back into the workplace.

We have a Community Investment Forum ("CIF") comprising employees from across the business which is responsible for overseeing our programme of community investment. It enables us to review our community investments and consider applications for our community grants.

We also have an established grants fund that offers local charities and groups the opportunity to apply for funding for initiatives which align with our community investment focus areas. Grant recipients include the London Youth Theatre and Native Scientists which will support educational workshops at three Camden schools, connecting pupils with scientists. We continue our support of culture and the arts, including the patronage of the Donmar Theatre in Seven Dials, as well as partnerships with the Society of London Theatres, British Fashion Council and London & Partners.

Supporting local community initiatives

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Retail

Our retail portfolio of 0.7 million square feet is primarily located in Covent Garden, Carnaby and Soho with a broad range of unit sizes and rental tones on offer.

415
Shops

Occupational demand continues to polarise to the best locations, with retailers placing greater emphasis on global location, consumer experience, service and flagship retailing.

+7.5%
Valuation £1.8bn

Valuation growth driven by +11.2 per cent ERV growth offset by some yield movement.

+9.1%
Annualised gross income £73m

Reflecting strong demand during the year, we completed 69 new lettings and renewals with a rental value of £14.5 million, 9 per cent ahead of 31 December 2023 ERV.

+11.2%
ERV £90m

24 retail rent reviews with rental value of £5.1 million were concluded, 14 per cent ahead of previous passing rents.

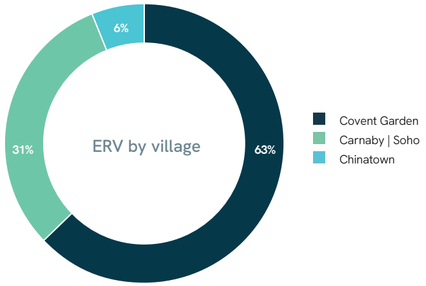
Occupational retail demand continues to gravitate to the best locations with the West End's vibrancy and consumer characteristics making it a highly sought after market. Trading conditions across our portfolio are positive, with customer sales in aggregate up 3 per cent versus 2023 with particularly strong performance in luxury, lifestyle and accessories. Retailers are attracted by the seven-days-a-week footfall and trading environment. Our portfolio includes 415 shops with an average ERV of £126 per square foot, up from £108 per square foot in December 2023.

Our portfolio remains a preferred destination for market entry and retail expansion with 47 new openings during the year. Our broad range of unit sizes and rental tones provide scope for customers to grow within our portfolio. Amongst the benefits of our portfolio of scale is our ability to provide additional space for our customers as they expand and grow.

In Covent Garden, outdoor brand Peak Performance opened its debut UK store on Long Acre, following the upsizing of its sister brand Arc'teryx, to a flagship on King Street. Luxury makeup and skincare concept Charlotte Tilbury upsized significantly to a new flagship store overlooking the Market Building, following the success of its James Street store. Nespresso will open a new flagship on the corner of Henrietta Street in the space previously occupied by NatWest bank. Swiss watchmaker Longines opened on James Street and English heritage brand Aspinal has taken space in the Market Building.

Excellent progress has been made evolving the customer offer at Seven Dials as part of our strategy to unify the Covent Garden district. There has been a series of key additions to the neighbourhood, with 33 new brands introduced this year, with a very encouraging pipeline. Luxury activewear brand, Alo Yoga has been introduced at the entrance of Neal Street which is a key gateway into Seven Dials from Covent Garden. Swedish footwear brand, Axel Arigato has opened its store overlooking the Dial itself, marking its second Shaftesbury Capital location.

< Flagship retail in Covent Garden



Further to redevelopment of a combination of sites, Vivobarefoot has doubled the size of its store, relocating on Neal Street, and outdoor retailer, Finisterre has upsized from its store on Earlham Street. Sustainable menswear brand NN.07, boutique retailer Saint + Sofia and apparel concept Gandy's International have all recently opened.

There has been good progress on evolving the offer on and around Carnaby Street through our targeted leasing activity, with 13 retail signings over the year. Global lifestyle brand PANGAIA, has opened on the southern end of Carnaby Street marking its first European standalone store offering apparel from innovative tech and bio-engineered materials. Brazilian fashion brand Farm Rio and top-rated Korean beauty store Pure Seoul will open shortly strengthening the customer line up on Carnaby Street. Foubert's Place welcomed a new flagship store from contemporary jeweller Astrid & Miyu, eyewear brand, Jimmy Fairly and Mango Teen. There have been a number of introductions across Soho including outdoor sportswear brand Salomon opening on Broadwick Street. Apparel brand Carhartt WIP opened a new flagship on Brewer Street. Soho has also welcomed fashion retailer, Ronning, and craft jean maker Blackhorse Lane Ateliers, both on Berwick Street.

Reflecting strong demand during the year, we completed 69 retail lettings and renewals with a rental value of £14.5 million. Rents, on average, were 9.3 per cent above December 2023 ERV and 20.2 per cent ahead of previous passing rents.

- H1 2024: 40 lettings and renewals: £9.3 million, 5.4 per cent ahead of 31 Dec 2023 ERV; and 17.7 per cent ahead of previous passing rents
- H2 2024: 29 lettings and renewals: £5.2 million, 11.1 per cent ahead of 30 June 24 ERV; and 26.7 per cent ahead of previous passing rents

24 retail rent reviews with rental value of £5.1 million were concluded, 14 per cent ahead of previous passing rents.

LONGINES PeakPerformance PANGAIA DOLCE & GABBANA FARM RIO alo DIPTYQUE PARIS ASTRID & MIYU CharlotteTilbury GROWN ALCHEMIST

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Food and beverage

Our food and beverage offer extends to 1.0m square feet of space in the West End, with high-profile destinations such as Covent Garden, Chinatown, Kingly Court and Soho.

394
Restaurants, cafés, bars and pubs

Diverse range of food concepts, from accessible casual to premium with breakfast to late night dining offering.

+4.7%
Valuation £1.7bn

Valuation growth driven by 7.2 per cent ERV growth offset by some yield movement.

+4.2%
Annualised gross income £73m

39 food and beverage leasing transactions completed with a rental value of £8.2 million, 14.8 per cent ahead of December 2023 ERV.

+7.2%
ERV £85m

45 rent reviews totalled £11.6 million, 6.5 per cent above previous passing rents.

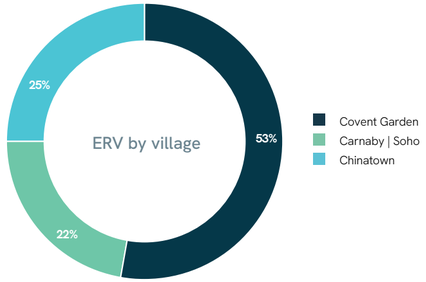
Kingly Court

It has been an active year for food and beverage leasing with 39 leasing transactions completed, 14.8 per cent ahead of December 2023 ERV. In 2024, our West End portfolio welcomed 24 new offerings, ranging from independent to international operators. These operators provide a variety of cuisines and price points, bringing something different to the evolving dining mix, across our popular dining destinations.

The food & beverage portfolio extends to 394 units. As is typical, there have been a small number of failures during the year, however ongoing leasing demand has resulted in the available space being filled quickly. Availability of restaurant and leisure space is very limited given the vibrancy of these locations together with constrained planning and licensing policies.

There is particularly positive performance from our Soho food & beverage portfolio. Kingly Court continues to attract interest from multiple food & beverage operators. The team behind renowned Soho concept, Blanchette, have launched Goldies, their latest concept in Kingly Court. Mediterranean concept Alta has signed following the redevelopment of units across two floors, creating a larger destination dining opportunity. Kingly Street has bolstered its evening offer, with the openings of The Counter and The Little Violet Door joining food & beverage concept Two Floors which has expanded its presence following refurbishment. Cheesecake specialist La Maritxu signed on Kingly Street, while the opening of Donutelier has been introduced on Carnaby Street at the gateway to Kingly Court.

10 new concepts have been introduced to Covent Garden including Eastern Mediterranean concept Delamina opened on Tavistock Street while Greek boutique hotel, ERGON House is set to open in a newly refurbished heritage building, anchoring King Street over the coming months. Luxury French pâtisserie brand, Ladurée has expanded its tearoom in its flagship store in the Market Building. EL&N Deli & Bakery, from café and lifestyle brand EL&N, has also opened in the Market Building, while Aguamiel, London's first "churreria", offering traditional Mexican dessert opened on Wellington Street.



Chinatown is a highly sought-after location in the heart of the West End's entertainment district. Last month, Chinatown London was at the centre of the Chinese New Year festivities for the Year of the Snake, the largest celebration in the world outside of China, welcoming thousands of visitors over the 15-day celebration period. Interest in Chinatown, especially from new international entrants is healthy and demand from existing customers is active. Signings include Pan-Asian restaurant concept, SanHao offering hand-pulled noodles and soups. Suzhou Noodle and Noodle & Beer will open new restaurants in the coming months.

39 food and beverage leasing transactions completed with a rental value of £8.2 million, 14.8 per cent ahead of December 2023 ERV. 45 rent reviews totalled £11.6 million, 6.5 per cent above previous passing rents.

- H1 2024: 20 lettings and renewals: £4.0 million, 8.6 per cent ahead of 31 Dec 2023 ERV; and 20.2 per cent ahead of previous passing rents
- H2 2024: 19 lettings and renewals: £4.2 million, 21.1 per cent ahead of 30 June 2024 ERV; and 18.0 per cent ahead of previous passing rents.

Flagship hospitality concepts

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Offices

We are a provider of characterful office space totalling 0.6 million square feet in the West End. Office occupiers provide a regular source of consumers to our destinations.

404
Suites

Our diverse office portfolio offers a range of floor plates providing the opportunity for occupier expansion.

+3.1%
Valuation £0.9bn

Typically, office accommodation is occupied by media, creative, technology and professional services businesses.

+18.3%
Annualised gross income £34m

We are continuing to increase the range of fitted-out space to maximise rental income.

+6.1%
ERV £51m

Long history of high occupancy and good retention rates.

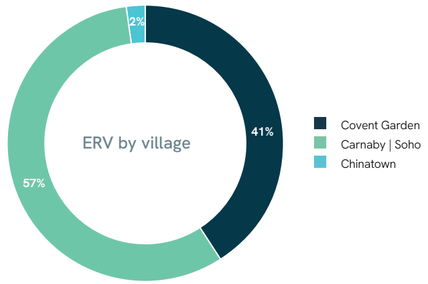
Leasing momentum for our prime West End space continues, with occupiers attracted to high quality, well-fitted product, supported by good building and estate amenity. When refurbishing our buildings we aim to meet the evolving requirements of occupiers across a broad variety of sectors, from best-in-class offices at the larger end, to flexible shorter-term, fitted space at the smaller end. With the wide range of office suites on offer, we cater to a broad range of customer needs and provide opportunity for expansion.

Our office portfolio benefits from unrivalled public transport connections, a short walk to a number of West End tube stations including Covent Garden, Charing Cross, Oxford Circus and Tottenham Court Road. Occupiers wish to be surrounded by the buzz of London together with important leisure, retail, and dining amenities adding to employee well-being.

There is leasing demand for our prime West End space with increasing levels of customers relocating from other central London locations, as office occupiers recognise the importance of a vibrant atmosphere in attracting and retaining staff. Carnaby and Covent Garden are capturing this demand, with recent lettings to occupiers from the financial and real estate sectors, with occupiers attracted to the space with high amenity value and excellent environmental credentials. Rents in excess of £100 per square foot are firmly established across our prime portfolio. This includes 68-72 Broadwick Street and The Floral which have an average floor plate of 10,000 square feet. The Floral, is BREEAM Excellent and is highly energy efficient. It is fully pre-leased in CAT A condition, ahead of completion to two occupiers in the financial sector. Other recent signings include CAT A refurbishments at 22 Ganton Street and The Hide, at rents in excess of £100 per square foot.

During the year, 67 office leasing transactions with a rental value of £14.8 million were concluded 9.8 per cent ahead of December 2023 ERV and 13.2 per cent ahead of previous passing rents. Rent reviews with rental value of £1.4 million completed, 4.0 per cent ahead of previous passing rents.

- H1 2024: 39 lettings and renewals: £10.5 million, 10.3 cent ahead of 31 Dec 2023 ERV; and 17.6 per cent ahead of previous passing rents
- H2 2024: 28 lettings and renewals: £4.3 million, 5.6 per cent ahead of 30 June 24 ERV; and 8.6 per cent ahead of previous passing rents



22 Ganton Street

27 Wardour Street

Residential

Residential homes, across 0.4m square feet, are an important part of our destinations, bringing people to shop, dine, socialise and enjoy the places we curate.

656
Apartments

Mostly heritage buildings with a unique character offering:
– studios, one or two-bedroom apartments that are largely unfurnished.

-1.6%
Valuation £0.6bn

Rolling upgrade programme continues, improving energy performance and upgrading specifications.

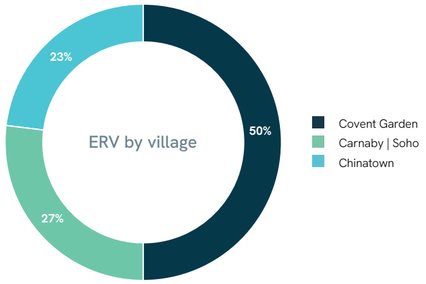
+3.9%
Annualised gross income £23m

Occupancy traditionally high (> 98 per cent); reliable cash flow

WAULT: Approximately 1 year.

+1.4%
ERV £25m

Available space typically let within a matter of days, often with competitive bidding.



The residential portfolio is performing well, with continued leasing activity and high renewal rates across the portfolio of 656 residential apartments. Our proposition of characterful period buildings with modern specification located in vibrant, well-managed areas attracts interest from a broad range of customers. During 2024, there has been competitive demand, minimal voids and short leasing windows observed.

During the year 298 residential lettings and renewals with a rental value of £11.2 million completed, 7.1 per cent ahead of previous passing rents. At 31 December 2024 13 units were available to let.

- H1 2024: 118 lettings and renewals: £4.3 million, 3.9 per cent ahead of 31 Dec 2023 ERV; and 7.3 per cent ahead of previous passing rents
- H2 2024: 180 lettings and renewals: £6.9 million, 5.4 per cent ahead of 30 June 2024 ERV; and 6.9 per cent ahead of previous passing rents

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Stakeholder engagement

Engaging with our stakeholders is fundamental to our business. Reflecting our values, we are committed to building long-term relationships founded on respect, integrity and transparency.

Our section 172(1) statement, which explains how the Board considered stakeholder interests and the other matters set out in section 172(1) of the Companies Act 2006, can be found in our Corporate governance report on pages 118 and 120.

Stakeholders	Priorities	Why we engage	How we engage	Outcomes of our engagement	Further information
Customers Our customers are the wide range of retailers, food and beverage operators, office occupiers and residents throughout our portfolio of c. 635 buildings.	– Providing and promoting high-quality, vibrant, safe and well-maintained destinations to allow our customers to prosper and flourish. – Enhancing sustainability credentials. – Providing proactive and responsive customer service, with the customer placed at the heart of our business. – Being mindful of socioeconomic and political factors impacting footfall, recruitment and retention of staff, statutory consents and public order.	– To further the strategic aim of placing the customer at the heart of our business. Success is based on our ability to listen, understand and respond to our customers', and potential customers', needs. – To ensure our offer evolves to address changing customer and consumer trends and requirements. – To keep our customers informed of activities of interest to them across our destinations.	– Our teams liaise directly with our customers, and potential customers, with the aim of creating collaborative business partnerships. – We have launched an annual customer survey to obtain formal feedback from our customers regarding the services we provide. – We use online portals, where applicable, to provide destination- and occupier-specific information to enable our customers to interact with us. We aim to extend our customer portal to cover all properties within our portfolio.	– Continued careful curation of our destinations. – Strong partnerships are created with our commercial customers, which allow us to understand their needs and provide the services and environment required to support their commercial success. – Quality living experiences for our residential customers. – 473 new lettings and renewals, including UK-first stores and relocation or expansion of a number of customers to suit their changing needs.	– Our competitive strengths: page 10 – Chief Executive's statement: page 12 – Portfolio and operating review: page 32 – Sustainability: page 78 – Chairman's introduction: page 110
Visitors Our visitors are those who come to our destinations or engage with us through our 24 social media channels and consumer websites.	– Providing a vibrant mix of retail and food and beverage, innovative street installations, greening and wayfinding across our destinations. – Promoting our destinations and our customers through our social media channels and consumer websites in an informative and engaging manner. – Encouraging visitors through our engagement with international and domestic tourism markets. – Providing a clean and secure environment across our destinations.	– To contribute to the vitality of the West End and the success of our customers. – To promote the attractiveness of our destinations and our unique mix of retail and food and beverage.	– We deliver a comprehensive calendar of campaigns, events and marketing initiatives. – We drive regular interaction via our 24 social media channels, across all our destinations. – We undertook consumer engagement surveys for Covent Garden and Carnaby | Soho email and reward card subscribers in 2024, to better understand their views on our current and future offerings.	– During 2024 we undertook a wide variety of campaigns across our destinations. – We added 125,000 more followers to our social channels. – We received over 1,700 responses to the consumer engagement survey for Covent Garden, with over 90 per cent of those responding saying they were likely to recommend Covent Garden to a friend. – We received over 2,400 responses to the consumer engagement survey for Carnaby | Soho, with 85 per cent of those responding saying they were likely to recommend the area to a friend.	– Why we invest in London's West End: page 8 – Chief Executive's statement: page 12 – Creating consumer experiences across our West End portfolio: page 30 – Portfolio and operating review: page 32
Employees Our employees are those who are directly employed by us on permanent or fixed-term contracts.	– Building our dynamic culture. – Continuing to attract, develop and retain talented people who share our values. – Ensuring open and collaborative internal communications that facilitate the most effective ways of working. – Promoting employee well-being. – Empowering our employees to take opportunities for development and progression.	– To deliver our strategic objectives through our employees' individual and collective knowledge, experience and commitment. – To foster motivated ambassadors for our organisation. – To keep employees informed about business performance and changes and to seek their input where relevant. – To continuously improve our ways of working.	– We launched our first employee survey. – We hold regular townhall meetings led by the Executive Committee. – Our Chief Executive meets informally with small groups of employees. – Our Employee Engagement Forum is attended by Richard Akers, our Senior Independent Director.	– The townhall meetings in 2024 covered topics such as the Company's financial results, the annual Board Strategy Day and the different functions within the business – enabling employees to learn more about these topics. – Feedback from the employee survey and Employee Engagement Forum was provided to the Board over the course of the year. – Positive results from the employee survey, including an overall engagement score of 82 per cent. – We successfully delivered training to our employees on behaviours and values, as well as leadership and development training at a number of levels across the business.	– Chief Executive's statement: page 12 – Our purpose-led strategy: page 16 – Our business model: page 17 – Our people and culture: page 100 – Chairman's introduction: page 110 – How the Board monitors culture and employee engagement: page 113 – How we behave: page 122
Suppliers Our suppliers are those who have a direct contractual relationship with us, including our managing agents, outsourced service providers, building contractors, project managers, consultants and a range of property and corporate advisers across professional disciplines.	– Developing and maintaining constructive relationships and working collaboratively with suppliers. – Undertaking appropriate and responsible procurement of high-quality goods and services with suppliers who are aligned with our values, including throughout their own supply chains. – Receiving services that meet the agreed standards. – Providing fair payment terms to our suppliers.	– To deliver an appropriate high-quality level of service to our customers and visitors by leveraging our long-term constructive and open relationships with our suppliers, which are based on mutual trust.	– We monitor the progress and performance of our suppliers against agreed service levels, including holding frequent informal and formal meetings. – We operate a tendering and onboarding process that promotes high standards and responsible business practices in our supply chain. – Our team delivers periodic seminars that give us an opportunity to share with suppliers our objectives and values.	– We established new relationships and strengthened existing ones by communicating our expectations to suppliers. This has fostered long-term collaboration and trust. – We refined and relaunched our internal procurement policy and process, providing a robust framework for supplier management.	– Our purpose-led strategy: page 16 – Our business model: page 17 – Sustainability: page 78 – Health, safety and security: page 102 – How we behave: page 122

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Stakeholders	Priorities	Why we engage	How we engage	Outcomes of our engagement	Further information
Partners Our partners include our local authorities and business improvement districts, neighbouring landowners, tourism partners, local amenity societies and business associations, and a variety of cultural partners. At a national level, our partners include government bodies, regulators and industry bodies.	– Engaging with and supporting our partners' local statutory and economic plans and public realm initiatives in a proactive manner to ensure the continued attractiveness of the West End. – Working cooperatively with a range of government bodies and regulators to ensure that we adhere to all relevant laws and regulations, fostering transparency and accountability in our operations.	– To ensure the long-term success of the West End as a lively, safe and preferred destination for those who live, work and visit, by being a good neighbour and practising responsible stewardship.	– Our engagement takes many forms, including meetings, planning consultations, working groups and responses to policy consultations and surveys. – We take an active role in the local interest groups where we have membership or representation. – We contribute to initiatives that promote the success of the West End beyond our destinations. – We participate in neighbourhood co-ordination groups, which help respond to local social challenges.	– Engaged throughout the year with the political leadership and officers of Westminster City Council and the London Borough of Camden Council to understand how we can contribute our practical knowledge and experience in order to achieve our shared goals. – Participated in or supported local initiatives, including a trial of e-scooter and e-bike parking bays, the upgrade of public conveniences in multiple locations within the Soho district, and streetscape improvements to Henrietta Street. – Responded to policy consultations by local and regional authorities on matters such as transport strategy, nightlife and the public realm. – Active members of industry groups including the UK Green Building Council and Better Buildings Partnership. – Supported London Fashion Week and British Beauty Week via our associations with the relevant industry councils. – Maintained our low-risk tax rating with HMRC.	– Chief Executive's statement: page 12 – Sustainability: page 78

Local communities
Our communities are those who work, live and study in or around our destinations, as well as local organisations, including business and social enterprises, schools and charities.
	– Understanding the wide variety of needs across our local communities and how we can best support them as a responsible, long-term investor in our destinations.
	– Keeping our communities regularly informed of our activities and initiatives.
		– To enhance the vibrancy of our destinations through community investment.
		– To keep our communities regularly informed of our activities and initiatives and to respond to their views and needs.
		– To provide ongoing support to the local community to address local issues such as employment and training, in order to play our part as a responsible investor in the West End.
			– We work closely with our community partners, local enterprises and others to support projects and initiatives that benefit local communities in and around our destinations.
			– We contribute our time, space and knowledge to, and made donations towards, local charities, organisations and groups.
			– Our community grants programme provides funding towards the cost of local projects and events.
			– Our destination reward cards offer discounts across local businesses for those that live, work and study within our destinations.
				– An updated Community Investment Strategy for the next three years to reflect local needs and better measure our impact.
				– In 2024, the value of our total contributions to charities, organisations and groups within our local community totalled £0.9 million. This included:
				  – Direct financial contributions to charities, organisations and groups such as The Connection at St. Martins.
				  – £87,442 in total in community grants towards 19 local projects and events.
				  – 520 employee hours volunteered to local community projects and initiatives.
				  – Up to a value of £0.3 million of in-kind space for charities and charitable events.
				– As a result of feedback from local communities, we withdrew our planning application to repaint the Floral Street bollards.
					– Chief Executive's statement: page 12
					– Our purpose-led strategy: page 16
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					– Sustainability: page 78

Joint ventures and associates Our current joint venture is our 50:50 Lillie Square joint venture with The Kwok Family Interests. Up to October 2024, we also had a 50:50 Longmartin associate with The Mercers' Company.	– Agreeing strategies to enhance our portfolios. – Ensuring the estates are well managed. – Growing long-term relationships with our partners.	– To work closely with our partners in order to deliver successful outcomes that benefit both parties and add long-term value to our respective holdings.	– For Lillie Square, we engage frequently with our partner, including regular dialogue between operational and management teams, outside Board meetings. – Prior to the sale of our interest in the Longmartin associate, we held regular Board meetings and frequent ad hoc engagement during the year to oversee day-to-day operations.	– Agreed the annual business plan for Lillie Square, which covers priorities for 2025. – The sale of our 50 per cent holding in the Longmartin associate.	– Portfolio and operating review: page 32
Finance providers Our finance providers include our lending banks, secured-debt providers, exchangeable bondholders and private placement loan note holders.	– Maintaining a strong balance sheet with access to significant liquidity. – Continuing compliance with our financial covenants.	– To give value to the strong and transparent relationships we have with all our finance providers, which are based on mutual understanding and regular engagement. – To ensure that our finance providers are kept updated about our business performance and activities, our compliance with financial covenants and our proposed actions in relation to the underlying secured assets.	– We engage through regular meetings. – We provide tours led by the Chief Executive, the Chief Financial Officer and senior management across our portfolio, where appropriate.	– Entered into a new £75 million five-year unsecured term facility. – Exercised a one-year extension option on the £350 million senior unsecured loan facilities. – Repaid £95 million of private placement unsecured loan notes. – Refinanced and extended the £300 million revolving credit facility.	– Our purpose-led strategy: page 16 – Our business model: page 17 – Financial review: page 50
Shareholders Our shareholders are the owners of our business.	– Communicating our investment case. – Delivering on our purpose and our strategy. – Achieving our medium-term targets. – Making a long-term positive impact.	– To strengthen our relationships with our existing shareholders, potential investors and sell-side analysts, ensuring that we understand their priorities. – To provide updates on our activities, investment case and governance framework.	– Our investor relations programme provides regular updates on our results and activities, and communicates our investment case. This includes results and reporting, regular press releases, one-to-one meetings, roadshows and conferences, property tours and our Annual General Meeting.	– Positive feedback from a range of investors during our engagement activities. – Investor feedback following meetings and tours is shared with the Board and the Executive Committee for consideration in their decision-making. – All resolutions at our 2024 Annual General Meeting passed with support in excess of 89 per cent.	– Chief Executive's statement: page 12 – Our purpose-led strategy: page 16 – Our business model: page 17 – Corporate governance report: page 104 – Chairman's introduction: page 110 – Directors' remuneration report: page 138

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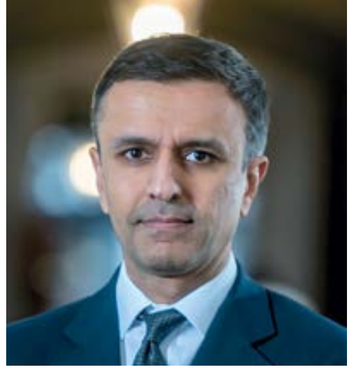
"2024 has been a year of progress with a focus on delivering rental growth, cost and capital discipline, and maintaining a strong balance sheet, which has resulted in growing earnings, dividends, valuation and net asset value. The Company is well-positioned, with access to significant liquidity to deliver further growth and long-term value creation."



Situl Jobanputra
Chief Financial Officer

Financial results

£167.1m	Gross profit
£252.1m	Profit for the year
£73.0m	Underlying earnings
4.0p	Underlying earnings per share
3.5p	Dividend per share
£4,973m	Total portfolio market value
£3,674m	Net assets
200.2p	EPRA NTA per share
27.4%	EPRA loan-to-value
£559.8m	Cash and undrawn facilities
7.6%	Total property return
7.0%	Total accounting return
-6.9%	Total shareholder return

Financial highlights

This financial year we delivered continued strong operational and financial performance across the Group. Activity levels across our portfolio have remained consistently high, including in the important fourth quarter for our retail and F&B customers, as evidenced by the vibrancy of our estates, footfall, customer sales, leasing volumes and the strong pipeline. A number of properties and investments were sold at or around valuation with the proceeds being reinvested into our portfolio, property acquisitions and used for debt repayment. During the year, there has been growth in rental income, earnings, dividends, property valuations and net tangible assets per share.

Underlying earnings for the year were £73.0 million, equivalent to 4.0 pence per share, driven primarily by higher net rental income on a like-for-like basis. The Directors have proposed a final dividend of 1.8 pence per share, which when combined with the interim dividend of 1.7 pence results in a total dividend per share in respect of the year of 3.5 pence per share.

The wholly-owned portfolio has been independently valued at £4,973.5 million, reflecting 4.5 per cent like-for-like growth. ERV increased by 7.7 per cent (like-for-like) to £250.6 million and annualised gross income was up 8.0 per cent like-for-like to £202.8 million. The equivalent yield on the portfolio was 4.45 per cent, reflecting an outward movement of 13 basis points over the year.

The sale of selected properties was completed in the year for total proceeds of £158.4 million with an additional £9.8 million having exchanged and due to complete in the first quarter of 2025. Since the merger, total asset disposals of £246.6 million have completed at an overall premium to valuation (before costs), representing approximately five per cent of the portfolio. In addition, in October 2024 the Company sold its 50 per cent shareholding in the Longmartin investment. Total proceeds of £94.5 million were received, comprising £82.9 million for the sale of our 50 per cent equity interest and £11.6 million in respect of repayment of the interest-bearing loan.

During the year, £83.1 million (before costs) was reinvested into asset acquisitions across the portfolio taking acquisitions since merger to £86.0 million.

Overall EPRA NTA (net tangible assets) per share increased by 5.2 per cent from 190.3 pence to 200.2 pence. Combined with the 3.35 pence per share dividend paid to shareholders during the year, the total accounting return for the year is 7.0 per cent. Total shareholder return for the year was -6.9 per cent, reflecting dividends paid and the change in the share price from 138.1 pence to 125.5 pence per share (although the shares were trading well above 150 pence in September 2024). Total property return was 7.6 per cent, representing 0.6 percentage points of outperformance against the MSCI total return index.

We have made significant progress delivering cost savings across the business as we progress towards an effective and efficient organisational structure and cost base. Further income growth from leasing activity and operational efficiencies is expected to be achieved in the year ahead, with the EPRA cost ratio (which measures property level and administration costs relative to gross rental income) targeted to reduce towards 30 per cent over the medium-term. The adjusted Company EPRA cost ratio is 37.3 per cent, having been reduced significantly since the merger.

Finance costs reflect weighted average cost of net debt of 3.7 per cent based on average net debt of £1.5 billion for the year.

The Group has a strong balance sheet. The EPRA loan-to-value ratio at 31 December 2024 was 27.4 per cent. There is significant headroom against debt covenants and access to liquidity, comprising cash and undrawn facilities, currently £559.8 million (31 December 2023: £485.7 million).

During the year we completed a range of financing activity, including:

- Putting in place a new five-year £75 million unsecured loan facility;
- Novation and extension of the £300 million revolving credit facility to December 2028;
- Early exercise of the first 12 month extension option on the £350 million unsecured loan (£150 million of which is undrawn), taking its maturity to December 2027; and
- Repayment of £95 million of private placement debt which matured in the year.

Net debt at 31 December 2024 was £1.4 billion (31 December 2023: £1.5 billion). Priorities over the forthcoming period are to review opportunities to refinance medium-term maturities as well as consideration of longer-term financing options to evolve our capital structure, taking advantage of the Group's enhanced credit profile.

2024 performance reaffirms our confidence in our strategy, portfolio and business plan. We are focused on delivering our priorities, including sustainable long-term rental growth, growing cash rents, progressing further towards an effective and efficient organisational structure and cost base, and maintaining a strong capital structure.

Alternative performance measures

As is usual practice in the real estate sector, alternative performance measures ("APMs") are presented for certain indicators, including earnings, earnings per share and EPRA net tangible assets, making adjustments set out by EPRA in its Best Practice Recommendations. These recommendations are designed to make the financial statements of public real estate companies more comparable across Europe, enhancing the transparency, comparability and coherence of the sector.

One of the key performance measures which the Group uses is underlying earnings. The underlying earnings measure reflects the underlying financial performance of the Group's West End property rental business and is a relevant metric in determining dividends. The measure aligns with the main principles of EPRA earnings. EPRA earnings excludes valuation movements on the wholly-owned, joint venture and associate properties, profit or loss on disposal of investment properties and investment in associates, fair value changes of financial instruments and listed investments, cost of early close out of debt, gain on bargain purchase, IFRS 3 merger-related transaction costs and, following updated guidance issued by EPRA in 2024, adjustments in relation to any other non-operating and exceptional items. These include:

- The fair value movement of the option component of the exchangeable bond as such movements do not reflect the underlying performance of the Group.
- £3.3 million (31 December 2023: £8.7 million) of merger-related integration and other non-underlying costs have been incurred, which do not relate to the ongoing operations of the Group.
- Following the completion of the all-share merger in March 2023, a fair value exercise was performed on the Shaftesbury PLC balance sheet as at 6 March 2023, resulting in the fair value of the debt determined to be £945.6 million compared to the nominal value of £1,019.8 million (including an adjustment to the investment in Longmartin arising from the fair value adjustment of the underlying debt in the associate). The outstanding balance of the fair value adjustment will be amortised to other finance costs over the remaining term of the debt facilities. In the prior year, EPRA earnings were adjusted by £24.6 million, to reflect the accelerated unwind of the fair value adjustment following the early redemption of the Chinatown and Carnaby bonds in April 2023. The current year amortisation of the fair value adjustment for the other debt facilities of £6.1 million (2023: £5.2 million) has been adjusted from EPRA earnings. On the sale of our 50 per cent share of Longmartin, the £1.4 million fair value balance remaining has been recognised in the loss on sale of associate.

In calculating underlying earnings, additional adjustments are made to EPRA earnings to exclude the financial performance of the Lillie Square joint venture, associated tax adjustments and the interest receivable on the loan issued to the joint venture by the Group. Lillie Square is not considered to be a core part of the operations of the Group and therefore its results are not included in underlying earnings.

Further details on APMs used and how they reconcile to IFRS are set out on page 218.

Presentation of information

The all-share merger of Capital & Counties Properties PLC ("Capco") and Shaftesbury PLC to create Shaftesbury Capital PLC ("Shaftesbury Capital") completed on 6 March 2023. The financial review sets out the results of Shaftesbury Capital with the statement of comprehensive income for the prior period reflecting the stand-alone performance of Capco for the period from 1 January to 6 March and the performance of the merged business, Shaftesbury Capital, between the completion date of 6 March and 31 December 2023.

Reflecting the Company's focus primarily on the wholly-owned portfolio, all information is presented on an IFRS basis.

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Financial performance

Summary statement of comprehensive income

The 2023 summary statement of comprehensive income represents the standalone performance of Capco for the period to 6 March 2023 and that of Shaftesbury Capital from that date to 31 December 2023.

	2024 £m	2023 £m
Gross profit	**167.1**	141.9
Gain/(loss) on revaluation and sale of investment property	**194.6**	(65.0)
Change in fair value of listed equity investment	**–**	52.0
Other income	**–**	2.7
Administration expenses[1]	**(42.7)**	(83.8)
Net finance costs[2]	**(57.2)**	(51.9)
Profit from joint ventures and associates	**4.5**	0.2
Loss on sale of associates	**(4.0)**	–
Taxation	**(0.3)**	(0.2)
Other[3]	**(9.9)**	(51.0)
	252.1	(55.1)
Gain on bargain purchase	**–**	805.5
Profit for the year	**252.1**	750.4
Basic earnings per share	**13.8p**	45.5p
EPRA earnings[4]	**75.3**	67.9
EPRA earnings per share[4]	**4.1p**	4.1p
Underlying earnings[4]	**72.0**	60.4
Underlying earnings per share[4]	**4.0p**	3.7p
Weighted average number of shares[5]	**1,821.7m**	1,648.9m

1. Administration expenses include £3.3 million of non-underlying costs (2023: £44.5 million), substantially related to merger-related transaction and integration costs, which are considered non-recurring in nature.
2. Excludes other finance income and costs and change in fair value of derivative financial instruments (included in 'Other' above).
3. Includes impairment of other receivables, other finance income and costs including the change in fair value of derivatives and amortisation of the fair value adjustment relating to the Shaftesbury debt.
4. Further details regarding EPRA and Underlying earnings are disclosed in note 3 'Performance measures'. The 2023 comparative for EPRA earnings and EPRA earnings per share has been restated from £45.0 million, 2.7 pence per share, to £67.9 million, 4.1 pence per share, following the changes to the EPRA earnings definition during 2024.
5. In total, 1,953.2 million shares were in issue as at 31 December 2023 and 2024. The weighted average number of shares of 1,821.7 million shares excludes 128.4 million own shares, of which 127.0 million are held as collateral for the exchangeable bond and 3.1 million shares held by the Group's approved Employee Benefit Trust (both of which form part of the overall number of shares in issue of 1,953.2 million).

Gross profit

	2024 £m	2023 £m
Rent receivable	**197.2**	171.9
Straight lining of tenant lease incentives[1]	**7.8**	3.9
Service charge income	**22.1**	19.3
Revenue	**227.1**	195.1
Expected credit loss provision	**(3.9)**	(2.0)
Property expenses[1]	**(33.1)**	(31.1)
Service charge expenses	**(22.1)**	(19.3)
Impairment of tenant lease incentives	**(0.9)**	(0.8)
Gross profit	**167.1**	141.9

1. 2023 includes £5.1 million charge relating to the change in accounting policy to reflect the adjustment to amortisation period for tenant lease incentives and deferred letting fees. £4.1 million of the adjustment was recognised through the straight lining of tenant lease incentives and £1.0 million in property expenses.

Rent receivable has increased by 5.7 per cent like-for-like compared with the pro forma 12 month period for 2023 reflecting the positive letting activity across the portfolio. Rental income receivable has been reduced in the year by £2.9 million reflecting the impact of disposals in 2023 and 2024, offset by a £2.7 million contribution from acquisitions. Cash collections have continued to be strong with 98 per cent collected in the year. However the expected credit loss provision has increased during the year to £3.9 million due to a limited number of customer administration or anticipated failures in early 2025.

The gross to net profit margin, excluding service charge income and expense, is 81.6 per cent having increased from 80.7 per cent in 2023. The improvement reflects the growth in income as well as cost savings delivered in the year. Further enhancements are expected in the medium-term.

Gain/(loss) on revaluation and sale of investment property

The market valuation of the wholly-owned portfolio has increased by 4.5 per cent like-for-like since December 2023 to £4,973.5 million. ERV increased by 7.7 per cent (like-for-like) to £250.6 million and the equivalent yield was 4.45 per cent, reflecting an outward movement of 13 basis points. This represents an equivalent yield of 4.6 per cent on the commercial portfolio, excluding residential properties.

The gain on revaluation of £202.9 million, is based on the carrying value of the property portfolio after adjustments for lease incentives and capital expenditure.

Several properties, including the majority of the Fitzrovia portfolio, have been disposed of during the year for gross proceeds of £158.4 million. Based on the opening book value and sale costs, a loss of £8.3 million has been recognised during the year, although on an overall basis since the merger, a premium has been achieved (before costs).

Administration expenses

	2024 £m	2023 £m
Depreciation	**0.3**	0.4
Other administration expenses	**39.1**	38.9
Underlying administration expenses	**39.4**	39.3
Merger-related transaction costs	**–**	35.8
Merger-related integration and non-underlying administration expenses	**3.3**	8.7
Administration expenses	**42.7**	83.8

Underlying administration expenses of £39.4 million have been incurred during the year. As part of delivering cost efficiencies, one-off integration and other costs of £3.3 million have been incurred in the year. The administrative cost base has been reduced significantly since the merger, primarily as a result of efficiencies, removal of areas of duplication and overlap, and headcount reduction.

Similarly the EPRA cost ratio has been reduced significantly from its pro forma level of over 50 per cent at the time of the merger. However over the medium-term the Group is targeting further improvements towards 30 per cent from its current level of 37.3 per cent, driven by growth in rental income and rigorous management of irrecoverable property costs and administration expenses.

Net finance costs

Finance costs of £72.0 million have been incurred in the year with the average drawn debt balance being £1.6 billion, reducing to £1.5 billion at 31 December 2024.

Finance income of £14.8 million in the year comprises £9.8 million in relation to interest rate hedging arrangements and £5.0 million interest on cash held on deposit. Protection is currently in place in relation to the interest rate exposure on the Group's expected drawn variable rate debt until the end of 2025 through caps and collars. It is expected that further interest rate hedging arrangements will be put into place in due course in relation to variable rate exposure for future years.

Profit from joint ventures and associates

Our share of Longmartin's post-tax profit was £4.5 million for the period up to sale of our 50 per cent interest. Our share of the revaluation gain was £3.9 million, offset by a deferred tax movement of £1.2 million. Excluding the revaluation and fair value adjustment on debt of £0.6 million, and including the £0.4 million interest received on the interest-bearing loan provided to the associate, our share of underlying earnings from Longmartin was £2.8 million. £1.2 million of dividends were received during the period prior to sale.

Loss on sale of associates

Pursuant to the terms of the Longmartin investment (previously forming three per cent of the Group's property portfolio), the merger triggered the right for the partner to require the Company to offer to sell its shares in the Longmartin investment to them (or to a third-party purchaser identified by them). The partner elected to acquire the Company's shares in the Longmartin investment with the sale completing in October 2024. Total proceeds of £94.5 million were received with £11.6 million repayment of the interest-bearing loan provided to the associate and £82.9 million for the sale of our 50 per cent share. Based on the investment value as at 24 October 2024, and including disposal costs, a loss of £4.0 million has been recorded.

Taxation

The Group continues to satisfy the requirements to qualify for REIT status. As the Group's income is derived substantially from qualifying property rental business activities within the REIT regime, the majority of its income is exempt from tax. There is a tax charge of £0.3 million in the year (2023: £0.2 million), arising mainly in respect of finance income.

Dividends

The Board has proposed a final dividend of 1.8 pence per share, bringing the total dividend to 3.5 pence per share reflecting progression in underlying earnings and cash generation. The total gross dividend payable is £35.1 million of which £2.3 million relates to the Group entity which holds 128.4 million shares in relation to the exchangeable bonds. The entity has provided an undertaking not to exercise its voting rights in respect of such ordinary shares but will receive the proposed dividend, the majority of which should subsequently be retained by the Group following the dividend threshold test as set out in the exchangeable bond conditions. In addition, the dividend will not be paid in relation to the 3.1 million shares held by the Group's approved Employee Benefit Trust.

The dividend is to be paid wholly as a PID on 30 May 2025 to shareholders on the register at 25 April 2025.

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Summary balance sheet

	31 December 2024 £m	31 December 2023 £m
Property portfolio[1]	**4,929.0**	4,760.4
Investments in joint ventures and associates	**–**	83.4
Net debt[2]	**(1,405.0)**	(1,499.1)
Other assets and liabilities	**150.3**	135.5
Net assets	**3,674.3**	3,480.2
EPRA net tangible assets	**3,671.1**	3,479.4
EPRA net tangible assets per share (pence)	**200.2p**	190.3p
Adjusted, diluted number of shares[3]	**1,833.3m**	1,828.8m

1. Includes £20.1 million (2023: £20.2 million) accounted for as owner-occupied property and £9.8 million (2023: £nil) accounted for as held for sale. The market value of the property portfolio is £4,973.5 million (2023: £4,795.3 million).
2. Net debt based on nominal value of debt drawn less cash, excluding tenant deposits of £14.2 million (2023: £14.5 million).
3. Number of shares excludes 128.4 million shares held in relation to the exchangeable bond and 3.1 million within an approved Employee Benefit Trust. Total shares in issuance, including these components, was 1,953.2 million shares.

EPRA NTA

EPRA NTA per share increased by 5.2 per cent to 200.2 pence, due primarily to the like-for-like increase in the valuation of the property portfolio.

Following the completion of the merger in 2023, the Shaftesbury debt which had an overall nominal value of £384.8 million (2023: £444.8 million - included the debt in relation to our share of the Longmartin investment), was fair valued and was held at £348.5 million as at 31 December 2024 (2023: £400.4 million). This difference of £36.3 million (2023: £44.4 million), or 2.0 pence (2023: 2.4 pence) in terms of EPRA NTA per share, will reverse as the balance sheet value of the debt accretes to nominal value over the remaining term of the debt. The impact of this unwind is excluded from underlying earnings.

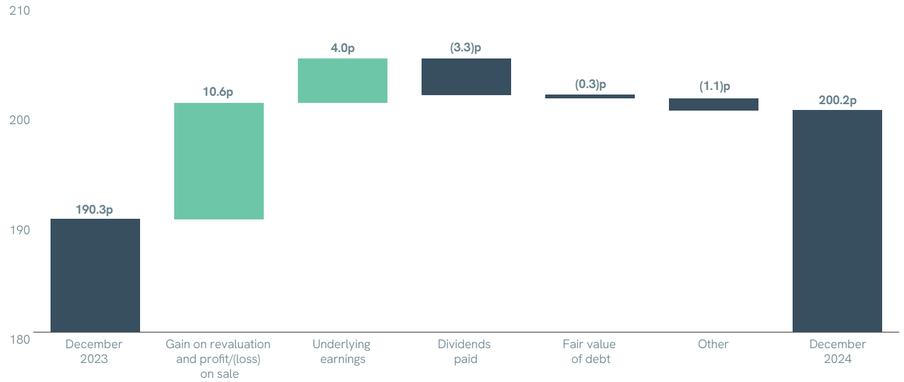
Property portfolio

The carrying value of the wholly-owned portfolio as at 31 December 2024 is £4,929.0 million, including £20.1 million and £9.8 million classified as owner-occupied and held for sale respectively. During the year, a number of properties have been sold with an opening carrying value of £163.8 million for gross proceeds of £158.4 million.

£83.1 million, before transaction costs, has been reinvested into asset acquisitions. In March 2024, we completed the acquisition of the 25-31 James Street, Covent Garden for £75.1 million. In addition, we have acquired two properties on Broadwick Street and Marshall Street for £8.0 million. Subsequent capital expenditure during the year on the wholly-owned portfolio was £43.1 million predominantly for office refurbishment activity in Covent Garden.

The market valuation of the wholly-owned property portfolio of £4,973.5 million was 4.5 per cent higher on a like-for-like basis compared with 31 December 2023. ERV increased by 7.7 per cent (like-for-like) to £250.6 million and the equivalent yield was 4.45 per cent, reflecting an outward movement of 13 basis points, two-thirds of which was in the first half.

EPRA net tangible assets per share +5.2% to 200.2 pence



Total property return for the year was 7.6 per cent. The MSCI Total Return Index recorded performance of 7.0 per cent for the year, resulting in outperformance of 0.6 percentage points.

Investment in joint ventures and associates

Following the sale of our 50 per cent investment in the Longmartin associate in October 2024, the remaining investment held at 31 December 2024 is our 50 per cent joint venture interest in Lillie Square.

The property valuation as at 31 December 2024 was £65.3 million, in line with the 31 December 2023 valuation of £65.2 million. The majority (65 per cent) of this value relates to completed apartments in phases 1 and 2 of the project, with the balance representing investment properties and consented land. Over 60 apartments have been leased on a short-term basis generating annual contracted rental income of £3.8 million. Our share of net cash in the joint venture was £4.9 million and there is no external debt. During the year a repayment of £4.0 million of the interest-bearing loan provided to Lillie Square was received.

Debt and gearing

The Group maintains a strong financial position, with diversified sources of funding, a spread of debt maturities, significant headroom against debt covenants, access to liquidity, modest capital commitments, substantial unencumbered asset value and interest rate hedging in place for 2025.

The Group's cash and undrawn committed facilities as at 31 December 2024 were £559.8 million (2023: £485.7 million). As at 31 December 2024, the Group had capital commitments of £24.1 million.

	31 December 2024 £m	31 December 2023 £m
Cash and cash equivalents[1]	**109.8**	185.7
Undrawn committed facilities	**450.0**	300.0
Cash and undrawn committed facilities	**559.8**	485.7
Commitments	**(24.1)**	(24.8)
Available resources	**535.7**	460.9

1. Excludes tenant deposits of £14.2 million (2023: £14.5 million).

The loan-to-value ("LTV") ratio at 31 December 2024 was 28.2 per cent and EPRA LTV was 27.4 per cent. This is comfortably within the Group's limit of no more than 40 per cent. Net debt to EBITDA has reduced from 13.9 to 10.9 times.

	31 December 2024 £m	31 December 2023 £m
Cash and cash equivalents	**109.8**	185.7
Debt at nominal value	**(1,514.8)**	(1,684.8)
Net debt	**(1,405.0)**	(1,499.1)
Loan-to-value	**28.2%**	31.3%
EPRA loan-to-value	**27.4%**	30.9%
Net debt to EBITDA	**10.9x**	13.9x
Interest cover	**292.1%**	288.4%
Interest cover excluding non-underlying admin costs	**223.3%**	212.7%
Weighted average debt maturity – drawn facilities	**4.6 years**	5.0 years
Weighted average cost of debt – gross[1]	**4.0%**	4.2%
Weighted average cost of debt – net	**3.7%**	3.4%
Drawn debt with interest rate protection[2]	**100%**	100%

1. As at 31 December 2024 the weighted average cost of debt reduces to an effective running cash cost of 3.7 per cent (2023: 3.4 per cent) taking account of interest on cash deposits and interest rate caps and collars.
2. Taking account of interest on cash deposits and interest rate caps and collars.

At 31 December 2024, Group net debt was £1.4 billion. During the year a new £75 million unsecured loan facility was entered into as well as refinancing the £300 million revolving credit facility, extending the debt maturity to 2028. In addition, the first 12 month extension option on the £350 million unsecured loan (£150 million of which is undrawn) has been exercised early, taking its maturity to December 2027. £95 million of private placement debt matured during the year.

The current weighted average cash cost of drawn debt is 4.0 per cent (2023: 4.2 per cent) which reduces to an effective cash cost of 3.7 per cent (2023: 3.4 per cent) taking into account interest income on cash deposits and the benefit of interest rate hedging. As maturing debt is repaid or refinanced, it is currently anticipated that the weighted average cost of debt will increase.

All of the Group's drawn debt is at fixed rates or currently has interest rate protection in place until the end of 2025, taking into account interest on cash deposits. £250 million of hedging is in place until the end of 2025 which provides for a cap of 3.0 per cent and a floor of 2.0 per cent on SONIA exposure.

Priorities over the forthcoming period are to refinance medium-term debt maturities as well as consideration of longer-term financing options to evolve our capital structure, taking advantage of the Group's enhanced credit profile.

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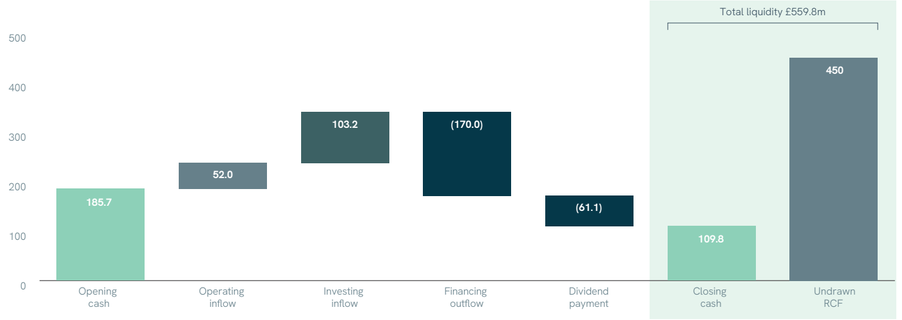
Cash Flows

Movement in cash flow	£m
Cash, excluding tenant deposits, as at 31 December 2023	185.7
Operating inflow	**52.0**
Investing inflow	**103.2**
Financing outflow	**(170.0)**
Dividends paid	**(61.1)**
Cash, excluding tenant deposits, as at 31 December 2024	**109.8**



The overall balance of cash was reduced by £75.9 million to £109.8 million as at 31 December 2024. This is largely due to:

- Operating cash inflows of £52.0 million reflecting growing gross profit and continuing high levels of cash collection, partly offset by administrative and finance costs. The inflow is further reduced for the payment of non-underlying merger-related integration costs and non-underlying transaction costs for property acquisitions and disposals in the year.
- Investing cash inflows of £103.2 million, including £136.6 million gross proceeds from the sale of several properties offset by £47.3 million capital expenditure and £83.1 million for the acquisition of 25-31 James Street, Broadwick Street and Marshall Street. £94.1 million was received on the sale of our interest in Longmartin as well as a £1.2 million dividend during the year. A £4.0 million loan repayment from the Lillie Square investment was also received.
- The £170.0 million financing outflow reflects the net movement in facilities drawn and repaid in the year. £3.1 million of costs have been incurred on the arrangement of new facilities in the year.
- Total dividends paid in the year excludes the £4.3 million paid to the Group entity which holds 128.4 million shares as security under the terms of the exchangeable bonds. Following the dividend threshold test, as set out in the exchangeable bond conditions, substantially all the dividend was subsequently retained by the Group.

Going concern

Further information on the going concern assessment is set out in note 1 'Principal accounting policies'.

The Company has a strong balance sheet with EPRA loan-to-value of 27.4 per cent, group interest cover of nearly three times before administrative costs, and access to cash and undrawn facilities of £559.8 million as at 31 December 2024. There remains sufficient liquidity and debt covenant headroom even in a downside "severe but plausible" scenario.

There continues to be a reasonable expectation that the Group will have adequate resources to meet both ongoing and future commitments for at least 12 months from the date of signing these financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the 2024 Annual Report.

Situl Jobanputra
Chief Financial Officer

26 February 2025

Risk management

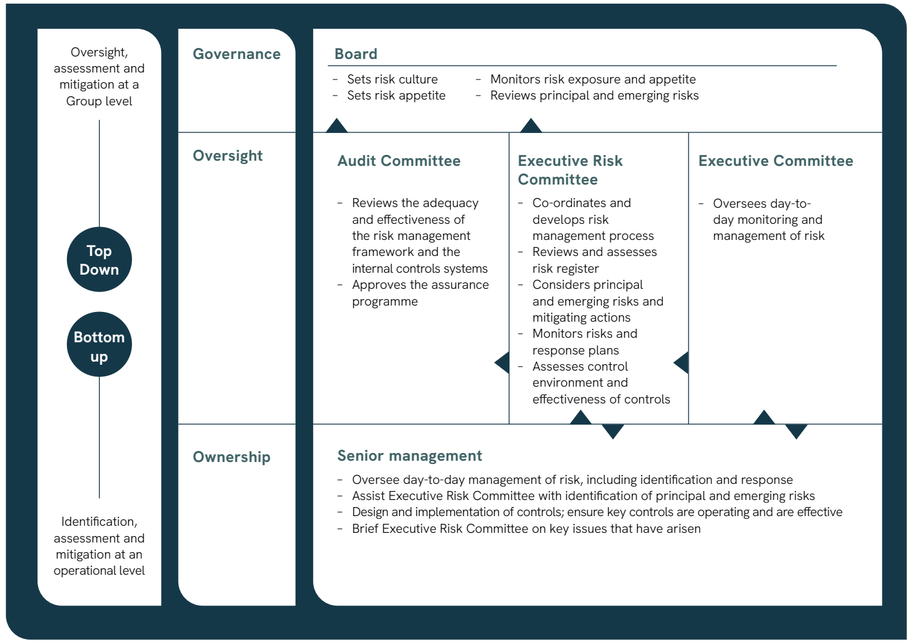
Risk management

The Board has overall responsibility for Group risk management. It determines its risk appetite and reviews principal risks and uncertainties regularly, together with the actions taken to mitigate them. The Board has delegated responsibility for the review of the adequacy and effectiveness of the Group's internal control framework to the Audit Committee.

Risk is a standing agenda item at management meetings. This gives rise to a more risk-aware culture and consistency in decision-making across the organisation in line with the corporate strategy and risk appetite. All corporate decision-making takes risk into account, in a measured way, while continuing to drive an entrepreneurial culture. The Executive Committee is responsible for the day-to-day commercial and operational activity across the Group and is, therefore, responsible for the management of business risk.

The Executive Risk Committee, comprising the Chief Executive, Chief Financial Officer, members of the Executive Committee, General Counsel, Group Financial Controller, Director of Transformation and Technology, Head of Sustainability and Head of Health and Safety, is the executive level management forum for the review and discussion of risks, controls and mitigation measures. The corporate and business division risks are reviewed on a regular basis by the Executive Risk Committee, so that trends and emerging risks can be identified and reported to the Board.

Senior management from each part of the business identify and manage the risks for their area or function on a day-to-day basis and maintain a risk register. The severity of each risk is assessed through a combination of each risk's likelihood of an adverse outcome and its impact. In assessing impact, consideration is given to financial, reputational and regulatory factors, and risk mitigation plans are established. A full risk review is undertaken annually in which the risk registers are aggregated and reviewed by the Executive Risk Committee. The Directors confirm that they have completed a robust assessment of the principal and emerging risks faced by the business, assisted by the work performed by the Executive Risk Committee.



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Risk appetite statement

The Group risk appetite statement is designed to set the right tone at the top for the Group and support decision-making at a strategic level by the Board and the Executive Committee. This statement provides guiding principles to support decision-making at both a Board and senior management level. The Group's risk appetite statement is reviewed and updated by the Board at appropriate intervals and, in any event, on an annual basis. The Group's risk appetite statement has been communicated to senior management who are responsible for incorporating the identified principles in decision-making. The Group's risk appetite statement is as follows:

"We invest to create thriving destinations in London's West End where people enjoy visiting, working and living. We use our expertise in property investment and our commitment to a strong balance sheet to take commercial risks in a measured way, so that we are able to deliver sustainable growth and long-term returns for our shareholders.

We are risk averse in relation to the impact of our business on the environment and on the health and safety of our people and the public, and it is a key priority for us that our business operates in compliance with laws, regulations and our contractual commitments."

Investing in one location presents an inherent geographic concentration risk and there are certain external factors which the Group cannot control. However, in executing the Group's strategy, we seek to minimise exposure to operational, reputation and compliance risks, recognising that our appetite to risk varies across different elements of the strategy, as shown in the diagram below. Recognising that risk appetite is not an "absolute", the diagram below shows an indicative range, reflecting that the Group may move higher or lower on the risk curve, as circumstances dictate.

Assessing risk

Risks are considered in terms of the likelihood of occurrence and their potential impact on the business. In assessing impact, a number of criteria are considered, including the effect on our strategic objectives, operational or financial matters, our reputation, sustainability, stakeholder relationships, health and safety and regulatory issues. Risks are assessed on both gross (assuming no controls are in place) and residual (after mitigation) bases.

To the extent that significant risks, failings or control weaknesses arise, appropriate action is taken to rectify the issue and implement controls to mitigate further occurrences. Such occurrences are reported to the Audit Committee.

The Group's processes and procedures to identify, assess, and manage its principal risks and uncertainties were in place throughout the year and remained in place up to the date of the approval of the 2024 Annual Report.

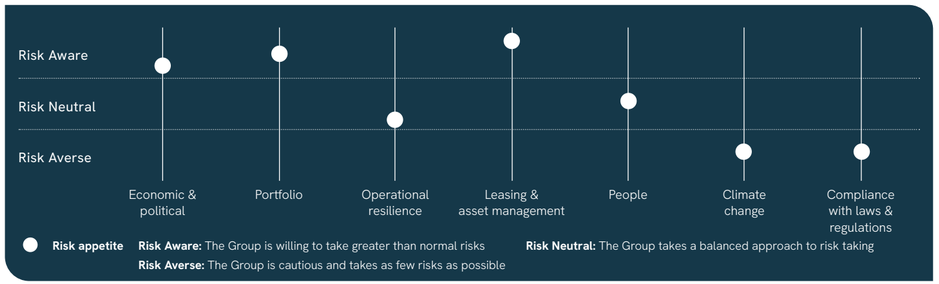
Internal controls

The main elements of the Group's internal control framework are set out below:

- Clear remit, terms of reference and schedule of matters for the Board and its Committees
- Close involvement of the Executive Committee in the day-to-day operations of the business, with regular meetings with senior management
- Delegated authority limits
- Daily monitoring of risks and controls by management
- Formal assessment by the Executive Risk Committee of strategic and emerging risks and the related controls or mitigations, with reporting to the Audit Committee
- Regular Board updates on operations, IT systems and cyber security
- Transparent tax strategy, published on the Group's website, which sets out the approach to tax risk management and governance
- Whistleblowing policy and hotline procedures, whereby employees and third parties may raise any matters of concern confidentially, are reviewed by the Audit Committee annually

Specific controls relating to financial reporting and the consolidation process include:

- Appropriately staffed management structure, with clear lines of responsibility and accountability
- A comprehensive budgeting and review system
- Board and Audit Committee updates from the Chief Financial Officer and Group Financial Controller, which include forecasts, performance against budget and financial covenants
- Formal reviews of the effectiveness of financial, operational and compliance controls by management and external advisers are reported to the Audit Committee
- BDO LLP ("BDO"), appointed as internal auditor of the Group, conducts regular audits of the Group's control procedures and reports its findings to the Audit Committee.



Risk outlook

During 2024, despite the challenging macro-economic backdrop and elevated geopolitical risk and volatility, we continued to deliver positive operational performance across the portfolio, reflecting the benefits of the Group's active asset management, together with the exceptional qualities and long-term resilience of the West End. Strong leasing demand continued across all uses, leading to high occupancy levels and strong rent collection.

The long-term impact of the macroeconomic and geopolitical factors, in particular evolving inflationary pressures and interest rates, on the future demand for, and use of, lettable space, evolution of consumer behaviour and travel patterns remain a consideration and the Board continues to monitor this.

Many of the Group's customers are exposed to the changes and challenges facing the retail and food & beverage sectors, including macroeconomic factors around the UK budget, such as availability and cost of credit for customers and their businesses, the potential for the level of consumer spending to be impacted by cost-of-living pressures, business and consumer confidence, inflation rates, energy costs, supply chain disruption, labour shortages and other operational costs.

If current global or UK macroeconomic conditions deteriorate this could impact UK real estate markets, resulting in downward pressure on the valuation of the Group's properties and gross rental income.

The Group's operations may be adversely affected if it fails to comply with climate and environmental regulation or its own environmental, social or governance standards. Operations may also be adversely affected by climate and environment related risks, which could lead to significant costs to mitigate environmental impacts.

Emerging risks

The Group monitors emerging risks to identify and assess those risks that may potentially impact upon its strategic plans. These risks are circumstances or trends which are often evolving rapidly which could significantly impact on the Group's financial strength, competitive position or reputation within the next three years or over the longer term. Generally, the impact and probability of occurrence are not yet fully understood and, consequently, necessary mitigations have not yet fully evolved.

The Group conducts a horizon scanning exercise to identify potential risks and emerging trends which may be impactful in the future. Based on this exercise, the most relevant emerging risks and opportunities are assessed to establish relevance and identify any additional remediation required. The prioritised emerging risks are further reviewed and validated by senior management to gain a better understanding of their impact and to develop strategies to address them. A non-exhaustive list of emerging risks is outlined on the right.

Emerging risks with a one-to-three-year time horizon include:

- UK political uncertainty and evolving geopolitical conditions;
- UK corporate reform and landlord/tenant legislation changes;
- Building Safety Act and changes to UK property valuation methodologies and practices;
- Green energy and sustainability priorities; and
- Disruptive technological advancements, which may include areas such as artificial intelligence, blockchain and metaverse.

Emerging risks with a longer-term horizon include:

- Changes in social dynamics, demographic shifts and trends in space usage, urbanisation and consumption and travel patterns;
- Longer-term climate change impacts;
- Consumer behaviour;
- Impact of digital currencies on consumer behaviour; and
- Residential rent control and regulatory tax changes.

Principal risks and uncertainties

The Group's principal risks and uncertainties, which are set out on the following pages, are reflective of where the Board has invested time during the year. Following a detailed review of the principal risks post-merger, certain risks have been disaggregated in the current year to clearly align the mitigating actions to the respective risks. This is reflected below. These principal risks are not exhaustive. The Group monitors a number of additional risks and adjusts those considered 'principal' as the risk profile of the business changes. See also the risks inherent in the compilation of financial information, as disclosed in note 1 'Principal Accounting Policies' within 'Critical accounting judgements and key sources of estimation and uncertainty'.

Principal risks overview

2024 risk	Change in the year
Economic and political	—
Portfolio	—
Operational resilience	—
Leasing and asset management	—
People	—
Climate change	—
Compliance with law and regulations	—

Key ▲ Increase — Stable ▼ Decrease

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Principal risks and uncertainties continued

Economic and political

2 3 4

- Impact of uncertain interest rate environment and lack of availability or increased cost of debt or equity funding
- Inflationary pressures on operating costs, including energy and the cost-of-living
- Adverse impact on business and consumer confidence, increased material costs, prolonged supply chains and reduced labour supply
- Decline in real estate valuations due to macroeconomic conditions
- Persistent significant discount in the share price relative to EPRA NTA
- Uncertain political climate and/or changes to legislation and policies following change in Government

Impact on strategy

- Reduced property return
- Reduced rental income and/or capital values as customers could suffer staff shortages, increased costs, longer lead times and lower availability of inventory
- Higher operating and finance costs
- Reduced financial and operational flexibility

Mitigation

- Maintain appropriate liquidity to cover commitments
- Target longer and staggered debt maturities, and diversified sources of funding
- Early refinancing of debt maturities
- Covenant headroom monitored and stress tested
- Fixed rate financing and derivative contracts to provide interest rate protection
- Monitoring proposals and emerging policy and legislation, with industry lobbying where appropriate
- Engagement with key stakeholders and local authorities

Context and actions taken:

The Group focuses on prime assets in the West End of London which historically have proved to be economically resilient.

The Group has had a long-term focus on maintaining a strong balance sheet, with sufficient liquidity and debt covenant headroom, to ensure it is able to withstand market volatility and take advantage of opportunities. As at 31 December 2024, the Group has access to cash and undrawn facilities of £559.8 million.

Extensive forecasting, stress testing and modelling of various scenarios has been undertaken, including sensitivities arising from the current macroeconomic environment, to help plan for future impacts on the business.

Funding, debt and treasury metrics are monitored on a continual basis with a focus on preserving liquidity and capital.

A downside scenario has been analysed in connection with the going concern assessment, details of which are set out in note 1 'Principal accounting policies' within 'Going concern'. The financial statements have been prepared on a going concern basis.

We remain in close dialogue with local authorities to understand future plans and work constructively to position the estate in the best possible manner.

See Chief Executive's statement on page 12 for further information.

Portfolio

1 2 3 4

- Inability of the Group to adopt the appropriate strategy or to react to changing market conditions or changing consumer behaviour
- Portfolio concentration
- Volatility in the investment market

Impact on strategy

- Inability to deliver business plan or a structural change to the business plan impacting returns or capital values

Mitigation

- Focus on prime assets, locations and uses where, in normal conditions, there is a structural imbalance between availability of space and demand
- Establish asset clusters to provide the opportunity to drive long-term growth and returns
- Regular assessment of investment market conditions including bi-annual external valuations
- Regular strategic analysis with focus on creating mixed-use destinations and residential districts with unique attributes
- Reconfigure and repurpose space to respond to, and anticipate, changing customer demand

Context and actions taken:

The Group focuses on prime assets in the West End of London primarily in the retail and food & beverage sector. The value of control over areas brings the ability to curate and drive growth over the long term. We actively promote our areas to drive footfall and curate areas to maintain places that are popular.

Sustained customer demand has led to low vacancy levels with consistently high footfall.

Through regular dialogue with potential and current customers and regular assessments of the market, we are able to better understand market demand and reconfigure space as appropriate.

See Portfolio and operating review on page 32 for further information.

Key ▲ Increase ⊖ Stable ▼ Decrease

Strategic priorities

1 Customer at the heart of the business
2 Creative and active approach
3 Disciplined financial management
4 Sustainable and community minded

Operational resilience

1 2 4

- Misconduct or poor operational or sustainability standards
- Poor performance from one of the Group's third-party advisers and contractors
- Catastrophic event such as a terrorist attack, natural disaster, health pandemic or cyber security crime

Impact on strategy

- Reduced rental income, higher operating costs, and/or reduced capital values
- Reduced financial and operational flexibility
- Diminishing London's status
- Business disruption or damage to property
- Reputational damage

Mitigation

- Supplier procurement policy and regular monitoring of external advisers
- Engagement with key stakeholders and local authorities
- Building reinstatement, loss of rent and terrorist insurance
- Detailed business continuity and crisis communication plans in place
- On-site security and cyber security in place
- Health and safety policies and procedures
- Close liaison with police, National Counter Terrorism Security Office (NaCTSO) and local authorities

Context and actions taken

Whilst being invested in one area is a risk, the Group's ownership in prime West End real estate is also a strength and an opportunity, providing control and allowing curation of the area to maintain places that are popular.

Given the high-profile nature of the Group's assets, the risk of an external event is inevitably heightened. It is therefore important that the Group maintains recommended levels of insurance and implements effective security and health and safety policies.

Business continuity plans for both employees and service providers, including introduction of external resources, if required, and other policies have been reviewed together with HR policies, technology and communication where appropriate. IT security systems that support data security and disaster recovery are in place.

Cyber security and its impact on data and IT infrastructure, including both widespread risks such as state-sponsored cyber-attacks and those targeted directly at our systems and data continues to be a key focus, with support from external advisers, including specialist consultants, to ensure appropriate controls and security protocols are in place. Employees are provided with regular cyber security and phishing training.

See Our purpose-led strategy and business model on pages 16 and 17 for further information.

Leasing and asset management

1 2 3 4

- Inability to achieve target rents or to attract target customers due to market conditions
- Competition from other locations/formats
- Unfavourable planning/licensing policy, legislation or action impacting on the ability to secure approvals or consents

Impact on strategy

- Decline in customer demand for the Group's properties
- Reduced income and increased vacancy
- Reduced return on investment and development property

Mitigation

- High quality customer mix
- Strategic focus on creating mixed-use destinations with unique attributes
- Engagement with local and national authorities
- Pre-application and consultation with key stakeholders and landowners
- Regular assessment of market conditions and development strategy
- Business strategy based on long-term returns

Context and actions taken:

The Group takes measured risks by using its expertise in place-making and creative and active asset management to deliver long-term value through rental growth and attracting new customers. During 2024, leasing activity remained strong, with high occupancy levels reflecting the strength of demand for prime central London real estate.

Many of the Group's customers are exposed to the changes and challenges facing the food & beverage sectors, including macroeconomic factors, such as availability and cost of credit for customers and their businesses, the potential for the level of consumer spending to be impacted by cost-of-living pressures, business and consumer confidence, inflation rates, energy costs, supply chain disruption, labour shortages and other operational costs.

The Group looks for opportunities to create or enhance value in the portfolio through the planning process, cognisant of the risks but using our experience and skill to deliver our objectives.

The Group has a focused leasing and marketing strategy, ensuring the business is well-positioned. The Group regularly engages with suppliers to understand their ability to meet our requirements and standards.

See Portfolio and operating review on page 32 for further information.

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Principal risks and uncertainties continued

People

1 2 4

- Inability to retain and recruit the right people and develop leadership skills within the business
- Key person risk as the Group has a relatively limited headcount

Impact on strategy

- Inability to execute strategy and business plan
- Constrained growth, lost opportunities
- Pressure on corporate costs

Mitigation

- Succession planning, performance evaluations, training and development
- Long-term and competitive incentive rewards
- Flexible and modern working practices

Context and actions taken

The success of the business is down to a dedicated team of skilled and talented individuals working collaboratively. The health and well-being of our people is of the utmost importance including the ability to create a culture and environment that allows each person to grow, develop and perform to the best of their abilities.

There remains a risk of illness or absence across employees, management or service providers which would disrupt the day-to-day activities of the Group's business and running of the estate. Team communication strategies have been implemented to ensure managers can adequately supervise and support employees where they are working from home.

Recruiting and on-boarding policies have been adjusted where necessary to ensure that the business is able to continue to attract, develop and retain the best possible resources.

We continue to monitor closely employees' mental and physical well-being and the health and safety of our employees and service providers remains a top priority with regular seminars and webinars from external experts.

See Our people and culture on page 100 for further information.

Climate change

1 2 4

- Physical impact on our assets from rising temperatures or other extreme climate-related event such as flooding
- Transitional challenge of increasing and more onerous compliance and reporting requirements, as well as retrofitting, insuring or leasing our heritage assets on an appropriate whole life carbon basis
- Inability to keep pace with customer and consumer demand for proactive action to manage and mitigate climate-related risk

Impact on strategy

- Reduced income, capital values or business disruption
- Increased operating costs to meet reporting and target metrics and compliance
- Increased capital costs of retrofitting, or inability to resolve listed building or planning challenges, leads to buildings becoming carbon stranded
- Reduced income through lower rents and longer void periods due to reduced customer demand

Mitigation

- Company manages climate-related risks and opportunities and sustainability team in place
- Net Zero Carbon target has been reset to 2040 to align with the Science Based Targets initiative long-term carbon reduction targets. For more detail on the mitigation measures in place for climate risk, please refer to the Group's TCFD disclosures in the 2024 Annual Report as well as the Group's Net Zero Carbon Pathway
- Active management plan with external reporting via recognised indices and benchmarks, including EPRA, CDP, MSCI and GRESB
- Continued engagement with stakeholders in order to preserve heritage buildings, while enhancing environmental performance
- Pro-active customer and consumer engagement programme and setting of appropriate climate-related targets on both development and operations

Context and actions taken

The Group believes in taking a responsible and forward-looking approach to environmental issues and the principles of sustainability. The Group recognises the responsibility to tackle climate change. It is committed to meeting our 2030 carbon reduction targets and has reset our Net Zero Carbon target to 2040 to align with the SBTi long-term carbon reduction requirements. As a long-term steward of the West End, the Group understands the benefits of a strong track record of restoring and celebrating the heritage of the area through considered refurbishments and developments.

The Group has made material progress in the decarbonisation of the portfolio. We are at a critical point for action and will continue our efforts in 2025 to reduce greenhouse gas emissions in our buildings and operations. This requires more innovative and sustainable ways of working, and includes our supply chain partners across development and operational disciplines, our customers, as well as our corporate actions.

See TCFD report on page 66 and the Net Zero Carbon Pathway on our website: https://www.shaftesburycapital.com/en/responsibility/environment/net-zero-carbon-pathway.html.

Key: Increase | Stable | Decrease

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1 Customer at the heart of the business
2 Creative and active approach
3 Disciplined financial management
4 Sustainable and community minded

Compliance with law and regulations

1 2 3 4

- Breach of legislation, regulation or contract
- Inability to react to or anticipate legal or regulatory changes, including potential changes to the Landlord and Tenant Act or other associated reforms
- Accidents causing loss of life or very serious injury to employees, contractors, customers and visitors to the Group's properties; or near misses of the same
- Exit from REIT regime due to non-compliance with REIT requirements

Impact on strategy

- Prosecution for non-compliance with legislation
- Litigation or fines, reputational damage
- Distraction of management

Mitigation

- Appointment of external advisers to monitor changes in law or regulation
- Members of staff attend external briefings to remain cognisant of legislative and regulatory changes
- Health and safety procedures, training and governance across the Group
- Appointment of reputable contractors
- Adequate insurance held to cover the risks inherent in property ownership and construction projects

Context and actions taken

Compliance with law and regulations, including health and safety, remains a key priority for the Board.

Protocols are in place and communicated across the various stakeholder groups to ensure everyone is aware of new legislation and requirements.

The health and safety of our people and the public is a key priority. The Group works closely with its stakeholders to mitigate health and safety risks.

We remain in communication with HMRC regarding our REIT status, the Group's ability to comply with the requirements and the approach which HMRC will take in relation to any breach of the REIT conditions.

See Corporate governance report on page 104 for further information.

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Task Force on Climate-related Financial Disclosures

This disclosure is the second for Shaftesbury Capital and is consistent with all 11 recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). It includes a summary of risks and opportunities with all information required by the UK Listing Rules, the TCFD Annex all-sector guidance and the supplemental guidance for materials and buildings. We will continue to improve our data to develop our understanding of risks and opportunities for future disclosures. Supplementary detail is set out in our long-form TCFD report on our website: https://www.shaftesburycapital.com/en/responsibility/policies-and-reports.html

Our portfolio remains concentrated in the West End of London, and the combined business remains entirely subject to a UK regulatory framework. There have been no year-on-year changes in our business strategy or assets that would materially impact our climate-change-related risks and opportunities. This disclosure aligns with the corporate definition of materiality as set out on page 167. As set out in this disclosure we have continued to refine our understanding of climate risks and opportunities, particularly with regards to physical climate risk exposure.

Our quantitative assessment of physical risk has been updated during the year and, building on pre-existing qualitative analysis, we have continued to monitor relevant UK regulatory changes which could adjust our view of transition risk. We have reported no material changes in either physical or transition risk.

We are committed to strengthening our approach to addressing climate-related risks and opportunities. Under the oversight of the Group's Board and Executive Committee we have continued to embed the TCFD recommendations into all our relevant practices. Climate risks and opportunities are considered by the Audit Committee on behalf of the Board, with day-to-day management through the Executive Committee. In this disclosure we outline our approach to identifying and managing climate-change-related issues, addressing both risks and opportunities.

We have reset our Net Zero Carbon commitment, including setting a long-term target to reduce relevant Scope 1, 2 and 3 emissions by 90 per cent by 2040, from a 2019 baseline. This builds on near-term reduction targets for 2030. Our near- and long-term targets have been validated by the Science Based Targets initiative ("SBTi") and are ahead of UK national targets and 1.5°C science-based reductions.

Governance

Describe the Board's oversight of climate-related risks and opportunities	The Board has ultimate oversight of and responsibility for the management of climate-related risks and opportunities, overseeing the Group's Environment, Sustainability and Community ("ESC") Strategy, performance against our near-term 2030 carbon reduction targets and progress towards our 2040 Net Zero Carbon aspirations. Recognising the strategic importance of these matters to the business, the Board supports the Group's climate-related initiatives and their reflection in our values. During the year, following recommendation from the Executive Committee, the Board approved our updated Net Zero Carbon near-term and long-term targets. Oversight of sustainability matters (including consideration of climate-related risks and opportunities and implementation of the Group's Sustainability Strategy and Net Zero Carbon Pathway), is a matter for consideration by the whole Board, with the Chief Executive having overall responsibility. The Chief Executive, CFO and Senior Independent Director have relevant climate change and environmental, social and governance ("ESG") experience. This includes chairing ESG related committees at Board level for Shaftesbury Capital and other listed UK companies. Further climate change expertise is provided to the Executive Committee and the Board by our sustainability team. Consideration of climate-related risk is considered in the Group's risk management activities overseen by the Executive Risk Committee, in line with the process set out on page 59 of this Annual Report. The Executive Risk Committee considers risks quarterly and reports to the Board. In 2024, the Audit Committee considered the reporting of climate-related risks and opportunities including, the financial year end greenhouse gas ("GHG") and environmental data disclosures and this TCFD report. Changes to our Net Zero Carbon targets were discussed and agreed by the Board. *More information on the Audit Committee and the Executive Risk Committee, including the frequency of their meetings, can be found on pages 114 and 132 to 137 of this Annual Report.*
Describe management's role in assessing and managing climate-related risks and opportunities	The Executive Committee has responsibility for reporting on ESC matters to the Board. During the year, the Executive Committee was supported by the ESC Management Committee, which was chaired by an Executive Director. The ESC Management Committee met at regular intervals and included senior representatives from across the organisation. The ESC Management Committee was responsible for monitoring the delivery of the Company's ESC Strategy, review of climate-related risks and mitigating actions, and considering progress towards our Net Zero Carbon 2040 target. Climate-related risks are considered by the Executive Risk Committee as part of the Group's risk management process, based on assessments submitted by the business units and the Head of Sustainability. This is set out in more detail on pages 59 to 65. The sustainability team is fully integrated into the real estate investment management ("REIM") team. Senior management from REIM, including Executive Directors, are actively involved in the ongoing management of climate-related risks and opportunities, in particular with regard to the efficient planning and delivery of our carbon reduction plans, compliance with regulatory requirements and stakeholder expectations. Our Executive Directors have ESC objectives under the annual bonus plan, including action on climate change where applicable, as described on pages 154 and 157. All employees have a "positive impact" target as part of their annual bonus objectives, which include climate-related targets where appropriate.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	In identifying and assessing the potential climate-related risks and opportunities that may impact the business, the following time horizons are considered. These allow for appropriate financial planning to execute strategies to address climate-related risks and realise opportunities. **Short-term:** 0 – 3 years **Medium-term:** 3 – 10 years **Long-term:** 10 – 30 years The time horizons defined are also influenced by the rolling timing of lease events. Our assets are wholly located in a relatively small geographical area from the perspective of climate risk, and under a single regulatory jurisdiction. This limits the scope of physical and transition risks that we face; however it may increase our exposure to a single event. The Group has determined that there has been no year-on-year material change in transitional risk exposure such as UK legislation or customer behaviour. Furthermore, there has been no material change in the portfolio. This means that transitional risk assessment undertaken in previous years remains relevant and we have been able to focus our efforts on advancing our understanding of exposure to physical climate change risks across the whole portfolio, as set out on page 64. Risks and opportunities identified apply to the whole business. **Physical risk** Climate-related risks and opportunities have been identified as part of a high-level portfolio climate risk assessment. This assessment has contributed to a broader understanding of the physical climate hazards to which the portfolio is exposed and the risk that they may pose to assets in the present day, and in the future, under different emission scenarios. Further detail on the methodology used is set out on page 70. Whilst most assets in the portfolio are assessed as having low exposure to most physical climate hazards under all emissions scenarios and time horizons, there are locations where surface water flood and drought stress may pose a medium or higher risk before any mitigation actions are considered. Surface water flooding is ranked as the greatest risk, with 55 assets out of 635 at potential high-risk based on location before mitigation. River and sea flooding and storm surges are not considered to be a concern in the short to medium term, due to the portfolio's distance from the River Thames and protection provided by the Thames Barrier. The physical climate risk analysis was undertaken without the consideration of mitigation actions, in order to better understand the underlying risk. With the application of mitigations and the purchase of suitable insurance, we consider the risks to be well managed and the residual risk to be acceptable. We also recognise the risks of indirect physical impacts, such as damage to the London transport network, that would inhibit the operations of our customers and visitors. Overall, additional analysis undertaken in 2024 supports our assertion that there is no need to consider revising our long-term investment strategy, in terms of either building type or location, within any of the scenarios considered.

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Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term (continued)	**Transition risk** Transition risk was reviewed again in 2024 using the "balanced", "tailwinds" and "headwinds" pathways from the "Buildings" section of the UK Sixth Carbon Budget to reflect the analysis used in 2023. Balanced Pathway: this scenario reflects upgrading existing energy efficiency measures in all commercial buildings; significantly scaling up the market for heat pumps as a critical technology for decarbonised space heating; expanding the roll-out of low-carbon heat networks in heat-dense areas; and facilitating a potential role for hydrogen in heat. Tailwinds Scenario: A scenario characterised by high levels of behavioural change, research and development (R&D) and implementation of low-carbon technology. The UK's climate goals are achieved well ahead of the 2050 target under this scenario. Headwinds Scenario: A scenario whereby the UK still meets its 2050 Net Zero target, but initial progress is slow; under this scenario, there is limited progress in behavioural change, energy efficiency measures and low-carbon technology roll-out. This desktop assessment concluded that there is no material year-on-year change to most significant transition risks, which arise from: i. short-term risks relating to existing and emerging regulation including on Energy Performance Certificates ("EPC") and enhanced disclosure requirements ii. medium-term transition risk through customer demand for more sustainable assets faster than these can be delivered iii. medium- to long-term transition risk from inability to upgrade heritage buildings due to policy or building configuration. We recognise ongoing development in ESG reporting, both within the UK and more widely, that may require additional resources to be applied to our disclosures, but these are not expected to be material. We are also aware that a constraint in electrical supply in central London may become a limiting factor to the transition to low-carbon energy in our heritage buildings. Whilst this is not currently a material risk and is not impacting our operations, we will undertake further assessment to plan sufficient capacity as we continue the electrification of our portfolio. We currently estimate a capital expenditure of approximately £40-45 million to 2030 (17 per cent of current annual capital expenditure) to achieve the energy efficiency improvement required for expected changes to Minimum Energy Efficiency Standards ("MEES") regulation and which also contributes to meeting our decarbonisation targets. Our refurbishment scope already mandates a minimum ("EPC") rating in line with proposed MEES regulations and therefore a significant proportion of these sums are already included in our capital expenditure budgets for business planning. While this figure remains an estimate and will continue to be refined, it is informed by the detailed CRREM-aligned audits and our good progress to date, with c. 70 per cent of the commercial portfolio ERV now holding an EPC rating of A-B. Our commitment to offset Scope 1 and 2 GHG emissions from 2025 has been estimated to cost less than £40k annually. In additional, a review has been undertaken on the likely cost of offsetting to meet our Net Zero Carbon commitments from 2040 and the Board is comfortable that it is acceptable.
	Climate-related opportunities Climate-related opportunities principally arise in the short term from: i. improved ability to attract and retain customers in energy-efficient buildings ii. consequent reduced energy costs and associated emissions iii. reduced planning risk associated with a requirement to renovate poor-quality building stock to minimise embodied carbon. Medium-term opportunities can be realised by demonstrating the Whole Life Carbon benefit of heritage stock and leveraging our expertise in the de-carbonisation of heritage buildings. We may seek further planning preference for refurbishment before rebuilding to minimise embodied carbon, and our portfolio is well positioned to take advantage of this. *The summarised risks and opportunities are set out in the table on pages 72 to 74 of this report and in our TCFD report on our website: https://www.shaftesburycapital.com/en/responsibility/policies-and-reports.html*

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	The impact of climate change on the whole business is considered by the Board both through our approach to risk management and wider organisational strategic planning. Our sustainable development requirements ensure that climate-risk-specific improvements and mitigations are scoped into our existing capital expenditure refurbishment budget. Detailed energy audits completed in 2023 were expanded to 40 assets during 2024 as part of our response to the statutory Energy Savings Opportunity Scheme ("ESOS") reporting requirement. We are committed to long-term low-carbon investment in our assets, focusing on repurposing and refurbishment, rather than demolition and rebuilding. This maintains the heritage nature of our destinations, improves energy efficiency and minimises embodied carbon emissions associated with new development. It will also reduce the potential future liability associated with carbon offsetting and provides ancillary benefits in improved air quality. Our analysis of physical climate change risks has indicated that the portfolio has limited exposure and, beyond a review of a relatively small number of locations identified as being higher risk, the current approach to mitigation is sufficient. Our investment strategy aims to continuously improve the overall energy efficiency and climate resilience of our portfolio through our refurbishment programme. Based on current estimates we will spend approximately 0.14 per cent of portfolio value per year on energy efficiency upgrades. This enables us to adequately manage risks relating to proposed legislative changes such as MEES, which are material to the evolving needs of our customers and stakeholders. On this basis we currently expect to incur approximately £40-45 million by 2030 to achieve energy efficiency improvements required for expected changes to MEES regulation. These sums are already included in our capital expenditure budgets and the Group sets a minimum EPC rating of B in its commercial refurbishment programmes. We continue to refine our estimate of the incremental costs of delivering changes required to ensure assets are within a CRREM-aligned 1.5°C Net Zero Carbon Pathway. In 2024, we completed a detailed energy efficiency review on 40 of our assets to determine actions required to align with CRREM decarbonisation targets. A further exercise has been completed to extrapolate the cost across the portfolio using a range of assumptions such as applicability of interventions on individual assets and estimated capex requirement. These assumptions will be refined and tested in 2025 to validate the findings and embed the required actions in our development operations, determining where costs are additional to our planned activities. The analysis shows that our investment in asset refurbishment can lower operational costs to an extent that may result in improved commercial terms, reduced void periods and improved investment yields as assets meet customer and investor requirements. We have published an updated Net Zero Carbon Pathway, which sets out how we will deliver on our Net Zero Carbon commitment by 2040, ahead of the UK national targets. Our commitment includes "near-term" 2030 targets and "long-term" 2040 targets that have been validated by the SBTi. To date, we have reported a reduction of in-scope carbon emissions by 50 per cent against our 2019 baseline, which aligns with a 1.5°C trajectory. We define Net Zero Carbon as being when there is a balance between the amount of GHG emissions produced and the amount removed from the atmosphere. In line with SBTi, our definition of Net Zero Carbon also requires that a minimum carbon reduction of 90 per cent from our baseline year has been achieved before residual carbon can be offset. In our supply chain, we continue to prioritise partners and products which demonstrate high ethical and environmental standards. Our design scope prioritises climate resilience and adaptation. We continue to work with industry bodies and technology partners to trial technologies which support our goals.

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Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We are committed to investing for the long term in the West End of London, continually improving our portfolio to deliver energy-efficient and resilient buildings. We do not expect that the climate-related issues identified will necessitate a material change to our strategy, either asset classes or geographical location, in at least the medium term. We consider our mitigation actions to be effective and that the business is sufficiently resilient to the impacts of climate change that have been identified. Our qualitative and quantitative scenario analysis, as set out in the Risk Management section, allows us to identify the core areas for focused action to reduce emissions and enhance the long-term resilience of the portfolio. We will continue to review and update the scenario analysis as appropriate, using a range of climate scenarios. The careful consideration of investments, ongoing improvement of our assets and the Net Zero Carbon target will protect our long-term strategy from significant climate risk. Setting an ambitious net zero carbon target aligned with a 1.5-degree pathway reduces the risk that we will need make our targets more ambitious. We have clearly set out the level of decarbonisation required by 2030 and 2040, so the business can make long-term decisions and stakeholders are aware of our commitments. In addition to the scenario analysis described above, Shaftesbury Capital completed CRREM-aligned detailed Net Zero energy audits during 2024. The findings identified both interventions and estimated related costs which are being considered by the business. Some of these interventions can be implemented with our customers in situ. Others would need to be undertaken when properties are vacant. Our detailed energy audits undertaken to date will help refine our estimate of costs and related operational and carbon savings associated with our refurbishment programmes.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risk	Our process of identifying and assessing climate-related risks uses the same methodology as all business risks and is incorporated into the Group's principal risks. The portfolio physical climate risk assessment has considered how risk changes against strategic time horizons to facilitate effective risk management, informing the implementation of strategies to manage climate-related risks and capitalise on opportunities. Detail can also be found on the whether the risk is increasing, decreasing or stable, which is a useful mechanism for risk prioritisation. Climate-related risk has been identified as a principal risk. To assess the relative significance of the principal risks (which are detailed on pages 59 to 64 of this Annual Report), each has been assigned a likelihood and impact score from which a risk ranking is allocated. More information about the process for assessing the size and scope of risks can be found on page 60 of our Annual Report. Climate-related physical risks have been identified using the "Climate X" data projection platform Spectra. Risk ratings have been determined for relevant physical climate hazards by combining likelihood and severity scores. The risk assessment has considered how risk changes against strategic time horizons, to facilitate effective risk management. Assets that have been identified as higher risk will be subject to a more detailed review in 2025 to determine if any further mitigation actions are required. Our transition risk analysis drew on a third-party review of the market. This project was initially undertaken in 2021 and has been updated in 2024. In all our analysis, we have used three climate change scenarios representing low, medium and high emissions (RCP 2.6, RCP 4.5 and RCP 8.5) to understand the range of potential climate outcomes, aiding in comprehensive risk understanding and strategic planning. This approach addresses compliance with regulatory and stakeholder recommendations, informs investment and resource allocation and enhances resilience. We assume that these scenarios will not be exceeded across the timelines identified. *Please see pages 59 to 64 for further information on risk management and our principal risks*

Describe the organisation's processes for managing climate-related risk	We have an Executive Risk Committee, comprising the Executive Directors, members of the Executive Committee, General Counsel, Group Financial Controller, Director of Transformation and Technology, Head of Health and Safety, and Head of Sustainability. This is the executive-level management forum for the review and discussion of risks, controls and mitigation measures. Senior management from each business function identify and manage risks for their division and complete and maintain a risk register. Climate-related risks and opportunities are presented to the Board. Physical risks are managed and mitigated through our ongoing programme to improve the energy efficiency of our buildings and our investment in increasing green space across our portfolio. We have comprehensive SBTi-validated near-term and long-term targets for Scope 1, 2 and 3 emissions, which will be the foundation of our carbon emissions reduction strategy as we progress towards a Net Zero Carbon position by 2040. *Principal risks have been mapped to the most relevant strategic priority, which can be found on pages 61 to 65.*
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	The Board has overall responsibility for the Group's risk management, determining risk appetite and reviewing principal risks and uncertainties regularly, together with the actions taken to mitigate them. Awareness of climate-related risks is integrated into the organisation via a programme of employee engagement and training. For certain areas of responsibility, specific job-related individual training is delivered, for example relating to matters such as EPCs, gathering of data and embodied carbon calculations. The Head of Sustainability is a member of the Executive Risk Committee and is responsible for highlighting climate risks in the context of wider business risk discussions. The Executive Risk Committee meets quarterly and reviews significant risks to the business, operational and financial, including sustainability-related risks. A risk report is produced by the Executive Risk Committee and is submitted to the Board. Principal risks are disclosed in the interim results and Annual Report.

Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Key metrics used to assess climate-related risk and progress against our Net Zero Carbon targets are set out in the summary Risks and Opportunities table on pages 72 to 74. Performance against our key climate-related metrics is set out on pages 93 to 95.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Please refer to the summary table on pages 72 to 74 and to our TCFD report on our website: https://www.shaftesburycapital.com/en/responsibility/policies-and-reports.html. Performance against our key climate-related metrics is set out on pages 93 to 95.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks	A detailed breakdown of Scope 1, Scope 2 and Scope 3 GHG emissions is disclosed on page 94 of this Annual Report, and the methodology for the calculations can be found on page 234. In line with Streamlined Energy and Carbon Reporting ("SECR") requirements, energy use and an intensity metric are disclosed on page 95.

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Risks summary

Risk type	Risk description	Timeline	Impact on business strategy & financial planning	Mitigation	Metrics & Targets[1]

Physical	**Chronic long-term climate change, flood risk and extreme weather including:**
	– hotter summers leading to higher costs to maintain indoor temperatures
	– localised flooding and storm damage, and time associated with building design and retrofit for increased rainfall resilience
	– disruption to local energy and transport network from extreme weather, in particular combining a flood with a possible failure of the Thames Barrier
		Medium-term
		Long-term
			– inclusion of mitigations in our refurbishment scope. These are included at design stage and consequently do not result in material additional capital expenditure requirements
			– these requirements are supported by the planning framework in central London where we operate, which generally requires that these risks are considered. Therefore, the incremental costs above planning considerations are modest
			– sufficient insurance for potential climate events
			– we will formally update our asset exposure to physical climate risk at least every two years based on latest science-based scenarios and modelling. The costs of this exercise are modest and are incurred through administration costs
				– scenario analysis indicates higher risk of flash flooding to some assets and medium exposure to drought and heat stress
				– assets are not located in coastal or fluvial flood risk areas, so risk limited to flash flooding
				– refurbishment scope considers the following to mitigate risk and enhance future asset resilience:
				  – reduced water demand and efficiency measures
				  – design measures to prevent overheating
				  – incorporation of sustainable urban drainage features
				– inclusion of these actions into our adaptation activities in our combined Net Zero Carbon Pathway
					– continued reduction in GHG intensity from building energy use
					– reduce absolute water use through efficiency and harvesting by 5 per cent per annum
					– Scope 1 and 2 emissions reduction target (60 per cent by 2030, from a 2019 base year with interim intensity targets)
					– Scope 3 emissions reduction target (50 per cent by 2030, from a 2019 base year with interim intensity targets)
					– removal of all gas boilers (under our control) by 2030
					– 100 per cent renewable energy procurement
					– long-term 2040 SBTi-validated Net Zero Carbon target

Transition	**Policy risk from emerging regulation:** – enhanced GHG emissions reporting – evolving real-estate-specific regulations, such as Minimum Energy Efficiency Standards ("MEES") – potential conflict between heritage requirements and energy efficiency – improvement beyond MEES requirements – potential impact of nature-related regulation including the Environment Act requirements on biodiversity net gain and the Task Force on Nature-related Financial Disclosures	**Short-term** **Medium-term**	– failure to meet greenhouse gas ("GHG") requirements results in increased cost or longer void periods – unexpected new regulation results in longer planning or refurbishment periods – increased costs to analyse and meet new requirements – inability to meet nature-related requirements results in financial or reputational loss	– proactive approach to EPC and MEES management – detailed existing GHG reporting which goes beyond current statutory requirements, including all Scope 3 – CRREM-aligned detailed energy assessments exercise completed on 40 assets – committed programme to enhance data collection with timelines included in our Net Zero Carbon Pathway – regular review and internal reporting of upcoming climate regulation, and updates from professional advisers – SBTi approval of our carbon reduction targets	– continued reporting of asset EPC performance with detailed EPC targets by ERV in our Net Zero Carbon Pathway (2030: commercial 100 per cent B or above and residential 100 per cent C or above) – roll out of smart landlord utility meters – enhanced data coverage and accuracy targets and accelerated timeline as set out in our Net Zero Carbon Pathway – monitoring and reporting of biodiversity coverage – regular formal review of regulatory requirements and internal reporting at least annually
Transition	**Market risk of changes in market trends**: – customers seeking assets with greater sustainability credentials, which may reduce revenues if requirements cannot be met – less sustainable buildings may not meet debt or equity market requirements, resulting in reduced access to capital	**Medium-term**	– failure to meet market expectations would result in loss of asset values, rental income, and prolonged void periods. Therefore, impact on financial planning is to include as standard in our refurbishment scopes appropriate sustainability, energy efficiency and other credentials including BREEAM where appropriate – no yield adjustments are currently included in our business planning, but our viability assessment includes the impact of potential yield movements howsoever caused	– regular monitoring of industry research – use of internally developed sustainable development tool to ensure that each refurbishment maximises its ability to achieve sustainability credentials – continued budget allocation to research and innovation	– reporting of proportion of buildings by area with sustainability credentials – aim to achieve BREEAM rating on all relevant refurbishments
Transition	**Asset-specific risk:** – evolving risk in relation to the potential conflict between heritage buildings and energy efficiency – heritage restrictions impede energy efficiency measures resulting in market risks as above – adoption of fossil fuel removal and technologies is constrained by electrical supply capacity to our buildings – relative higher cost of electricity to gas impacts on occupier profitability and impacts rent	**Medium-term** **Long-term**	– consideration of technology appropriate to heritage buildings – drive behavioural change to use buildings as designed and maximise benefits – consideration of electricity capacity and potential constraints – CRREM-aligned Net Zero energy audits undertaken on a representative sample of buildings across the portfolio, to inform appropriate interventions and assess cost	– participation in appropriate industry research and lobbying on the balance between heritage and energy efficiency – research and inclusion of scalable heritage-appropriate energy efficiency measures in our internal refurbishment requirements – inclusion of heritage and listed buildings in our detailed CRREM exercise to determine costs and returns and understand related planning risk	– tracking of EPC and asset performance includes listed status, and listed units are not scoped out of 2030 EPC targets – proportion of gas (fossil fuel) boilers in both our and our customer demise is tracked

1. Shaftesbury Capital has set metrics against all risks and opportunities. For some of these, targets are being refined, and we will disclose these in due course

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Opportunities summary

Opportunity type	Opportunity description	Timeline	Impact on business strategy & financial planning	Actions to leverage opportunity	Metrics and targets[1]
Transition	**Revenue:** – sustainability-certified and energy-efficiency-enhanced buildings lead to better rents and capital values	**Short-term**	– potential to reduce budget void periods and improve investment yields for assets with higher energy efficiency and sustainability credentials. Note that this is not yet applied in forward business planning	– continue to increase EPC ratings and building certification coverage – track and evidence rent, incentive package and void differences across central London to support any changes in pricing, and incorporate into budgets and forecasting as trends emerge – provide evidence to valuers	– percentage of projects (major refurbishments) achieving certification
Physical / Transition	**Market/Technology:** – lower energy costs and emissions from more energy-efficient buildings through existing and new technology – reduced emissions and low embodied and operational carbon increase portfolio attractiveness to customers – improved technology enables use of on-site energy generation, and freeing up constrained electrical grid capacity	**Short-term**	– demonstration of lower embodied carbon, operational energy use and costs in the leasing market allows increased competitive tension in leasing process for prospective customers – self-generated renewable energy and increased energy efficiency help create headroom when modelling estate electricity requirements	– regular market review of available low-energy climate tech – pilots of new technology and processes to ensure scalable, and inclusion in standard refurbishment scopes where applicable – estate-wide review of renewable energy generation capability to identify opportunities that free grid capacity	– proportion of self-generated renewable power
Transition	**Reputational:** – demonstrate Whole Life Carbon benefit of heritage stock and lead in energy performance of heritage buildings – increased recognition of carbon benefit of retention and refurbishment increases value and attractiveness of our assets to customers, purchasers and investors – low exposure to risk that planning preference for retrofit does not allow demolition of poor-quality assets	**Medium-term**	– internal and external communication strategy to demonstrate the Whole Life Carbon benefits of heritage buildings – Whole Life Carbon assessments on relevant projects are undertaken on all refurbishment projects of sufficient scale – engage with heritage organisations, local authorities and industry bodies to champion the Whole Life Carbon benefits of energy-efficient heritage buildings	– Whole Life Carbon assessments – internal and external communications including stakeholder engagement across customers, local authorities and investors – identification of acquisition opportunities which may offer enhanced returns based on our ability to complete low-cost, low-carbon refurbishments	– proportion of Whole Life Carbon assessments undertaken – ability to accurately benchmark and forecast Whole Life Carbon for smaller projects – increase engagement with industry and heritage bodies

1. Shaftesbury Capital has set metrics against all risks and opportunities. For some of these, targets are being refined, and we will disclose these in due course

Viability statement

The Directors have assessed the viability of the Group over the three-year period to December 2027. The viability assessment takes into account the Group's current position and business plan projections, group financial forecasts and the potential impact of the principal risks set out on pages 59 to 65.

Whilst the Board monitors prospects over a longer period in the execution of the Group's strategy, the primary focus within the business planning process is on the first three years, therefore the Directors have determined that this remains an appropriate period over which to provide the viability statement.

The Directors confirm that they have no reason to expect a material change in the Group's viability immediately following the end of the three-year assessment period.

Assessment

In making the assessment, the Directors have taken account of the Group's resilient financial position, access to substantial liquidity, the Group's ability to raise new finance, and the low level of capital commitments together with the flexibility of future expenditure.

The West End occupational market continues to be strong, with excellent levels of leasing activity, low vacancy and continued customer sales growth. There is strong leasing demand across all uses, delivering rental income and valuation growth.

While geopolitical risk remains elevated and there is macroeconomic volatility, the West End and the Group's unique portfolio of prime investments have demonstrated remarkable resilience. The Group maintains a strong balance sheet with a focus on resilience, flexibility and efficiency. There is significant headroom against debt covenants and access to significant liquidity.

As at 31 December 2024, the Group had net debt of £1.4 billion, an EPRA LTV ratio of 27 per cent and Group interest cover of 2.9 times. The Group is projected to have sufficient cash reserves and undrawn facilities to meet debt maturities during the viability period. Drawn debt is at fixed rates or currently has interest rate protection in place. Interest rate hedging is in place which caps SONIA exposure at 3.0 per cent on £250 million of notional value to December 2025. Further hedging arrangements will be put in place as appropriate.

The business plan considers the Group's profits, cash flows, capital commitments, financial resources, funding requirements, debt covenants and other key financial risks. All of the Group's risks could have an impact on viability. Climate change is considered by the Directors to be an urgent issue and investment will be required to enhance the environmental performance, meet our 2030 carbon reduction targets and achieve Net Zero Carbon by 2040, but the costs anticipated within the viability period are not expected to be significant. The impact of climate change risks within the viability assessment period is expected to be limited. Interruptions to trade from severe weather events are possible but would likely be consistent with the impact considered in the downside assumptions.

The Directors consider the key principal risks that could impact the viability of the Group to be:

– Portfolio;
– Political and economic;
– Operational resilience; and
– Leasing and asset management.

The Directors placed particular emphasis on those risks which could result in reduced income and valuations or a shortfall in liquidity. Sensitivity analysis was carried out which involved flexing a number of downside assumptions to consider alternative macroeconomic conditions and the impact of these principal risks both individually and in combination.

Downside scenario

The Directors have assessed the impact of a potential downside scenario which reflects an economic downturn and incorporates the following assumptions:

– A reduction in forecast net rental income of approximately 20 per cent over the three year period;
– Elevated SONIA rates in excess of current market expectations during the three-year period; and
– A decline in property valuations of approximately 20 per cent compared to the 31 December 2024 valuation with outward yield movement of a further 100 basis points.

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Liquidity

As at 31 December 2024, the Group has cash of £110 million and undrawn facilities of £450 million. The Group's debt matures between March 2026 and 2037. Debt maturities during the viability assessment period:

- £162.5 million of private placement loan notes and £275 million exchangeable bond mature in 2026 and are assumed to be refinanced at terms reflecting current market conditions.
- £50 million of private placement loan notes mature in 2027 and are assumed to be refinanced at terms reflecting current market conditions.
- The £350 million unsecured loan facility matures in 2027 and has a one-year extension option available subject to lender consent.

Whilst the Board considers that financing risk is an important factor in assessing the viability of the Group, it has assumed that, even in the Directors' downside scenario, replacement funding could be put in place for debt maturities as demonstrated through the recent refinancing activity.

Covenant compliance

The downside scenario was carried out to evaluate the potential impact of certain principal risks materialising, in particular to stress test the Group's financing covenants. Under the downside scenario, the Group is expected to remain in compliance with the loan-to-value and interest cover covenants of its individual financing arrangements.

In addition to considering a downside scenario, reverse stress testing has also been undertaken by the Directors, which indicates that the Group could withstand a decrease of 45 per cent in income and valuations before reaching the limit on its debt financial covenants.

Conclusion

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the viability period to December 2027.

Non-financial and sustainability information statement

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

You can find some of these policies on our website: https://www.shaftesburycapital.com

Topics	Key policies and standards[1,2]	Additional information
Environmental matters	- Sustainability Policy - Environment, Sustainability and Community ("ESC") Strategy - Net Zero Carbon Pathway - Procurement and Supplier Management Policy - Supplier Code of Conduct - EPRA Sustainability Best Practice Reporting Recommendations Data Report	*For more on sustainability and environmental matters: see pages 78 to 96.* *For more on greenhouse gas emissions: see pages 93 to 95 and page 225.* *Responsibility section of our website: https://www.shaftesburycapital.com/en/responsibility.html*
Climate-related financial disclosures	- Task Force on Climate-related Financial Disclosures	*For more on action on climate change: see pages 66 to 74 and 93 to 95* *Responsibility section of our website: https://www.shaftesburycapital.com/en/responsibility.html*
Employees	- Our purpose-led strategy and business model - People Policy - Anti-Harassment and Bullying Policy - Directors' Remuneration Policy - Health and Safety Policy Statement - Business Code of Practice - Board Diversity and Inclusion Policy - Equal Opportunities and Diversity Policy - Neurodiversity Policy - Trans Inclusion Policy	*For more on people and culture: see pages 100 and 101.* *For more on diversity: see pages 129 and 130.* *For more on remuneration: see pages 138 to 140.* *People section of our website: https://www.shaftesburycapital.com/en/responsibility/people.html* *How we behave section of our website: https://www.shaftesburycapital.com/en/about-us/corporate-governance/how-we-behave.html*
Human rights	- Sustainability Policy - Modern Slavery and Human Trafficking Statement - Business Code of Practice	*For more on modern slavery: see pages 90, 116 and 122.* *For more on how we behave: see page 122.* *Modern Slavery and Human Trafficking Statement on our website: https://www.shaftesburycapital.com/en/index.html* *Responsibility section of our website: https://www.shaftesburycapital.com/en/responsibility.html*
Social matters	- ESC Strategy - Sustainability Policy	*For more on stakeholder engagement: see pages 44 to 49.* *For more on our ESC Strategy: see pages 80 to 81 and pages 88 to 90.* *For more on our community: see pages 97 to 99.* *Responsibility section of our website: https://www.shaftesburycapital.com/en/responsibility.html* *Community section of our website: https://www.shaftesburycapital.com/en/responsibility/community.html*
Anti-bribery and corruption	- Financial Crime Policy - Whistleblowing Policy - Tax Strategy - Business Code of Practice - Conflicts of Interest Policy - Expenses Policy - Anti-money Laundering Policy - Gifts and Hospitality Policy - Procurement and Supplier Management Policy - Supplier Code of Conduct - Share Dealing Policy	*For more on how we behave: see page 122.* *For more on conflicts of interests: see page 122.* *For our Audit Committee report: see pages 132 to 137.* *How we behave section of our website: https://www.shaftesburycapital.com/en/about-us/corporate-governance/how-we-behave.html* *Modern Slavery and Human Trafficking Statement on our website: https://www.shaftesburycapital.com/en/index.html*
Business model		*For more on our purpose-led strategy: see page 16.* *For more on our business model: see page 17.*
Principal risks and uncertainties		*For more on our principal risks and uncertainties: see pages 61 to 65.* *For our viability statement: see pages 75 and 76.*
Non-financial key performance indicators		*For more on non-financial key performance indicators: see page 21.*

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

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Our environment, sustainability and community approach and strategy

Our aim is to be considered the destination of choice for sustainability-focused customers, suppliers and partners in the West End.

At Shaftesbury Capital sustainability is central to our values and we are committed to investing for the long-term. We take a responsible and forward-looking approach, operating in an environmentally and socially sustainable manner, to meet the changing needs of our stakeholders. We continue to work towards our aim to be recognised as a leader in the sustainable development of heritage buildings.

Our Environment, Sustainability and Community ("ESC") Strategy is fundamental to our business, delivering value for stakeholders through our long-term approach and responsible stewardship of our destinations.

Our approach is built on the principle of extending the useful life of our heritage buildings through refurbishment, rather than demolition and redevelopment. This ongoing reconfiguration and repurposing of our spaces protects the unique heritage of our portfolio whilst improving energy efficiency. In meeting the evolving needs of our customers, we will expect to see a positive impact on demand, long-term value and resilience to the impacts of climate change.

During 2024 we reviewed and focused our strategy on the areas that are most material to our business and where we can have the most positive impact. We have identified the UN Sustainable Development Goals ("SDGs") that are most applicable and mapped these against our strategy.

We have reset our comprehensive Net Zero Carbon target to 2040 to align with the Science Based Targets initiative ("SBTi") long-term carbon reduction requirements. These targets have been validated by the SBTi and will be achieved through our carbon-efficient "retrofit first" re-use and management of heritage buildings. Recognising that our heritage buildings are a significant long-term store of carbon, we focus on minimising embodied carbon emissions associated with repurposing and refurbishment of buildings through the retention and re-use of structures, façades and materials. Our Net Zero Carbon targets and emission reduction progress is explained in more detail on page 93 to 95.

We continue to embed sustainability within our business, to make improvements to the energy efficiency of our buildings, improve the quality of our data and clearly communicate with stakeholders. Sustainability has been fully integrated into real estate investment management ("REIM") and our dedicated Head of Sustainability reports to the Executive Director responsible for operations. We have focused on improving our environmental data quality, achieving a 67 per cent coverage of landlord smart utility meters and a 57 per cent coverage by area of actual data for tenant energy consumption.

A three-year community strategy has been set to maximise our positive impact and formalise a comprehensive methodology for measuring outcomes. Following a detailed review, our primary strategic focus will be supporting local employment, the area identified as most relevant to our local communities and where, through partnerships and collaboration, we have an opportunity to create the most value. This is set out in more detail in the Community Investment report on pages 97 to 99.

Progress made against our strategy is set out on page 88.

ESC strategy

Our strategy aims to sustainably add value to our buildings and tackle climate change whilst supporting local communities and our people.

Buildings

Be a leader in the sustainable development of heritage buildings; sustainably adding value and delivering a Net Zero Carbon portfolio by 2040

SDGs

How we deliver

Low-carbon "retrofit first" reuse of our heritage buildings

Implement energy-efficient retrofit and encourage low-carbon behaviours

Integrate new technologies and make "data led" decisions

Emissions reduction

8%

Reduction in year-on-year reported Scope 1 and 2 emissions

Read more on pages 91 to 95

Places

Behave as a good neighbour and support our local community: creating sustainable and healthy places

SDGs

How we deliver

Consider future climate scenarios in the design of our buildings and places

Focus on issues that impact our local community

Increase biodiversity and create healthier places

Community investment

£0.9m

Value of community investment

Read more on pages 96 to 99

People

Support our people by promoting diversity, talent development and creativity across our team

SDGs

How we deliver

Promote an equitable and diverse culture across our business

Provide personal and career development

Maintain a positive health and safety culture throughout the Company

Employee engagement

82%

Engagement rate in our 2024 survey

Read more on page 100 to 103

Underpinned by:

- Our values
- Innovation
- Effective governance

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Our ESC governance structure

Sustainability governance

Sustainability is at the heart of our values, and we are committed to delivering the change that is required to achieve our sustainability aspirations. The Board has oversight of sustainability, with Ian Hawksworth as Chief Executive, having overall responsibility. Day-to-day review of sustainability is undertaken by members of the Executive Committee and the senior management team, with regular reporting to the Board. In 2024, we decided that sustainability and Net Zero Carbon should be a matter for consideration by the whole Board, and the ESC Board Committee was dissolved.

Board and Audit Committee

The Board retains oversight of sustainability, including consideration of climate-related risks and opportunities and implementation of the Group's Sustainability Strategy and Net Zero Carbon Pathway. The Audit Committee reviews our TCFD and SECR disclosures.

ESC Management Committee

Considers sustainability policies, targets and progress by senior management. Reports via the Executive Committee.

Executive Risk Committee

Considers sustainability-related risk, in particular climate change risk.

Community Investment Forum

Considers our community investment, in particular applications to our community investment fund. Reports via the Executive Committee.

Management

We have a dedicated Head of Sustainability who reports to the Executive Director responsible for operations, alongside the Head of Property Management and Head of Project Management who play an active role in the delivery of our Sustainability Strategy. Sustainability activities are supported by the Head of HR and our Health & Safety Committee.

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Our ESC approach in action

Buildings

1. Implementing sustainability on Floral Street

The Floral, our latest refurbishment on Floral Street, is a showcase for the way in which we apply our sustainability aspiration on major projects. Nearing completion, The Floral will be certified BREEAM Outstanding and WELL Platinum, demonstrating our ability to achieve sustainability and wellness best practice in our refurbishment schemes. With our focus on minimising embodied carbon, we retained window frames and refurbished the existing raised access floor. Gas has been removed from the building, replaced by an electric air sourced heat pump and supplemented with photovoltaic panels to the roof. Our ongoing commitment to increasing biodiversity is incorporated with a 112m² biodiverse green wall.

Places

2. Detailed energy audits

A detailed energy efficiency study has taken place on 40 of our assets, selected due to high energy usage but also to be a representative sample of the portfolio. Findings from the 40 assessments have then been used to assess performance against CRREM decarbonisation trajectories and identify typical actions that will be required to reduce carbon emissions. During 2025, we will integrate the learning from our CRREM analysis into individual asset improvement plans.

Places

3. Our fitted office concept – circular economy in action

Our fitted office concept not only provides great fitted space but applies fundamental principles of longevity and circular economy to reflect our sustainability aspirations, enabling high-quality fit-outs to be used by multiple tenants. At 22 Ganton Street we have retained the plant and windows to minimise embodied carbon whilst refreshing the space to meet the requirements of future occupiers.

Buildings

4. Electrification of cooking workshop

With 394 F&B outlets, moving to electric cooking where practical will be an important step in reducing carbon emissions. Technology is improving but we also need to support restaurants to make the change. In February 2025 we hosted a round-table in conjunction with one of our leading restaurant groups "Chew on This" together with the "Global Cooksafe Coalition" to share their experiences and discuss opportunities and barriers for electrification. Participants reflected an enthusiasm for the electrification of cooking but noted concerns about electrical supply and upfront cost of equipment.

5. Waste

Waste management partner Veolia expanded its night-time recycling service to include food waste collection from our restaurants, bars, pubs, and hotels. The collected food waste is transported to an anaerobic digester in Hertfordshire, where it is converted into biogas and biofertiliser. Veolia, in partnership with Westminster City Council, also introduced a fleet of over 60 new and upcycled electric vehicles for street cleansing and waste collection in the West End. This transition to electric vehicles and a reduction in the number of vehicle movements by approximately 20 per cent has led to an 89 per cent reduction in CO_2 emissions compared to a diesel fleet, while also improving air quality and reducing noise pollution in the area.

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Buildings

6. Chemical free cleaning

This year a chemical-free cleaning system was rolled out across the portfolio. The system works by injecting high-voltage oxygen into mains water, to produce a powerful oxidising agent that kills viruses, bacteria, and other microbes and contaminants. The product is non-toxic, biodegradable and stronger than bleach. The use of chemical-free cleaning has resulted in up to a 100 per cent reduction in the use of chemicals and disposal of single-use plastics and contaminants.

Places

7. Youth employability programme

In 2024, we continued to support Mastering My Future, an employability programme that empowers young people through workshops, mentoring, and connections with professionals. The programme is designed to raise awareness of local opportunities available and help young people build the confidence and self-esteem to communicate effectively. In partnership with 2-3 Degrees, a Westminster-based social enterprise, our employees and supply chain partners volunteered at several events throughout the year, supporting 48 young people. Volunteers took on roles as panellists, providing valuable insights into their own education and career journeys and jointly co-facilitating a LinkedIn workshop. This supported young people to develop vital networking skills and leverage opportunities through LinkedIn, with 100 per cent of participants commenting they had learnt new ways to use the platform effectively.

People

8. Fair Shot Café

Located within Covent Garden, Fair Shot Café supports young adults aged 18-25 with a learning disability into employment through an 11-month structured hospitality training programme. With 95 per cent of adults in the UK with a learning disability unemployed, Fair Shot Café's work addresses this significant issue.

During the course participants attend college and work within the café for part of the week, undertaking a range of duties including engaging with customers, to gain real-life experience. Trainees develop transferable skills, such as effective communication and workplace health and safety, in preparation for entering employment upon completion of the course. Fair Shot Café partners with local businesses to create sustainable employment opportunities for their graduates, providing solutions and workplace support as needed. Our financial support enabled seven trainees to complete the hospitality training programme in 2024, with five securing employment.

Through partnership with Square Mile Farms, during the year we were able to donate 376 portions of salad produce and herbs to Fair Shot Café. This produce is grown year-round in farmstands – vertical hydroponic growing systems – located in the reception area of a local Shaftesbury Capital-owned office building. Once harvested, the produce is delivered to Fair Shot Café and used in the food served at the café.

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Our ESC progress in 2024

During the year we have made significant progress in the delivery of our ESC Strategy, achieving ongoing improvements to the energy efficiency of our portfolio and continuing to support our local communities. We reset our Net Zero Carbon commitment to 2040 to reflect the SBTi requirement to achieve a 90 per cent reduction before offsetting residual emissions. We are pleased to have received formal validation from the SBTi in January 2025. Our targets are set out on page 93.

We continued to evolve our strategy in 2024, strengthening the areas where we can have the greatest impact on our organisation, community and environment. Throughout the year, our focus remained on embedding sustainability across our operations, providing training and establishing the governance structure required to efficiently implement our strategy.

We have made progress against the actions for 2024 set out in the 2023 Annual Report.

Further detail and commentary on our performance is included in our 2024 EPRA sustainability data report which will be published in April 2025.

2024 actions		Update
Integrate sustainability into the real estate investment management team	✓	Significant progress made to embed sustainability in job roles across the organisation. All employees have an ESC metric in their annual targets. See pages 154 and 157 for more information
Reduce our reported energy Scope 1 and 2 consumption by 5 per cent	✓	8.0 per cent reduction in Scope 1 and 2 energy achieved compared to previous reporting year
Update our Net Zero Carbon Pathway and seek revalidation from the Science Based Targets initiative (SBTi) for our decarbonisation targets	✓	Net Zero Carbon Pathway updated to include a long-term target. Our near- and long-term targets have been validated by the SBTi. See page 93
Complete CRREM energy efficiency audits on a sample of our portfolio and use the results to build estate-wide plans	✓	Completed 40 detailed energy assessments in line with CRREM, improving our understanding of the most impactful carbon reduction interventions. See page 94
Improve communications with our customers to promote low-carbon behaviours and reduce energy consumption in our customer's demises	▶	Updated our green leases, established communication on key issues such as electrification and undertook a customer survey. See page 89
Increase our EPC commercial A-B coverage by at least 10 per cent from the current 56 per cent, increasing our A-C coverage across commercial and residential from 80 per cent to 85 per cent and striving to go further	✓	Commercial EPC A-B coverage has increased to 69.5 per cent and A-C coverage for commercial and residential to 87.6 per cent, by ERV
Reduce our water consumption by 3 per cent	✓	14.0 per cent reduction in water consumption compared to previous reporting year
Promote the continued electrification of buildings	▶	An infrastructure review has been completed to consider electrical capacity across the portfolio. An event to promote electric cooking was held in February 2025. See page 85. In addition, a cost plan for the removal of gas boilers has been undertaken to inform our electrification strategy
Undertake further materiality analysis specific to our focus areas	✓	A detailed review of our community investment was undertaken to develop the new strategy set out on page 97. An updated ESC Strategy, reflecting material sustainability issues, was approved by the Board
Continue to improve our understanding of climate change risk to the business	✓	A physical climate risk assessment was completed, supporting our analysis that our portfolio has limited exposure. An update to our risks assessment is set out in the TCFD report on pages 66 to 74
Investigate opportunities relating to sustainability-linked financing	✓	A sustainability-linked loan framework is being progressed with KPIs linked to our science-based targets

✓ target met ▶ target ongoing

In addition to the actions set out last year, we have also achieved:

- increased coverage of Scope 3 reporting utilising automatic data scraping to achieve 57 per cent coverage of actual energy use data from tenants, by area
- 53 per cent of all refurbishment projects reporting embodied carbon, by spend
- 3.8 per cent reduction in Scope 3 emissions as set out on page 94
- 67 per cent of landlord utility supplies now on smart meters, an increase from 19 per cent in 2023, with the remainder instructed for installation
- 100 per cent diversion of operational waste from landfill
- 30 per cent recycling rate for operational waste, excluding food waste
- community investment to a value of £0.9 million (cash, time and in-kind donations)
- 520 hours of employee volunteering undertaken in Company time
- 16.2 per cent of the portfolio has BREEAM certification by area

Embedding sustainability in our operations

Implementing our ESC Strategy and realising opportunities to improve the energy efficiency of our assets is dependent on individuals across the business understanding our objectives and the role that they will play. Since early 2024, responsibility for sustainability has been integrated into our real estate investment management ("REIM") team, formalising the relationship between sustainability and property, and creating clear reporting lines.

More broadly, we have robust corporate governance processes to ensure that sustainability continues to be considered in major strategic and operational decisions. Ongoing oversight of sustainability is a matter for consideration by the whole Board, with the Chief Executive having overall responsibility. This includes consideration of climate-related risks and opportunities and approval of the Group's ESC Strategy and Net Zero Carbon Pathway. Day-to-day oversight is undertaken by members of the Executive Committee and the senior management team, with regular reporting to the Board. We have an ESC Management Committee that meets quarterly to review progress against the ESC strategy and ensure that the targets are integrated across the wider business. Our sustainability team continues to be responsible for recommending the strategic direction, focusing the business on key areas and overseeing our measuring and reporting processes. The Head of Sustainability is also a member of the Executive Risk Committee, periodically reporting on sustainability and climate change risks and opportunities.

We have a range of policies and procedures that underpin our ESC Strategy, which can be found on our corporate website and are set out in our Non-Financial and Sustainability Information Statement on page 77.

Industry and supply chain collaboration

We actively participate in a range of industry groups, to share experiences and promote the adoption of best practice for sustainable real estate. Principal industry memberships include the UK Green Building Council ("UKGBC"), Better Buildings Partnership, British Property Federation and Westminster Property Association. We are signatories to Westminster City Council's Sustainable City Charter and support efforts to decarbonise the City as members of the steering group.

We also work with stakeholders as part of the West End Zero Emissions Group, and actively collaborate with suppliers, including Veolia on waste treatment, and innovators such as Social Value Portal on the measurement of community impact.

In 2024, we have extended opportunities for our supply chain and contractors to partner and collaborate with our community partners. Several of our supply chain and contractors including OCS, CBRE, DLA Piper and Greenzone have engaged in activity with our community partners. This has included supporting a careers session with young people at the London Chinese Community Centre, serving meals to attendees at the Seven Dials Lunch Club and supporting clients of homeless charity The Connection at St. Martin-in-the-Fields.

Further information on stakeholder collaboration can be found on pages 44 to 49.

Customer collaboration

We are at a relatively early stage of customer engagement on sustainability and recognise this to be an area of focus over the coming years. Our revised green lease, launching in 2025, sets out our expectations for customers, requiring them to share data on environmentally-related performance and take action to maintain or improve the energy efficiency of their demises.

We completed a first customer survey since the merger, which included a section on sustainability, enabling us to establish a baseline for customer perceptions of our sustainability actions and better understand their own priorities. This survey will take place annually and help us to make our ESC Strategy relevant to our customers whilst improving our own communication.

Industry recognition and standards

We participate in a range of external benchmarks and indices to provide independent verification of our sustainability progress and help us to identify improvement opportunities. Our CDP climate rating in 2024 was B, demonstrating that we are taking co-ordinated action on environmental issues.

We are proud to have achieved our fifth consecutive Gold award for reporting in line with the EPRA sBPR, reflecting the breadth and transparency of our sustainability-related disclosures.

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Our GRESB score reduced to 66, predominantly due to changes in methodology for scoring coverage of green building certification and a reduction in overall coverage of building energy use data as we reported the combined estate for the first time. The nature of our portfolio, with a significant proportion of smaller, heritage assets when compared with GRESB peer groups, restricts our ability to apply green building certifications such as BREEAM across the estate. As we continue to improve our data collection, we expect to see our score progressively increase.

Our 2024 MSCI rating was BBB, reflecting some reductions where no public disclosure had been made, whilst our score for corporate governance increased.

In January 2025, we received formal validation of our carbon reduction targets from the SBTi. These are set out in more detail on page 93.

Modern slavery and human rights

We have policies in place which address human rights, modern slavery, and the ethical conduct of our business. During the year we undertook a desk-top risk assessment for modern slavery that set out potential risk areas and mitigation actions, demonstrating to the Executive Committee that residual risks are effectively managed. All employees were required to complete an online training programme. Our Modern Slavery and Human Trafficking Statement, updated in February 2025, is available on our website: https://www.shaftesburycapital.com/en/index.html. All employees working on our estate are paid at least the London Living Wage, where appropriate.

Our 2025 key actions

As we continue to deliver our strategy in 2025, we will focus on:

2025 actions and targets
Working with customers to inspire and support their decarbonisation efforts, including the electrification of kitchens
Applying findings from detailed energy audits undertaken in 2024 to develop individual asset improvement plans
Continuing to decarbonise our operations and make progress against our Net Zero Carbon targets, as set out on page 93
Further improve EPC A-B coverage to 75 per cent for commercial assets and improve EPC A-C coverage for commercial and residential assets to 90 per cent
Improve data collection by increasing the proportion of automatic energy meters for both landlord and tenant supplies
Increase our reporting of energy and carbon intensity
Reduce annual like-for-like Scope 1 and 2 carbon emissions by 5 per cent
Embodied carbon footprinting for all major active development projects to be completed
Reduce our water consumption by 5 per cent
Achieve100 per cent waste diversion from landfill
Embed our revised Community Investment Strategy, as set out on page 97
Adopt the TOMs (Themes, Outcomes and Measures) framework to report our social impact in a clear and consistent way

Our buildings

Leadership in heritage buildings

We recognise the important role that the sustainable refurbishment of heritage buildings plays in achieving our sustainability aspirations. It is estimated that 80 per cent of buildings that will exist in 2050 are already built and the responsible retrofit of these buildings will be critical to meeting long-term national Net Zero Carbon goals.

Due to the heritage nature of our portfolio, which is all in conservation areas, and c. 27 per cent of which is listed, we continue to improve the sustainability performance of our building stock whilst protecting unique heritage and abiding by planning requirements. Through the careful application of cost-effective low-carbon interventions, we deliver energy efficiency improvements, as demonstrated by our success to date in improving energy efficiency and EPC ratings.

Our activities to tackle climate change also deliver benefits for our stakeholders. These include the air quality benefits of electrifying heating and cooking, as well as reducing traffic through pedestrianisation, and fewer vehicles delivering lower material volumes due to material re-use in refurbishment.

In addition to implementing relevant initiatives identified in our CRREM-aligned analysis (see page 94) more widely across the portfolio, we actively seek further opportunities to pilot and implement new scalable technology or operating practices which deliver carbon reduction. We will also share lessons learned externally to support the low-carbon transition across the industry and demonstrate leadership in this space.

Driving innovation through collaboration

We are committed to the use of innovative solutions, including both new technologies and processes. In addition to CRREM-aligned detailed asset analysis at scale, we collaborate with both suppliers and customers to maximise the benefit of using smart technology, such as Grid Edge, to identify improvements to the management of buildings that can lead to significant energy efficiency improvements with minimal expenditure.

Working in partnership with some of our leading hospitality businesses, we ran a workshop in February 2025 to discuss the challenges and opportunities for the electrification of cooking, a critical step in the long-term decarbonisation of our wider estate. The workshop highlighted the benefits of electric cooking, particularly for the kitchen working environment, but acknowledged the challenge of sufficient electrical capacity availability.

Improving our data

We have continued to improve the coverage and accuracy of our sustainability data, providing the basis for setting targets, determining action plans and estimating the level and type of investment required.

In conjunction with our property team, we have installed automatic (smart) meters on 67 per cent of landlord energy and water supplies, directly linking to a single data management platform. The remaining landlord meters have been instructed and we expect to complete the bulk of these in 2025.

In addition, we have utilised a central database to improve coverage of commercial energy use in our premises, collecting data directly. Our focus is now on engaging with our residential occupiers to collect their data. Overall, we achieved 57 per cent coverage of actual customer energy consumption, an increase from c. 35 per cent coverage last year.

We also continue to improve the collection of data from our development projects, specifically the associated embodied carbon. During 2024, 53 per cent of all refurbishment projects reported embodied carbon emissions, by spend.

Applying circular economy principles

Our heritage assets and the long-term view we take of our investments, lend themselves to the application of circular economy principles, whereby materials are preserved and re-used where possible. Only where necessary are materials recycled.

Examples of our application of a circular economy approach include the pre-demolition audit at 9-10 Floral Street, where we identified items to be retained or re-used elsewhere.

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Energy efficiency ratings of our buildings

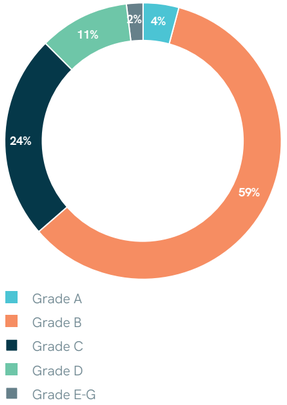
Our ongoing programme of energy-efficient refurbishments has seen significant improvements in EPC ratings across the portfolio. In addition to carbon reduction, this reduces customer utility costs and demonstrates the long-term resilience of our portfolio.

As at 31 December 2024, 87.6 per cent of properties are EPC grade A to C by ERV, representing a 7.6 percentage point increase from the prior year. When considered by ERV, 63.7 per cent of the portfolio is A-B, rising to 70 per cent for commercial property.

Approximately 1.4 per cent of portfolio by ERV does not require an EPC. This primarily relates to outdoor space, basement space where there is no heating or cooling, long-lease residential property outside the scope of MEES, or demises such as substations. Our undergoing refurbishment is expected to achieve EPC B or above for commercial and EPC C or above for residential.

We continue to undertake works to improve EPC ratings as demises become vacant, and work with occupiers to meet the requirements of the MEES regulations. All new commercial refurbishments target EPC B to ensure that we are prepared for expected changes to the MEES regulation.

Energy Performance Certificates ("EPC") by ERV



2040
Net Zero Carbon commitment

87.6%
Portfolio rated EPC A-C

Tackling climate change

We recognise our responsibility as an owner of physical assets to reduce carbon emissions, effectively manage climate change risks and opportunities and deliver a fair transition to a low-carbon future.

Our buildings represent long-term stores of embodied carbon, many of which pre-date mass industrialisation. We remain focused on protecting the heritage of our places, whilst making low-carbon interventions to improve energy efficiency and increase resilience to the climate change impacts that we have identified.

Considering the Whole Life Carbon emissions of a building demonstrates the importance of embodied carbon and the relative benefit of our approach to the repurposing and refurbishment of buildings.

Climate change adaptation

Our climate change risks and opportunities are set out in our TCFD report on pages 66 to 74. Supplementary detail and explanation is included in a longer version of the TCFD report which can be found on our corporate website: https://www.shaftesburycapital.com/en/responsibility/policies-and-reports.html.

To improve our understanding of climate risks and evolve our reporting, during the year we undertook a more detailed assessment of physical climate risks. This assessment highlighted that the portfolio has a relatively low exposure to flood risk, with a small number of assets at a theoretical higher risk from local flooding. We do not consider there to have been a material change in our transition risks following a desktop review.

Net Zero Carbon commitment

In 2024, we used an improved methodology to recalculate the carbon emissions in our baseline year and seek revalidation from the SBTi. The SBTi requirement to reduce emissions by 90 per cent before offsetting means we have been required to push back our formal Net Zero Carbon target date. Therefore, we have set a long-term goal to reduce Scope 1, 2 and relevant 3 emissions by 90 per cent by 2040, from our 2019 baseline. In doing so, we will reduce our emissions at a rate aligned with a 1.5°C pathway. We also have "near-term" targets for 2030 as set out below. Our commitment is first to reduce greenhouse gas ("GHG") emissions from our buildings and operations as far as possible, in a way that recognises the needs of our heritage portfolio and stakeholders, and only then to offset any residual emissions. Our Scope 3 targets include occupier emissions and embodied carbon from development operations.

Following a detailed assessment process, we received formal SBTi validation of our targets in January 2025.

Our commitment to achieve Net Zero Carbon by 2040 includes:

- Long-term 2040 target for a 90 per cent reduction in relevant Scope 1, 2 and 3 emissions, from our 2019 baseline
- 'Near-term' 2030 target for a 60 per cent reduction in our Scope 1 and 2 emissions, from our 2019 baseline. This is where we have the most control and remains the same as the target set in 2021.
- 'Near-term' 2030 target for 50 per cent reduction in Scope 3 emissions, from our 2019 baseline. The SBTi required a single Scope 3 target, which necessitated a revision to our previous approach to have separate targets for operational and embodied Scope 3 emissions.
- Prioritising innovation and renewables
- Enhancing climate adaptation
- Offsetting residual carbon emissions for Scope 1 and 2 emissions from 2025.

More information on the actions that we are, and will be, taking to reduce carbon emissions across our business is set out in our Net Zero Carbon Pathway published on our website: https://www.shaftesburycapital.com/en/responsibility/environment/net-zero-carbon-pathway.html. Going forward, we will publish annual updates on our progress against our Pathway.

Carbon offsetting

Inevitably, offsetting will need to be part of our long-term solution to achieve Net Zero Carbon as well as an important interim step for decarbonisation.

In 2024, we undertook a review of the carbon offset market with industry experts and a working group drawn from across the business. Following the review, we remain committed to purchasing credits to offset our Scope 1 and 2 emissions from 2025. To claim Net Zero Carbon status from 2040, we will purchase certified credits to cover residual emissions for all scopes in line with market best practice.

Whilst we recognise the value of carbon offsetting credits, our priority ahead of 2040 will be to address underlying emissions rather than offsetting all Scope 3 emissions.

Annual carbon and energy emissions reporting

We report our absolute Scope 1, 2 and 3 emissions annually. This is the first time that we can report year-on-year comparisons for Scope 3 emissions, reflecting our ongoing strategy to improve the collection and reporting of all our carbon emissions. Further like-for-like annual performance will be included in our EPRA sustainability data report, which will be issued by the end of April 2025.

We continue to purchase electricity from renewable tariffs across our landlord-controlled portfolio. Excluding the benefit of purchasing zero carbon electricity, and instead using standard UK carbon factors, we have seen an 8 per cent reduction in our Scope 1 and Scope 2 GHG emissions when compared to 2023. This is primarily due to continued improvement to the energy efficiency of our buildings, steady reduction in gas use across our portfolio, and improved tracking of energy consumption through sub-metering.

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Our Scope 1 and 2 footprint remains relatively small as it only encompasses the common areas of our buildings, our head office and refurbishment projects.

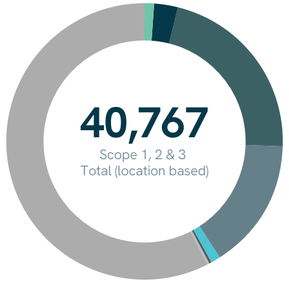
Our Scope 3 GHG emissions primarily arise from tenant energy consumption, embodied emissions from materials used in our refurbishments and purchased goods and services from our suppliers.

Overall, we have seen a 3.8 percent reduction of our Scope 3 GHG emissions compared to last year, largely due to improved efficiencies in our purchased goods and services spend and better data quality for embodied carbon emissions. We have however seen increases in emissions from tenant energy consumption and business travel, due to updating calculation methodologies and a return to pre-COVID-19 travel behaviour.

We recognise the important contribution that the phasing out of fossil fuel use in our buildings will play achieving our Net Zero Carbon targets. We continue to electrify heating and cooking across the estate to maximise the benefit of the lower carbon factor associated with electricity and ongoing UK energy grid decarbonisation.

We have made significant improvements to data collection relating to Scope 3 emissions, especially with regards to customers' energy consumption. Across 2024 we increased the proportion of actual customer energy meter readings to 57 per cent, from c. 35 per cent in 2023. We also collect accurate waste, water, upstream energy, business travel and employee commuting data, which also contribute to our Scope 3 emissions. The remaining emissions are calculated based on industry best practice estimation methods and verified as described in our GHG methodology on page 234.

2024 GHG emissions inventory – summary



- Scope 1: Landlord gas **1.23%**
- Scope 1: Landlord refrigerant gas and fuel **0.09%**
- Scope 2: Landlord electricity **2.77%**
- Scope 3: Purchased goods and services **21.49%**
- Scope 3: Capital goods **15.51%**
- Scope 3: Upstream transportation **0.02%**
- Scope 3: Transmission and distribution **1.06%**
- Scope 3: Waste generated **0.12%**
- Scope 3: Business travel **0.38%**
- Scope 3: Employee commuting **0.07%**
- Scope 3: Downstream leased assets **57.26%**

50%
Carbon footprint reduction against published 2019 baseline

34%
Reduction in Scope 1 and 2 emissions against published 2019 baseline

57%
Coverage of actual customer energy consumption

Embodied carbon

A significant proportion (15.5 per cent) of our carbon emissions arise through the embodied carbon inherent in our refurbishment projects. Our embodied carbon emissions are directly correlated with the volume of refurbishment operations undertaken in a year. We continue to improve embodied carbon data collection for refurbishment projects. This enables better analysis of our impact and identification of ways in which we can make further reductions.

In 2024 we continued to calculate embodied emissions using a blend of actual data and applying DEFRA benchmarks to expenditure, as set out in the GHG methodology on page 234. During the year we have increased the volume of projects covered by actual embodied carbon reporting to 53 per cent of expenditure. This contributed just 17 per cent of our total calculated embodied carbon, demonstrating that a typical refurbishment project has materially lower embodied carbon than the DEFRA benchmark.

CRREM-aligned energy efficiency audits

Efficient decarbonisation of the portfolio requires that targeted interventions are sequenced efficiently, considering lease events and the life-cycle of existing equipment. In 2024, we completed a set of detailed energy efficiency studies started in 2023, assessing performance and required interventions against CRREM decarbonisation trajectories. This analysis of 40 buildings has indicated that we can make significant carbon reductions, with the ongoing electrification of buildings being the most significant action. During 2025, we will integrate the learning from our CRREM analysis into individual asset improvement plans.

Net Zero Carbon focus areas for 2025

In our published Net Zero Carbon Pathway, we have committed to milestone actions, including the following for the year:

- Continue to improve our Scope 3 data coverage, reducing the proportion of estimation required
- Continue to prioritise the removal of fossil fuels and electrification of buildings, particularly for cooking, which has been identified as an important contributor to the overall decarbonisation of our buildings
- Continue to improve reporting of floor areas to enable a move towards intensity-based targets
- Enhance occupier engagement programme to increase the proportion of occupiers implementing Net Zero Carbon strategies, including renewable energy and electrification of operations.

Greenhouse gas emissions including Streamlined Energy and Carbon Reporting

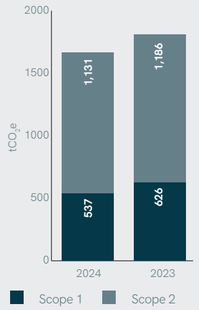
Shaftesbury Capital has engaged Carbon Footprint Limited to provide independent verification of the calculation of 2024 GHG emissions assertion data, in accordance with the industry recognised standard ISO 14064-3.

Our absolute Scope 1 and Scope 2 emissions have decreased by 8.0 per cent since 2023. When considered on an intensity basis, intensity has increased by 6.5 per cent due to reduction in overall floor area from asset sales during the year.

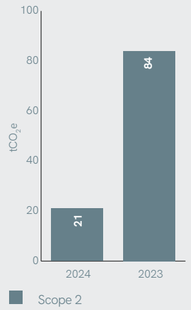
Overall, Scope 1 and 2 emissions are down 34 per cent compared to our reported 2019 baseline.

Scope 3 emissions can be compared year-on-year for the first time, decreasing by 3.8 percent, demonstrating our ongoing improvement in the breadth and completeness of our reporting.

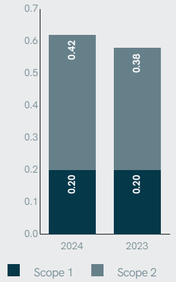
Total Scope 1 and 2 GHG emissions (location-based method[1])



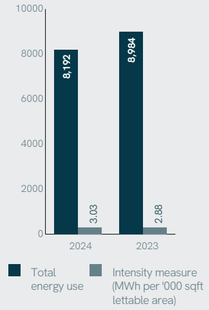
Total Scope 2 GHG emissions (market-based method[2])



Intensity measure: Tonnes of CO_2e per '000 sq ft



Total Scope 1 and 2 energy consumption (MWh[2])



1. The location-based method reports emissions as tonnes of carbon dioxide equivalent (tCO_2e). 100 per cent of the emissions stated are UK-based. Details of what is included in Scope 1, 2 and 3 emissions can be found on page 234.
2. The market-based method reports emissions as tonnes of carbon dioxide (tCO_2e). 100 per cent of the emissions stated are UK-based. Details of what is included in Scope 1, 2 and 3 emissions can be found on page 234.

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Our places

The second pillar of our ESC Strategy recognises the importance of being a responsible steward of our destinations. Our impact extends beyond our buildings, and we continue to enhance the public realm within and around our portfolio. Through our investment in "placeshaping" we create healthy, welcoming and thriving locations in the West End where people enjoy visiting, working and living.

Creating healthy and biodiverse destinations

Shaftesbury Capital has supported the London Air Quality network for eight years through our partnership with Imperial College London. We have also continued to support the Zero Emissions Working Group, a partnership with landowners and Westminster Council to reduce emissions from transport and waste. A toolkit has been developed for use by customers and suppliers to improve logistics and reduce associated emissions.

We remain members of the Wild West End ("WWE") partnership, pro-actively looking to increase biodiversity across our estate following the WWE principles and prioritising pollinators and native species. Aside from the benefit to nature, green spaces play an important part in adapting to climate change through reducing urban heat and supporting well-being. During 2024, we installed planters at 22 Ganton Street and roof terraces at The Hide, adding 29m^2 of green space to the portfolio. We continue to look for opportunities to increase both the quantity and quality of biodiverse green space.

Waste management

We continue to work in partnership with Veolia as our single waste provider across the portfolio, to enable efficiencies of scale to be achieved. In February 2024, Veolia, in collaboration with Westminster City Council, launched a new night-time recycling service in the West End. In October 2024, this was expanded to include food waste collection from our hospitality venues. The collected food waste is transported to an anaerobic digester in Hertfordshire, where it is converted into biogas and biofertiliser.

Using electric vehicles, Veolia has successfully diverted 1,650 tonnes of mixed recycling from general waste, increasing the portfolio recycling rate.

Transport and public highways

We continue to assist Westminster City Council in the management of pedestrian areas in the public highway in Covent Garden and Carnaby. In addition, we have worked with the Council to tailor its trial of e-cycle and e-scooter parking bays in the West End to enable sustainable transport whilst the minimising impact of bikes on our streets and spaces. In July, we additionally responded to the "Fairer Westminster" consultation on its future sustainable transport strategy.

Stewardship

The safety of those who visit and enjoy our destinations is fundamental. Our destinations are also integral to our local communities, providing a catalyst for long-term economic benefits. We recognise the importance of working in collaboration to tackle issues that align with our purpose and values make a meaningful difference to the local community.

We have a flexible security strategy which enables us to respond quickly to changing demands across our portfolio, to ensure that the appropriate security provision is maintained and scaled up when needed. During 2024, 83,000 hours of targeted patrols took place across the portfolio.

We have continued to fund the City Inspectors throughout Covent Garden, providing 3,600 hours.

Going forward

We are commencing a project to review opportunities for the consolidation of waste servicing and deliveries. This may enable us to work with our customers to significantly reduce the number of vehicle movements, resulting in an improved public realm environment and better air quality.

Our community

Shaftesbury Capital has a strong track record of supporting the local community. We contribute to a diverse range of charitable and community initiatives across Camden and Westminster, with a specific focus on supporting educational and employment opportunities for young people and addressing the issues of homelessness and food hardship.

In addition to financial support, we provide free or subsidised space and employee time to support volunteering activities with local charities, organisations and groups. In 2024, the value of our contributions totalled £0.9 million. This is set out below and detailed in our EPRA Sustainability Data Report.

In 2024, we saw a 55 per cent increase in employee volunteering time with local charities. We also increased our overall financial commitment to community partners by 6 per cent. The value of in-kind space provided to charities fell year on year however, due to low vacancy rates limiting the availability of suitable space.

In 2024, we undertook a thorough evaluation of our community investment activity as a combined business, developing an updated strategy to reflect local needs and better measure our impact.

Our approach to community investment

In developing our Community Investment Strategy, we undertook a local needs analysis through engagement with key local stakeholders including Camden and Westminster councils, the Department for Work and Pensions and amenity societies. This review, led by our dedicated Community Manager, also considered the activity of our peers, customers and supply chain to identify areas of best practice and opportunities for collaboration. Through structured interviews and workshops with employees, we validated findings identified through our local needs analysis, these are central to our approach to the next five years.

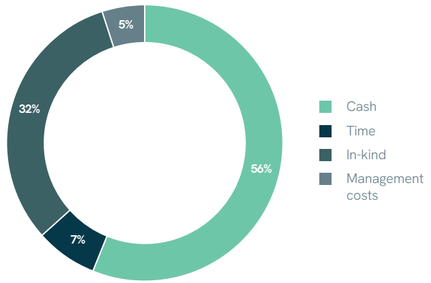
For 2025-2028, our primary strategic focus will be supporting local employment, the area identified as most relevant to our local communities and where, through partnerships and collaboration, we have an opportunity to create the greatest impact. We continue to build long-term relationships that maximise the value generated for the local community from our own resources and influence.

We have a Community Investment Forum ("CIF") which is responsible for overseeing our programme of community investment in line with our focus areas. The CIF comprises employees from across the business and is chaired by our Head of Sustainability. It enables us to review our community investments and consider applications to our community grants fund in a fair and consistent manner.

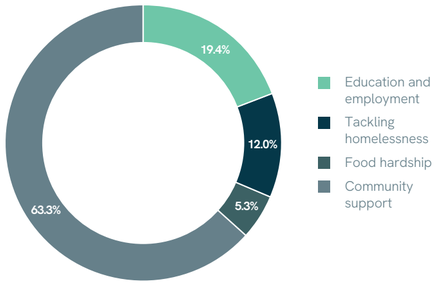
From January 2025, our three-year Community Investment Strategy includes trialling the Themes, Outcomes and Measures system ("TOMs"). The TOMs system is widely recognised as the best standard for measuring social impact, and adopting the system will enable us to accurately measure our investment and actions, reporting the social value created.

A breakdown of our support is included below.

How: £901,000



What: £858,000*



* Management costs excluded

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Education and employment

We have continued to invest in education and employment programmes supporting a range of charities, organisations and groups across Camden and Westminster.

During the year, we hosted paid internships and work placements for 13 young people through a range of programmes including 10,000 Black Interns and the Reading Real Estate Foundation. One person undertaking an internship secured permanent employment with the business following their successful placement.

Our annual programme with the University of Westminster continues to support a student from a disadvantaged economic background studying the Real Estate BSc (Hons) course with a bursary. The bursary covers tuition fees and maintenance costs, enabling the student to focus on their studies and future career without the burden of financial stress.

Our support to primary and secondary schools has continued throughout 2024, through various projects and initiatives. Primary school students at Gateway Academy in Westminster took part in a project through our partnership with Go Live Theatre Projects. The project engaged 85 year five students to develop a radio play based on equity to reflect the school's diverse population, increasing pupils' confidence, listening skills and ability to work as part of a team. Additionally, our support to environmental education charity ecoACTIVE enabled over 100 students at St Joseph's Catholic and St Clement Danes primary schools in Westminster to participate in workshops educating pupils on the importance of sustainability, reducing plastic waste and recycling.

As a result of our funding 41 students at two secondary schools have benefited from taking part in the Urban Land Institute Urban Plan programme, which engaged pupils in a workshop to understand the role real estate plays in reviving and regenerating urban areas. Our employees have also volunteered in the programme to support the workshops, offering advice, and sharing their expert feedback.

We continue to partner with the Young Westminster Foundation and 2-3 Degrees to support Mastering My Future, an employability programme that empowers young people through workshops, mentoring, and connections with professionals to help them fulfil their potential.

Tackling homelessness

Homelessness continues to affect the lives of some of the most vulnerable people in our local community. During 2024, we have continued to support several homeless charities across Camden and Westminster, re-aligning our focus towards initiatives that provide skills training to help individuals experiencing homelessness secure employment and break the cycle.

For example, our financial support to Single Homeless Project supports the Comeback Kitchen, enabling its clients to participate in a six-week programme in a commercial kitchen. During the programme, participants learn practical cooking skills and obtain certificates in food safety, hygiene and food and catering to equip them for further training or employment. We have provided funding to homelessness charity Depaul to fully refurbish an outdated IT suite at one of its supported accommodation properties in Westminster. The refurbished IT suite will enable 12 young people living in the property to benefit from a range of classes including CV preparation, IT training and skills development.

Homelessness charity The Connection at St Martin's continues to see a significant increase in homelessness and demand for its services. Our long-standing partnership continued in 2024, with a donation to The Connection's women's homeless service, which assists women and non-binary people who are homeless, including by providing advice, shelter, and essential items. Our employees volunteered with the charity over the course of the year, for example by serving food to people who are rough-sleeping and supporting classes to teach basic English to refugees and asylum seekers.

Community support

Across Camden and Westminster, we continue to contribute to a range of charities and groups delivering projects to support some of the boroughs' most vulnerable residents. These include the Covent Garden Community Centre, North Paddington Food Bank and London Chinese Community Centre.

As a responsible and community-focused West End business, we also support events in the local area that contribute to a strong and cohesive community. These include the annual Soho Village Fete and Covent Garden Remembrance Day event.

Our employees remained committed to supporting the local community through fundraising campaigns with charities and groups throughout the year. Recognising the valuable work of food banks, as part of the National Food Bank Day 2024, employees donated food items which were distributed to residents experiencing financial insecurity by the Covent Garden Pantry, a local food bank. A similar campaign during the Christmas period for The Abbey Centre, which supports disadvantaged households, resulted in Christmas gift donations for individuals who would not normally receive a gift over the festive period. In line with our Donation Match Fund Policy, the value of all donations was matched by the business.

Community grants fund

Our community grants fund provides an opportunity for charities, organisations, and groups operating across Camden and Westminster to apply for funding towards the cost of projects and events. Each quarter, our CIF meets to consider and discuss grant applications received during the previous quarter. Grant funding is awarded to projects and events that make a positive impact in our local community.

In 2024, our CIF awarded 19 grants totalling £87,442 including donations to London Basketball Association to deliver a development, mentoring and training programme for young people in Westminster, and to FoodCycle London for their Community Café in Camden, which serves meals to local people in need of nutritious food and friendship.

In-kind space

We have continued our in-kind space programme, providing free or subsidised space to charities and organisations to create vibrancy and offer unique experiences for visitors.

Employee fundraising

During 2024 we have provided space for charities and charitable events up to a value of £0.3 million.

Our partnership with Smart Works, a UK charity that exists to give unemployed women the confidence they need to reach their full potential, continued. In March, we provided a pop-up unit in celebration of International Women's Day which, through sales, generated an income of £43,000 for the charity.

At Covent Garden, we provided stall space within The Apple Market to Westminster Kingsway College students participating in "Makers", a chocolate-making development course focused on increasing skills, confidence and employability prospects.

Volunteering and employee engagement

We provide employees with a range of opportunities to undertake meaningful skills-based and physical volunteering with our community partners throughout the year. In 2024, our employees volunteered 520 hours with charities and organisations to support various events including careers sessions at local schools, decorating and refurbishing temporary accommodation for people experiencing homelessness and serving food to older people at the Seven Dials Lunch Club. This is an increase of 55 per cent compared to 2023 volunteering.

During 2024, employees raised funds for a variety of charities by participating in events such as the annual LandAid Sleep Out, running the London Marathon and undertaking a Tough Mudder challenge for Single Homeless Project. Our Donation Match Fund Policy continues to support employees with their charitable fundraising, with over £7,000 made in matched donations during the year.

Going forward

- Use our refocused 2025-2028 Community Investment Strategy to refine our investment focus to better address local need
- Increase opportunities for our supply chain to support community organisations
- Enhanced collaboration with industry peers for greater impact
- Publication of a dedicated annual community impact report with case studies and images to showcase our work
- Provide more opportunities for employees to contribute to our community investment activity, with all employees expected to commit to at least one day's volunteering in 2025
- Promote local employment opportunities through partnerships with our supply chain and customers.

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Our people and culture

Our people are key to our success and achieving our purpose.

Culture and values

We have a high-performing, professional, inclusive and entrepreneurial culture where creativity and innovation are encouraged and promoted. We provide a collaborative environment where people are inspired to give their best and contribute to the Company's success. During the year, we held sessions for all employees on our values in action, ensuring everyone treats each other with respect.

Employee engagement

In making decisions impacting our employees, we seek their views from across the business. We launched our first employee feedback survey since the merger in October, with a response rate of 92 per cent.

The overall engagement score was 82 per cent. We are very pleased with this score against the backdrop of the merger, and also benefited from being able to use feedback from the survey to identify areas where we can seek further enhancement.

Our Employee Engagement Forum, attended by a Non-executive Director, met twice in 2024 and again following completion of the first employee survey. In addition, we hold regular townhall meetings throughout the year to ensure that our employees are kept updated on business developments. Our Chief Executive also holds regular informal gatherings with employees, which provide a forum for relaying priorities, and allow team members to ask questions.

Talent, training and development

We regularly undertake succession planning to review our talent pipeline and to ensure individuals are appropriately developed. Our learning and development programmes are designed to strengthen our teams and challenge aspiring leaders. During the year, leadership development programmes were rolled out at various levels: "Driving Value Through Others" for employees in mid-level to senior roles; "Realising Your Potential" for junior employees; and a programme to increase cross-functional collaboration for the senior leadership team.

We make training available to all employees and encourage continued professional development, with 1,900 hours of training undertaken across the Group during 2024. Bespoke coaching programmes are provided to employees, and we sponsor individuals undertaking further professional qualifications, encouraging continuous learning. Core skills training was also run throughout the year covering presentation skills, negotiation skills, personal productivity, and business etiquette and professional communications skills.

We aim to promote from within where possible in order to enhance career development and encourage mobility across the Company.

When recruiting externally we aim to hire talented individuals who aspire to grow and develop in their careers. We ensure our talent has the skillsets and expertise to advance, and we actively support and encourage professional development through sponsoring employees to complete the Chartered Surveyors Assessment of Professional Competence ("APC"), accounting qualifications, and various other qualifications. In 2024 we recruited two graduates who are now pursuing the APC qualification.

Our values

Take a responsible, long-term view

We have a responsibility to our multiple stakeholders, our people and our planet. Our decisions are rooted in the lasting impact of our actions to deliver long-term economic and social value.

Act with integrity

We are a high-performance business and are committed to the highest professional standards, acting with honesty and transparency, and not compromising our integrity.

Take a creative approach

We strive to be the best at what we do, with a creative and entrepreneurial approach, imagining the art of the possible, to seek opportunities to improve and deliver positive outcomes for our multiple stakeholders.

Listen and collaborate

We work collaboratively in an environment where everyone has a voice and a part to play and where relationships are based on respect, empathy and trust. We build and develop diverse teams of extraordinary professionals, advocating inclusive and supportive behaviours.

Make a difference

We engage with stakeholders and aim to make a positive impact through our people, local communities, partnerships and in the great places we curate, invest in and manage.

Performance management

Annual performance objectives for each employee are agreed at the beginning of the calendar year, and performance check-in meetings take place regularly throughout the year.

Remuneration

We regularly benchmark our approach to remuneration, to ensure that we are appropriately competitive in the market.

Our core compensation package comprises base salary, cash bonus linked to Company and personal performance (part of which may be deferred in shares), and discretionary share awards.

All permanent employees are eligible to receive share awards, so that everyone can participate in the future of the Company. These awards have a three-year performance period and are subject to corporate performance conditions.

Benefits

We also offer an attractive package of additional benefits to all our permanent employees. The Company offers a pension contribution of 17.5 per cent of salary. We provide 30 days' annual leave and offer a flexible leave policy under which employees have the ability to buy and sell up to 10 days' holiday each year. In addition, we provide private medical insurance, dental insurance and life assurance.

Well-being

The well-being of our people is of the utmost importance. We deliver a lifestyle programme throughout the year focusing on financial well-being, as well as both physical and mental health. Sessions provided in 2024 covered topics including will-writing, financial health, mental health, menopause and men's health.

The Company offers the Gymflex and Cycle to Work schemes, and provided free yoga classes for employees during the year, to support physical and mental well-being.

The Company also makes annual flu vaccinations available to all employees, and an annual steps challenge takes place in October to encourage employees to get active.

Diversity, equity and inclusion

We believe that every person in the Company has a part to play in generating value, and we understand fully the benefits of a diverse workforce. Diversity is considered when making appointments at all levels, and an inclusive and diverse culture forms part of our values.

Our maternity and shared parental leave benefits each pay six months' full salary, and employees are able to take up to 52 weeks' parental leave, subject to qualifying periods and statutory rules. We recently reviewed our policies to ensure we continue to be an inclusive and supportive employer and introduced a number of new policies. This included enhancing our paternity leave policy up to 12 weeks' leave, and the introduction of an assisted conception policy, foster care leave, neonatal leave and flexible personal leave.

We hosted sessions to engage and educate our employees on topics such as neurodiversity and menopause and have policies covering these areas. We also celebrated Pride month with Freehold, the networking forum for LGBTQIA+ professionals in the built environment.

We support a number of initiatives which aim to increase diversity within the property industry, including being a member of the Employers Network for Equality & Inclusion ("ENEI"), a member of Real Estate Balance, a member of Urban Land Institute ("ULI"), a sponsor of the Reading Real Estate Foundation and a supporter of the Pathways to Property work experience programme. We are a corporate member of the British Property Federation ("BPF") and support the BPF's Futures programme. We are a corporate sponsor of Freehold, and a corporate member of AbilityRE and the Business Disability Forum.

We work with initiatives including 10,000 Black Interns and 10,000 Able Interns, and the social mobility charity UpReach, to provide work experience placements to students. We are also an active supporter of the Reading Real Estate Foundation's Access programme, which aims to provide work experience to students from underprivileged backgrounds, and we have sponsored a scholar studying Real Estate at the University of Westminster, by funding fees and a bursary, together with work experience.

A summary of the Company's gender diversity is set out on page 130.

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Health, safety and security

We seek to attain the highest standards of health, safety and security.

2024 achievements

- Implemented the findings of the independent review of our Occupational Health & Safety Management System ("OHSMS") carried out in 2023 and, as a result, a revised OHSMS that meets the requirements of ISO 45001, the relevant internationally recognised standard, was approved.
- Completed Building Safety Cases for the 15 registered Higher-risk Buildings where the Company is Principal Accountable Person, to ensure compliance with the new requirements arising from the Building Safety Act 2022.
- Increased our focus on near-miss reporting across the property portfolio, to prioritise the continual improvement of health and safety standards among all relevant stakeholders.
- Introduced greater consistency of property health and safety compliance monitoring and reporting, across both our in-house and third-party managed destinations.

2025 commitments

- Continue to meet high standards of health, safety and security in our activities, at our buildings, on our construction projects and in our offices.
- Full implementation of the revised OHSMS, with a particular focus on the training of in-house personnel to be health and safety advocates in everything they do.
- Work with supply chain partners to adopt the Shaftesbury Capital Client Health & Safety Standards produced as part of the revised OHSMS.
- Submit applications for Building Assessment Certificates for the registered Higher-risk Buildings to the Building Safety Regulator ("Regulator") when required to do so, and otherwise work proactively with the Regulator and London Fire Brigade.

Governance

The Board maintains overall responsibility for our health and safety strategy and its delivery and leads a health and safety-aware culture, which is embedded in the Company. This ensures that health, safety and security are considered in our decision-making across our portfolio and are embedded in the actions we take.

Our Health & Safety Committee (the "H&S Committee"), chaired by the General Counsel and attended by the Chief Executive, oversees our approach to the health and safety strategy and statutory compliance. The H&S Committee is supported by health and safety leadership teams ("HSLTs"), which cover specific business areas and meet regularly to ensure that our health and safety commitments are met at operational level. The HSLTs report to the H&S Committee, which in turn reports to the Board. Health and safety is reported upon and considered at each formal Board meeting.

Ensuring our standards are met

We focus on visible health and safety leadership and use formal and informal Director and senior management tours, and the on-site presence of our teams, to monitor health and safety across our destinations. This is supported by regular detailed health and safety inspections.

We closely monitor health and safety performance. During 2024, a Head of Health & Safety was appointed to give the Group a dedicated, full-time in-house resource to promote sector best practice across the business operations and also by supply chain partners. As part of this, consistent health and safety compliance recording and reporting was introduced across the property portfolio, with performance reviewed formally every month and quarter.

We are members of the Considerate Constructors Scheme Client Partnership and the Construction Clients Leadership Group. Our pre-tender documentation for contractors includes health, safety and security standards and compliance is monitored by site and project managers.

Safety and security

The safety of those who visit and enjoy our destinations is fundamental. We have a flexible security strategy which enables us to respond quickly to changing demands across our portfolio, to ensure that the appropriate security provision is maintained and scaled up when needed.

Training

Relevant role-dependent health and safety training is provided to all employees, with a combination of third-party and in-house-delivered training taking place on an ongoing basis.

Reporting

In 2024 there were no serious accidents, no cases of occupational disease and no serious work-related incidents reportable to any statutory authorities involving our employees arising from our business activities. In addition, no significant security incidents occurred.

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Board of Directors

Key A Audit Committee N Nomination Committee R Remuneration Committee ◯ Committee Chair

Jonathan Nicholls
Chairman

N

Jonathan is responsible for the leadership of the Board, ensuring its effectiveness and setting its agenda.

Skills, experience and contribution

Jonathan joined the Shaftesbury Capital Board in March 2023 following the merger between Shaftesbury and Capco. Prior to the merger, Jonathan was Chairman of Shaftesbury, having joined in 2016. Jonathan has over 27 years' experience of public company boards and their operations and was previously Non-executive Director and Chair of the Audit Committee of Great Portland Estates plc, SIG plc and DS Smith plc. He was also Senior Independent Director of Great Portland Estates plc and DS Smith plc. Prior to this, Jonathan was finance director of Hanson plc and of Old Mutual plc. Jonathan has over 21 years of experience in the property sector and is a member of the Institute of Chartered Accountants in England and Wales and a fellow of the Association of Corporate Treasurers.

Jonathan's considerable commercial and Board experience and his objective judgement enable him to provide constructive leadership, challenge and support to the Board and wider business for the benefit of all stakeholders.

External appointment

Chairman of Ibstock plc.

Year of first appointment:
2023

Ian Hawksworth
Chief Executive

Ian leads Shaftesbury Capital, shapes its strategy and drives its performance.

Skills, experience and contribution

Ian has over 38 years' experience in global real estate investment, development, asset and corporate management, and extensive experience and knowledge of the London property market, having previously been Chief Executive of Capital & Counties Properties PLC ("Capco") since Capco's inception in 2010. Ian was previously Executive Director of Hongkong Land Ltd and Liberty International PLC. Ian is a chartered surveyor and a member of leading international industry bodies.

Ian's ability to shape strategy, drive expansion and elevate performance, alongside his extensive knowledge of the global real estate industry, is invaluable to the Company. Ian´s in-depth knowledge of the Company and the sector enable him to provide broad leadership of the business internally and externally, including design and implementation of the Company's strategy and business plans and their communication to a wide range of stakeholders. Ian also ensures that the Company´s purpose and values are embedded across the business and are reflected in the Company´s culture.

External appointment

Non-executive Director of Chancerygate Limited.

Year of first appointment:
2010

Situl Jobanputra
Chief Financial Officer

Situl leads Shaftesbury Capital's finance function and works closely with the Chief Executive on strategy, capital allocation, investment and key transactions.

Skills, experience and contribution

Situl joined Capco in 2014 and undertook a number of senior roles across the business before being appointed Chief Financial Officer in 2017. He is an experienced corporate financier, having previously worked in mergers and acquisitions, equity capital markets, corporate broking and real estate investment banking, including 13 years at Deutsche Bank.

Situl's significant experience of commercial and financial management, corporate finance, capital markets, investment, real estate and stakeholder engagement are key to his role and the development and implementation of the Group's strategy.

External appointment

Non-executive Director of WH Smith PLC.

Year of first appointment:
2017

Richard Akers
Senior Independent Director

A N R

Richard joined the Shaftesbury Capital Board in March 2023 as Senior Independent Director following the merger between Shaftesbury and Capco. Prior to the merger, Richard was Senior Independent Director and Chair of the Sustainability Committee at Shaftesbury, having joined in 2017. Richard was previously Chairman of Redrow plc until its merger with Barratt Developments PLC; held non-executive roles at Barrett Developments PLC and Unite Group PLC; and a fellow of the Royal Institution of Chartered Surveyors. Prior to this, Richard was a senior executive of Land Securities Group PLC from 1995 and joined the main board in 2005 as managing director of the retail portfolio until 2014.

Skills, experience and contribution

Richard's extensive property roles and experience, alongside his operational skillset, which includes remuneration, sustainability, environmental and health and safety matters, enable him to provide essential input into Board and Committee discussions and decisions and to effectively chair the Company's Remuneration Committee. Richard is the Non-executive Director designated to update the Board on employee views and attends the Employee Engagement Forum.

External appointment

Chairman of Miller Homes Limited.

Year of first appointment:
2023

Ruth Anderson
Independent Non-executive Director

A N R

Ruth joined the Shaftesbury Capital Board in March 2023 following the merger between Shaftesbury and Capco. Prior to the merger, Ruth was Independent Non-executive Director and Chair of the Audit Committee at Shaftesbury, having joined in 2020. Ruth was previously a Non-executive Director and Chair of the Audit Committee at Ocado Group plc, Travis Perkins plc, Coats Group plc and the Royal Parks. Ruth has over 30 years' experience advising UK and global businesses and was with KPMG for 33 years, where she was a partner for 20 years and a member of the UK board for six years. Ruth is a member of the Institute of Chartered Accountants in England and Wales.

Skills, experience and contribution

Ruth's knowledge gained over 30 years' advising global businesses, together with over 15 years' experience on public company boards, enable her to provide valuable input and challenge in Board and Committee discussions and to chair effectively the Company's Audit Committee.

External appointments

Independent Non-executive of EY UK and Chair of their UK Audit Board.

Year of first appointment:
2023

Madeleine Cosgrave
Independent Non-executive Director

A N R

Madeleine joined the Shaftesbury Capital Board in August 2024 as an Independent Non-executive Director. Madeleine was Managing Director and Regional Head, Europe at GIC Real Estate from 2016 until 2021. Madeleine joined GIC in 1999 and previously held roles at JLL in valuation, fund management, leasing and development in London and Sydney. Madeleine is a chartered surveyor.

Skills, experience and contribution

Madeleine has extensive experience within the property industry. Madeleine's in-depth knowledge of the property sector and experience as a non-executive director enable her to bring valuable insight to Board and Committee discussions.

External appointments

Non-executive Director of Land Securities Group PLC, independent member of the CBRE IM EMEA Investment Committee, and senior advisor to ICG Real Estate. Madeleine also has mentoring roles with IntoUniversity and GAIN (Girls Are Investors).

Year of first appointment:
2024

Sian Westerman
Independent Non-executive Director

A N R

Sian joined the Shaftesbury Capital Board in September 2024 as an Independent Non-executive Director. Sian is an experienced non-executive director in the private retail, fashion and beauty sectors. Since 2014, Sian has been a Senior Advisor to Rothschild & Co in the Global Advisory Division, where she previously held a number of senior executive roles specialising in retail and luxury M&A.

Skills, experience and contribution

Sian has over 35 years' experience as a board member, adviser and investor in the retail and luxury sectors, both in the UK and overseas. This extensive expertise and her experience as a non-executive director allow Sian to contribute valuable commercial insights to the Board's discussions.

External appointments

Chair of Strathberry Group Limited and Fenwick Limited, and a Non-executive Director of ASC Regenity Limited (trading as Augustinus Bader) and Lyma Life Limited. Senior Advisor to Rothschild & Co in the Global Advisory Division. Member of the Executive Board of the British Fashion Council, a member of the International Advisory Board of Brown Advisory and a Trustee of The Barbican Centre Trust.

Year of first appointment:
2024

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100%
Board and Committee meeting attendance

57%
Board independence (excluding Chairman)

43%
Female Directors

Overview - Governance

Leadership and purpose

An overview of how the Board monitors purpose and culture, and of the Board's key activities throughout the year and its governance framework

- Chairman's introduction
- The Board
- How the Board monitors culture and employee engagement
- The role of the Board and its Committees
- Principal Board activities in 2024
- Section 172(1) statement
- Conflicts of interest
- How we behave
- Relations with shareholders
- Shareholders' and stakeholders' views
- Corporate website
- Annual General Meeting
- Independence and effectiveness

See more about our approach to leadership and purpose on pages 110 to 125.

Composition, succession and evaluation

Sets out our consideration of Board composition and succession planning, recruitment and induction of Directors, and describes the Board evaluation

- Board diversity
- Board skills
- Non-executive Director tenure
- Nomination Committee report
- Director recruitment, induction and development
- 2024 Board evaluation process

See more on our approach to composition, succession and evaluation on page 126 and pages 127 to 131.

Audit, risk and internal control

Explains the role of the Audit Committee in overseeing the integrity of the financial statements and the risk management and internal control systems

- Audit Committee report

See more on our approach to audit, risk and internal control on pages 132 to 137.

Division of responsibilities

Describes the roles of the Directors and how the Company ensures Director independence

- Roles and responsibilities of the Directors
- Independence and effectiveness

See more on our approach to division of responsibilities on page 114 and pages 124 to 125.

Remuneration

Outlines our remuneration policies, which support our strategy and promote the long-term sustainable success of the business

- Directors' remuneration report
- Directors' Remuneration Policy
- Annual report on remuneration

See more on our approach to remuneration on pages 138 to 161.

Compliance with the UK Corporate Governance Code 2018 (the "2018 Code")

The Board considers it has complied in full with the 2018 Code throughout the year ending 31 December 2024. The Corporate governance report on pages 104 to 164 sets out how the Company has complied with the principles and provisions of the 2018 Code.

Since 1 January 2025, the Company has been subject to the UK Corporate Governance Code 2024 (the "2024 Code") and will report on its compliance with the principles and provisions of the 2024 Code in its 2025 Annual Report.

Covent Garden Market Building

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Leadership and purpose

Chairman's introduction

"There has been positive performance and progress since merger, delivering against our medium-term priorities, growing earnings, dividends, cash flows, valuation and NTA."

Jonathan Nicholls
Chairman

Dear Shareholder

I am pleased to introduce our Corporate governance report for the year ended 31 December 2024.

Overview and dividend

The year was one of strong performance for Shaftesbury Capital against a challenging economic backdrop. Since completion of the merger in March 2023, we have delivered significant progress against the priorities we set ourselves. In 2024 we delivered growth in cash rents and ERV in line with our medium-term targets. Our portfolio value is up 4.5 per cent, driven by our leasing and asset management activity. £158.4 million has been realised through disposals and £82.9 million redeployed in accretive acquisitions, with an encouraging pipeline. We continued to identify and implement operational efficiencies, contributing to the growth in underlying earnings and dividends. The sector as a whole continues to trade at a discount to net asset value, but I would hope that investors would recognise the excellent performance of the Shaftesbury Capital team in the near future. Total shareholder return for 2024 was -6.9 per cent. The Board is recommending a final dividend of 1.8 pence per share, bringing the total dividend for the year to 3.5 pence per share. We continue to evolve the capital structure through refinancing activity extending the debt maturity profile. We are well-positioned, with access to significant liquidity to take advantage of market opportunities.

During the year, an important focus for the Board was the evolution of our corporate culture and the steps that management took to embed this and our values across our operations and business. We aim to ensure that we offer a collaborative environment where the customer is at the heart of the business and our people are inspired to give their best to contribute to the Company's success. The strong results of our first employee survey were an endorsement of the attention that has been given to this important area.

Board and Committee changes

As explained in my letter last year, following delivery of a number of post-merger integration activities and the departure of our former Chief Operating Officer in December 2023, which resulted in a reduced executive team, it was agreed that a smaller Board would better reflect the Company's move towards a more efficient organisational structure.

During the year, following the departure of three Non-executive Directors in January, and consideration of the appropriate balance of diversity, skills, succession and experience needed by the Board, two new independent Non-executive Directors, Madeleine Cosgrave and Sian Westerman, were appointed, with experience in the property, luxury and retail markets. Non-executive Director Charlotte Boyle stepped down from the Board with effect from 31 August 2024 following Sian's appointment.

On behalf of the Board, I would like to thank Charlotte for her significant commitment and contribution to the Board over the seven years of her appointment. Her support, insight and expertise were greatly valued.

Succession planning is an important part of our strong corporate governance framework, and the Nomination Committee will continue to develop and monitor succession plans at both Board and senior management level.

Board evaluation

As we undertook an external Board evaluation in 2023, it was agreed that an internal Board evaluation should be undertaken in 2024. I am pleased to report that the findings of the review were positive, with significant progress recognised as having been made since the merger. Details of the process and findings of the review are on page 131.

Engaging with our shareholders

In addition to our extensive investor relations programme led by Ian Hawksworth and Situl Jobanputra, during 2023 and early 2024 our Remuneration Committee offered to meet with shareholders holding over 55 per cent of our register to explain the outcome of a review of remuneration undertaken following the merger. We will be seeking shareholder approval of a new Directors' Remuneration Policy at our 2026 AGM and will therefore engage with our shareholders on the Committee's proposals over the course of the coming year.

Environment Sustainability Community

As reported last year, following the integration of responsibility for our sustainability processes into our real estate investment management team, at our February 2024 Board meeting it was agreed that ongoing oversight of environment, sustainability and community ("ESC") matters, including climate-related risks and opportunities and implementation of the Group's ESC Strategy and Net Zero Carbon commitment, should be a matter for consideration by the whole Board, and as a result we dissolved our former ESC Board Committee.

We published our initial combined Net Zero Carbon Pathway in 2023, following the completion of the merger. During 2024 we revalidated our baseline figures and reset our targets to meet the requirements of the SBTi, including setting a new long-term carbon reduction target. To reflect the reduced level of offsetting permitted, the Board has approved a revised Net Zero Carbon target date of 2040. Our targets were validated by the SBTi in January 2025 and our updated Net Zero Carbon Pathway is available on our corporate website.

As long-term stewards of our estates we have a strong track record of supporting the local community and building long-term relationships with our partners. During 2024, following a thorough review of our community investment activity and a local needs analysis, the Board approved a new Community Investment Strategy with a primary focus on local employment and the adoption of metrics to measure our impact. Our first community impact report is available on our corporate website.

UK Corporate Governance Code 2024

The Board has considered the requirements of the 2024 UK Corporate Governance Code to ensure that it is compliant with those parts which came into force on 1 January 2025. Alongside this, work is being undertaken to ensure that we are prepared to report on Provision 29, which relates to internal controls, and will apply to our accounting period beginning on 1 January 2026.

Looking ahead

Whilst macroeconomic uncertainty remains, the Company enters 2025 with great potential. We are focused on delivering on our priorities by growing rents, valuation, earnings and dividends. As long-term responsible owners, we are committed to implementing our ESC Strategy, including achieving Net Zero Carbon by 2040. Shaftesbury Capital is very well-positioned to deliver attractive long-term returns as the leading central London mixed-use REIT.

Board members and meeting attendance

Number of meetings held: 7

	Number of meetings attended
Chairman	
Jonathan Nicholls	7/7
Executive Directors	
Ian Hawksworth	7/7
Situl Jobanputra	7/7
Non-executive Directors	
Richard Akers	7/7
Ruth Anderson	7/7
Madeleine Cosgrave[1]	2/2
Sian Westerman[1]	2/2
Charlotte Boyle[2]	5/5
Helena Coles[3]	0/0
Anthony Steains[3]	0/0
Jennelle Tilling[3]	0/0

1. Madeleine Cosgrave and Sian Westerman were appointed to the Board on 1 August 2024 and 1 September 2024, respectively, and could only attend a maximum of two meetings.
2. Charlotte Boyle stepped down from the Board on 31 August 2024 and was only able to attend a maximum of five meetings.
3. Helena Coles, Anthony Steains and Jennelle Tilling stepped down from the Board on 31 January 2024. No meetings were held in 2024 prior to their departure.

My thanks to the team

The Company's performance relies on the efforts of our employees and I would like to thank everyone for their commitment and hard work during the course of 2024.

Jonathan Nicholls
Chairman

26 February 2025

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The Board

The Board is collectively responsible for the long-term success of the Company, and for its leadership, purpose, strategy, culture, values, standards, control and management. Day-to-day management of the Group is delegated to the Executive Directors, subject to formal delegated authority limits; however, certain matters have been reserved for Board approval. These matters are reviewed annually and include strategy, corporate reporting, significant funding decisions and corporate transactions, the ESC Strategy, Net Zero Carbon commitments, risk appetite, the Modern Slavery and Human Trafficking Statement, delegated authority limits, material policies including those on dividends and tax, and Board and Committee composition.

Board composition

As at 31 December 2024, the Board comprised the Chairman, the Chief Executive, the Chief Financial Officer and four Non-executive Directors. Biographies of each of the Directors on the Board at the date of this report and their membership of the Committees can be found on pages 106 to 107, and additional information on the Directors' skills, experience and background is included on page 126.

Board operations in 2024

The Board met formally throughout the year. Main meetings were timed around the financial calendar, with an annual strategy session in October, and additional meetings convened, or communications sent, as appropriate. Attendance at meetings of the Board and Committees held during 2024 is shown on page 111 for the Board and in the Committees' reports on pages 128, 133 and 141. Board papers are circulated in advance of meetings, to ensure that Directors have sufficient time to consider their content prior to the meeting. If matters require approval at short notice, written approval is sought from the Directors.

The Chairman and Non-executive Directors regularly spend time at the Company's head office, and maintain regular contact with the Chief Executive, the Chief Financial Officer and members of senior management. During the year, the Chairman meets with the Non-executive Directors without the Executive Directors being present.

As matters that require the Board's decision are often complex and evolve over a period of time, informal update meetings are held, and regular updates are provided by the Chief Executive between scheduled Board meetings, to allow Board members adequate time to explore, understand and challenge matters under consideration.

During 2024, the Board received regular updates on business performance, the property portfolio, operations, finance, ESC and people from the Executive Directors and senior management in each business area. In addition, reports from the General Counsel, the Company Secretary and the Chairmen of the Committees are considered at each formal Board meeting. The table on pages 116 to 117 shows the key areas considered by the Board during the year.

The Board establishes the Group's:

Purpose

Our purpose is investing to create thriving destinations in London's West End where people enjoy visiting, working and living.

Read more on pages 16 and 17.

Values

Our values are to:

- Take a responsible, long-term view
- Act with integrity
- Take a creative approach
- Listen and collaborate
- Make a difference

Read more on pages 16 and 100.

Strategy

Our strategy is to deliver long-term income and value growth from our unique portfolio of properties through investment, curation and responsible stewardship, benefiting all stakeholders and contributing to the success of the West End.

Read more on pages 16 and 17.

and ensures that they are aligned with the Group's culture.

Shaftesbury Capital promotes high standards and a high-performance, professional, entrepreneurial and inclusive culture, reflective of our business strategy and values.

Read more on pages 113 and 122.

How the Board monitors culture and employee engagement

Our purpose and values form the basis of our culture, and together are fundamental to the way we operate. Our people are central to our culture and critical in delivering our strategy. The Board and senior management recognise that culture comes from the top, and consider regular feedback to ensure that the culture is embedded within the business.

Key ways in which we have sought to embed our values, and the ways Directors have monitored our culture, this year included:

- The Board received a report from the Head of HR on the results of the first employee survey, and discussed the findings and identified actions.
- The Chief Executive, CFO and members of the Executive Committee, supported by the Head of HR, led Company-wide meetings to provide business updates to employees, including on strategy, financial performance and targets, customer engagement and the employee survey. These meetings provided the opportunity for employees to ask questions.
- The Chief Executive holds regular informal sessions with employees which provide a forum for relaying the Group's priorities and allowing team members to ask questions.
- The Non-executive Directors were taken on tours of the portfolio by the asset management and leasing teams.
- Richard Akers and Charlotte Boyle attended the Employee Engagement Forum, which is made up of a wide range of employees in terms of role, seniority and experience. Matters discussed included the Company's purpose, culture and values, priorities and targets, integration, communication and the results of the employee survey.
- Members of the senior leadership team join Executive Committee meetings on a regular basis. Any significant informal feedback is reported to the Board by the Executive Committee.
- The Chief Executive and Head of HR updated the Nomination Committee on the leadership development programmes delivered during the year, the goals of which aligned with the Group's values.
- The Remuneration Committee reviewed implementation of the Group's employee remuneration framework, ensuring alignment of both Executive Director and employee remuneration with the Group's values.
- Senior managers across the Group joined the Directors at the October Board Strategy Day dinner.
- Core governance policies are reviewed annually by the Board and employees are required to complete a variety of e-learning modules on a regular basis. Completion levels are reported to the Board.
- Feedback from the internal and external auditors on their interactions with operational and finance teams is provided directly to the Audit Committee.
- Our Whistleblowing Policy, applicable to all employees, encourages openness in reporting concerns. Contacts available under the policy include the Chairman of the Audit Committee. Any reports would be investigated and reported to the Board. No reports were made during the year.

Informal session with the Chief Executive

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The role of the Board and its Committees

The Board
Led by Jonathan Nicholls

7 meetings

- Sets Group strategy
- Oversees the alignment of the Group's purpose, culture and values, strategy and risk
- Considers the balance of interests between stakeholders for the long-term success of the Group
- Oversees the Group's governance and the implementation of the Group's ESC Strategy
- Holds ultimate oversight and responsibility for the management of climate-related risks and opportunities

Board activities: pages 116 to 117.

Division of responsibilities of Directors: page 124.

Directors' biographies: pages 106 to 107.

Audit Committee
Led by Ruth Anderson

4 meetings

- Oversees the Group's valuation and financial reporting processes
- Reviews the adequacy and effectiveness of internal controls and risk management systems
- Reviews the independence and effectiveness of the internal and external auditors

Audit Committee report: pages 132 to 137.

Nomination Committee
Led by Jonathan Nicholls

3 meetings

- Reviews the structure, size and composition of the Board and its Committees
- Oversees succession planning and development of a diverse pipeline of talent at Board and senior management levels
- Makes recommendations about appointments to the Board

Nomination Committee report: pages 127 to 131.

Remuneration Committee
Led by Richard Akers

4 meetings

- Determines the Remuneration Policy for the Executive Directors and sets the remuneration for the Chairman and designated senior management
- Ensures there is a link between culture, performance and remuneration
- Monitors employee remuneration and related policies

Remuneration Committee report: pages 138 to 161.

Executive Committee
Led by Ian Hawksworth

Meets formally at least every quarter

- Works on implementation of the Company's business plan
- Monitors operational performance
- Reviews financial performance
- Reviews and prioritises resourcing in the Group
- Considers matters referred from below the Executive Committee

Executive Risk Committee
Led by Ian Hawksworth

Meets at least 4 times a year

- Reviews and monitors the Group's principal and emerging risks
- Oversees the effectiveness of the Group's risk management systems

Risk management: pages 59 to 61.

Principal risks and uncertainties: pages 61 to 65.

Climate-related risks and opportunities: pages 66 to 74.

Health & Safety Committee
Led by Alison Fisher

Meets at least 4 times a year

- Oversees occupational health, safety and well-being
- Monitors the Group's policy and performance against best practice for health and safety

Health, safety and security: page 103.

Disclosure Committee
Led by Situl Jobanputra

Meets regularly throughout the year

- Monitors the status of potential inside information in the business
- Ensures disclosure requirements are met and that appropriate records are maintained in respect of inside information

ESC Management Committee
Led by Andrew Price

Meets at least 4 times a year

- Considers ESC matters including strategy, policies, Net Zero Carbon Pathway and community initiatives and makes recommendations to the Executive Committee
- Monitors implementation of and performance against the Group's ESC objectives and targets

Sustainability: pages 78 to 99.

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Principal Board activities in 2024

The Board met formally seven times during the year. A number of other matters were approved by written resolution of the Board. At every scheduled Board meeting, the Board receives updates from the Executive Committee, the General Counsel and the Company Secretary on the operating environment, portfolio activities (including sustainability and stakeholder engagement), financial performance and prospects, health and safety, employees, legal matters and governance. The Executive Committee members attend each meeting and other employees from across the business may be invited to join meetings to present topical updates.

The table below and and on the adjacent page provides examples of matters considered during the year.

Strategy

- Regularly considered the macro environment.
- Considered and approved key strategic priorities, strategic proposals, and performance metrics.
- Received updates on performance against the Company's medium-term targets.

Finance, tax and corporate reporting

- Approved the half year and year end results, including consideration of the Going Concern and Viability Statements.
- Approved the 2023 Annual Report.
- Approved the 2024 Annual General Meeting and the November 2024 trading updates.
- Approved the 2025 budget and reviewed the medium-term financial projections.
- Approved a £75 million term loan, the refinancing of the £300 million revolving credit facility, the extension of the £350 million senior unsecured loan facilities, the repayment of £95 million of private placement unsecured loan notes and the novation of interest rate hedging arrangements.
- Approved the updated Tax Strategy.
- Approved the 2023 final dividend of 1.65 pence paid in May 2024 and the 2024 interim dividend of 1.7 pence paid in October 2024.

Stakeholder engagement

- Received updates on the business' customer strategies, including the first customer survey.
- Received regular updates on investor relations activity and matters raised by shareholders.
- Received updates on the results of the first employee survey.
- Considered the impact of business decisions on a wide range of stakeholders.
- Received feedback on meetings with various stakeholders.

Governance

- Approved the appointments of Madeleine Cosgrave and Sian Westerman as Non-executive Directors.
- Approved revised/new corporate policies, including new Health and Safety Policy, and Committee terms of reference.
- Received updates from the Chairman of each of the Audit, Remuneration and Nomination Committees.
- Approved the AGM resolutions.
- Approved the 2024 Modern Slavery and Human Trafficking Statement.
- Approved the external appointments of all Directors.
- Considered the findings of the Board evaluation.
- Received updates on legal and governance developments including the 2024 Code and the Economic Crime and Corporate Transparency Act 2023.

People and culture

- Received feedback from the Employee Engagement Forum.
- Received updates from the Head of HR and the Chairman of the Nomination Committee on the leadership development programmes delivered during the year.
- Received updates on the results of the first employee survey.
- Received updates on completion of the integration of teams and systems following the merger.
- Received updates from the Chairman of the Remuneration Committee on Board and employee remuneration, including non-financial performance metrics.

Operations

- Approved the acquisition of properties on James Street and the disposal of the majority of the Fitzrovia portfolio and certain other properties.
- Approved the sale of the Group's interest in the Longmartin associate.
- Received updates on the restructuring of the property team to focus on Group-wide investment and operations.
- Received updates on investment market, valuations, occupier trading conditions, rent collection levels, leasing activities, marketing strategy and vacancy levels.
- Received updates on operational strategy, customer strategy and health and safety.
- Received updates on acquisitions and disposals which did not require Board approval.

Sustainability

- Received updates on the development of the updated ESC Strategy and policies and performance against sustainability targets.
- Considered climate-related risks and opportunities.
- Approved amendments to Shaftesbury Capital's Net Zero Carbon Pathway reflecting the requirements of the SBTi.
- Approved new Community Investment Strategy.

Risk management and internal control

- Approved the Group Risk Management Policy and Framework and the Board's risk appetite in respect of each principal risk.
- Considered the principal and emerging risks following review by the Executive Risk and Audit Committees, and the risk disclosures for the half year and full year results.

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Our section 172(1) statement

The Board confirms that during the year under review it acted in the way that it considered, in good faith, would be most likely to promote the long-term success of the Company for the benefit of its members as a whole, and in doing so had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

Engagement with stakeholders

The Board principally engages directly with employees and shareholders but is also kept apprised of engagement with other stakeholders through a combination of reports from the Executive Directors, members of the Executive Committee and senior management, and advisers to understand the views of the Group's stakeholders on day-to-day operations. On pages 44 to 49, we outline the ways we have engaged with key stakeholders and the outcomes of that engagement.

Methods used by the Board

The main methods used by the Board to perform its duties under section 172(1)(a) to (f) of the Companies Act 2006 ("s172(1)") include:

- Oversight of the Group's purpose, strategy and values, and their alignment with our culture.
- Consideration of the Group's risk appetite, principal risks and risk mitigation.
- Oversight of employee resourcing and well-being.
- A dedicated section within each Board approval paper setting out the likely impact of any proposal on the relevant stakeholders.
- Review of stakeholder engagement undertaken by the Executive Committee and the wider team across the business.
- Consideration of stakeholder surveys.
- External assurance received from the auditors and reports from brokers and advisers.

Whilst it is not always possible to meet the preferences of all stakeholders, the Board aims to ensure that all relevant factors are considered before a decision is taken. Some examples of how the Board considered stakeholder interests and the matters set out in s172(1) during 2024 are shown in the table on the adjacent page. Other examples of how the Board has considered stakeholder interests and s172(1) matters are included in the section "How the Board monitors culture and employee engagement" on page 113.

Community investment and engagement

Examples of the Board's consideration of stakeholder interests and matters set out in s172(1) in 2024 are shown below.

Key matters	Board considerations	Outcomes
Customer focus	The Company places the customer at the heart of the business. During 2024 the Board gave renewed focus to this area in order to maintain strong relationships and the provision of appropriate levels of service.	During the year, the property team was restructured to allow greater customer focus. We also worked with our outsourced providers to ensure that our expected standards were delivered, and a customer survey was launched.
Strength of balance sheet	Maintaining a strong capital structure is a key part of the Company's strategy. The Board therefore considers the Company's financing structure and debt maturity profile on a regular basis to ensure that a strong balance sheet and access to sufficient liquidity are maintained. The financial stability of the Company is important to a wide range of stakeholders. In considering financings, the views of investors and the negotiation of the terms available from, and relationships with, different finance providers are given particular consideration by the Board.	During the year the Board considered medium-term funding and refinancing options and approved matters including new or replacement finance arrangements totalling £375 million, the extension of the £350 million senior unsecured loan facilities, and the repayment of £95 million of private placement unsecured loan notes.
Acquisitions and disposals	Asset rotation through capital recycling is one of the Company's priorities and we maintain an active and disciplined approach to capital allocation. The Board gives thorough consideration to proposed acquisitions and disposals, so that anticipated returns, risks and opportunities are balanced. The Board also considers the impact of proposals on a range of stakeholders who include tenants, the local community and local authorities.	During the year the Board approved a number of acquisitions and disposals including the acquisition of 25-31 James Street and the disposal of properties within the Fitzrovia portfolio.
Purpose, culture and values	The Board remains committed to embedding our culture and values within the business and receives regular updates on this from management throughout the year.	The Board was briefed on the outcomes of the first employee survey and the identified actions, and received feedback from the Employee Engagement Forum.
Environmental, social and community impact	Shaftesbury Capital maintains its commitment to sustainability, with the Board as a whole having responsibility for oversight and leadership of this area. During the year, as our ESC programme evolved, the Board was briefed on the factors that underpinned the need to review the Company's Net Zero Carbon target date, and the fact that the new Pathway does not significantly change the impact for the Company's stakeholders. The Board also considered ways in which the impact of the Company's community investment activities could be improved.	The Board approved an updated Net Zero Carbon Pathway and a new Community Investment Strategy.

Key

Customers, Employees, Finance providers, Visitors, Partners, Shareholders, Suppliers, Local communities

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s172(1) factors	Relevant disclosures	Pages
a. The likely consequences of any decision in the long term	Our competitive strengths	10 to 11
	Chief Executive's statement	12 to 15
	Our purpose-led strategy	16
	Our business model	17
	Measuring performance	20 to 21
	Portfolio and operating review	32 to 43
	Stakeholder engagement	44 to 49
	Non-financial and sustainability information statement	77
	Sustainability report	78 to 99
	Chairman's introduction	110 to 111
	Principal Board activities in 2024	116 to 117
b. The interests of the Company's employees	Stakeholder engagement	44 to 49
	Non-financial and sustainability information statement	77
	Our people and culture	100 to 101
	Diversity, equity and inclusion	101 and 130
	Chairman's introduction	110 to 111
	How the Board monitors culture and employee engagement	113
	Employee remuneration and related policies below the Board	138 to 140
c. The need to foster the Company's business relationships with suppliers, customers and others	Stakeholder engagement	44 to 49
	Non-financial and sustainability information statement	77
	ESC Strategy, approach and progress	80 to 90
	Industry and supply chain collaboration	89
	Modern slavery and human rights	90
	Chairman's introduction	110 to 111
	Principal Board activities in 2024	116 to 117
	How we behave	122
d. The impact of the Company's operations on the community and the environment	Stakeholder engagement	44 to 49
	Non-financial and sustainability information statement	77
	Sustainability report	78 to 99
	Our community	97 to 99
	Chairman's introduction	110 to 111
	Directors' remuneration report	138 to 161
e. The desirability of the Company maintaining a reputation for high standards of business conduct	Our purpose-led strategy	16
	Our business model	17
	Stakeholder engagement	44 to 49
	Risk management	59 to 65
	Non-financial and sustainability information statement	77
	Chairman's introduction	110 to 111
	Conflicts of interest	122
	How we behave	122
	Division of responsibilities	124
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f. The need to act fairly as between members of the Company	Stakeholder engagement	44 to 49
	Relations with shareholders	122 to 123
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Conflicts of interest

The Company's Articles of Association allow the Board to authorise any actual or potential conflicts of interest that may arise from Directors' external relationships or commitments. Any potential conflicts of interest are declared at the start of each Board meeting and a Director who has a conflict of interest is not counted in the quorum or entitled to vote when the Board considers the matter in which the Director has an interest. On an annual basis, actual and potential conflicts are formally reviewed in respect of both the nature of Directors' external roles and their time commitment.

The external interests of new Directors are considered as part of the recruitment process, and, if appropriate, authorised by the Board on appointment. Any additional external appointments are subject to Board approval, and are also considered with regard to the nature of the role and time commitment. This process was followed in approving Situl Jobanputra's external appointment as a Non-executive Director of WH Smith PLC, which was effective from 1 March 2024, and in approving Richard Akers' new external appointment as the Chairman of Miller Homes Limited, which was effective from 1 January 2025.

The Board considers these procedures to be working effectively.

How we behave

We aspire to the highest standards of business conduct based on honesty, respect, integrity and transparency in everything we do. Because we have a relatively small team of employees, our Board and Executive Committee have a high degree of oversight of the Group's activities, policies and procedures.

While we do not have a specific human rights policy, our expectations in this area are set out across a number of our policies and procedures, and we expect suppliers, as a minimum, to adhere to all applicable human rights, employment and health and safety legislation and to comply with standards and codes specific to their business.

We have formal compliance policies in place in relation to anti-money laundering, anti-bribery and corruption, data protection, fraud, tax evasion, gifts and hospitality, share dealing, whistleblowing and conflicts of interest. All new employees receive training on these policies as part of their induction process, and annual e-learning refresher training is a requirement for all employees. A formal compliance statement relating to these policies is also required to be signed by employees on joining and annually thereafter. In February 2025, we published our latest Modern Slavery and Human Trafficking Statement, which can be found on our website: https://www.shaftesburycapital.com. This sets out the actions undertaken during the year to prevent modern slavery and human trafficking in our business and supply chain.

Our culture is open, honest and transparent, and our employees are encouraged to speak up if they witness or suspect any wrongdoing or behaviour which does not align with our high standards. We have a formal Whistleblowing Policy, under which employees and suppliers can report any concerns either directly to our General Counsel, our Company Secretary or the Chairman of the Audit Committee, or through an independent hotline and online portal. Following receipt of a whistleblowing report, we have procedures to ensure that an appropriate investigation is undertaken. This policy is reviewed by the Audit Committee and the Board annually.

Relations with shareholders

The Board considers the views of our shareholders and contact with potential investors to be an important aspect of corporate governance. An extensive investor relations programme is run by the Chief Executive and the Chief Financial Officer, involving members of the Executive Committee and the Director of Commercial Finance and Investor Relations meeting with investors and analysts throughout the year in a range of formats. This includes results presentations, webcasts, roadshows, one-to-one meetings, industry conferences and property tours.

All Directors were present at the 2024 Annual General Meeting where shareholders were able to participate, ask questions and vote.

As part of our regular investor relations programme, meetings were held with UK and overseas existing and potential institutional investors as well as with equity market analysts. The Chief Executive, the Chief Financial Officer and senior management have also led tours of our portfolio, which provide existing and potential investors the opportunity to see our destinations, understand our management strategy and meet senior management.

During 2024, the Chairman and Non-executive Directors engaged with shareholders on remuneration matters.

2024 investor relations calendar

February	– Results for year ended 31 December 2023 – Analyst presentation
March	– 2023 results roadshow
May	– Annual General Meeting – Trading update
July	– Interim results for period ended 30 June 2024 – Analyst presentation
August	– 2024 interim results roadshow
November	– Trading update

Shareholders' and stakeholders' views

The Board receives regular updates on the Company's major shareholders' and stakeholders' views, and a dedicated section on stakeholder impact is included in each Board approval paper. More about the Company's consideration of and engagement with its stakeholders can be found on pages 44 to 49 and in the Company's section 172(1) statement on pages 118 to 119.

The Board also receives regular updates from members of the Executive Committee and the Head of HR on employee matters, and receives updates from the Employee Engagement Forum. During 2024, additional updates were provided about the outcomes of the first employee survey since the merger.

Retail shareholders may raise questions through the Company Secretary by email to cosec@shaftesburycapital.com.

Corporate website

Our corporate website (https://www.shaftesburycapital.com) gives visitors access to Company information, annual reports, results presentations and webcasts. There are also links to our destination websites, contact details for shareholder enquiries, and information about our whistleblowing hotline and online portal.

Annual General Meeting

The 2025 Annual General Meeting of the Company will be held on 22 May 2025 at 11.30 am (London time) at the London offices of Herbert Smith Freehills LLP (the "AGM"). The AGM notice will be issued to shareholders at least 20 working days before the meeting, and will also be made available on the Company's website. Shareholders are requested to check the website for the latest details concerning the 2025 AGM. Separate resolutions will be proposed on each issue and, in accordance with the UK Corporate Governance Code 2024 (the "2024 Code"), each Director will offer themselves for election or re-election, as relevant.

Shareholders are advised to vote in advance of the meeting, prior to the proxy deadline set out in the AGM notice.

Shareholders may submit any questions by sending an email to cosec@shaftesburycapital.com and a response will be provided.

The results of the votes on all resolutions will be published on our website following the AGM.

Board and Committee meetings, key corporate events and investor engagement during 2024

Board and Committee meetings	January	February	March	April	May	June	July	August	September	October	November	December
		– Board meetings – Audit Committee – Nomination Committee – Remuneration Committee		– Board update	– Board meeting – Audit Committee		– Board meeting – Audit Committee – Nomination Committee – Remuneration Committee			– Board Strategy Day	– Board meeting – Audit Committee – Nomination Committee – Remuneration – Committee	
Key corporate events and investor engagement	– Three Non-executive Directors step down from 31 January	– 2023 year end results – Year end results analyst presentation	– 2023 Annual Report – 2023 year end roadshow – Acquisition of 25-31 James Street		– Trading update – 2024 Annual General Meeting – 2023 final cash dividend of 1.65 pence per share paid	– New £75 million unsecured term loan	– 2024 interim results – 2024 interim results analyst presentation	– New Non-executive Director Madeleine Cosgrave joins from 1 August – Non-executive Director Charlotte Boyle steps down from 31 August – 2024 interim results roadshow	– New Non-executive Director Sian Westerman joins from 1 September	– Sale of interest in Longmartin associate – 2024 interim cash dividend of 1.70 pence per share paid	– Trading update	– Refinancing of £300 million revolving credit facility

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Division of responsibilities

The Board comprises the Non-executive Chairman, two Executive Directors and four Independent Non-executive Directors. There is clear division between Executive and Non-executive responsibilities, which ensures accountability and oversight. The Board has overall responsibility for governance throughout the Group and is supported by the Company Secretary and the General Counsel. The Chairman and Non-executive Directors meet regularly without the Executive Directors, and at least once a year the Non-executive Directors meet without the Chairman.

The Board delegates some of its responsibilities to the Nomination, Audit and Remuneration Committees. A description of the work of these Committees can be found in their reports on page 127, 132 and 138, respectively.

Each Committee has its own terms of reference, which are available on our website and reviewed annually, and assesses its effectiveness every year as part of the evaluation process set out on page 131.

The Board also delegates operational matters to the Executive Committee, except for certain matters which are reserved for the Board. The Schedule of Board Responsibilities can be accessed on our website.

The roles of Chairman, Chief Executive and Senior Independent Director are separately held, well defined, set out in writing and regularly reviewed by the Board. The terms of reference for each role are available on our website.

The roles of Board members and the Executive Committee

The following table sets out the key responsibilities of each individual or group:

Positions	Names	Key responsibilities
Chairman	Jonathan Nicholls	– Leading the Board in the consideration, challenge, support and oversight of the Company's strategy and its implementation, and monitoring the Group's risk profile. – Overseeing succession planning at the Board level. – Ensuring effective links between shareholders, other stakeholders, the Board and senior management.
Chief Executive	Ian Hawksworth	– Developing and implementing the Company's strategy and commercial objectives. – Overseeing the financial and operational performance of the Group and communication with the Board, employees and other stakeholders. – Overseeing the skills, diversity, management development and succession of the Group's employees.
Chief Financial Officer	Situl Jobanputra	– Working closely with the Chief Executive in developing and implementing the Company's strategy, and overseeing capital allocation, investment and key transactions. – Providing financial leadership, developing the Company's business and financial strategy, and managing the Company's capital structure. – Responsible for financial reporting, financial planning and analysis, investor relations, treasury, tax and IT functions.
Non-executive Directors	Richard Akers Ruth Anderson Madeleine Cosgrave Sian Westerman	– Providing constructive challenge of the Executive Directors and monitoring the delivery of the Company's strategy within the risk management and internal control frameworks set by the Board.
Executive Committee	Ian Hawksworth Situl Jobanputra Michelle McGrath Andrew Price	– Working on implementation of the Company's business plan. – Monitoring operational performance and reviewing financial performance. – Reviewing and prioritising resourcing in the Group. – Considering matters referred from below the Executive Committee.

All Directors have access to the advice and services of:

Positions	Names	Key responsibilities
Company Secretary	Ruth Pavey	– Advising the Board on corporate governance matters and ensuring the smooth flow of information within the Board and its Committees, and between senior management and the Non-executive Directors.
General Counsel	Alison Fisher	– Providing legal advice and guidance to the Board. – Reporting to the Board on corporate services activities, including HR and health and safety.

Independence and effectiveness

In accordance with the 2024 Code, all Directors are subject to annual election or re-election, as relevant, and at least half the Board, excluding the Chairman, are Independent Non-executive Directors. The Chairman was independent on appointment.

The Board believes that it and its Committees have the appropriate combination of skills, experience and knowledge to enable them to carry out their duties effectively. The Nomination Committee keeps the tenure of all Directors, the effectiveness of individual Directors, and Board diversity under review. The Board considers all our Non-executive Directors to be independent and free from any business or other relationship which could materially interfere with the exercise of their judgement.

Our Non-executive Directors remain independent from executive management of the Company, and they meet regularly with the Chairman to allow them the opportunity to discuss their views privately.

The Board recognises the importance of each Director being able to dedicate sufficient time to effectively discharge their duties and responsibilities. The commitment expected is considered by the Board on each Director's appointment.

Where Directors take on additional external appointments, these are approved by the Board subject to satisfaction that the particular Director has sufficient time to carry out their responsibilities in relation to the Company. The Board approved the appoints of Situl Jobanputra as a Non-executive Director of WH Smith PLC and of Rickard Akers as the Chairman of Miller Homes Limited.

The key responsibilities of Board members are set out in the table on the page opposite.

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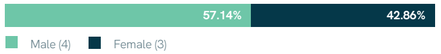
Board skills, experience and background

Board composition as at 31 December 2024

Gender



Age

Ethnic group

Board independence

Board skills and tenure as at 31 December 2024

Board skills

	Leadership	Real estate	Hospitality, leisure, luxury, fashion and retail	Environmental, social and community	Corporate finance	Accounting/ finance	Fund management/ financial markets
Ian Hawksworth	✓	✓	✓	✓	✓	✓	✓
Situl Jobanputra	✓	✓	✓	✓	✓	✓	✓
Jonathan Nicholls	✓	✓			✓	✓	✓
Richard Akers	✓	✓	✓	✓			
Ruth Anderson	✓	✓	✓		✓	✓	✓
Madeleine Cosgrave	✓	✓	✓				✓
Sian Westerman	✓		✓		✓		✓

Non-executive Director tenure

	Year joined	2023	2024	2025 YTD	Length of time (to 26 February 2025)
Chairman					
Jonathan Nicholls[1]	2023				2 years
Non-executive Directors					
Richard Akers[1]	2023				2 years
Ruth Anderson[1]	2023				2 years
Madeleine Cosgrave	2024				7 months
Sian Westerman	2024				6 months

1. Reflecting the legal structure, expanded portfolio and different management team, the Board has agreed that each Director's tenure should be calculated from the date of the merger with Shaftesbury PLC.

Composition, succession and evaluation

Nomination Committee report

"During 2024 the Committee continued to focus on the evolution of the Board, ensuring that we have the right balance of diversity, skills and experience following the post-merger integration of the business."

Jonathan Nicholls
Chairman

Dear Shareholder

On behalf of the Nomination Committee, I am pleased to present our 2024 report.

Overview

During the year, we focused on the composition of the Board following the integration of the business. The Committee has also taken a keen interest in the development of our team below Board level.

Continued evolution of the Board

As reported last year, following delivery of a number of post-merger integration activities, it was decided that a smaller Board would be more effective and reflective of the Company's move towards a more efficient organisational structure.

During 2024, following the departure of three Non-executive Directors in January, further consideration of the appropriate balance of diversity, skills and experience for the Board, and mindful of succession planning, it was agreed that two new Non-executive Directors should be appointed, with experience in the property, luxury or retail markets. The Committee appointed executive search firm Russell Reynolds Associates to assist with the recruitment and, following a full process, we were pleased to recommend the appointment of Madeleine Cosgrave and Sian Westerman to the Board. Non-executive Director Charlotte Boyle stepped down from the Board with effect from 31 August 2024 following the appointment of Sian.

Following these Board changes, I am pleased to report that 43 per cent of our Board directors are women. We remain cognisant of the Listing Rules targets for at least one of the roles of Chair, Senior Independent Director, Chief Executive and Chief Financial Officer to be a held by a woman and the Committee will include these targets in its consideration of succession planning and the diversity, experience and skills required for the Board.

Below-Board development, and succession planning

During the year, the Chief Executive and our Head of HR ensured that the Committee was kept up to date on the development and succession planning initiatives in place below Board level. These have included a number of talent and leadership development programmes which have operated across the business.

In line with the latest Parker Review recommendations for FTSE 350 companies, the Committee has maintained its target for 10 per cent of Executive Committee members and their senior manager direct reports to identify with an ethnic minority category by 2027. This target, and performance against it, will be kept under review.

Jonathan Nicholls
Chairman of the Nomination Committee

26 February 2025

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Nomination Committee at a glance

Nomination Committee members and meeting attendance

Number of meetings attended (3 held)

Jonathan Nicholls (Chairman)	3/3	**Charlotte Boyle**[2]	2/2
Richard Akers	3/3	**Helena Coles**[3]	0/0
Ruth Anderson	3/3	**Anthony Steains**[3]	0/0
Madeleine Cosgrave[1]	1/1	**Jennelle Tilling**[3]	0/0
Sian Westerman[1]	1/1		

1. Madeleine Cosgrave and Sian Westerman were appointed to the Board and the Committee on 1 August 2024 and 1 September 2024, respectively, and could only attend a maximum of one meeting.
2. Charlotte Boyle stepped down from the Board and the Committee on 31 August 2024 and was only able to attend a maximum of two meetings.
3. Helena Coles, Anthony Steains and Jennelle Tilling stepped down from the Board and the Committee on 31 January 2024. No meetings were held in 2024 prior to their departure.

Key responsibilities of the Committee

- Monitors and reviews the structure, size and composition (including skills, knowledge, experience and diversity) of the Board and its Committees.
- Ensures that there are appropriate plans in place for the orderly and effective succession of the Board and senior management.
- Oversees the development of a diverse pipeline for succession at Board and senior management levels.
- Keeps Directors' skills, experience and independence under consideration.
- Leads the process for Board appointments and makes recommendations to the Board.
- Reviews the time commitment expected from Directors.
- Oversees the Board evaluation process.

How the Committee operates

The Nomination Committee comprises Independent Non-executive Directors. At the beginning of the year, the members of the Committee were Jonathan Nicholls (who is Chairman of the Committee), Richard Akers, Ruth Anderson, Charlotte Boyle, Helena Coles, Anthony Steains and Jennelle Tilling. Helena Coles, Anthony Steains and Jennelle Tilling stepped down from the Board and the Committee on 31 January 2024 and Charlotte Boyle stepped down from the Board and the Committee on 31 August 2024. Madeleine Cosgrave and Sian Westerman were appointed to the Board and the Committee on 1 August 2024 and 1 September 2024, respectively.

The biographies set out on pages 106 to 107 demonstrate the diversity of experience of the Committee members.

Independent executive search firms are engaged to assist in Executive and Non-executive Director succession planning and appointment processes, as appropriate. Russell Reynolds Associates was engaged as the external search agency to assist with the recruitment of the Non-executive Directors appointed during the year. Russell Reynolds Associates has no connection with the Company or any individual Director, other than to assist with the Non-executive Director recruitment process.

In making recommendations to the Board on Non-executive Director appointments, the Nomination Committee specifically considers the expected time commitment of the proposed Non-executive Director, against the other commitments that they already have external to the Company. Agreement of the Board is also required before a Director may accept any additional commitments. This is to ensure that possible conflicts of interest are identified and that Directors will continue to have sufficient time to devote to the Company's affairs.

All Directors are subject to annual election or re-election, as relevant, in accordance with the 2024 UK Corporate Governance Code. The Committee considers the skills, knowledge and level of performance of all Directors before making its recommendation to the Board.

The Committee reviews its effectiveness and terms of reference annually.

Director recruitment, induction and development

Our recruitment process for new Non-executive Directors is set out in the graphic to the right. On joining the Board, we provide an induction programme for each new Director, which is tailored depending on the individual's experience and expected role on the Board. Our induction programmes include individual meetings with the Chairman, Executive Directors, General Counsel, Company Secretary and members of senior management, together with participation in site tours and meetings with the Company's advisers, which may include the internal and external auditors, brokers, valuers and lawyers. We also provide copies of past Board papers and access to a reference library which includes corporate information and policies, information on directors' duties and responsibilities and other useful materials.

The Chairman and the Committees together ensure that Directors keep their skills and knowledge up to date, to allow them to fulfil their roles on the Board and Committees. The General Counsel and Company Secretary regularly update the Board on legal and corporate governance matters. Directors are required to participate in the Company's mandatory training modules, and information on other training opportunities and seminars is circulated to Directors. Directors also receive periodic briefings from external advisers, and Directors may take independent advice at the Company's expense where they feel this appropriate.

Director recruitment process

The Committee considers Board composition and determines desired skills and experience

A person specification is prepared

An executive search firm is appointed

A shortlist of candidates is identified

The Chairman and Chief Executive meet with shortlisted candidates and provide feedback to the Committee

All Directors are given the opportunity to meet the preferred candidate

The Committee makes a formal recommendation to the Board

A tailored induction is provided to the new Director

Diversity and inclusion

The Board recognises that diversity of experience and perspective can bring benefits across the business.

Shaftesbury Capital's Board Diversity and Inclusion Policy aligns with the Committee's aim of ensuring that the Board has the right mix of skills and experience to deliver Shaftesbury Capital's strategy, and reflects the Board's view of the benefits of diversity which encompasses diversity in the broadest sense, i.e. not just of gender or ethnicity, but also experience and skills.

At 31 December 2024, 43 per cent of our Board were women, and we had one Director from a minority ethnic background.

Whilst our Audit Committee is chaired by a woman, our senior Board positions are held by men. The Board considers that quotas are not appropriate in determining its composition and has, therefore, chosen not to set formal targets; however, it keeps diversity under consideration in all aspects of Board composition, including the Committees and senior Board positions, and is conscious of the Listing Rule targets in making all Board appointments.

In conducting searches, the Nomination Committee works with executive search consultants that are required to provide a diverse selection of candidates for Board appointments, taking into account our Diversity and Inclusion Policy and the Listing Rules targets, with selection based upon merit, objective criteria and alignment with our values.

Below Board level, we are proud that we have strong representation from female employees across the business, which has been recognised in the latest FTSE Women Leaders review. Our team is 63 per cent female and 54 per cent of our senior management are female. Whilst all appointments are made on merit and based on objective criteria, we recognise that diversity includes, but is not limited to, gender, and we can do more to promote wider diversity. This is an area on which we will continue to focus.

Initiatives we support to promote diversity within the real estate sector include:

- being a member of Real Estate Balance, and its NextGen Committee, whose objective is to achieve a better gender balance at board and executive management level in the real estate industry, by supporting the development of a female talent pipeline across the sector; and
- being a corporate sponsor of Freehold, and a member of initiatives including AbilityRE, the British Property Federation Diversity & Inclusion Champions network and the Business Disability Forum.

Looking ahead, the Nomination Committee will continue to develop and monitor succession plans at both Board and senior management level, and keep under review both the diversity of, and development programmes for, our talented team.

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Sex or gender identity of Board and Executive Committee as at 31 December 2024[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chairman)	Number in executive management (ExCo)	Percentage of executive management (ExCo)
Men	4	57%	4	3	75%
Women	3	43%	0	1	25%
Other categories	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

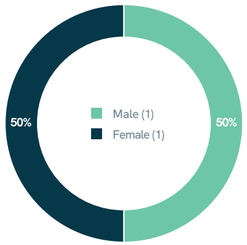
Ethnic background of Board and Executive Committee as at 31 December 2024[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chairman)	Number in executive management (ExCo)	Percentage of executive management (ExCo)
White British or other white (including minority-white groups)	6	86%	3	3	75%
Mixed/multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	1	14%	1	1	25%
Black/African/Caribbean/ Black British	0	0%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

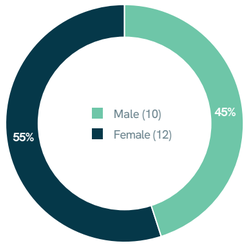
1. Data self-reported against the categories set out in UKLR 6 Annex 1R.

Gender diversity as at 31 December 2024

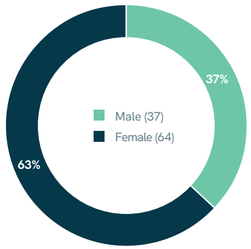
Executive Committee (excluding the Executive Directors)



Direct reports into Executive Committee



All employees



Our Board evaluation process

In accordance with the recommendations of the UK Corporate Governance Code 2018 and the UK Corporate Governance Code 2024 we undertake a review of the effectiveness of the Board's performance and that of its Committees and Directors every year, with an external evaluation held at least every three years. As an external evaluation of the Board, its Committees and individual Directors was undertaken in 2023, it was decided that an internal evaluation would be undertaken in 2024, facilitated by Richard Akers, our Senior Independent Director, and the Company Secretary. The evaluation also considered the effectiveness of individual Directors, with feedback given to Directors by the Chairman of the Board, and feedback given to the Chairman by Richard Akers as Senior Independent Director, at the end of the process. In accordance with our three-year cycle, it is expected that an internal performance evaluation will also be undertaken for the year ending 31 December 2025.

Progress against actions from the 2023 Board evaluation

Agreed actions
Consideration of the skills required for the Board in connection with succession planning
Continued focus on succession and talent development
Increased reporting on non-financial metrics
Non-executive Directors to meet at the end of scheduled Board meetings

Our progress
✓ Review completed and new appointments made
✓ The Board continues to focus on these areas
✓ The Board has agreed non-financial KPIs
✓ The Board has, instead, held a number of Board-only dinners, and Committee-only sessions are held in advance of Committee meetings

2024 Board evaluation

The Chairman and Company Secretary considered the approach to be taken and recommended that an internal evaluation be undertaken, facilitated by the Senior Independent Director and the Company Secretary

The Nomination Committee approved the proposed timing and overall approach

Each Director who had served on the Board from the beginning of the year completed a questionnaire about the operation of the Board and its Committees

Individual interviews were held with each Director

A report was prepared by the Senior Independent Director and Company Secretary; its findings were considered by the Board and a number of actions were agreed

Richard Akers as Senior Independent Director completed a review of the Chairman's performance

Actions from the 2024 Board evaluation

The operation of the Board was rated highly in almost all areas. Great progress had been made since the merger in 2023, with the development of a positive Board culture. The dynamic was expected to develop further following the recent Non-executive Director appointments. Agreed actions included:

Review stakeholder reporting to ensure the Board receives a balanced overview

Consider the introduction of strategic update briefings during the year

Review Board materials to ensure succinct, clear reporting

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Audit, risk and internal controls

Audit Committee report

"The Committee's role is to oversee the Group's financial reporting, systems of risk management and internal controls, and the internal and external audit relationships."

Ruth Anderson
Chairman

Dear Shareholder

On behalf of the Audit Committee, I am pleased to present our 2024 report.

The Group's significant accounting matters and key areas of assumptions and estimates, together with an explanation of how the Audit Committee addressed them, are outlined on page 134. This is the first full year of reporting following completion of the merger in 2023. Therefore, oversight of the integration of accounting systems, internal controls and the finance team continued to be a key focus for the Committee during the year. The Committee received regular updates from the Group Financial Controller on the changes implemented.

During the year, the Group received a letter from the Financial Reporting Council ("FRC") arising from its review of the Group's 2023 Annual Report. No significant issues were identified and the enquiry was concluded by the inclusion of enhanced disclosure in this year's Annual Report.

Prior to the Board's approval of the 2024 Annual Report, the Committee gave consideration to the Group's going concern assessment and Viability Statement, noting the maturity profile of the Group's external financing.

The valuations provided by the external valuers remain a key determinant of the Group's EPRA NTA, and so reviewing the valuation process, and considering the valuers' independence, continues to be one of the Committee's key responsibilities. During 2024, in preparation for updated RICS rules on the rotation of valuers, CBRE valued the whole Covent Garden portfolio; the former Shaftesbury assets having previously been valued by Cushman & Wakefield, with Cushman & Wakefield continuing to value the remainder of the portfolio. In addition to receiving presentations from valuers, the Committee was briefed by the external auditor on their approach to auditing the valuations and the digital tools that assist with this process. Following the Committee's consideration and challenge, we were satisfied that the valuation process was robust, that the valuers' key assumptions were appropriate, and that all the valuers remain independent and objective.

During the year the previous internal audit partner retired from BDO LLP ("BDO") and a new internal audit partner was appointed. In addition, following routine rotation of the PricewaterhouseCoopers LLP ("PwC") external audit team, a new audit partner will lead the external audit from 2025. The Committee was updated on these changes as the year progressed and I met with proposed new appointees before the final appointments were approved.

Finally, during 2025 the Committee will monitor the work being undertaken to ensure that the Company is ready to report on Provision 29 of the 2024 UK Corporate Governance Code, which relates to the Company's risk management and internal controls framework, and will apply to our accounting period beginning on 1 January 2026.

Ruth Anderson
Chairman of the Audit Committee

26 February 2025

Audit Committee at a glance

Audit Committee members and meeting attendance

Number of meetings attended (4 held)

Ruth Anderson (Chairman)	4/4	**Charlotte Boyle**[2]	3/3
Richard Akers	4/4	**Helena Coles**[3]	0/0
Madeleine Cosgrave[1]	1/1	**Anthony Steains**[3]	0/0
Sian Westerman[1]	1/1	**Jennelle Tilling**[3]	0/0

1. Madeleine Cosgrave and Sian Westerman were appointed to the Board and the Committee on 1 August 2024 and 1 September 2024, respectively, and could only attend a maximum of one meeting.
2. Charlotte Boyle stepped down from the Board and the Committee on 31 August 2024 and was only able to attend a maximum of three meetings.
3. Helena Coles, Anthony Steains and Jennelle Tilling stepped down from the Board and the Committee on 31 January 2024. No meetings were held in 2024 prior to their departure.

Key responsibilities of the Committee

- Monitors the integrity of the Group's financial reporting and satisfies itself on significant accounting judgements, assumptions and estimates made by management.
- Advises the Board on various statements made in the Annual Report, including those on viability, going concern, risks and controls and whether, when read as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.
- Reviews the work of the external auditor, internal auditor and valuers.
- Oversees the relationship with the external auditor and considers their reappointment, reports to the Committee, and their performance, objectivity and independence, which includes the level of provision of non-audit services and fees.
- Oversees the relationship with the internal auditor and considers their reappointment, reports to the Committee, and their performance, objectivity and independence.
- Reviews the Company's systems of risk management and internal control, including financial, operational and compliance controls.
- Reviews the Company's Whistleblowing Policy and procedures.
- Reviews the reporting of the Group's financial year end greenhouse gas and environmental data disclosures and its TCFD disclosures.

How the Committee operates

The Audit Committee comprises Independent Non-executive Directors. At the beginning of the year, the members of the Committee were Ruth Anderson (who is Chairman of the Committee), Richard Akers, Charlotte Boyle, Helena Coles, Anthony Steains and Jennelle Tilling. Helena Coles, Anthony Steains and Jennelle Tilling stepped down from the Board and the Committee on 31 January 2024 and Charlotte Boyle stepped down from the Board and the Committee on 31 August 2024. Madeleine Cosgrave and Sian Westerman were appointed to the Board and the Committee on 1 August 2024 and 1 September 2024, respectively.

The biographies set out on pages 106 to 107 demonstrate the diversity of experience of the Committee members. Ruth Anderson, as a chartered accountant with many years of senior financial experience, satisfies the requirement for at least one member of the Committee to have appropriate, recent and relevant financial experience.

During the year, at the Chairman of the Audit Committee's request, all or parts of meetings were attended by the Chief Financial Officer, senior members of the finance team, the external auditor, the internal auditor, the valuers and other external advisers. The Chairman, the Chief Executive and members of senior management, also attended all or parts of meetings, as appropriate.

The Chairman of the Audit Committee meets regularly with the valuers, the external auditor and the internal auditor, without management present, to discuss any matters which they may wish to raise.

Throughout the year, the Chairman of the Audit Committee met with the Chief Financial Officer and members of senior management, as appropriate, to obtain a good understanding of key issues affecting the Group, which helped in her oversight of the agenda and discussion at meetings.

The Committee reviews its effectiveness and terms of reference annually.

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Significant accounting matters and key areas of assumptions and estimates

The most significant financial judgement in the preparation of the annual report is the valuation of the Group and its joint venture property portfolio with further details explained below.

Subject	Issue	How the Audit Committee addressed the issue
Valuation of the Group and its joint venture property portfolio. Further information on the approach taken by the valuers in valuing the portfolio and a sensitivity analysis on equivalent yields and ERV are set out in note 12 to the financial statements. *For more information on portfolio and operating review: see pages 32 to 43.*	The valuation of the property portfolio is a key determinant of the Group's EPRA NTA, as well as indirectly impacting executive and employee remuneration. The valuation is conducted by independent valuers. However, valuations are inherently subjective and require significant estimates to be made including, but not limited to, market yields, ERVs and void periods. At 31 December 2024, the valuation of the wholly-owned property portfolio was £5.0 billion. The Group's share of the property portfolio held in the joint venture was £65.3 million.	The Chairman of the Audit Committee met the valuers, without management present, to review the 30 June and 31 December 2024 valuations. In addition Cushman & Wakefield and CBRE, valuers of the wholly-owned portfolio, provided detailed papers to the Committee in advance of the July and February Committee meetings. The valuers attended these Committee meetings and the Committee was able to discuss their papers and raise questions, including any changes in methodology arising from the rotation of valuer for the former Shaftesbury Covent Garden assets. The Committee considered the underlying assumptions used in the valuations and questioned the valuers on how the changing macroeconomic and interest rate environment, as well as evidence of leasing transactions, had impacted the valuations. The Committee also considered analysis and commentary by management and an assessment by the external auditor. Following these reviews, the Committee concluded that the valuers are objective and independent, that the valuations had been carried out appropriately, and that the disclosures in respect of valuations were suitable for inclusion in the Group's financial statements.

In addition the Committee considered and challenged as appropriate a number of other items that impacted the Group's financial statements, including:

- the accounting treatment of acquisitions of investment properties via corporate vehicles and disposal of investment properties, including held for sale classification;
- the accounting treatment for the disposal of our share in the Longmartin associate;
- going concern and viability assessment;
- risk appetite and principal risks;
- assessment of internal controls and 2024 UK Corporate Governance Code;
- use of alternative performance measures; and
- the recoverability and classification of investment in Group companies and amounts owed by subsidiaries within the Parent Company financial statements.

Financial reporting

2024 Annual Report

The Executive Directors have confirmed that they are not aware of any material misstatements in the interim results and Annual Report. The external auditor confirmed that it found no material misstatements in the course of its work.

After reviewing reports from management, and following discussions with the external auditor and valuers, the Committee is satisfied that:

- the processes used for determining the values of assets and liabilities have been appropriately reviewed and challenged, and were sufficiently robust;
- the financial statements appropriately addressed the significant assumptions and key estimates, both in respect of the amounts reported and the disclosures;
- the Group has adopted appropriate accounting policies; and
- the external auditor, internal auditor and valuers remain independent and objective in their work.

Viability and going concern

The Committee considered the Going Concern Statement in the interim results and Annual Report, and the Viability Statement in the Annual Report.

For more information on viability and going concern: see page 58 and pages 75 to 76.

Fair, balanced and understandable

The Board as a whole is responsible for determining whether the 2024 Annual Report is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Board asked the Committee to review the draft 2024 Annual Report and advise on whether these requirements had been met.

In undertaking its review, the Committee discussed a report from the Group Financial Controller covering the Annual Report and considered whether the Annual Report, taken as a whole:

- explained how macroeconomic conditions had impacted the Group's operations and financial statements;
- had been open and honest about the challenges, opportunities and successes throughout the year;
- provided clear explanations of our KPIs and how they link to our strategy and remuneration;
- explained our business model, strategy and accounting policies simply, clearly and precisely;
- incorporated clear signposting to additional information where necessary;
- had a consistent tone throughout;
- appropriately reflected what had been reported and considered by the Board throughout the year;
- provided the necessary information for shareholders to assess the Group's performance, business model and strategy; and
- had been written in straightforward language, without unnecessary repetition.

On completion of its review, the Committee identified no material concerns to be raised with the Board, and concluded that it was satisfied that the Annual Report was fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Internal controls and risk management

Risk, control and assurance

The Executive Risk Committee, chaired by the Chief Executive, evaluates the Group's strategic and emerging risks, associated controls and mitigating arrangements, reporting to the Board throughout the year. The Audit Committee receives regular updates on the Executive Risk Committee's conclusions.

As part of its review of the control environment, the Audit Committee considers reports from management, the work undertaken by external advisers and feedback from the internal and external auditors. Key control observations, exceptions and management actions are reviewed and discussed. The Committee reports to the Board on its review of the Group's systems of risk management and internal controls.

Findings from the internal audit reviews and reports from the Chief Financial Officer and Group Financial Controller were presented to the Committee, and, on the basis of these reports, the Committee considered the key controls to be working effectively.

The Committee considered the new reporting requirements of the 2024 UK Corporate Governance Code. During 2025, the Committee will ensure that it complies with the FRC's new *Audit Committees and the External Audit: Minimum Standard* publication, and will monitor the work being undertaken to evaluate the Group's internal control and risk management systems to ensure that the Company is ready to report on Provision 29 of the 2024 UK Corporate Governance Code, which relates to the Company's risk management and internal controls framework, and will apply to our accounting period beginning on 1 January 2026.

For more information on the Company's risk management and internal controls: see pages 59 to 61.

Internal audit

BDO is appointed to act as the Company's internal auditor. A five-year internal audit plan has been agreed, with detailed plans for each year to ensure that key risk areas are appropriately covered over the five-year period. Reviews undertaken in the year included post-merger governance, expenses, rent collection, financial management and budgetary control, accounts payable, valuations, treasury, cash management and bank covenants, insurance, project management and legislative and regulatory compliance.

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The Committee reviews the work and effectiveness of the internal auditor, the internal audit plan, any matters identified as a result of internal audits, and whether recommendations are addressed by management in a timely and appropriate way. During the year the previous internal audit partner retired and a new internal audit partner was appointed. The Committee is satisfied that the internal auditor continues to be independent and its services remain effective.

The internal audit partner has direct access to the Chairman of the Audit Committee should he wish to raise any concerns outside formal Committee meetings.

Financial Reporting Council review

During the year, the Group received a letter from the corporate reporting review team of the FRC concerning its review of the Group's 2023 Annual Report. No significant issues were identified, and the enquiry was concluded by the inclusion of enhanced disclosure in this year's Annual Report, specifically for the parent company financial statements and other areas highlighted by the FRC.

Task Force on Climate-Related Financial Disclosures

The Committee has oversight of the Group's ESC data and reporting and received updates from the external auditor and Head of Sustainability on sustainability reporting and performance during the year. At the year end, the Committee reviewed the draft TCFD disclosures setting out the Group's transitional and physical risks and opportunities relating to climate change. In particular, the Committee reviewed the short, medium, and long-term nature of the risks and opportunities and considered that the approach adopted by the Group in assessing these risks and opportunities remains appropriate and reasonable.

For more information on the Company's TCFD: see pages 66 to 74.

Cyber security

During the year, the Committee received updates in relation to actions being undertaken to enhance cyber security, including employee training and awareness.

Whistleblowing

The Committee reviews the Group's Whistleblowing Policy and procedures annually and reports on its findings to the Board. The Group's whistleblowing procedures include an independent, confidential hotline through which employees and third parties can anonymously raise a matter of concern. Alternatively, employees and third parties can contact the General Counsel, the Company Secretary or the Chairman of the Audit Committee. During the year, no whistleblowing instances were reported.

Oversight of audit quality

External auditor

The Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

The Committee has primary responsibility for overseeing the relationship with the external auditor.

PwC was first appointed as the Company's external auditor in 2010, and, following a competitive audit tender process, was reappointed as external auditor in January 2020. Andrew Paynter has been the audit partner since January 2020 and the 2024 financial year is his final year of leading the audit. A new audit partner has been appointed for the 2025 financial year. At the 2024 AGM, shareholders reappointed PwC as the external auditor for the year ended 31 December 2024 and authorised the Audit Committee to determine the external auditor's remuneration.

Under current regulations, the Company is required to retender the audit by no later than the 2030 financial year as the 2029 financial year is the last period that PwC are able to audit.

During the year, the Committee considered the depth of discussions held with the external auditor and how it had challenged the Group on its approach to significant assumptions and estimates. The Committee was satisfied that PwC had sufficiently challenged the Group throughout the year and that its relationship with PwC was one of openness and professionalism. The external audit plan, including updates on risk assessment and areas of focus, is considered by the Committee at each of its meetings and the Chairman of the Audit Committee meets with the external audit partner in advance of all Audit Committee meetings. Management provides constructive feedback to the audit team during the course of the year and the external audit partner also reports to each Audit Committee without management present.

To ensure that the external auditor remains effective and independent, the Committee reviews the performance of the auditor and its independence annually.

Following the 2023 year end audit, the Committee assessed the performance of the external auditor, the audit team's qualifications, expertise, resources and independence, and the effectiveness of the audit process including the timeliness of communication of audit matters. This assessment was undertaken through discussions with the Chief Financial Officer and Group Financial Controller and consideration of the feedback given on the service provided by PwC during the audit. PwC separately also confirmed its independence and confirmed to the Committee that:

- it has internal procedures in place to identify any aspects of non-audit work which could compromise its role as auditor and to ensure the objectivity of the audit report;
- the total fees paid by the Group during the year do not represent a material part of its fee income; and
- it considers that it has maintained audit independence throughout the year.

In assessing PwC's continued audit independence, the Committee considered the level of non-audit fees. Factors taken into account included:

- confirmation received that PwC did not perform any non-audit services for the years ended 31 December 2023 and 31 December 2024 apart from the half year review noted in the Audit fees section.
- the nature of the work undertaken by PwC and consideration of the relevant independence threats and safeguards in place; and
- consideration of whether all of the non-audit services provided in the year were permissible under the FRC Revised Ethical Standard 2024 ("Ethical Standard");

The Committee concluded that:

- it was satisfied with PwC's performance throughout the year, the effectiveness of the external audit and the interaction and communication between the auditor and the Committee members;
- it was satisfied with the auditor's qualifications, expertise and resources; and
- it remained confident that PwC's objectivity and independence were not impaired by the provision of non-audit services.

The Committee also considered the FRC 2023/24 Audit Quality Inspection and Supervision Report for PwC issued in July 2024.

Audit fees

Fees payable to the external auditor for audit and non-audit services are set out in note 5 to the financial statements.

The Committee's policy is that non-audit assignments are not awarded to the external audit firm if there is a risk that audit independence and objectivity could be compromised. Under our non-audit services policy, in line with the requirements of the FRC's Ethical Standard, other than in exceptional circumstances non-audit fees should not exceed 70 per cent of the audit fees over a rolling three-year period. The award of any non-audit assignment to the auditor in excess of the lower of £50,000 or 15 per cent of the estimated annual level of the auditor's fees at that time is subject to prior approval of the Committee. Our Chief Executive or Chief Financial Officer have authority to approve non-audit assignments to the auditor below this threshold.

Non-audit fees were 10 per cent of audit fees in the year ended 31 December 2024 (2023: 11 per cent) and were 15 per cent (2023: 27 per cent) of the average audit fee for the preceding three years. The external audit fee for the audit of the joint venture and associate was £45,000 (2023: £88,000). The Group's 50 per cent share of this was £22,500 (2023: £44,000).

Independence and reappointment

The Committee remains satisfied with the effectiveness of the external audit and with its interaction with PwC. It also remains confident that PwC's objectivity and independence are not impaired by the provision of non-audit services.

The reappointment of the external auditor is reassessed annually.

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Directors' remuneration report

"The Committee's focus in 2024 was on implementing the Policy to ensure outcomes are appropriately aligned with operational performance and strategic progress, stakeholders' interests and the Company's culture."

Richard Akers
Chairman

Dear Shareholder

I am pleased to present our 2024 Directors' remuneration report.

2024 was our first full financial year following the merger of Capco and Shaftesbury on 6 March 2023. In the prior year, the Remuneration Committee's focus was on the impact of the merger on remuneration for Executive Directors and the wider employee team. During 2024, the Committee's time was spent on implementing the Directors' Remuneration Policy which was approved by shareholders at the AGM in June 2023. This included determining the terms of the 2024 annual bonus and PSP awards, and the year end outcomes, to ensure pay is appropriately aligned with performance and the stakeholder experience.

We were pleased to see 97 per cent of votes cast in favour of the advisory vote on the remuneration report at the 2024 AGM. We look forward to your continued support.

Business context

2024 was a year of positive financial and operational performance against a challenging economic back drop. The business delivered good progress against the medium-term priorities that were set following the completion of the merger. This has included 16.2 per cent growth in underlying earnings driven by rental growth and cost savings, and 5.2 per cent growth in EPRA NTA driven by portfolio valuation growth.

These financial outcomes have been accompanied by excellent operational performance, with limited vacancy, high footfall, continued customer sales growth, ERV and valuation growth. The business has actively recycled capital, with £246.6 million of asset disposals since merger with £86 million reinvested in strategic acquisitions. A new customer survey was launched during the year, to identify improvements across our operating platform whilst providing excellent service to our customers who are at the heart of our business.

The business has also maintained a strong balance sheet with access to appropriate levels of liquidity, with financing initiatives totalling £375 million completed during 2024. There has been continued progress towards an efficient and effective cost base, with a reduction of our EPRA cost ratio to 37 per cent, having been over 50 per cent at the time of merger.

Responsible stewardship and delivery of the ESC strategy continues to be a priority, with achievements including the adoption of a new Community Investment Strategy, alongside progressing against our sustainability targets. Our commitment to our dynamic culture and values was reflected in the feedback received from our first employee survey.

2024 incentive outcomes

2024 was an excellent year for Shaftesbury Capital, and the strong performance summarised above is reflected in the achievements against the financial and non-financial performance targets set for our Executive Directors.

The 2024 annual bonus was based 75 per cent on financial measures and 25 per cent on non-financial objectives. Total Property Return ("TPR") of 7.6 per cent was ahead of the Total Return All-Property index, EPRA NTA per share of 200.2 pence increased by 5.2 per cent over the year, and underlying earnings per share ("EPS") increased by 11.1 per cent. This resulted in all three metrics being ahead of threshold, although below maximum. Altogether, our performance delivered 52 per cent of the 75 per cent bonus opportunity allocated to these three financial measures.

The non-financial element comprised objectives relating to corporate strategy and goals, people, financial deliverables and portfolio management. The Executive Directors performed strongly against these objectives, delivering extensive leasing and asset management activity, responsible financial management, new employee and customer surveys, promoting a positive and progressive working culture and championing our ESC strategy, including development of a new Community Investment Strategy and an updated Net Zero Carbon Pathway. Performance against the non-financial targets for the Executive Directors was assessed at between 85 and 93 per cent of the 25 per cent opportunity allocated to these measures, reflecting each of the Executive Directors' efforts.

The Committee believes the annual bonus outcome of between 60.25 and 62.25 per cent of maximum for 2024 is a fair reflection of the strong performance during the year. No discretion was applied to the formulaic outcomes.

There were no Performance Share Plan ("PSP") awards capable of vesting based on performance for the year ending 31 December 2024. The first PSP awards for the combined business were granted in 2023 and will vest in 2026, subject to TSR and TAR performance for the three-year period ending 31 December 2025.

Employees

The Committee is provided with updates on remuneration decisions taken for the wider employee population. During the year, this included updates on the implementation of the post-merger employee remuneration strategy put in place in 2023. The Committee takes its decisions with the wider employee population in mind and is aware of the impact of decisions taken on the Company as a whole.

The remuneration structure for Shaftesbury Capital's employees broadly aligns with that for the Executive Directors, with employees being eligible for a discretionary bonus and PSP awards, as well as salary, pension and employee benefits. Bonus awards below Board level are based 50 per cent on the financial measures described above and 50 per cent on non-financial measures. In addition to Executive Director reports to the Board, the Board receives feedback from our Employee Engagement Forum, attended initially by Charlotte Boyle and subsequently by me, and was updated on the findings of our first employee survey. The Board also met senior managers from across the business at a dinner following its annual strategy session, which provided a good opportunity to hear the views of our employees. Key elements of employee remuneration for 2025 include:

- Salary increases effective from 1 January 2025 are c. 2.4 per cent on average; c. 4.2 per cent including promotional increases, which are set with regard to market levels.
- All permanent employees participate in the annual bonus scheme and will receive annual bonuses in respect of 2024 performance based on the financial targets (in line with those for the Executive Directors) and non-financial objectives.
- Reflecting our inclusive culture and our desire to align all employees with long-term goals, all permanent employees received PSP awards in 2024 based on the same measures as the Executive Directors.
- All permanent employees will be eligible to receive annual bonuses and PSP awards in 2025.
- The employer pension contribution of 17.5 per cent of salary applies to all employees.

Implementation of Remuneration Policy in 2025

- Salaries: For 2025, Executive Directors' salaries will increase by 2.4 per cent, which is in line with the underlying increase applying to the wider workforce.
- Incentives: Executive Directors' incentive opportunities for 2025 will remain unchanged. The annual bonus opportunity will be 150 per cent of salary and it is intended that PSP awards will be granted at 300 per cent of salary, in line with the current Remuneration Policy.

The Committee has chosen metrics and weightings which are unchanged from 2024 and support the medium-term growth objectives of the business, providing an appropriate balance between input and output metrics, financial and sustainability goals, and absolute and relative measurement.

Chairman and Non-executive Directors

For 2025, the Chairman and Non-executive Directors' fees (including Committee fees) will increase by 2.5 per cent, which is broadly in line with the underlying increase applying to the wider workforce. The revised fees are set out in the annual report on remuneration on page 158.

Incentive scheme performance measures

2025 annual bonus	2025 PSP
EPRA net tangible assets (NTA) per share (25%) – A key measure driving the long-term potential of our assets. **Underlying earnings per share (EPS) (30%)** – Rewards value growth in net rental income as well as success in managing costs. Upweighted from 25 per cent in 2023 to reflect the importance of delivering income growth, cost savings and operating efficiencies. **Relative Total Property Return (TPR) (20%)** – Rewards the additional value created by management over and above any changes in value from tracking the property market as a whole, as measured by the widely-used MSCI Total Return All-Property Index. **Non-financial (corporate and sustainability) (25%)** – Bespoke, strategic objectives for each Director, and the delivery of common sustainability goals. The Committee retains discretion under the annual bonus to amend the payout to ensure it appropriately reflects underlying performance.	**Relative Total Shareholder Return (TSR) (50%)** – Measured relative to real estate sector peers, reflecting the total returns delivered to shareholders. **Total Accounting Return (TAR) (50%)** – Rewards growth in EPRA NTA and dividends paid to shareholders to the extent returns exceed real estate sector peers. The Committee retains the ability under the Policy to exercise downward discretion under the PSP when determining the proportion of an award that vests.

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Conclusion

2024 was a successful first full year post-merger for Shaftesbury Capital. Significant work has been undertaken on remuneration to ensure fairness across our employee base and to ensure appropriate alignment between pay and performance. The Committee believes the 2024 bonus outcome and approach to pay in 2025 are appropriate in the context of overall business performance.

At the start of 2024, the Committee concluded a shareholder consultation exercise, and we were grateful for the constructive feedback received. The decision to roll over the former Capco Remuneration Policy (with certain commitments to address previously raised issues) was supported by shareholders. This is the final year of that Policy and we intend to review the Policy ahead of the binding vote at the 2026 AGM. As part of this review, we will seek feedback from our major shareholders.

If you have any questions on this report, please feel free to direct them to me via the Company Secretary.

Richard Akers
Chairman of the Remuneration Committee

26 February 2025

Remuneration Committee at a glance

Remuneration Committee members and meeting attendance

Number of meetings attended (4 held)

Richard Akers (Chairman)	4/4	**Charlotte Boyle**[2]	3/3
Ruth Anderson	4/4	**Helena Coles**[3]	0/0
Madeleine Cosgrave[1]	1/1	**Anthony Steains**[3]	0/0
Sian Westerman[1]	1/1	**Jennelle Tilling**[3]	0/0

1. Madeleine Cosgrave and Sian Westerman were appointed to the Board and the Committee on 1 August 2024 and 1 September 2024, respectively, and could only attend a maximum of one meeting.
2. Charlotte Boyle stepped down from the Board and the Committee on 31 August 2024 and was only able to attend a maximum of three meetings.
3. Helena Coles, Anthony Steains and Jennelle Tilling stepped down from the Board and the Committee on 31 January 2024. No meetings were held in 2024 prior to their departure.

Key responsibilities of the Committee

- Determines the Remuneration Policy for Executive Directors and the remuneration framework for senior management.
- Monitors the appropriateness of the Remuneration Policy.
- Ensures the Executive Directors are remunerated fairly and responsibly, in a manner aligned to the long-term interests of the Company.
- Sets the remuneration of the Chairman, the Executive Committee and designated senior management, including the Company Secretary.
- Keeps under review employee remuneration, related policies and alignment of incentives and rewards with the Company's culture and values.
- Considers the appropriateness of the Directors' remuneration framework compared with the arrangements for other employees.
- Reviews and approves the performance targets and outcomes (using discretion where appropriate) for the annual bonus scheme and PSP.
- Ensures that the Directors' remuneration report and disclosures in the Annual Report are easy to read and understandable.
- Appoints and manages the relationship with the Company's remuneration adviser.

How the Committee operates

The Remuneration Committee comprises Independent Non-executive Directors. At the beginning of the year, the members of the Committee were Richard Akers (who is Chairman of the Committee), Ruth Anderson, Charlotte Boyle, Helena Coles, Anthony Steains and Jennelle Tilling. Helena Coles, Anthony Steains and Jennelle Tilling stepped down from the Board and the Committee on 31 January 2024 and Charlotte Boyle stepped down from the Board and the Committee on 31 August 2024. Madeleine Cosgrave and Sian Westerman were appointed to the Board and the Committee on 1 August 2024 and 1 September 2024, respectively.

The biographies set out on pages 106 to 107 demonstrate the diversity of experience of the Committee members.

FIT Remuneration Consultants LLP ("FIT"), an independent remuneration consultancy, was engaged by the Committee following a tender process in 2023 and provided advice throughout the year. FIT attended all or parts of meetings, as appropriate, and provided advice on the remuneration of the Executive Directors, together with regular market and best practice updates.

In addition, some or parts of meetings, as appropriate, were attended by the Chief Executive, the Chief Financial Officer, the Company Secretary and the Company's Head of HR in relation to employee remuneration and related policies. No Executive Director participated in discussions or decisions regarding their own remuneration.

The Committee reviews its effectiveness and terms of reference annually.

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Supporting clarity, simplicity, proportionality and predictability and ensuring risk mitigation and alignment to culture

The table below explains how both the current Remuneration Policy, and the Committee's practice in applying the Policy over the year under review, address the factors set out in Provision 40 of the 2018 UK Corporate Governance Code:

Clarity	Simplicity	Risk
– Achieved through a combination of explanations for decisions taken and disclosure of the nature and weighting of annual bonus and PSP performance measures. – The Remuneration Policy and its implementation look to support the wider Shaftesbury Capital business strategy.	– Achieved by Executive Directors' remuneration being composed of a limited number of elements designed to balance the retention and incentivisation of Executive Directors with the delivery of strategy and shareholder returns. – Executive Director remuneration is composed of four elements: base salary, pension and other benefits, annual bonus and PSP.	– A range of features of Executive Directors' remuneration assist in mitigating the risks of excessive rewards and inappropriate behaviour. – Executive Directors are expected to build a material shareholding which must be maintained for a period following departure; this aligns them with the long-term interests of Shaftesbury Capital.
Predictability	**Proportionality**	**Alignment to culture**
– Some of the features of Executive Directors' remuneration arrangements that mitigate risk also ensure that outcomes are within a predictable range. – Shareholders are informed of the potential maximum values which can be awarded to Executive Directors under the annual bonus and PSP.	– Achieved through strong links between Executive Directors' remuneration and corporate performance.	– Achieved through strong links between Executive Directors' remuneration and Shaftesbury Capital's values: – Take a responsible long-term view – Act with integrity – Take a creative approach – Listen and collaborate – Make a difference

1. Directors' Remuneration Policy

This section of the Directors' Remuneration Report sets out Shaftesbury Capital's Directors' Remuneration Policy which took effect following the 2023 AGM on 15 June 2023, when it was approved by shareholders. The Remuneration Policy can also be found on our website: https://www.shaftesburycapital.com/en/about-us/corporate-governance/remuneration-policy.html. Details of actual remuneration paid, share awards made, and the approach to remuneration for 2024 are set out within the Annual Report on Remuneration, which starts on page 151. While the 2023 shareholder-approved Policy will continue to apply in 2025, certain pledges have been made in how the Policy will be operated and these were set out in the 2023 Directors' Remuneration Report.

1.1 Remuneration policy

The key objectives of the Company's Remuneration Policy are to:

- Strongly align executive and shareholder interests
- Underpin an effective pay-for-performance culture
- Support the retention, motivation and recruitment of talented people who are commercially astute
- Encourage executives to acquire and retain significant holdings of Shaftesbury Capital shares

The Committee aims to achieve an appropriate balance between fixed and variable remuneration, and between variable remuneration based on short-term and longer-term performance. Fixed remuneration includes base salary, benefits and pension. Variable remuneration includes an annual bonus, of which part is deferred in shares, and awards under the Performance Share Plan ("PSP").

The Remuneration Policy is aligned to the strategy and nature of the Company, and reflects the importance of total return and the long-term nature of Shaftesbury Capital's business, rewarding the Executive Directors for delivering strong performance against the Company's key performance indicators ("KPIs").

In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring that no individual is involved in the decision-making process related to their own remuneration. In particular, the remuneration of all Executive Directors is set and approved by the Committee; none of the Executive Directors are involved in the determination of their own remuneration arrangements.

Each year, with the support of external advisers, the Committee undertakes a review of the remuneration of the Executive Directors. It has oversight of the remuneration of the senior managers immediately below Board level, and the Company Secretary. It considers the responsibilities, experience and performance of the Executive Directors and pay across the Group.

The Policy was approved by shareholders at the 2023 AGM and applies to incentive awards with performance periods beginning on 1 January 2023. Payments to Directors can only be made if they are consistent with a shareholder approved Policy or amendment to the Policy.

Details of each element of remuneration, its operation, purpose, link to strategy and performance metrics are set out in this section.

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1.2 Executive Director policy table

The table below summarises each of the components of the remuneration package for the Executive Directors:

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Base salary To provide an appropriately competitive base salary, whilst placing emphasis on the performance-related elements of remuneration. The Committee believes base salary for high-performing experienced Executive Directors should be at least median.	Base salaries are normally reviewed on an annual basis, with any increase normally taking effect from 1 April. The Committee reviews base salaries with reference to: – Other property companies (including the constituents of the long-term incentive plan's comparator group) – UK companies of a similar size – Each Executive Director's performance and contribution during the year – Scope of each Executive Director's responsibilities – Changes to the remuneration and overall conditions of other employees When reviewing base salaries, the Committee is mindful of the gearing effect that increases in base salary will have on the potential total remuneration of the Executive Directors.	Base salary increases will be applied in line with the outcome of the review and will normally be in line with increases awarded to other employees. However, the Committee may make additional adjustments in certain circumstances to reflect, for example, an increase in scope or responsibility, development in role, to address an increase in size or complexity of the business, to address a gap in market positioning and/or to reward the long-term performance of an individual. For the purposes of stating a maximum as required by the remuneration regulations, no increase will be applied to an Executive Director's base salary if the resulting base salary would be above the upper quartile base salary for CEOs at companies in the FTSE 350.	The Committee considers individual and Company performance when setting base salary, as well as the general increase awarded to other employees
Benefits To be appropriately competitive with those offered at comparator companies.	Benefits will be in line with those offered to some or all employees and may include private dental and health care, life insurance, personal accident cover, travel insurance, income protection, and a car allowance, which may be paid in cash. Directors may participate in flexible benefit arrangements offered to other employees, including the ability to buy or sell annual leave. Directors may receive seasonal gifts and a gift on leaving the Board (including payment of any tax thereon), in appropriate circumstances. Other benefits may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects individual circumstances. For example, Directors may be offered relocation and/or expatriate benefits should a Director be required to relocate as a result of emerging business requirements.	Set at a level which the Committee considers appropriate in light of relevant market practice for the role and individual circumstances. The cost of all benefits will not normally exceed 10 per cent of base salary, with the exception of any future expatriate and/or relocation benefits, which would be disclosed in the Annual Report on Remuneration. Any reasonable business-related expenses (including tax thereon) can be reimbursed if determined to be a taxable benefit.	N/A
Pension To be appropriately competitive with that offered by comparator companies.	Shaftesbury Capital offers a defined contribution pension scheme. Executive Directors may elect to be paid some or all of their entitlement in cash.	The maximum contribution for any Executive Director will be in line with the level available for other employees at any given time (which is currently 17.5 per cent of salary).	N/A
Annual bonus To incentivise and reward performance. The Committee selects performance measures and targets each year to reinforce the strategic business priorities for the year. The deferral into shares of 40% of any annual bonus is designed to further align executives with shareholders' interests.	The annual bonus arrangements are reviewed at the start of each financial year to ensure performance measures and weightings are appropriate and support the business strategy. The Committee reviews performance against the annual bonus targets but has the ability to take into account broader factors and, subject to the 150 per cent of salary maximum, may exercise two-way discretion to ensure that the annual bonus awarded properly reflects the performance of the Company and each Director. The rationale for award of bonuses will be explained in the Directors' Remuneration Report. Bonus may be deferred in Shaftesbury Capital shares or nil-cost options for three years under the Performance Share Plan without further performance conditions but subject to risk of forfeiture should an Executive Director leave the Company in certain circumstances. Directors may be entitled to be paid dividend equivalents on deferred bonus. Deferred bonus is subject to malus as described in the notes to this table.	The maximum bonus opportunity for Executive Directors is 150 per cent of annual salary with a bonus of 75 per cent of salary payable for achieving target levels of performance. No bonus is payable for below threshold performance. The payment for threshold performance will not exceed 10 per cent of maximum. Awards are made on a straight-line basis for performance between threshold and target, and on a separate straight-line basis for performance between target and maximum.	Executives' performance is measured relative to challenging one-year targets in key financial, operational and strategic measures. The measures selected and their weightings may vary each year according to the group's strategic priorities. At least 75 per cent of the bonus will be measured against financial performance.
Performance Share Plan 'PSP' To incentivise and reward long-term outperformance, and help retain Executive Directors over the longer-term.	Executive Directors are eligible to receive awards of shares under the PSP, which may be made as awards of shares or nil-cost options, at the discretion of the Committee. In assessing the outcome of the performance conditions, the Committee must satisfy itself that the figures are a genuine reflection of underlying financial performance, and may exercise downward discretion when determining the proportion of an award that will vest. Dividend equivalents may be paid. The Committee has the discretion in certain circumstances to grant and/or settle an award in cash. In practice this will only be used in exceptional circumstances for Executive Directors. PSP awards are subject to malus and clawback as described in the notes to this table.	The maximum grants which may be made to participants as awards or nil-cost options are 300 per cent of salary. 25 per cent of an award vests for threshold performance, with full vesting taking place for equalling or exceeding maximum performance conditions and straight-line vesting between threshold and maximum.	PSP awards usually vest on the third anniversary of the date of grant, and are subject to a two-year post-vesting holding period. The vesting of awards is usually subject to continued employment and the Company's performance over a three-year performance period. It is intended that the performance measures that will apply to the 2025 awards will be split equally between relative Total Accounting Return and relative Total Shareholder Return metrics vs. FTSE 350 REITs. The performance measures, weightings and targets which apply to the PSP are reviewed by the Committee annually and, subject to consultation with shareholders, the Committee has discretion to make changes to the measures, the weightings and/or the comparator group for future awards to ensure that they remain relevant to the Company strategy and are suitably stretching.
All employee share schemes	The Company does not currently operate any all-employee share schemes. However, if such a scheme were introduced the Executive Directors would be able to participate on the same terms as other employees.	In line with HMRC-approved limits.	

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1.3 Notes to the policy table performance measurement selection

Annual bonus scheme

Executive Directors may earn bonuses depending on the Company's financial performance and performance against individual performance targets designed to deliver strategic goals. The current structure of the annual bonus performance conditions is illustrated within the Annual Report on Remuneration on page 157. The financial performance measures and the importance of each are set out in the table below. The Remuneration Committee has discretion to change the performance conditions in the annual bonus, but within the bounds set out in the Remuneration Policy Table.

The annual financial performance measures and targets are set by the Committee usually in the first quarter of each year following an analysis of external and internal expectations compiled by the Committee's independent adviser. The Committee sets targets it believes to be appropriately stretching, but achievable.

Why are the current annual bonus performance measures appropriate for Shaftesbury Capital?

Measure	Reason
EPRA Net Tangible Assets per share (NTA)	Considered by the Committee to be an important driver of value creation for Shaftesbury Capital.
Underlying Earnings per share	Rewards value growth in net rental income as well as the management of administration, financing and other costs.
Relative Total Property Return	Rewards the additional portfolio value created by management over and above any changes in value from tracking the property market as a whole, as measured by the MSCI Total Return All Property Index, an external benchmark widely used in the property industry.

Long-term incentives

The performance conditions for the PSP currently comprise two measures:

- Three-year relative Total Accounting Return (TAR, growth in NTA plus dividends)[1]
- Three-year relative Total Shareholder Return (TSR, increase in price of an ordinary share plus dividends)

The Committee believes that these two measures are currently the most appropriate measures of long-term success for Shaftesbury Capital as long-term relative performance provides an appropriately objective and relevant measure of Shaftesbury Capital's success, which is strongly aligned with shareholders' interests.

The Committee believes that NTA growth is an important internal measure of success for Shaftesbury Capital at this time. Accordingly, the Committee considered it appropriate to reward NTA performance in both the short- and long-term incentive arrangements, with a one-year absolute NTA target being used in respect of the annual bonus arrangements and three-year relative NTA (as the main component of three-year Total Return) being used in respect of the long-term incentives.

A significant element of the Company's NTA is the value of properties which are based on independent external valuations carried out in accordance with RICS Valuation Professional Standards.

Relative TSR helps align the interests of Executive Directors with shareholders by incentivising share price growth and, in the Committee's view, provides an objective measure of the Company's long-term success.

The current long-term incentive performance conditions are summarised within the Annual Report on Remuneration on page 157. Performance is measured relative to a bespoke comparator group of property companies and Shaftesbury Capital.

In order for any awards to vest, the Committee must also satisfy itself that the TAR and TSR figures are a genuine reflection of underlying financial performance. In assessing the extent to which the performance conditions have been met, the Committee consults with its independent remuneration adviser. The calculation of the returns is also reviewed by the Company's auditors as appropriate. The performance targets are set by the Committee following an analysis of internal and external expectations, and are believed to be appropriately stretching.

For future awards, the Remuneration Committee has discretion to change the performance measures and weightings. However, any such changes would only be made after consulting with shareholders.

1. Expressed as Total Return within the Directors' Remuneration Policy approved by shareholders in 2023, but updated to Total Accounting Return here for consistency with reporting throughout the Annual Report.

Discretions

Under the annual bonus scheme and the PSP, the Company has the standard discretions to take appropriate action in the event of unforeseen events which affect the schemes, such as a variation in share capital, as well as terminations and on a change in control, as described in the Policy. The Committee does not intend to make adjustments to the methods by which it measures the performance conditions. However, it reserves the discretion to make adjustments in very exceptional circumstances. Shareholders would be given details of any exercise of discretion.

Payments resulting from existing arrangements

The Committee may make any remuneration payments and payments for loss of office (including exercising any discretions it has relating to such payments) even though they are not in line with the Policy set out in this report. This will apply where the entitlement to the payment arose:

(i) before the 2014 AGM; (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company; or (iii) under a remuneration policy previously approved by the Company's shareholders. For these purposes entitlements arising under the Company's previous remuneration policies (as approved by shareholders at the 2014, 2017 and 2020 AGMs) will be incorporated into this policy, 'payments' includes the Committee satisfying awards of variable remuneration, and an entitlement under an award over shares arises at the time the award is granted.

Malus and clawback

Awards granted under the long-term incentive arrangements are subject to malus and clawback until the end of the respective holding periods. Deferred bonus awards are subject to malus prior to vesting. Reasons for applying malus and clawback include: in the event of gross misconduct of a Director which is considered to have had a material detrimental impact on the business or any member of the Group or to have brought the business of any such company into significant disrepute in the event of a material misstatement in the audited accounts of the Company for a period that was wholly or partly before the end of the financial year by reference to which any performance condition was assessed or in the event that the assessment of the satisfaction of any performance condition was based on error or inaccurate or misleading information. In the latter two scenarios, this would be to the extent an overpayment resulted. The application of any malus or clawback is at the discretion of the Remuneration Committee.

Remuneration of employees below the Board

No element of remuneration is operated solely for Executive Directors. Shaftesbury Capital employees below the Board receive base salary, benefits, pension, and annual bonus, and some participate in the PSP. However, there are some differences in operation as set out below:

- In exceptional circumstances, such as recruitment, long-term incentive awards may be granted without performance conditions to participants below the Board
- Employees below the Board are not subject to any minimum shareholding requirement
- Incentive awards granted to employees below the Board may not be subject to holding periods, clawback or malus

Shareholding requirements

The Chief Executive is required to achieve a shareholding in the Company equivalent to 300 per cent of base salary and the other Executive Directors appointed to the Board are required to achieve a shareholding in the Company equivalent to 200 per cent of base salary, to be achieved normally within five years by retaining at least 50 per cent of any vested share awards (net of tax and NIC). There is a two-year post-cessation shareholding requirement of 200 per cent of salary for all Executive Directors, capturing annual bonus awards made from 1 January 2022 (in respect of 2021) and all Performance Share Plan awards made from 1 January 2021. The current shareholdings of the Executive Directors are also set out on page 157.

1.4 Performance scenario charts

The potential reward opportunities illustrated in Figure 1 are based on the Policy which will apply in 2025 and provide estimates of the potential future reward opportunity for each of the Executive Directors, and the potential split between the different elements of remuneration under three different performance scenarios: 'Below Threshold', 'Target' and 'Maximum'.

The Below Threshold scenario includes base salary, pension and benefits (fixed pay). No annual bonus or PSP elements are included (variable pay). The Target scenario includes fixed pay, on-target bonus (50 per cent of opportunity) and threshold vesting of PSP awards. The Maximum scenario includes fixed pay, maximum bonus and full vesting of PSP awards. For variable pay, the amounts illustrated are the normal maximum opportunities. The Maximum scenarios also include an illustration of the amount that would be payable under the PSP elements if there was share price appreciation of 50 per cent between the date of award and the date of vesting.

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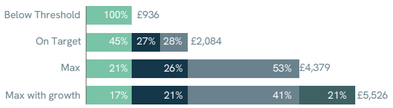
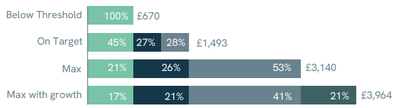
It should be noted that the PSP awards granted in a year do not normally vest until the third anniversary of the date of grant and are subject to a two-year post-vesting holding period. The projected values of long-term incentives shown here exclude the impact of share price movement and dividends (other than where 50 per cent share price appreciation is assumed).

Ian Hawksworth, Chief Executive (£000)



Situl Jobanputra, CFO (£000)



Total Fixed Remuneration · Annual Bonus · LTIP · Share price growth

1.5 Approach to recruitment remuneration

When hiring or appointing a new Executive Director, which includes appointing an individual who is not an Executive Director but who still falls within this Policy, the Committee may make use of any of the existing components of remuneration, as follows:

Element of remuneration	Policy on recruitment	Maximum opportunity
Salary	Based on scope and nature of responsibilities of the proposed role; the candidate's experience; implications for total remuneration positioning vs market pay levels for comparable roles; internal relativities; and the candidate's current salary. A new Director may be appointed at a salary which is less than the prevailing market rate but increased over a period to the desired positioning subject to satisfactory performance.	N/A
Pension	A contribution in line with the level available for other employees at any given time (currently 17.5 per cent of salary) may be offered, consistent with policy.	Consistent with the Policy Table limit
Benefits	Appropriate benefits will be provided, which may include the continuation of benefits received in a previous role.	Consistent with the Policy Table limit
Annual bonus	Executive Directors will be eligible to participate in the annual bonus scheme on the same basis as existing Executive Directors, pro-rated for proportion of year served. Depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions from the current Executive Directors in the first performance year of appointment.	150 per cent of salary, consistent with Policy Table.
Performance Share Plan	New Executive Directors will be eligible to participate in the long-term incentive scheme set out in the Remuneration Policy Table. A PSP award can be made shortly following an appointment (assuming the Company is not in a prohibited period).	300 per cent of salary, consistent with Policy Table.
Other	In determining appropriate remuneration for new Executive Directors, the Committee will take into consideration all relevant factors (including quantum, the nature of remuneration and where the candidate was recruited from), to ensure that arrangements are in the best interests of Shaftesbury Capital and its shareholders. Remuneration, which may be outside the usual policy limits, may include: – An award made in respect of a new appointment to 'buy out' existing incentive awards forfeited on leaving a previous employer. In such cases the compensatory award would typically be a like-for-like award with similar time to vesting, performance conditions and likelihood of those conditions being met. The fair value of the compensatory award would not be greater than the awards being replaced. To facilitate such a buyout, the Committee may use an award under a different structure or an additional award under the PSP – A relocation package, should this be required – For an overseas appointment, the Committee will have discretion to offer cost-effective benefits and pension provisions which reflect local market practice and relevant legislation – In the event that an employee is promoted to the Board, the Company would honour any existing contractual arrangements	

1.6 Service contracts and exit payment policy

The service contracts of Executive Directors are approved by the Remuneration Committee and are one-year rolling contracts. The commencement dates of the current contracts are shown below. The service contracts may be terminated by either party giving one year's notice to the other. It is the Company's policy that payments in lieu of notice should not exceed the Director's current salary and benefits (including pension contributions) for the notice period. The service contracts may be viewed at the Company's registered office.

The Committee will be entitled to enter into a settlement agreement with a Director, and may pay a Director's legal fees in relation to any settlement agreement. The Committee may make additional incidental payments, which are not material in quantum, to a departing Director on exit, if appropriate, for example in settlement of disputes or to pay other incidental sums in connection with the exit. The Committee may pay what it feels are reasonable outplacement fees where considered appropriate.

When considering exit payments, the Committee reviews all potential incentive outcomes, having regard to the reason for leaving and the Director's performance. The payment of any annual bonus is subject to the discretion of the Committee, and both the cash and deferred share elements of an annual bonus would normally be payable at the normal payment date. Any deferred share element could be paid in cash. Any outstanding deferred bonus may be released or paid in cash, subject to clawback for a period of three years from the date of grant.

	Commencement date	Notice period
Ian Hawksworth	17 May 2010	12 months
Situl Jobanputra	1 January 2017	12 months

An individual would generally be considered a 'good leaver' if they left the Group's employment for reasons including injury, ill-health, disability approved by the Committee, redundancy, retirement with the agreement of the employing company, the employing company ceasing to be a member of the group, the transfer of the undertaking or part of the undertaking in which the Director works to a person which is not a member of the Group, or in any other circumstances at the discretion of the Committee. The table below summarises how PSP awards are typically treated in specific leaver circumstances, with the final treatment remaining subject to the Committee's discretion. For example, an individual may be considered a 'good leaver' for any other reason at the absolute discretion of the Committee, and the vesting of awards may be reduced for 'good leavers'.

Reason for leaving	Timing of vesting	Treatment of awards
Good leaver	Normal vesting date, although the Committee has discretion to accelerate	Awards are normally pro-rated for time and remain subject to outstanding performance conditions. Where vesting is accelerated, the Committee will determine the extent to which the performance conditions had been satisfied at the date of leaving. The holding period would continue to apply.
Change of control	Immediately	Awards will normally be pro-rated for time and remain subject to performance conditions. However, the Committee has discretion to allow awards to vest in full in such circumstances if it deems this to be fair and reasonable. The holding period would cease to apply.
Any other reason	Awards lapse	

There are no obligations on the Company contained within the existing Directors' service contracts which would give rise to payments not disclosed in this report.

The service contracts of any future-appointed Directors will provide for mitigation in the event of termination.

1.7 Non-Executive Director policy table

The Non-executive Directors do not have service contracts but instead have letters of appointment. The letters of appointment of the Non-executive Directors are reviewed by the Board annually and contain a one-month notice period. The Chairman's letter of appointment contains a three-month notice period. The letters of appointment may be viewed at the Company's registered office.

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Non-executive Directors seeking election or re-election at 2025 AGM: dates of appointment and unexpired terms

	Date of appointment	Unexpired term as at 31 December 2024
Jonathan Nicholls	6 March 2023	6 months
Richard Akers	6 March 2023	6 months
Ruth Anderson	6 March 2023	6 months
Madeleine Cosgrave	1 August 2024	6 months
Sian Westerman	1 September 2024	6 months

The table below summarises each of the components of the remuneration package for the Non-executive Directors (including the Chairman). The Non-executive Directors do not receive any pension, bonus or long-term incentive benefits from the Company. This policy also applies to the recruitment of new Non-executive Directors.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Fee To recruit and retain appropriately qualified Non-executive Directors	The Chairman and Non-executive Director fees are reviewed on an annual basis, with any increase taking effect from 1 May. The Board and Committee review fees with reference to: – Other property companies – UK companies of a similar size – The time that Non-executive Directors are required to devote to the role In exceptional circumstances, if there is a temporary yet material increase in the time commitments for Non-executive Directors, the Board may pay extra fees on a pro-rata basis to recognise the additional workload.	Non-executive Director fees may include a basic fee and Committee/SID fees as disclosed in the Annual Report on Remuneration. These are set at a level that is considered appropriately competitive in light of market practice, and will not exceed the aggregate fees permitted by the Company's Articles of Association.	N/A
Benefits To be appropriately competitive with those offered at comparator companies	The Chairman's benefits include private healthcare and personal accident and travel insurance. Other Non-executive Directors will be covered by the Company's travel insurance policy should they be required to travel on Company business. Any reasonable business-related expenses can be reimbursed (including tax thereon if determined to be a taxable benefit). Directors may receive seasonal gifts and a gift on leaving the Board (including payment of any tax thereon), in appropriate circumstances.	The maximum value of the benefits provided to Non-executive Directors will be the cost of purchasing them in the market.	N/A

1.8 External directorships

The Company's policy is to encourage each Executive Director to take up one or more non-executive directorships, subject to Board approval. Fees received for serving as a non-executive director of a company outside the Shaftesbury Capital Group are retained by the Executive Director.

1.9 Consideration of conditions elsewhere in the Company

When setting Executive Director pay the Committee considers the remuneration and overall conditions of all employees. As Shaftesbury Capital has a relatively small workforce, the Committee does not consult with employees when deciding Remuneration Policy, but it receives regular updates from the Head of HR on salary increases, bonus and share awards made to Group employees and is aware of how the remuneration of Directors compares with that of other employees. For example, salary increases are generally no higher than increases awarded to other employees, which are set with reference to market data.

1.10 Consideration of shareholder views

It is the Committee's policy to engage with major shareholders as appropriate. For example, prior to finalising any major changes to its executive Remuneration Policy. Shareholder feedback on the previous Remuneration Policy and investor guidelines were considered by the Committee when preparing the Remuneration Policy, and a number of best practice measures were incorporated.

2. Annual report on remuneration

This section of the Directors' remuneration report explains how Shaftesbury Capital's current Remuneration Policy has been implemented during the year. The report is made up of the following parts:

Subject	Issue
Pay outcomes for 2024	2.1 Single total figure of remuneration 2.2 Annual bonus outcomes for 2024 2.3 Payments for loss of office 2.4 Payments to previous Directors
Directors' share ownership and share interests	2.5 PSP and deferred bonus awards granted in 2024 2.6 Outstanding PSP and deferred bonus awards 2.7 Statement of Directors' shareholdings and share interests
Implementation of the Policy in 2025	2.8 Implementation of the Remuneration Policy in 2025
Pay comparison	2.9 Percentage change in Directors' remuneration versus employee pay 2.10 Chief Executive pay ratio 2.11 Chief Executive single figure of total remuneration history and TSR performance 2.12 Relative importance of spend on pay
Remuneration Committee membership, governance and voting	2.13 Independent adviser to the Remuneration Committee 2.14 Shareholder voting

Pay outcomes for 2024

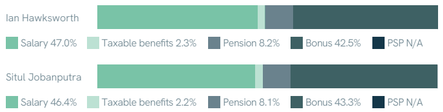
2.1 Single total figure of remuneration

What is included in the 2024 single figure?

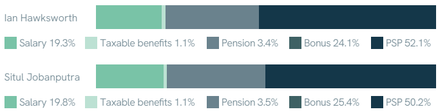
– The salary or fees paid in the year for the period of qualifying service
– The value of any benefits, on a gross-of-tax basis, where applicable
– The 2024 annual bonus awarded for the year – including both cash and the deferred elements
– The cash value of any pension contribution or allowance in lieu

The figures below illustrate the contribution that each element of the Executive Directors' remuneration made to the single figure disclosures.

Composition of 2024 single figures (%)



Composition of 2023 single figures (%)[1]



1. As reported in last year's Directors' remuneration report and summarised in the prospectus for the merger transaction, with both the report and the transaction approved by shareholders, the 2021 and 2022 PSP awards vested prior to completion of the merger on 6 March 2023 and were therefore required to be included in the 2023 single figure calculated using the share price on the date of vesting (124.5 pence).

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The table below shows the single total figure of remuneration for each Director in 2024 and 2023. The charts on the previous page illustrate the contribution that each element of remuneration made to the total remuneration of the Executive Directors.

Single figure of remuneration 2024 and 2023 (Audited)

Executive Directors

	Base salary £'000		Taxable benefits[1] £'000		Pension-related benefits[2] £'000		Total fixed remuneration £'000		Annual bonus[3] £'000		PSP vesting[4] £'000		Total variable remuneration £'000		Total £'000		Total excluding PSP[4] £'000
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	2023
Current Executive Directors																	
Ian Hawksworth	**747**	719	**37**	41	**131**	126	**915**	886	**675**	897	**–**	1,940	**675**	2,837	**1,590**	3,723	1,783
Situl Jobanputra	**536**	509	**25**	28	**94**	89	**655**	626	**500**	653	**–**	1,288	**500**	1,941	**1,155**	2,567	1,279
Former Executive Directors																	
Chris Ward[5]	**–**	419	**–**	28	**–**	64	**–**	511	**–**	529	**–**	–	**–**	529	**–**	1,040	1,040
Michelle McGrath[6]	**–**	67	**–**	5	**–**	12	**–**	84	**–**	101	**–**	1,066	**–**	1,167	**–**	1,251	185

1. Comprises medical insurance, permanent health insurance, life assurance, travel insurance and car allowance and/or benefit-in-kind value of company car, where applicable.
2. Comprises payments in lieu of pension contributions to each of the Executive Directors and, in respect of 2023, contributions to defined contribution plans by Chris Ward of £7,833 and by Michelle McGrath of £11,695. No Director participated in a defined benefit pension scheme.
3. Part of the annual bonus earned is deferred into Shaftesbury Capital PLC shares or nil-cost options for three years, subject to forfeiture should the Executive Director leave the Company. For 2024 and 2023, 40 per cent of the bonus is deferred into shares.
4. As reported in 2022 and 2023 and summarised in the prospectus for the merger transaction which was approved by shareholders, the 2021 and 2022 PSP awards vested after the publication of the 2022 Annual Report and prior to completion of the merger on 6 March 2023, and were therefore required to be included in the 2023 single figure of remuneration, calculated using the Shaftesbury Capital PLC share price on the date of vesting (124.5 pence). Total remuneration for 2023 excluding these amounts has also been shown. Dividend equivalents have been included for all vested awards, calculated using the same price, on a reinvestment basis.
5. Chris Ward joined the Board as Chief Operating Officer on 6 March 2023 and stepped down from the Board and left the Company on 22 December 2023. His remuneration for 2023 reflects the period he was a Director of the Company and does not include the value of any Shaftesbury PLC shares which vested in connection with the merger before he joined the Board.
6. Michelle McGrath stepped down as a Director of the Company on 6 March 2023 and remains an employee of the Group. Her fixed pay and annual bonus for 2023 reflect the period she was in role as an Executive Director, and the value of her 2021 and 2022 PSP awards, which vested prior to completion of the merger, has been shown in the 2023 PSP vesting column.

Chairman and Non-executive Directors

	Fees £'000		Taxable benefits[6] £'000		Total remuneration £'000	
	2024	2023	**2024**	2023	**2024**	2023
Current Non-executive Directors						
Jonathan Nicholls[1]	**314**	250	**4**	4	**318**	254
Richard Akers[1]	**110**	79	**1**	–	**111**	79
Ruth Anderson[1]	**95**	77	**–**	–	**95**	77
Madeleine Cosgrave[2]	**33**	–	**–**	–	**33**	–
Sian Westerman[2]	**27**	–	**–**	–	**27**	–
Former Non-executive Directors						
Charlotte Boyle[3,5]	**56**	131	**–**	–	**56**	131
Helena Coles[1,3]	**7**	68	**–**	–	**7**	68
Anthony Steains[3,5]	**7**	123	**–**	49	**7**	172
Jennelle Tilling[1,3]	**7**	77	**–**	2	**7**	79
Henry Staunton[4,5]	**–**	101	**–**	2	**–**	103
Jonathan Lane[4,5]	**–**	75	**–**	–	**–**	75

1. Jonathan Nicholls, Richard Akers, Ruth Anderson, Jennelle Tilling and Helena Coles were appointed to the Board on 6 March 2023.
2. Madeleine Cosgrave was appointed to the Board on 1 August 2024. Sian Westerman was appointed to the Board on 1 September 2024.
3. Helena Coles, Anthony Steains and Jennelle Tilling stepped down from the Board on 31 January 2024. Charlotte Boyle stepped down from the Board on 31 August 2024.
4. Henry Staunton and Jonathan Lane stepped down from the Board on 6 March 2023.
5. As disclosed in last year's report, in recognition of the increased workload placed on Non-executive Directors in completing the merger, in 2023 additional one-off payments were made as follows: Henry Staunton £49,500, Charlotte Boyle £38,000, Jonathan Lane £59,500, and Anthony Steains £38,000. These amounts were based on a conservative estimate of the additional time committed to the Company's affairs on a temporary basis.
6. Comprises medical insurance and travel expenses relating to Board meeting attendance where these are taxable, or would be if the Director were resident in the UK for tax purposes. Where applicable, the Company pays the tax payable on Non-executive Director expenses as they are incurred in the fulfilment of Directors' duties.

2.2 Annual bonus outcomes for 2024 (Audited)

Opportunity

Executive Directors had the opportunity to earn bonuses of up to 150 per cent of salary for performance in 2024. 40 per cent of the total amount of any bonus earned is deferred for three years, subject to forfeiture should the Executive Director leave the Company.

Performance measures and targets

Bonuses for the year ended 31 December 2024 were based 75 per cent on financial performance, and 25 per cent on individual performance.

Financial measures: The 2024 bonus included three financial measures with the following weightings:

- EPRA Net Tangible Assets per Share (25/75)
- Underlying Earnings per Share (30/75)
- Relative Total Property Return (20/75)

Non-financial measures: The Committee assessed individual performance against a set of non-financial objectives which align with the Company's objectives outlined on pages 16 and 17 of this Annual Report. A summary of the achievement against the Directors' non-financial objectives is set out on pages 153 to 154.

Outcome of 2024 annual bonus performance measures (Audited)

The performance targets that applied in respect of the year ended 31 December 2024 and the Company's performance against them are set out below:

Performance measure	Weighting	Target range			Actual performance	% of bonus opportunity awarded (out of 100%)
		Threshold (10% payout)	Target (50% payout)	Maximum (100% payout)		
Net Tangible Assets per share	25/75	190.0p	195.0p	205.0p	200.2p	**76%**
Underlying Earnings per share	30/75	3.9p	4.1p	4.5p	4.0p	**30%**
Relative Total Property Return	20/75	Equal to MSCI Total Return All-Property index	Outperformance of 0.5%	Outperformance of 1.5%	Outperformance of 0.6%	**55%**
Non-financial objectives	25%	Disclosure of objectives and their achievement is set out on the following page				**85-93%**
					Total bonus	**60.25-62.25%**

Performance against 2024 financial performance targets

The Company's performance against the financial performance targets set for the year ended 31 December 2024 was between the target and maximum performance targets for TPR and EPRA NTA, and underlying EPS performance was between threshold and target. Accordingly, 52 per cent of maximum becomes payable to the Executive Directors in respect of the financial performance measures. No discretion was applied by the Committee to adjust the formulaic outcomes.

Performance against 2024 non-financial performance targets

The Committee set clear non-financial measures for each Executive Director, which were split into five categories covering strategic business priorities. The relative weighting of the categories varied reflecting the nature of each role. After the year end, the Committee considered the performance of each Executive Director against their non-financial targets for 2024. A summary of the assessment of performance against these objectives and the key achievements in the year is set out on the following page.

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Performance against 2024 non-financial performance targets (continued)

Area	Director: Ian Hawksworth	Director: Situl Jobanputra	Achievements
Corporate	26/30	24/25	– Progress on delivering on Company priorities and medium-term targets – Delivered extensive investor relations programme including results presentations, webcasts, roadshows, industry conferences, and investor and media portfolio tours – Execution of Company strategy with appropriate responsibilities amongst the executive team – Development of new non-financial KPIs – Effective risk management
People/ Positive impact	17/20	12.5/12.5	– Motivated the team throughout a period of significant change, delivering excellent performance against strategy – Positive results of employee survey, above benchmark and in line with peers, with an action plan developed to address specific areas identified – Delivery of leadership and development programmes, developing talent across the business – Development of positive and progressive working culture and environment, and modelling behaviour in line with Company values – Development of senior leadership team and succession planning – Completion of self-development initiatives
Financial	17/20	22.5/25	– Delivered 16 per cent growth in underlying earnings through rental growth and cost efficiencies, resulting in a progressive dividend – Initial cost reduction target achieved and opportunities for further efficiencies identified, to be implemented over time – Completion of a new £75 million unsecured loan facility; one-year extension option on the £350 million senior unsecured loan facilities exercised; and refinancing of £300 million revolving credit facility, enhancing liquidity and extending maturity profile – Efficient response to FRC letter
Portfolio management/ Transactions, performance & technology	16/20	22.5/25	– Delivered excellent leasing and asset management activity resulting in 7.7 per cent ERV growth and 4.5 per cent valuation growth – 473 leasing transactions, representing £48.7 million of rent, completed 9 per cent ahead of December 2023 ERV and 14 per cent ahead of previous passing rent – High occupancy maintained across the portfolio with only 2.6 per cent of ERV available to let – £158 million disposal proceeds realised, with £83 million reinvested in strategic acquisitions improving the quality of the portfolio – Sale of 50 per cent interest in Longmartin to our associate partner for net cash consideration of £94 million – Launch of customer survey with outputs focused on providing excellent service to our customers – Management of external supplier performance – Delivered material improvements in data management and reporting – Completed integration of pre-merger finance systems
ESG	9/10	11.5/12.5	– Championed Company-wide support of ESC and Community Investment Strategies and participated in initiatives during the year – Launched new Community Investment Strategy and provided community contributions with a value of £0.9 million – Achieved re-validation of Net Zero Carbon targets – Positive feedback from 2024 Board evaluation
Total	**85/100**	**93/100**	

The financial and non-financial outcomes have resulted in bonuses of between 60.25% and 62.25% of maximum for 2024. The Committee believes this is a fair reflection of the overall performance of the Executive Directors during the year.

Summary of Executive Directors' annual bonuses (Audited)

Executive Director	Cash 60%	Deferred shares 40%	Total
Ian Hawksworth	£405,060	£270,041	**£675,101**
Situl Jobanputra	£300,294	£200,196	**£500,490**

2.3 Payments for loss of office (Audited)

During 2024, payments totalling £654,296 were paid to Chris Ward, the Group's former Chief Operating Officer, by way of payment in lieu of salary and certain contractual benefits (including pension, car allowance, life insurance, health insurance, death in service pension and travel insurance) in respect of his 12 month notice period (commencing on 12 December 2023). He was also paid £20,000 in lieu of his accrued but untaken holiday.

2.4 Payments to previous Directors (Audited)

During 2024, no payments were made to previous Directors that fall within the disclosure requirements of the Remuneration Regulations.

Directors' share ownership and share interests

2.5 PSP and deferred bonus awards granted in 2024 (Audited)

2024 PSP awards

On 20 March 2024, the following PSP awards, structured as nil-cost options, were granted to Executive Directors:

	Scheme	Market price on date of grant[1]	Basis of award	Number of awards	Face value of awards	Percentage vesting at threshold[2]	Performance period end[3]
Ian Hawksworth	PSP – nil-cost options	132.9p	300% of salary	1,686,230	£2,241,000	25%	31 December 2026
Situl Jobanputra				1,209,932	£1,608,000		

1. The awards were granted at a price of 132.9 pence, being the three-day average share price prior to grant
2. Threshold vesting under each performance condition
3. The performance period runs from 1 January 2024 to 31 December 2026

The awards will become exercisable on 20 March 2027 and are subject to two performance criteria, each with a 50 per cent weighting:

	Threshold (25%)	Maximum (100%)
Relative TSR v FTSE 350 REITs (50%)	Median	Upper quartile
Relative TAR v FTSE 350 REITs (50%)	Median	Upper quartile

The Remuneration Committee retains the ability to exercise downward discretion when determining the vesting of the awards.

Deferred bonus awards

On 20 March 2024, deferred bonus awards were granted to the Chief Executive and Chief Financial Officer. These awards represent the deferred element of the annual bonus awarded in respect of 2023 reported within the Company's 2023 Annual Report.

	Scheme	Market price on date of grant[1]	Basis of award	Number of awards	Face value of awards
Ian Hawksworth	Deferred bonus – nil-cost options	132.9p	40% of 2023 annual bonus	270,033	£358,874
Situl Jobanputra				196,613	£261,299

1. The awards were granted at a price of 132.9 pence, being the three-day average share price prior to grant

2.6 Outstanding PSP and deferred bonus awards (Audited)

Outstanding awards made under the PSP

a) Annual PSP awards[1,2]

	Year granted	Option price (pence) if any	Held at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Held at 31 December 2024	Exercisable during or between
Ian Hawksworth	2024	Nil	–	1,686,230	–	–	1,686,230	2027-2034
	2023	Nil	1,926,483	–	–	–	1,926,483	2026-2033
Situl Jobanputra	2024	Nil	–	1,209,932	–	–	1,209,932	2027-2034
	2023	Nil	1,381,753	–	–	–	1,381,753	2026-2033
Total			**3,308,236**	**2,896,162**	**–**	**–**	**6,204,398**	

1. Subject to performance conditions that apply to awards made under the PSP, as set out on page 157
2. Subject to a two-year post-vesting holding period

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b) Deferred bonus awards

	Year granted	Option price (pence) if any	Held at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Held at 31 December 2024	Exercisable during or between
Ian Hawksworth	2024	Nil	–	270,033	–	–	270,033	2027-2034
	2023	Nil	356,864	–	–	–	356,864	2026-2033
Situl Jobanputra	2024	Nil	–	196,613	–	–	196,613	2027-2034
	2023	Nil	237,023	–	–	–	237,023	2026-2033
Total			**593,887**	**466,646**			**1,060,533**	

2.7 Statement of Directors' shareholdings and share interests (Audited)

a) Directors' shareholdings

The beneficial interests in the shares of the Company for each Director who served during the 2024 financial year, as at the later of cessation of being a Director and 31 December 2024 (and which are unchanged as at 26 February 2025, being a date not more than one month before the date of the Notice of 2025 Annual General Meeting), are set out in the table below. The Chief Executive is required to achieve a shareholding in the Company equivalent to 300 per cent of base salary and the Chief Financial Officer is required to achieve a shareholding in the Company equivalent to 200 per cent of base salary, to be achieved by retaining at least 50 per cent of any vested share awards (net of tax).

There is a post-cessation shareholding requirement of 200 per cent of salary for all Executive Directors, capturing vested annual bonus awards made from 1 January 2022 (in respect of 2021) and all PSP awards made from 1 January 2021.

The current shareholdings of the Executive Directors, and their value based on a share price of 125.5 pence, being the price of a Shaftesbury Capital PLC share on 31 December 2024 (being the last day for trading during the year), are illustrated in the table below. The shares which are included in these holdings are: those held beneficially by the Director, their spouse or dependent family members; shares held within ISAs, PEPs or pensions; shares that are subject to a pre-vesting holding period, such as deferred bonus; and vested but unexercised awards. The last three categories are included on a net-of-tax basis.

Directors' shareholdings (including connected persons) – 2024 and 2023 (Audited)

	2024 Number	2023 Number
Executive Director		
Ian Hawksworth[1]	**2,245,623**	2,156,735
Situl Jobanputra[1]	**910,779**	910,779
Non-executive Director		
Jonathan Nicholls	**192,970**	192,970
Richard Akers	**133,550**	133,550
Ruth Anderson	**16,780**	16,780
Madeleine Cosgrave	**–**	N/A
Sian Westerman	**–**	N/A
Former Director		
Charlotte Boyle[2]	**15,052**	15,052
Helena Coles[2]	**20,136**	20,136
Anthony Steains[2]	**–**	–
Jennelle Tilling[2]	**41,950**	41,950

1. Excludes deferred bonus awards.
2. Helena Coles, Anthony Steains and Jenelle Tilling stepped down from the Board on 31 January 2024 and Charlotte Boyle stepped down from the Board on 31 August 2024. Their shareholdings are stated as at the date of ceasing to be a Director of the Company.

Value of Executive Director shareholdings and share interests as at 31 December 2024 (Audited)

b) Directors' share interests (Audited)

Details of Executive Directors' share scheme interests, including information on vested and unvested share awards that remain subject to performance, are set out in the table below:

(i) Summary of Executive Directors' interests in shares and share schemes

Executive Director	Shares held	Nil-cost option awards in respect of deferred bonus	Awards no longer subject to performance conditions	Nil-cost option awards subject to performance conditions	Total
Ian Hawksworth	2,245,623	626,897	–	3,612,713	**6,485,233**
Situl Jobanputra	910,779	433,636	–	2,591,685	**3,936,100**
Total	**3,156,402**	**1,060,533**	**–**	**6,204,398**	**10,421,333**

The market price of Shaftesbury Capital PLC shares on 31 December 2024 (being the last day for trading during the year) was 125.5 pence, and during the year the price varied between 121.7 pence and 153.9 pence.

2.8 Implementation of the Remuneration Policy in 2025

Salary

The Executive Directors' salaries are reviewed annually. For 2025, effective from 1 January, the Chief Executive and Chief Financial Officer have received an increase of 2.4 per cent, which is in line with the wider workforce increase of 2.4 per cent.

The salaries for the Executive Directors are set out in the table below:

Executive Director salaries – 2024 and 2025

	2025	2024	Percentage increase
Ian Hawksworth	£765,000	£747,000	2.4%
Situl Jobanputra	£549,000	£536,000	2.4%

Pension and benefits

Executive Directors receive a pension contribution or cash allowance of 17.5 per cent of salary, which is aligned with the workforce contribution rate, and benefits as described in the Remuneration Policy on page 143.

Annual bonus

Opportunity

The annual bonus opportunity will remain unchanged for 2025 at 150 per cent of salary, with 40 per cent of any bonus awarded to be deferred into shares for three years.

Performance conditions

For 2025, the three financial measures and weightings will remain unchanged from 2024. The Committee considers NTA per share, Underlying EPS and Total Property Return to be well aligned with shareholders' interests.

Performance conditions	Weighting	Description
EPRA Net Tangible Assets per Share	25/75	A key measure driving the long-term potential of our assets
Underlying Earnings per Share	30/75	Rewards value growth in net rental income as well as success in managing costs. Weighting reflects the importance of delivering cost savings and operating efficiencies
Relative Total Property Return	20/75	Rewards the additional portfolio value created by management over and above any changes in value from tracking the property market as a whole, as measured by the widely-used MSCI Total Return All-Property Index

The remaining 25 per cent of the bonus will be based on non-financial and sustainability objectives.

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The TPR target is included in the Company's KPIs on page 20. The KPIs are in part dependent upon the occurrence of certain discrete events. Therefore, whilst the outperformance targets that apply to the long-term incentives are disclosed, the Board has decided that, as the Group operates in specific locations within the competitive central London property market, prospective disclosure of specific short-term NTA and EPS targets, or non-financial performance targets, would provide a level of information to counterparties that could prejudice the Company's commercial interests. The Committee will publish the performance targets retrospectively once they have ceased to be commercially sensitive, which is expected to be when the bonus amounts are determined.

Further information on the Company's KPIs can be found on pages 20 to 21.

Performance Share Plan

PSP awards of 300 per cent of 2025 salary will be made to each Executive Director as awards of nil-cost options. The performance conditions and comparator group that will apply to these awards, and all outstanding awards, are set out in the table below:

Performance conditions for PSP awards

	Threshold (25%)	Maximum (100%)
TAR v FTSE 350 REITs (50 per cent)	Median	Upper quartile
TSR v FTSE 350 REITs (50 per cent)	Median	Upper quartile

Chairman and Non-executive Director remuneration

The Committee reviews the Chairman's fee and the remuneration of the Non-executive Directors is considered by the Board. The fees paid to the Chairman and Non-executive Directors are reviewed annually, although fees may not be increased every year. Following the 2024 review, it was agreed that the Chairman and Non-executive Director fees would be increased by 2.5 per cent, which is broadly in line with the underlying increase awarded to employees. The fees which will take effect from 1 May 2025 are set out in the table below:

2025 Chairman and Non-executive Director remuneration

	2025	2024
Chairman	£317,750	**£310,000**
Non-executive Director basic fee	£66,625	**£65,000**
Committee member	£5,125	**£5,000**
Committee Chairman	£20,500	**£20,000**
Senior Independent Director	£13,735	**£13,400**

Pay comparison

2.9 Percentage change in Directors' remuneration versus employee pay

The table below shows the year-on-year percentage change in the remuneration for the years ended 31 December 2024, 31 December 2023, 31 December 2022, 31 December 2021 and 31 December 2020 of each Director compared with the average year-on-year percentage change in remuneration of a comparator group of Shaftesbury Capital employees:

	Salary/fees (% change)					Benefits (% change)					Annual bonus (% change)				
	2024	2023[1]	2022	2021	2020	**2024**	2023[2]	2022	2021	2020	**2024**	2023	2022	2021	2020
Executive Directors															
Ian Hawksworth	**3.89**	8.28	3.75	0.79	2.92	**(9.76)**	32.26	10.71	7.69	-	**(24.75)**	-10.92	42.23	N/A	–100
Situl Jobanputra	**5.30**	15.42	3.76	1.67	7.18	**(10.71)**	40.00	–16.67	–4.00	4.17	**(23.43)**	-2.39	42.34	N/A	–100
Non-executive Directors[3]															
Jonathan Nicholls	**25.60**	N/A	N/A	N/A	N/A	**00.00**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A
Richard Akers	**39.24**	N/A	N/A	N/A	N/A	**30.90**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A
Ruth Anderson	**23.38**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A
Madeleine Cosgrave	**N/A**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A
Sian Westerman	**N/A**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A-	**N/A**	N/A	N/A	N/A	N/A
Average employee[4]	**6.88**	13.23	10.3	4.63	4.94	**1.16**	13.13	2.95	30.51	12.34	**(23.95)**	33.63	20.99	54.18	–69.47

1. Changes in Executive Directors' salaries in 2023 reflected the increased scope of roles following completion of the merger.
2. Changes in Executive Directors' benefits reflected inclusion of permanent health insurance and life insurance in the 2023 figure in addition to the increased cost of health insurance. Due to the relatively small values of these amounts, small absolute increases can result in large percentage changes.
3. Jonathan Nicholls, Richard Akers and Ruth Anderson joined the Board on completion of the merger and therefore only received fees from 13 March 2023. Madeleine Cosgrave and Sian Westerman were appointed during 2024 and no comparators can be calculated.
4. As Shaftesbury Capital PLC has no direct employees, information for Group employees has been disclosed on a voluntary basis. To allow a meaningful comparison, the analysis for employees is based on a consistent group of individuals for each comparison, being those employed by the Group at both 1 January and 31 December of each period, and has been calculated on a full-time equivalent basis. The Directors are excluded from the average employee figures.

2.10 Chief Executive pay ratio

As Shaftesbury Capital has fewer than 250 employees, it is not legally required to report pay ratios. However, the ratios below are disclosed on a voluntary basis.

The table below sets out the remuneration of Ian Hawksworth, who has been Chief Executive since 2010, compared with the 25th, median and 75th percentile employee within the employee reference group as at 31 December 2024. Option A as defined in the Companies (Miscellaneous Reporting) Regulations 2018 was used to calculate the ratios, as this calculation methodology was considered to be the most accurate method. For 2024, the employees included in the calculation are those employed by the Group at year end, on a full-time equivalent basis. The figure for Executive Directors' remuneration is the single figure of remuneration for each financial year:

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	Option A	20.1:1	12.8:1	7.6:1
2023	Option A	43.6:1	26.5:1	14.1:1
2022	Option A	31.0:1	17.3:1	10.9:1
2021	Option A	23.9:1	14.2:1	9.5:1
2020	Option A	14.4:1	7.9:1	6.0:1

The remuneration used to calculate the 2024 pay ratios is set out below:

	Chief Executive £000	25th percentile £000	Median £000	75th percentile £000
Base salary	747	56	85	125
Total remuneration	1,590	79	124	210

Due to the relative weighting of variable remuneration for the Executive Directors, the pay ratios will be significantly smaller in years when PSP awards do not vest. In addition, due to the Group's relatively small number of employees, the ratios calculated may vary between years as a result of employees joining or leaving the Group.

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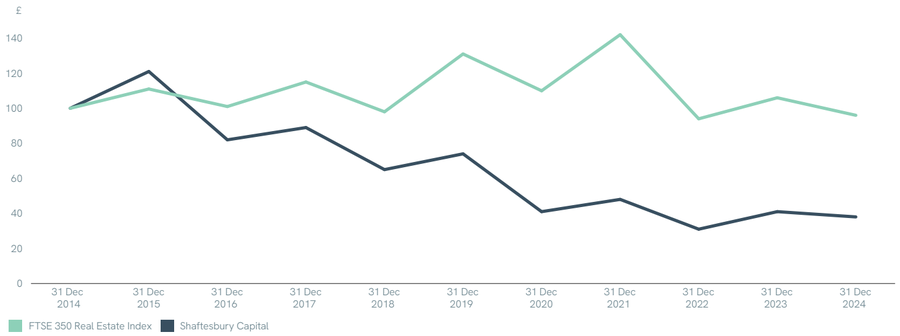
2.11 Chief Executive single figure of total remuneration history and TSR performance

The graph below shows the total shareholder return at 31 December 2024 of £100 invested in Capital & Counties Properties PLC (now Shaftesbury Capital PLC) on 1 January 2015, compared with the FTSE 350 Real Estate Index. The Committee considers this benchmark to be the most relevant benchmark for the Company's performance.

The table below the graph shows, for each financial year, information on the remuneration of Ian Hawksworth, who has been Chief Executive since 2010.

Total shareholder return



Financial year	2015	2016	2017	2018	2019	2020	2021	2022	2023[2]	**2024**
Single figure £'000	3,275	918	1,307	991	1,566	813	1,510	2,121	3,723	**1,590**
Annual bonus % of max	91.25	21.25	61.60	23.75	83.33	0	73.75	100.00	82.50	**60.25**
MSP vesting % of max	40 or 80[1]	0	0	0	N/A	N/A	N/A	N/A	N/A	**N/A**
PSP vesting % of max	60	0	0	0	0	0	0	25	63 and 66.72	**N/A**

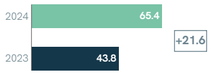
1. Depending on the award. Please refer to 2015 Annual Report for more information.
2. PSP vesting for the 2021 and 2022 PSP awards. Note that awards were also subject to pro-rating for time.

2.12 Relative importance of spend on pay

The bar graphs below illustrate dividends paid and total employee pay expenditure (which includes pension, variable pay and national insurance) for the financial years ended 31 December 2023 and 31 December 2024, and the year-on-year change in each. The 2023 disclosure is based solely on Capco/Shaftesbury Capital pre- and post-merger and does not take into account Shaftesbury's dividends and employee spend. The aforementioned measures are those prescribed by the remuneration disclosure regulations; however, they do not reflect Shaftesbury Capital's KPIs, which are explained on pages 20 and 21. Accordingly, bar graphs showing Shaftesbury Capital's one-year TPR and TAR are also included.

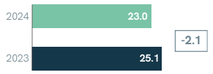
Total property return (%)

Dividends (£m)[1]



Total accounting return (%)

Employee costs (£m)



1. £4.3 million (2023: £1.9 million) of the total dividend paid during 2024 was retained by a Group-controlled entity following the dividend threshold test as set out in the exchangeable bond conditions. £14.5 million of the total dividend paid during 2023 was paid prior to the merger.

Remuneration Committee adviser and voting

2.13 Independent adviser to the Remuneration Committee

The Committee appointed FIT as its independent remuneration adviser in 2023 following a competitive tender. FIT is a member of the Remuneration Consultants Group and adheres to its code of conduct. The Committee has received confirmation of independence from FIT, and is satisfied that the advice received was objective and independent. In addition to advice provided to the Committee, FIT provided share award valuation and share plan implementation services to the Company. During 2024, the Company was charged a total of £59,000 by FIT in respect of advice to the Committee. Fees were charged on a time spent basis.

2.14 Shareholder voting

The table below shows the results of the advisory vote on the 2023 Directors' remuneration report at the 2024 AGM and the binding vote on the current Remuneration Policy at the 2023 AGM.

Voting on remuneration report at the 2024 AGM and Remuneration Policy at the 2023 AGM

Year		Votes for	% for	Votes against	% against	Total votes cast	Votes withheld (abstentions)
2024	Approval of Remuneration Report	1,429,850,274	97.06	43,345,551	2.94	1,473,195,825	24,106,616
2023	Approval of Remuneration Policy	1,279,525,790	89.18	155,218,849	10.82	1,434,744,639	10,790,790

This Directors' remuneration report was approved for issue by the Board of Directors on 26 February 2025.

Richard Akers
Chairman of the Remuneration Committee

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Directors' report

The Directors present their Annual Report and the audited consolidated financial statements for the year ended 31 December 2024.

Additional disclosures

Certain Directors' report disclosures, including a number of those required under the Companies Act 2006 (the "CA 2006"), Schedule 7, Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Listing Rules and the Disclosure Guidance and Transparency Rules, have been incorporated into this Directors' report by reference and can be found within other sections of the Annual Report as follows:

Content	Pages
Strategic report (which includes information on likely future developments in the business of the Company)	Inside cover to 103
Chief Executive's statement	12 to 15
Our purpose-led strategy	16
Our business model	17
Key performance indicators	20 and 21
Portfolio and operating review	32 to 43
Stakeholder engagement	44 to 49
Our people and culture	100 and 101
Financial review	50 to 58
Risk management	59 to 65
Principal risks and uncertainties	61 to 65
Task Force on Climate-related Financial Disclosures	66 to 74
Viability statement	75 and 76
Going concern statement	58
Sustainability (which includes information on the Group's environmental, sustainability and community matters and the Group's disclosures on greenhouse gas emissions, energy consumption and energy efficiency activities)	78 to 99
Section 172(1) statement	118 to 120
Non-pre-emptive issue of equity (note 24 to the financial statements)	207
Interests in significant contracts (note 28 to the financial statements)	209

Company status and listings

The Company has a primary and premium listing on the London Stock Exchange main market and a secondary listing on the Johannesburg Stock Exchange and the A2X. For the purposes of its listing on the Johannesburg Stock Exchange, the Company maintains an overseas branch register in South Africa. The Company's secured exchangeable bonds due in 2026 are listed on the Frankfurt Stock Exchange.

Directors

The Directors of the Company who held office during the year and up to the date of signing the financial statements, or during the year and prior to the date of signing the financial statements, were as follows:

Chairman	Jonathan Nicholls
Executive Directors	Ian Hawksworth Situl Jobanputra
Non-executive Directors	Richard Akers Ruth Anderson Madeleine Cosgrave (appointed 1 August 2024) Sian Westerman (appointed 1 September 2024) Charlotte Boyle (stepped down 31 August 2024) Helena Coles (stepped down 31 January 2024) Anthony Steains (stepped down 31 January 2024) Jennelle Tilling (stepped down 31 January 2024)

Biographies of each current Director can be found on pages 106 and 107.

Details of the remuneration of current Directors, and other Directors who served during the year and prior to the date of signing the financial statements, alongside details of each Director's interests in the Company's shares, are set out in the Directors' remuneration report (which is incorporated by reference into this report) on pages 138 to 161.

The powers of the Directors are determined by UK legislation and the Company's Articles of Association (the "Articles"), together with any specific authorities that shareholders may approve from time to time.

The rules governing the appointment and replacement of Directors are contained in UK legislation and the Company's Articles. In compliance with the UK Corporate Governance Code 2024 (the "2024 Code"), all the current Directors will retire from office and will offer themselves for election or re-election, as relevant, at the 2025 Annual General Meeting.

Compensation for loss of office

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 provisions of the Company share schemes may cause share options and awards to vest on a takeover.

Directors' conflicts of interest

The Company has procedures in place for the management of conflicts of interest. Should a Director become aware that they, or a connected party, have an interest in an existing or proposed transaction with the Group, they should notify the Company Secretary before or at the next Board meeting. Directors have a continuing obligation to notify any changes to their potential conflicts.

Directors' indemnities and insurance

In accordance with the Company's Articles, the Company has indemnified the Directors to the full extent allowed by UK law. The indemnity arrangements were in force throughout the year (and at the date of approval of the financial statements) and are qualifying indemnity provisions under the CA 2006. The Company maintains directors' and officers' liability insurance, which is reviewed annually.

Articles of Association

Changes to the Articles must be approved by shareholders in accordance with UK legislation.

Dividends

The Directors have proposed the following dividends:

Interim dividend paid on 1 October 2024	1.70 pence per ordinary share
Proposed final dividend to be paid on 30 May 2025	1.80 pence per ordinary share
Total dividend for 2024	3.50 pence per ordinary share

The proposed final dividend will be paid wholly as a Property Income Distribution ("PID"). There will be no ordinary dividend ("non-PID"). The dividend will be paid on 30 May 2025 to shareholders whose names are on the register on 25 April 2025. The interim dividend consisted of 1.0 pence paid as a PID and 0.7 pence paid as a non-PID.

Capital structure

Details of the Company's issued ordinary share capital, including details of movements in the issued share capital during the year, and authorities to issue or repurchase shares are shown below and in note 24 to the financial statements on page 207. Each share carries the right to one vote at general meetings of the Company.

The Company was granted authority at the 2024 Annual General Meeting to make market purchases of its own ordinary shares. This authority will expire at the conclusion of the 2025 Annual General Meeting, or, if earlier, on 23 August 2025, and a resolution will be proposed to seek further authority to make market purchases of the Company's own ordinary shares. No ordinary shares were purchased under this authority during the year or in the period from 1 January 2025 to 26 February 2025 (the latter being a date not more than one month before the date of the Notice of 2025 Annual General Meeting).

At 26 February 2025, the Company had an unexpired authority to repurchase shares up to a maximum of 182,481,970 shares with a nominal value of £45.6 million, and the Directors had an unexpired authority to allot up to a maximum of 1,217,446,234 shares with a nominal value of £304.4 million, of which 608,723,117 shares with a nominal value of £152.2 million can only be allotted pursuant to a rights issue.

There are no specific restrictions on the transfer of shares beyond those standard provisions set out in the Articles. No shareholder holds shares carrying special rights with regard to control of the Company.

Use of financial instruments

Information on financial risk management objectives and policies, including hedging policies and exposure of the Company in relation to the use of financial instruments, can be found in note 22 to the financial statements on pages 201 to 206.

Change of control provisions

There are a number of agreements which (should consent not be obtained from the counterparty to a change of control) alter or terminate upon a change of control of the Company. The £350 million, the £300 million and the £75 million Shaftesbury Capital facilities, the Covent Garden £380 million loan notes, the £450 million Shaftesbury AV Limited facility, and the £134.8 million Shaftesbury CL Limited facility contain provisions requiring outstanding facilities to be repaid on a change of control. The £275 million exchangeable bonds (due to be repaid in 2026) provide bondholders the right of early redemption on a change of control, subject to certain exceptions.

The Lillie Square development joint venture contains provisions which are triggered by a change of control.

The Performance Share Plan includes provisions relating to the treatment of awards in the event of a change of control.

Substantial shareholdings

The significant holdings of voting rights in the share capital of the Company notified to the Financial Conduct Authority and disclosed in accordance with Disclosure Guidance and Transparency Rule 5, as at 26 February 2025, are shown in the table below.

Substantial shareholdings disclosed as at 26 February 2025

Holder	Number of shares held at time of last notification	Percentage of total issued share capital held at time of last notification[1,2]	Nature of holding	Date of last notification
Norges Bank	459,649,804	23.53%	Direct interest	8 March 2023
BlackRock, Inc.	115,373,385	5.89%	Indirect interest	29 March 2024

1. Notified holdings are calculated with reference to the total issued share capital on the date the threshold was reached.
2. The existing issued share capital of the Company includes 128,350,793 ordinary shares held by a Group entity, of which 127,008,786 are held as security under the terms of the £275 million exchangeable bond. The 128,350,793 ordinary shares will not vote whilst they are held by a Group entity.

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Corporate governance statement

The information fulfilling the requirements of the corporate governance statement should be deemed to be incorporated within this Directors' report. This includes the requisite disclosures in relation to diversity (see pages 104 to 161) and share capital (see note 24 to the financial statements (page 207)).

Application of the Principles of the UK Corporate Governance Code 2018 (the "2018 Code") can be found on pages 104 to 161. Full details of the 2018 and 2024 Codes can be found on the Financial Reporting Council's website: https://www.frc.org.uk.

Employees

Information on the Group's employees, and engagement with our employees during the year, can be found on pages 46 and 47, pages 100 and 101, page 113 and in note 5 to the financial statements on page 190.

Engagement with stakeholders

Information on the ways in which the Directors have regard to the need to foster the Company's relationships with stakeholders, including customers, the local community and finance providers, and the effect of that regard on principal decisions taken by the Board, is set out in the stakeholder engagement section on pages 44 to 49 and our section 172(1) statement on pages 118 to 120 of this report.

Political donations

The Company did not make any political donations during the year (2023: nil).

The environment

Details of the Group's ESC Strategy and its aims and activities during the year are set out on pages 78 to 99. Further information is available on the Company's website: https://www.shaftesburycapital.com/en/responsibility/our-approach.html.

Disclosure to external auditor

So far as the Directors are aware, there is no relevant audit information of which the external auditor is unaware. Each Director has taken all steps that they ought to have taken as a Director in order to make themself aware of any relevant audit information, and to establish that the auditor is aware of that information. This confirmation is given in accordance with section 418 of the CA 2006.

Independent auditor

The Board has recommended that PricewaterhouseCoopers LLP ("PwC"), who have indicated their willingness to continue in office, be reappointed as the Company's independent auditor and that a resolution seeking PwC's reappointment will be proposed at the 2025 Annual General Meeting. The external audit contract was last put out to competitive tender in 2019 and PwC was reappointed as external auditor in January 2020. Under current regulations, the Company is required to retender the audit by no later than the 2030 financial year.

Events after the reporting period

Details of events after the reporting period can be found in note 32 to the financial statements on page 212.

Annual General Meeting

The 2025 Annual General Meeting of the Company will be held on 22 May 2025 at 11.30 am (London time) at the London offices of Herbert Smith Freehills LLP (the "AGM"). The AGM notice will contain the specific details and, together with an explanation of the business to be dealt with at the meeting, will be included as a separate document sent to shareholders dependent on their election via electronic or hard copy means. The notice of AGM will be issued to shareholders at least 20 working days before the meeting, and will also be made available on the Company's website. Shareholders are requested to check the website for the latest details concerning the 2025 AGM.

By order of the Board

Ruth Pavey
Company Secretary

26 February 2025

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Directors' responsibilities

Statement of Directors' responsibilities

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

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

Each of the Directors, whose names and functions are listed in the Corporate governance section of the Annual Report confirm that, to the best of their knowledge:

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

In the case of each director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

The financial statements on pages 174 to 217 were approved by the Board of Directors on 26 February 2025 and signed on its behalf by:

Ian Hawksworth
Chief Executive

Situl Jobanputra
Chief Financial Officer

26 February 2025

Independent auditors' report to the members of Shaftesbury Capital PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- Shaftesbury Capital 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 December 2024 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company balance sheets as at 31 December 2024; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5 (c), 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 audited the complete financial information of the Group, which comprises the Group's property portfolio and the Group's share of joint ventures and associates.
Key audit matters	– Valuation of investment property (Group) – Valuation of investment in Group companies and amounts owed by subsidiaries (Company)
Materiality	– Overall Group materiality: £52.3 million (2023: £52.1 million) based on 1 per cent of total assets. – Overall Company materiality: £36.6 million (2023: £37.4 million) based on 1 per cent of total assets. – Performance materiality: £39.2 million (2023: £39.1 million) (Group) and £27.4 million (2023: £28.1 million) (Company).

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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.

Valuation of the acquired assets and liabilities of Shaftesbury PLC was a key audit matter last year, due to the acquisition of Shaftesbury PLC in March 2023. This represented a large and non-recurring transaction in 2023, but it is no longer a key audit matter this year. 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 property (Group) Refer to the Audit Committee report and notes 1, 6, and 12 of the financial statements. The valuation of the Group's investment property is the key component of the net asset value. The result of the revaluation this year was a profit of £202.9 million (2023: £68.5 million loss) as set out in notes 6 and 12, and is accounted for within 'Gain/Loss on revaluation and sale of investment property' in the Group's Consolidated income statement. The Group engages third party real estate valuation experts ('third party valuers') to support them with determining the fair value of the Group's properties. These valuers were engaged to perform valuations in accordance with the Royal Institution of Chartered Surveyors Valuation – Professional Standards ("RICS"). The Group's property portfolio comprises mixed use investment property (including retail, food and beverage, office and residential) in London's West End, and these properties are not uniform in nature. There are a number of different assumptions made by the Group's third party valuers, CBRE (for the Covent Garden properties) and Cushman & Wakefield (for the remainder of the West End wholly owned property portfolio), in determining fair value. The assumptions on which the property values are based are influenced by tenure and tenancy details, prevailing market yields and the estimated rental values for each property. Macroeconomic factors and uncertain market conditions also impact the valuation of investment property. In addition, the valuation of the investment property is particularly subjective given the current macroeconomic conditions. There is also growing scrutiny on the valuation of assets given the potential impacts of climate change. Accordingly we identified this area as a key audit matter. The focus of our work was on the Investment property financial statement line item, but we also perform similar procedures over property assets held as owner occupied and within joint ventures and associates.	**Assessing the third party valuers' expertise and objectivity** We assessed the competence and capabilities of the valuers and verified their qualifications. The valuers are reputable and established real estate valuation firms. We also assessed their independence by discussing the scope of their work and reviewing the terms of their engagement for unusual terms or fee arrangements. We engaged our own auditors' real estate valuation experts who are qualified chartered surveyors with relevant market knowledge to support our audit procedures. This included reading the external valuation reports prepared by CBRE, Cushman & Wakefield, and the other valuers engaged to undertake property valuations for the Group's joint ventures and associates. Our audit experts also attended meetings with the third party valuers to discuss and challenge assumptions applied, supporting the audit team with identifying where additional audit evidence was required. Our audit experts also confirmed that the valuation approaches applied by the third party valuers were in accordance with the RICS standards and in accordance with IFRS 13, and therefore suitable for use in determining the fair value of investment property for the purpose of the financial statements. **Data provided to the third party valuers** For investment properties the key data that management provides to the third party valuers is tenancy schedules. These contain information for each property, of leases, square footages, use and other details. We tested a sample of this data to ensure it was complete and accurate. **Assumptions and estimates used by the third party valuers** With the assistance of our own valuation experts, we met with the third party valuers independently of management and gained an understanding of the valuation methods and assumptions used. The nature of assumptions used varied across the portfolio depending on the nature of each property, but they included estimated investment yields and rental values and also factored in void rates and rent free periods. We utilised independent sources of information and employed our own data analytics tools to develop our own ranges of the expected yields and capital value movements for the properties in the portfolio, based on their individual uses and locations. This allowed us to identify assumptions and property capital value movements that fell outside of our expected range, and therefore focus our audit challenge on understanding the reasons for these (from the third party valuers and management) and obtaining further audit evidence as required. For the Group's largest properties (by capital value) we also made specific enquiries of the third party valuers and assessed the basis for the key assumptions used in determining these property values, obtaining audit evidence to support these.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment property (Group) continued	**Assumptions and estimates used by the third party valuers continued** We evaluated whether, based on these procedures together with our experience of this sector, the estimate or assumptions applied were reasonable. We considered the reasonableness of assumptions that are not so readily comparable with published benchmarks, in particular ERV where, for a sample of individual properties, we specifically challenged the third party valuers to support their individual ERV assumptions with reference to available evidence and in the context of the impact of macroeconomic uncertainties and trends. 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 each property's individual characteristics at a detailed, tenant by tenant level, as well as considering specific factors such as the latest leasing and sale activity, the desirability of the asset and the extent to which macroeconomic factors impacted or not on the asset. **Overall findings** Based on the procedures performed and the evidence obtained, we concluded that the valuation of investment property was reasonable.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment in Group companies and amounts owed by subsidiaries (Company) Refer to notes II and III of the financial statements. The Company holds investments in Group companies of £2,129.4 million (2023: £2,129.4 million), and amounts owed by subsidiaries of £1,523.4 million (2023: £1,616.3 million). The impairment assessment of the Company's investments in subsidiaries and determination of any expected credit loss allowance in respect of amounts owed by subsidiaries is performed on an annual basis. Management's current year assessment concluded that the carrying value of investments was supported by the net assets of the underlying subsidiaries. The classification of the amounts owed by subsidiaries is presented as non-current receivables this year, reflecting the conclusions of a post-merger entity reorganisation that is expected to be completed during 2025. This area was identified as a key audit matter given the materiality of these balances.	We assessed the accounting policies for investments and amounts owed by subsidiaries to ensure these were compliant with UK Generally Accepted Accounting Practice (specifically FRS 101). We verified that the methodology used by management in arriving at the carrying value of each subsidiary and the expected credit loss for amounts owed by subsidiaries, was compliant with UK GAAP FRS 101. We obtained management's impairment and expected credit loss allowance assessments and validated that input data used was consistent with the Group financial statements and underlying subsidiary carrying values. Based on our audit procedures and the evidence we obtained, we concluded that the valuation of investments in Group companies and amounts owed by subsidiaries were supportable.

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.

All audit procedures were performed by the Group engagement team.

The impact of climate risk on our audit

We also read the disclosures included in the Strategic Report in relation to climate change, explaining the governance processes in place to assess climate risk and additional reporting requirements. The Group has made commitments to a Net Zero Carbon Pathway by 2040. A detailed description of the commitments and targets to achieve these is set out in the Strategic Report.

As part of our audit we made enquiries of management to understand the process adopted to assess the potential impacts of climate risks on the Group's financial statements. The key area of the financial statements where management evaluated that climate risk has a potential significant impact is in relation to the valuation of investment properties (see note 12 of the Group financial statements). We also considered this an area which may be potentially materially impacted by climate risk and consequently we focused our audit work in this area. Further details of our audit work performed is set out in the key audit matters section of this report, 'Valuation of investment property (Group)'.

We also considered the disclosures in relation to climate change in the financial statements and whether these were consistent with the information included in the Strategic Report, including the Task Force on Climate-related Financial Disclosures (TCFD).

Our procedures did not identify any material issues in the context of our audit of the financial statements as a whole, and as set out in the key audit matters section of this report, 'Valuation of investment property (Group)'.

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

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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	£52.3 million (2023: £52.1 million).	£36.6 million (2023: £37.4 million).
How we determined it	1 per cent of total assets	1 per cent of total assets
Rationale for benchmark applied	The key measure of the Group's performance is the valuation of investment property and the balance sheet as a whole. On this basis, and consistent with the prior year, we set an overall Group materiality level based on total assets.	The Company is predominantly an investment holding Company and therefore total assets is deemed the most appropriate benchmark.

In addition to overall Group materiality, specific materialities were also applied to certain areas of the Consolidated income statement and related working capital balances. Our specific materialities were aligned with the metrics in the Annual Report and Group financial statements that we believe are of particular interest to the members and we determined those metrics to be gross profit and gross finance costs. In order to reflect their specific characteristics, we applied materiality levels of £8.3 million which is 5 per cent of the current year gross profit (2023: £7.0 million, 5 per cent) and £3.9 million which is 5 per cent of current year gross finance costs (2023: £5.3 million, 5 per cent).

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75 per cent (2023: 75 per cent) of overall materiality, amounting to £39.2 million (2023: £39.1 million) for the Group financial statements and £27.4 million (2023: £28.1 million) for the Company 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 £2.6 million (Group audit) (2023: £2.6 million) and £1.8 million (Company audit) (2023: £1.9 million) 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 analysis of the going concern of the Group and Company and supporting cash flow forecasts and covenant compliance calculations. Management prepared forecasts for a base case, severe but plausible downside case, and undertook reverse stress testing;
- Understanding and assessing the reasonableness of the key assumptions used in the cash flow forecasts, including assessing whether we considered the downside sensitivities to be appropriately severe, the availability of committed finance and covenant compliance during the forecast period;
- Corroborating key assumptions in the cash flow forecasts (e.g. investment property valuations, rental income and finance costs) to other evidence including external research and historical performance, and ensuring this was consistent with our audit work in these and other areas;
- Evaluating the audit evidence we obtained and assessing whether management's conclusions were supportable; and
- Reviewing the disclosures in the financial statements relating to the going concern basis of preparation and evaluating whether these provided an explanation of the Directors' assessment that was consistent with the audit evidence we obtained.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration 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 and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

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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, 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 those governed by the Financial Conduct Authority, 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 and compliance with UK income tax rules, specifically compliance with the Real Estate Investment Trust (REIT) status Part 12 of the Corporation Tax Act 2010. 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 the posting of inappropriate journal entries to revenue primarily, and management bias in accounting estimates and judgemental areas of the financial statements particularly in relation to the estimation of the fair value of investment property (and other property portfolio assets). Audit procedures performed by the engagement team included:

- Enquiries with management and parties outside of the finance function, including the Group's internal auditors, regarding any known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Evaluation of audit evidence obtained to support the Group's compliance with the Real Estate Investment Trust (REIT) status Part 12 of the Corporation Tax Act 2010;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of investment property (see the key audit matters set out earlier in this report);
- Identifying and testing journal entries, in particular any journal entries posted to revenue with unusual account combinations; and
- Reviewing the whistleblowing log and relevant minutes of meetings, including those of the Board and Audit Committee.

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 Directors' remuneration 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 3 June 2010 to audit the financial statements for the year ended 31 December 2010 and subsequent financial periods. The period of total uninterrupted engagement is 15 years, covering the years ended 31 December 2010 to 31 December 2024.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Andrew Paynter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 February 2025

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Consolidated income statement

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Revenue	4	**227.1**	195.1
Costs	4	**(60.0)**	(53.2)
Gross profit	4	**167.1**	141.9
Other income		**–**	2.7
Administration expenses	5	**(42.7)**	(83.8)
Gain/(loss) on revaluation and sale of investment property	6	**194.6**	(65.0)
Change in value of investments and other receivables	7	**(7.0)**	(12.5)
Change in fair value of financial assets through profit or loss	22	**–**	52.0
Operating profit		**312.0**	35.3
Finance income	8	**14.8**	15.6
Finance costs	9	**(72.0)**	(67.5)
Other finance income	8	**4.5**	4.1
Other finance costs	9	**(6.5)**	(31.3)
Change in fair value of derivative financial instruments	15	**(0.9)**	(11.3)
Net finance costs		**(60.1)**	(90.4)
Profit from joint ventures and associates	14	**4.5**	0.2
Gain on bargain purchase	31	**–**	805.5
Loss on sale of associate	14	**(4.0)**	–
Profit before tax		**252.4**	750.6
Taxation	10	**(0.3)**	(0.2)
Profit for the year		**252.1**	750.4
Earnings per share			
Basic earnings per share	3	**13.8p**	45.5p
Dilutive earnings per share	3	**13.8p**	45.3p

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Profit for the year		**252.1**	750.4
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Revaluation (loss)/gain on owner-occupied property	13	**(0.1)**	1.8
Total comprehensive income for the year		**252.0**	752.2

Consolidated balance sheet

As at 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investment property	12	**4,899.1**	4,740.2
Property, plant and equipment	13	**25.5**	24.0
Investments in joint ventures and associates	14	**–**	83.4
Derivative financial instruments	15	**–**	1.4
Trade and other receivables	16	**139.7**	116.1
		5,064.3	4,965.1
Current assets			
Trade and other receivables	16	**30.4**	42.7
Derivative financial instruments	15	**3.4**	8.3
Cash and cash equivalents	17	**124.0**	200.2
		157.8	251.2
Assets held for sale			
Investment property held for sale	12	**9.8**	–
		9.8	–
Total assets		**5,231.9**	5,216.3
Non-current liabilities			
Borrowings	19	**(1,467.8)**	(1,534.8)
Lease liabilities	20	**(2.7)**	(2.7)
Derivative financial instruments	15	**(1.8)**	(7.2)
		(1,472.3)	(1,544.7)
Current liabilities			
Borrowings	19	**–**	(94.9)
Lease liabilities	20	**(0.3)**	(0.3)
Tax liabilities		**(0.2)**	(0.2)
Trade and other payables	18	**(84.8)**	(96.0)
		(85.3)	(191.4)
Total liabilities		**(1,557.6)**	(1,736.1)
Net assets		**3,674.3**	3,480.2
Equity			
Share capital	24	**488.2**	488.2
Other components of equity		**3,186.1**	2,992.0
Total equity		**3,674.3**	3,480.2

These consolidated financial statements on pages 174 to 212 have been approved for issue by the Board of Directors on 26 February 2025 and signed on its behalf by:

Ian Hawksworth
Chief Executive

Situl Jobanputra
Chief Financial Officer

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Consolidated statement of changes in equity

For the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Own shares[1] £m	Capital redemption reserve £m	Merger reserve[2] £m	Share-based payment reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2023		212.8	232.5	–	1.5	293.7	9.8	(0.4)	811.7	1,561.6
Profit for the year		–	–	–	–	–	–	–	750.4	750.4
Other comprehensive income for the year		–	–	–	–	–	–	–	1.8	1.8
Total comprehensive income for the year		–	–	–	–	–	–	–	752.2	752.2
Completion of all-share merger		273.9	–	(32.1)	–	962.3	–	–	–	1,204.1
Dividends	11	–	–	–	–	–	–	–	(41.9)	(41.9)
Issue of shares and realisation of the share-based payment reserve on issue of the employee share options[3]		1.5	–	(0.8)	–	–	(9.8)	–	11.9	2.8
Fair value of share-based payment	29	–	–	–	–	–	1.3	–	–	1.3
Realisation of cash flow hedge		–	–	–	–	–	–	0.1	–	0.1
Balance at 31 December 2023		488.2	232.5	(32.9)	1.5	1,256.0	1.3	(0.3)	1,533.9	3,480.2
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**252.1**	**252.1**
Other comprehensive expense for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**252.0**	**252.0**
Dividends	11	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(61.1)**	**(61.1)**
Fair value of share-based payment	29	**–**	**–**	**–**	**–**	**–**	**3.1**	**–**	**–**	**3.1**
Realisation of cash flow hedge		**–**	**–**	**–**	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Balance at 31 December 2024		**488.2**	**232.5**	**(32.9)**	**1.5**	**1,256.0**	**4.4**	**(0.2)**	**1,724.8**	**3,674.3**

1. Represents the nominal value of 128,350,793 shares issued to a controlled entity in respect of secured shares previously held as collateral for the exchangeable bonds and 3,146,886 shares held by the Group's Employee Benefit Trust in respect of employee share awards.
2. Represents non-qualifying consideration received following previous share placings and the all-share merger with Shaftesbury PLC completed on 6 March 2023. The amounts taken to the merger reserve do not currently meet the criteria for qualifying consideration and therefore will not form part of distributable reserves as they form part of linked transactions.
3. Represents the issue of 6,170,629 new shares and subsequent realisation of the outstanding share-based payment reserve on the close out of the Group's share scheme prior to completion of the all-share merger. Following the vesting, 3,146,886 shares were purchased by the Group's Employee Benefit Trust.

Consolidated statement of cash flows

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Cash generated from operations	27	**108.7**	29.8
Finance costs paid		**(72.0)**	(59.5)
Interest received		**15.0**	16.1
Net cash inflow/(outflow) from operating activities		**51.7**	(13.6)
Cash flows from investing activities			
Purchase and development of property		**(130.4)**	(51.2)
Purchase of fixed assets		**(2.3)**	(3.4)
Sale of property		**136.6**	88.1
Cash acquired in a business combination		**–**	118.1
Dividends received from associate		**1.2**	1.5
Sale of associate		**82.5**	–
Loans to joint ventures and associates repayment received		**15.6**	2.7
Net cash inflow from investing activities		**103.2**	155.8
Cash flows from financing activities			
Borrowings repaid		**(305.0)**	(1,151.0)
Borrowings drawn		**135.0**	1,126.0
Acquisition of derivative financial instruments		**–**	(5.0)
Cash dividends paid	11	**(61.1)**	(41.9)
Net cash outflow from financing activities		**(231.1)**	(71.9)
Net movement in cash and cash equivalents		**(76.2)**	70.3
Cash and cash equivalents at 1 January		**200.2**	129.9
Cash and cash equivalents at 31 December	17	**124.0**	200.2

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For the year ended 31 December 2024

1 Principal accounting policies

General information

Shaftesbury Capital PLC (the "Company") was incorporated and registered in England and Wales and domiciled in the United Kingdom on 3 February 2010 under the Companies Act 2006 as a public company limited by shares, registration number 7145051. The registered office of the Company is Regal House, 14 James Street, London, WC2E 8BU, United Kingdom. The principal activity of the Company is to act as the ultimate parent company of Shaftesbury Capital PLC Group (the "Group"), whose principal activity is the investment and management of property.

The Group's assets principally comprise investment property within the West End of London, including Covent Garden, Carnaby, Soho and Chinatown.

Basis of preparation

The Group's consolidated financial statements are prepared in accordance with United Kingdom-adopted international accounting standards ("UK-adopted IFRS" or "IFRS"), and the applicable legal requirements of the Companies Act 2006.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention as modified for the revaluation of property and derivative financial instruments.

All income, expenses and cash flows are generated from continuing operations and there is no material seasonal impact on the Group's financial performance.

Going concern

The Directors have considered the appropriateness of adopting the going concern basis in preparing the consolidated financial statements. The Group's going concern assessment covers the period to 30 June 2026 (the "going concern period"), being at least 12 months from the date of authorisation of these consolidated financial statements.

The core West End occupational market continues to demonstrate its enduring appeal, with excellent levels of leasing activity, low vacancy and continued customer sales growth. There is good leasing demand across all uses, delivering rental income and valuation growth.

While geopolitical risk remains elevated and there is macroeconomic volatility, the West End and the Group's unique portfolio of prime investments have demonstrated remarkable resilience. The Group maintains a strong balance sheet with a focus on resilience, flexibility and efficiency. There is significant headroom against debt covenants and access to significant liquidity. In preparing the assessment of going concern, the Directors have considered projections of the Group's liquidity, committed capital expenditure, income, costs, cash flows and debt covenants.

The Directors have assessed a base case and a downside scenario (being a "severe but plausible" scenario).

As at the year end, the Group had net debt of £1.4 billion, an EPRA LTV ratio of 27 per cent and Group interest cover of 2.9 times. The Group is projected to have sufficient cash reserves and undrawn facilities to meet debt maturities during the going concern period. Drawn debt is at fixed rates or currently has interest rate protection in place. Interest rate hedging is in place which caps SONIA exposure at 3.0 per cent on £250 million of notional value to December 2025. Further hedging arrangements will be put in place as appropriate.

The Group's debt matures between March 2026 and 2037. Debt maturities during the going concern assessment period relate to the £275 million exchangeable bond, which can be repaid or refinanced in both the base case and the downside scenario.

The Group's financial resources are expected to be sufficient to cover its commitments over the going concern period.

Relative to the Group's base case forecast, the downside scenario includes the following key assumptions:

- Substantial reduction in forecast rental income due to combination of extended voids and tenant failures;
- Elevated SONIA rates in excess of current market expectations; and
- Declines in rental values, along with a widening of valuation yields, resulting in reduced asset values.

The near-term impact of climate change risks within the going concern period have been considered in the downside scenario and are expected to be immaterial.

Under the downside scenario, the Group is expected to remain in compliance with the loan-to-value and interest cover covenants of its individual financing arrangements.

In addition to considering a downside scenario, the Board has also undertaken reverse stress testing, which indicates that the Group could withstand a decrease of approximately 45 per cent in income and valuations before breaching its debt financial covenants.

Based on their analysis, the Directors are satisfied that there is a reasonable expectation that the Group will be able to meet its ongoing and future commitments for at least 12 months from the date of approval of the consolidated financial statements and have therefore resolved that the Group's consolidated financial statements be prepared on a going concern basis.

Critical accounting judgements and key sources of estimation and uncertainty

The preparation of consolidated financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, equity, income and expenses from sources not readily apparent. Although these estimates and assumptions are based on management's best knowledge of the amount, historical experiences and other factors, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period.

The most significant area of estimation uncertainty is in respect of the valuation of the property portfolio where external valuations are obtained.

The fair value of the Group's investment and trading property (trading property included within the Lillie Square joint venture) at 31 December 2024 was determined by independent, appropriately qualified external valuers CBRE and Cushman & Wakefield for the wholly-owned property portfolio, and JLL for the Lillie Square joint venture. The valuations conform to the Royal Institution of Chartered Surveyors ("RICS") Valuation Professional Standards.

As various inputs used in the valuation calculations are based on assumptions, property valuations are inherently subjective and subject to a degree of estimation uncertainty. The Group's external valuers have made a number of assumptions including, but not limited to, market yields, ERVs and void periods. These assumptions are in accordance with the RICS Valuation Professional Standards, however, if any prove to be incorrect, it may mean that the value of the Group's properties differs from their valuation reported in the financial statements, which could have a material effect on the Group's financial position. The key unobservable inputs used in the valuation models are those in respect of equivalent yields and ERV, which are summarised within note 12 'Property portfolio' and additional information is provided on page 226. Further information on the approach taken by the valuers in valuing the property portfolio and a sensitivity analysis on equivalent yields and ERV, which are the most significant assumptions impacting the fair values, is set out in note 12 'Property portfolio'.

Other areas of judgement and estimation in the financial statements (which are not considered critical) include REIT compliance, the impairment of and expected credit loss allowance on trade receivables, and share-based payments.

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1 Principal accounting policies continued

New accounting policies

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board that are effective for annual periods that begin on or after 1 January 2024.

- IAS 1 'Presentation of Financial Statements' (amendment) (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)
- IFRS 16 'Leases' (amendment) (Lease liability in a sale and leaseback)
- IAS 7 'Statement of cash flows' and IFRS 7 'Financial Instruments: Disclosures' (amendment) (Supplier finance arrangements)

The adoption of the above amendments has not had a material impact on the amounts reported in the consolidated financial statements or on the disclosures apart from the amendments to IAS 1, which have resulted in additional disclosure in note 22, but have not had an impact on the classification of the Group's liabilities.

At the date of approval of the consolidated financial statements the following new accounting standards and amendments to accounting standards were in issue but are not yet effective. These new standards and amendments have not been applied in these consolidated financial statements.

- IAS 21 'The Effects of Changes in Foreign Exchange Rates' (amendment) (Lack of Exchangeability)
- IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' (amendment) (Classification and Measurement of Financial Instruments)
- IFRS 18 'Presentation and Disclosure in Financial Statements' (new standard)

The amendment to IAS 21 is effective for periods beginning on or after 1 January 2025 whilst the amendments to IFRS 9 and IFRS 7 are effective for annual periods beginning on or after 1 January 2026. The Group has assessed the impact of these amendments and does not anticipate any material impact on the consolidated financial statements.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027. The Group is assessing the impact of this new standard and the Group's financial reporting will be presented in accordance with this standard from 1 January 2027, in line with requirements.

Basis of consolidation

These consolidated financial statements include the consolidation of Capital & Counties CGP Limited Partnership. The members of this qualifying partnership have taken advantage of exemptions available in Statutory Instrument 2008/569 and therefore will not produce consolidated financial statements at the partnership level or submit such annual reports to Companies House.

The consolidated financial statements are prepared in British pounds sterling, which is also determined to be the functional currency of the Company.

Subsidiaries

Subsidiaries are fully consolidated from the date on which the Group has control, is exposed, or has rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over an entity. Subsidiaries cease to be consolidated from the date this control is lost.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method (at the point the Group gains control over a business as defined by IFRS 3 'Business Combinations').

The cost of an acquisition is measured as the aggregate of the consideration transferred, which includes the cash paid and the aggregate of the fair values, at the date of exchange, of other assets transferred, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, and the amount of any non-controlling interests in the acquiree.

Acquisition-related costs are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 'Business Combinations' are recognised at their fair value at the acquisition date.

Goodwill represents the excess of the cost of acquisition of a business combination over the fair value of the identifiable net assets of the business acquired at the date of acquisition. In the case that the fair value of the identifiable net assets acquired is greater than the total consideration paid, negative goodwill arises on the acquisition. The negative goodwill is recognised as a gain on bargain purchase in the consolidated income statement.

Joint ventures and associates

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement.

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

When joint control is no longer demonstrated, but significant influence is, a previously accounted for joint venture is accounted for as an associate.

Investments in joint ventures and associates are accounted for using the equity method. On initial recognition the investment is recognised at cost, and the carrying amount is subsequently increased or decreased to recognise the Group's share of the profit or loss of the joint venture or associate after the date of acquisition.

The Group's investments in joint ventures or associates are presented separately on the consolidated balance sheet and the Group's share of the joint ventures or associates' post-tax profit or loss for the period is also presented separately in the consolidated income statement.

Where there is an indication that the Group's investment in a joint venture or associate may be impaired, the Group evaluates the recoverable amount of its investment, being the higher of the joint venture or associate's fair value less costs to sell and value in use. If the recoverable amount is lower than the carrying value an impairment loss is recognised in the consolidated income statement.

If the Group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the Group does not recognise further losses, unless it has legal or constructive obligations to make payments on behalf of the joint venture or associate.

Dividends received or receivable from joint ventures or associates are recognised as a reduction in the carrying amount of the investment.

Where the Group disposes of its entire interest in a joint venture or associate, a gain or loss is recognised in the consolidated income statement on the difference between the amount received on the sale of the joint venture or associate and the carrying value of the investment in joint venture or associate less costs of disposal.

Revenue recognition

Rental receivable arises from operating leases granted to customers and is recognised as revenue on a straight-line basis over the lease term.

Tenant lease incentives, and in certain instances surrender premium payments which are directly linked to new leases, are amortised on a straight-line basis over the non-cancellable period of the lease, being the earlier of its expiry date or the date of the first break option as a reduction in net rental income. Surrender premiums received for early termination of leases are reflected in gross profit.

Lease modifications are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. On entering into a lease modification any initial direct costs associated with the lease, including surrender premia previously paid, are derecognised through costs in the year.

When a concession is provided for rent receivables past due the concession is accounted for as an impairment through the expected credit loss model in accordance with IFRS 9.

Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example increases arising on rent reviews and turnover rent, are recorded as income in the periods in which they are earned.

Service charge income in the ordinary course of business is recorded as income over time in the year in which the services are provided. As the Group acts as a principal, service charge income and costs are shown gross in the financial statements.

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1 Principal accounting policies continued

Income taxes

Current tax is the amount payable on the taxable income for the year and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided for using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of those assets and liabilities. However, temporary differences are not recognised to the extent that they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss (except leases); or are associated with investments in subsidiaries, joint ventures and associates where the timing of the reversal of the temporary difference can be controlled by the parent, venture or investor, respectively, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that management believes it is probable that future taxable profit will be available against which the deferred tax assets can be recovered. Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable group or different taxable entities where there is an intention to settle balances on a net basis.

Tax is included in the consolidated income statement except when it relates to items recognised directly in equity, in which case the related tax is also recognised directly in equity.

Share-based payment

The Group administers the following share-based remuneration to employees and Directors:

Long-term incentive plan

Long-term incentive awards will only vest and become exercisable upon achievement of performance targets, linked to the Group's total accounting return and total shareholder return, as well as being conditional upon continued employment with the Group. The fair value of the awards is determined using an option pricing model, which applies assumptions around expected yields, forfeiture rates, exercise price and volatility, at the grant date of the awards. Non-market vesting conditions are taken into account by adjusting the number of awards expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of awards that will eventually vest. Market vesting conditions are factored into the fair value of the awards granted. The cumulative expense is not adjusted for failure to meet a market vesting condition.

The cost of granting share options to employees is charged to the consolidated income statement over the vesting period of the options with a corresponding increase in equity. Employer's National Insurance contributions are payable, on exercise, on the market value of the award and are accrued for within the share-based payments expense in the consolidated income statement.

Upon eventual exercise, a reserves transfer occurs with no further charge reflected in the consolidated income statement.

Deferred shares

Executive Directors' annual bonuses may be deferred in Company shares or nil-cost options for three years under the long-term incentive plan without further performance conditions but subject to risk of forfeiture should an Executive Director leave the Company in certain circumstances. The Group accrues the cost of the non-cash bonus over the relevant period. Employer's National Insurance contributions are payable, on exercise, on the market value of the award and are accrued for within the share-based payments expense in the consolidated income statement.

Upon eventual exercise, a reserves transfer occurs with no further charge reflected in the consolidated income statement.

Own shares held in connection with employee share plans and other share-based payment arrangements are treated as treasury shares and deducted from equity.

Investment property

Investment property is owned or leased by the Group and held for long-term rental income and capital appreciation.

The Group has chosen to use the fair value model. Property and any related obligations are initially recognised when the significant risks and rewards attached to the property have transferred to the Group. Payments made in respect of the future acquisition of investment property are initially recognised as prepayments until the recognition criteria outlined above have been met. Investment property is recorded at cost and subsequently revalued at the balance sheet date to fair value as determined by professionally qualified external valuers on the basis of market value.

The fair value of property is arrived at by adjusting the market value as above for directly attributable tenant lease incentives, deferred letting fees and fixed head leases.

Property held under leases is stated gross of the recognised lease liability.

The valuation is based upon assumptions as outlined within the property portfolio note. These assumptions conform to the RICS Valuation Professional Standards.

When the Group redevelops a property for continued future use, that property is classified as investment property during the redevelopment period and continues to be measured at fair value. Gains or losses arising from changes in the fair value of investment property are recognised in the consolidated income statement in the period in which they arise. Depreciation is not provided in respect of investment property including plant and equipment integral to such investment property. Investment properties cease to be recognised as investment property when they have been disposed of or when they cease to be held for the purpose of generating rental income or for capital appreciation.

Disposals are recognised on completion. Gains or losses arising are recognised in the consolidated income statement. The gain or loss on disposal is determined as the difference between the net sales proceeds and the carrying amount of the asset at the commencement of the accounting period, plus capital expenditure in the period.

When the use of a property changes from trading property to investment property, the property is transferred at fair value with any resulting gain or loss recognised in the consolidated income statement.

Investment property is classified as held for sale when the property has exchanged, though not yet completed. Transfers from investment property to investment property held for sale will occur at market value. The Group will subsequently determine the fair value of the property less costs to sell, and to the extent that the market value of the property exceeds the fair value of the property less costs to sell, an impairment loss will be recognised. Should an uplift occur in valuation in a subsequent period, a gain shall be recognised however, the gain recognised may not exceed the cumulative impairment loss recognised.

Trading property

Trading property comprises those properties that in the Directors' view are not held for long-term rental income or capital appreciation and are expected to be disposed of within one year of the balance sheet date or to be developed with the intention to sell.

Such property is constructed, acquired, or if transferred from investment and development property, transferred at fair value which is deemed to represent cost. Subsequently trading property is carried at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling costs. This approximates market value as determined by professionally qualified external valuers at the balance sheet date. Details of the valuation methodology are set out in note 12 'Property Portfolio'.

The amount of any write down of trading property to market value is recognised as an expense in the period the write down occurs. Should a valuation uplift occur in a subsequent period, the amount of any reversal shall be recognised as a reduction in the previous write down in the period in which the uplift occurs. This may not exceed the property's cost. The sale of trading property is recognised as revenue when the buyer obtains control of the property. Total costs incurred in respect of trading property are recognised simultaneously as an expense.

Owner-occupied property

Owner-occupied property comprises property held for use in the production or supply of goods or services or for administrative purposes. Transfers are made from investment property to owner-occupied property when there is a change in use of the property. The property is transferred and subsequently carried at market value, which is determined in the same manner as investment property. Revaluation gains are recognised in equity. A revaluation loss will reverse any previous revaluation gain recorded in equity with the residual recognised in profit or loss.

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1 Principal accounting policies continued

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract.

Group as a lessee

The Group's leases predominately relate to head leases in relation to leasehold properties. At the commencement date of the lease, the Group recognises a right of use asset equal to the value of the lease liability and direct costs incurred, less any lease incentives received by the Group. The right of use asset is recognised within investment property. The lease liability is measured at the present value of lease payments over the lease term. The lease payments include fixed payments and variable lease payments that depend on an index or rate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments).

The Group's lease liabilities are detailed in note 20.

Short-term leases and leases of a low-value

As a lessee the Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risk and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Other financial assets

The Group's other financial assets comprise of listed equity investments and amounts receivable from joint ventures and associates.

Listed equity investments

Listed equity investments are classified as financial assets at fair value through profit or loss. At initial recognition, the financial assets are measured at fair value, with transactions costs attributable to the acquisition, expensed in the consolidated income statement. The financial assets are subsequently carried in the consolidated balance sheet at fair value, with net changes in fair value recognised in the consolidated income statement.

The purchase and sale of the financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. The financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Listed equity investments included the Group's investment in Shaftesbury PLC until the date of the all-share merger during the prior year.

Amounts receivable from joint ventures and associates

Amounts receivable from joint ventures and associates are classified as financial assets at amortised cost. At initial recognition, the Group measures the financial asset at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment review. The financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Derivative financial instruments

The Group uses non-traded derivative financial instruments to manage exposure to interest rate risk. They are initially recognised on the trade date at fair value and subsequently remeasured at fair value based on market price. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Instruments that have not been designated as qualifying for hedge accounting are classified as fair value through profit and loss. Changes in the fair value of these instruments are split into interest (calculated as the accrued and realised cash flows) and other changes in fair value. Interest is recognised in finance income or costs and changes in fair value are recognised in change in fair value of derivative financial instruments in the consolidated income statement.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost. The methodology for assessment of impairment is defined in the following paragraph.

Impairment of financial assets

The Group applies the IFRS 9 expected credit loss model in order to calculate a lifetime expected loss allowance for all financial assets. To measure the expected credit loss, receivables are reviewed on an individual contract basis. The expected loss rates are based on forward-looking information as well as historical evidence of collection.

For rent receivables, all customers are allocated a risk rating, as determined by management, and provided a rating of maximum, high, medium and low risk. The classification is developed by taking into consideration information on the customer's credit rating, current financial position, historical trading performance, historical default rate and the operational performance of the business. In assessing the provision the Group identifies risk factors associated by sector (retail, food and beverage, office and residential) and the type of rent receivable outstanding (rent arrears, service charge, other). In determining the provision on a customer by customer basis, the Group considers both recent payment history and future expectations of the customer's ability to pay or possible default in order to recognise an expected credit loss allowance. Based on sector and rent receivable type, a provision is made in addition to a full provision for maximum risk customers or customers with significant financial issues.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the original impairment was recognised, the impairment reversal is recognised in the consolidated income statement on a basis consistent with the original charge.

Tenant lease incentives are impaired based on an assessment of affordability.

For amounts receivable from joint ventures and associates, impairment is assessed by comparing the carrying amount of the loans and receivables to the discounted present value of the estimated future cash flows from the joint ventures and associates.

Cash and cash equivalents

Cash and cash equivalents are recognised at fair value. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, certain tenant deposits and other short-term highly liquid investments with original maturities of three months or less.

Tenant deposits held against tenants' rent payment obligations in bank accounts administered by the Group are classified as cash and cash equivalents. Tenant deposits held against tenants' rent payment obligations in bank accounts administered by the Group's managing agent are not included within the consolidated balance sheet.

The Group holds cash on deposit as security for certain secured term loans and secured bank facilities, and where there are certain conditions restricting their use. Cash held on deposit which has conditions restricting its use and is not available on demand, liquid or readily convertible, is classified within other receivables.

Trade and other payables

Trade payables are obligations for goods or services acquired in the ordinary course of business. Trade and other payables are recognised at fair value and subsequently measured at amortised cost until settled.

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1 Principal accounting policies continued

Borrowings

Borrowings comprise bank loans, secured loan facilities, loan notes and compound financial instruments.

Bank loans, secured loan facilities and loan notes are ordinarily recognised initially at their net proceeds as an approximation of fair value. If the transaction price is not an approximation of fair value at initial recognition, the Group determines the fair value as evidenced by a quoted price in an active market for an identical instrument or based on a valuation technique that uses data from observable markets. Bank loans and loan notes are subsequently carried at amortised cost. Any transaction costs, premiums or discounts are capitalised and recognised over the contractual life of the loan using the effective interest rate method, or on a straight-line basis where it is impractical to do so.

In the event of early repayment, transaction costs, premia or discounts paid and unamortised costs are recognised immediately in the consolidated income statement.

Compound financial instruments issued by the Group comprise exchangeable bonds that are convertible into shares. The exchangeable bonds were bifurcated into a liability and embedded derivative option component on initial recognition. The carrying value of the liability at initial recognition is the difference between the fair value of the entire instrument as a whole and the embedded derivative's fair value. Any directly attributable transaction costs are allocated to each component in proportion to their initial carrying amounts. The issue costs apportioned to the embedded derivative are recognised immediately in the consolidated income statement.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. Any transaction costs apportioned to the liability are included in the carrying amount and recognised over the contractual life of the liability using the effective interest rate method.

When a facility has been modified an assessment of modification and extinguishment is performed reviewing both quantitative and qualitative factors.

Interest related to the financial liability is recognised in the consolidated income statement. The embedded derivative is measured at fair value with the fair value adjustment accounted for in the consolidated income statement.

Pensions

The costs of the defined contribution scheme and the Group's personal pension plans are charged against profits or losses in the year in which they are incurred.

Contingent liabilities and capital commitments

Contingent liabilities are disclosed where there are present or possible obligations arising from past events, but the economic impact is uncertain in timing, occurrence or amount. A description of the nature and, where possible, an estimate of the financial effect of contingent liabilities are disclosed.

Capital commitments are disclosed when the Group has a contractual future obligation which has not been provided for at the balance sheet date. Amounts are only provided for where such obligations are onerous.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Own shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

2 Segmental reporting

IFRS 8 requires operating segments to be reported in a manner consistent with the internal financial reporting reviewed by the chief operating decision maker. The chief operating decision maker of the Group is the Executive Committee, which consists of the Chief Executive, Chief Financial Officer and the two Executive Directors. The information reviewed by the Executive Committee is prepared on a basis consistent with these financial statements. That is, the information is provided and monitored at a Group level and includes the IFRS reported results, EPRA and underlying measures.

In assessing the identification of operating segments, the Group considers the activities of the chief operating decision maker including decision making authorities for allocation of resources and the information they regularly receive. This consideration also factors that performance measures are set and only monitored at a single Group level. The Annual Report includes additional operational information on the property portfolio grouped by village and use.

This information is used within certain levels of the business and is also considered useful for readers of the Annual Report but is not used by the chief operating decision maker for monitoring performance or the allocation of resources.

3 Performance measures

The Group has applied the European Securities and Markets Authority guidelines on alternative performance measures ("APMs") in these annual results. An APM is a financial measure of historical or future financial performance, position or cash flow of the Group which is not a measure defined or specified in IFRS. Details of all APMs used by the Group are set out in the APM section on page 218.

As is usual practice in the sector, the Group presents APMs for certain indicators, including earnings, earnings per share and net tangible assets, making adjustments as set out by EPRA in its Best Practice Recommendations. These recommendations are designed to make the financial statements of public real estate companies more comparable across Europe, enhancing the transparency, comparability and coherence of the sector.

One of the key performance measures which the Group uses is underlying earnings. The underlying earnings measure reflects the underlying financial performance of the Group's West End property rental business and is used for the calculation of dividends. The measure aligns with the main principles of EPRA earnings. EPRA earnings excludes valuation movements on the wholly-owned, joint venture and associate properties, profit or loss on disposal of investment properties and investments in associates, fair value changes of financial instruments and listed investments, cost of early close out of debt, gain on bargain purchase and IFRS 3 merger-related transaction costs.

Following updated guidance issued by EPRA in 2024, EPRA earnings now also includes adjustments for certain non-operating and exceptional items. The non-operating and exceptional items adjusted for by the Group in the current and prior year include the fair value movements of the option component of the exchangeable bond, the unwinding of the IFRS 3 fair value of debt following the completion of the all-share merger in March 2023 and merger-related integration and other non-underlying expenses incurred. These costs are non-recurring as they relate to significant transactions outside the ongoing operations of the Group.

In calculating underlying earnings in both years, additional adjustments are made to exclude the financial performance of the Lillie Square joint venture, associated tax adjustments and the interest receivable on the loan issued to the joint venture by the Group. Lillie Square is not considered to be a core part of the operations of the Group and therefore its results are not included in underlying earnings.

A summary of the number of shares, on a basic and diluted basis, in issue at the year end, and on a weighted average basis for the year, is set out in the table below:

Number of shares

	2024 Weighted average million	**2024 In issue million**	2023 Weighted average million	2023 In issue million
Ordinary shares	**1,953.2**	**1,953.2**	1,757.0	1,953.2
Own shares – employee benefit trust	**(3.1)**	**(3.1)**	(2.6)	(3.1)
Own shares – exchangeable bond[1]	**(128.4)**	**(128.4)**	(105.5)	(128.4)
Number of shares – basic[2]	**1,821.7**	**1,821.7**	1,648.9	1,821.7
Dilutive effect of contingently issuable share option awards[3]	**5.7**	**10.0**	6.5	6.5
Dilutive effect of contingently issuable deferred share awards[3]	**0.7**	**1.6**	0.6	0.6
Number of shares – diluted[4]	**1,828.1**	**1,833.3**	1,656.0	1,828.8

1. Includes 127,008,786 shares held as collateral for the exchangeable bonds.
2. Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.
3. Further information on these potential ordinary shares can be found in note 29 'Share based payments'.
4. Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings and net assets per share.

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3 Performance measures continued

Earnings per share – IFRS

	2024	2023
Basic earnings (£m)	**252.1**	750.4
Basic earnings per share (pence)	**13.8p**	45.5p
Diluted earnings per share (pence)	**13.8p**	45.3p

Earnings per share – EPRA and Underlying earnings

	Note	2024 £m	2023 £m
Basic earnings		**252.1**	750.4
EPRA Group adjustments:			
(Gain)/loss on revaluation and sale of investment property	6	**(194.6)**	65.0
Change in value of investments and other receivables	7	**7.0**	12.5
Change in fair value of financial instruments – interest rate derivatives	15	**6.3**	7.4
Change in fair value of financial assets at fair value through profit or loss	22	**–**	(52.0)
Exceptional finance items – accelerated unwind of unamortised finance costs and interest on early close out of debt[1]	9	**1.0**	26.8
Loss on sale of associate[1]	14	**4.0**	–
Gain on bargain purchase	31	**–**	(805.5)
Merger-related transaction costs	5	**–**	35.8
Deferred tax adjustments	10	**–**	(0.1)
EPRA unusual items:			
Merger-related integration costs and non-underlying administrative expenses	5	**3.3**	8.7
Other exceptional finance items[2]		**0.4**	9.1
Impact of change in accounting policy on gross profit[3]		**–**	5.1
EPRA joint venture and associate adjustments:			
Profit on sale and transfer of trading property		**(1.5)**	(5.1)
(Gain)/loss on revaluation of investment property		**(3.0)**	3.3
(Reversal of write down)/write down of trading property		**(0.9)**	6.6
Deferred tax adjustments		**1.2**	(0.1)
EPRA earnings		**75.3**	67.9
EPRA earnings per share (pence)[4]		**4.1**	4.1
Underlying earnings adjustments:			
Joint ventures adjustment – Lillie Square[5]		**(2.3)**	(7.5)
Underlying earnings		**73.0**	60.4
Underlying earnings per share (pence)[6]		**4.0**	3.7

1. Reflects the accelerated unwind of unamortised costs on the refinancing of the revolving credit facility. The 2023 amount comprises £24.6 million unamortised fair value adjustment that arose on completion of the merger which was accelerated on the early redemption of the Carnaby and Chinatown bonds in April 2023 and the unamortised costs on the loan facility of £2.2 million which was accelerated on early repayment during the prior year. The unwind of the remaining fair value balance on the Longmartin debt of £1.4 million has been recognised in the loss on sale of associate on sale of our 50 per cent share during the year.
2. Other exceptional finance items include the unwind of the fair value adjustments on the debt facilities acquired on merger of £6.1 million (including our share of the fair value unwind of the Longmartin debt of £0.6 million up to date of disposal), offset by the fair value movement of the exchangeable bond option of £5.4 million (31 December 2023: £3.9 million) and other non-underlying finance income of £0.3 million. £5.5 million (31 December 2023: £4.5 million) of the unwind of the fair value of the debt is recorded through other finance costs included in note 10 'Finance costs' and £0.6 million (31 December 2023: £0.7 million) within the profit from Longmartin per note 14 'Investments in joint ventures and associates'.
3. The £5.1 million relates to the alignment of accounting policies on completion of the merger in the prior year. £4.1 million of the adjustment was recognised through the straight lining of tenant lease incentives and £1.0 million in property expenses. Historically, the Group amortised tenant lease incentives and deferred letting fees on a straight-line basis over the lease term to lease expiry as the assumption was that the lessees were reasonably certain not to exercise their option to break. This was amended in the prior year, such that all lease incentives are amortised over the non-cancellable period of the lease. As a result, other receivables within the consolidated balance sheet at 31 December 2023 decreased by £5.1 million with a corresponding reduction to gross profit. The £5.1 million reduction to gross profit had been adjusted for in order to reflect the true performance of the business during 2023.
4. Prior year comparatives have been re-presented based on changes to EPRA earnings following the publication of updated EPRA Best Practice Recommendations Guidelines in September 2024.
5. The Lillie Square joint venture is not considered part of the core underlying business of the Group and therefore its results are excluded from underlying earnings. The adjustment includes £3.8 million (31 December 2023: £3.7 million) interest receivable by the Group on the interest-bearing loans issued to the joint venture, offset by £1.5 million (31 December 2023: £3.8 million) of adjustments made to EPRA earnings for profit on sale and transfer of trading property, loss on revaluation of investment property and reversal of write down of trading property.
6. Had the all-share merger of Capital & Counties Properties PLC and Shaftesbury PLC completed on 1 January 2023, the underlying earnings of the Group would have been £62.8 million or 3.4 pence per share.

Net assets per share

	2024			2023		
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS total equity[1]	**3,674.3**	**3,674.3**	**3,674.3**	3,480.2	3,480.2	3,480.2
Unrecognised surplus on trading property – joint venture	**0.1**	**0.1**	**0.1**	1.7	1.7	1.7
Fair value of financial instruments – interest rate derivatives[2]	**(3.4)**	**(3.4)**	**–**	(9.7)	(9.7)	–
Fair value adjustment of exchangeable bond[3]	**(0.4)**	**(0.4)**	**–**	2.0	2.0	–
Real Estate Transfer Tax	**333.1**	**–**	**–**	332.2	–	–
Adjustment of fixed rate debt from carrying value to fair value[4]	**–**	**–**	**50.8**	–	–	29.8
Deferred tax adjustments	**0.5**	**0.5**	**–**	5.2	5.2	–
NAV	**4,004.2**	**3,671.1**	**3,725.2**	3,811.6	3,479.4	3,511.7
NAV per share (pence)	**218.4p**	**200.2p**	**203.2p**	208.4p	190.3p	192.0p

1. IFRS total equity of 200.4 pence per share (31 December 2023: 190.3 pence per share).
2. This relates to the fair value of interest rate derivatives. Further details are disclosed within note 15 'Derivative financial instruments'.
3. Adjustment to remove the exchangeable bond option fair value and include the exchangeable bond liability at nominal value of £275 million.
4. Excludes fair value of exchangeable bond option component included under derivative liabilities as disclosed in note 15 'Derivative financial instruments'.

Headline earnings per share

Headline earnings per share is calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants, a requirement of the Group's Johannesburg Stock Exchange secondary listing. This measure is not a requirement of IFRS.

	2024 £m	2023 £m
Basic earnings	**252.1**	750.4
Group adjustments:		
Gain on bargain purchase	**–**	(805.5)
Loss on sale of associate	**4.0**	–
(Gain)/loss on revaluation and sale of investment property	**(194.6)**	65.0
Headline earnings	**61.5**	9.9
Basic and diluted headline earnings per share (pence)	**3.4p**	0.6p

4 Gross profit

All revenue has been generated from operations within the United Kingdom.

	2024 £m	2023 £m
Rental receivable	**197.2**	171.9
Straight-lining of tenant lease incentives[1]	**7.8**	3.9
Service charge income	**22.1**	19.3
Revenue	**227.1**	195.1
Provision for expected credit loss	**(3.9)**	(2.0)
Property expenses[1]	**(33.1)**	(31.1)
Service charge expenses	**(22.1)**	(19.3)
Tenant lease incentives loss allowance	**(0.9)**	(0.8)
Costs	**(60.0)**	(53.2)
Gross profit	**167.1**	141.9

1. Included in the prior year is a charge of £5.1 million relating to the alignment of accounting policies on completion of the merger. £4.1 million of the adjustment was recognised through the straight lining of tenant lease incentives and £1.0 million in property expenses.

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5 Administration expenses

	2024 £m	2023 £m
Depreciation	**0.3**	0.4
Employee costs	**23.0**	25.1
Head office administration expenses	**16.1**	13.8
Merger-related transaction costs[1]	**–**	35.8
Merger-related integration costs and non-underlying administration expenses	**3.3**	8.7
Administration expenses	**42.7**	83.8

1. Costs relate to transaction fees and expenses in respect of the merger of Shaftesbury PLC and Capital & Counties Properties PLC during the prior year.

(a) Employee costs (including Executive Directors)

	Note	2024 £m	2023 £m
Wages and salaries		**16.3**	19.9
Social security costs		**2.1**	2.6
Pension costs		**1.5**	1.5
Share-based payment[1]	29	**3.1**	1.1
Employee costs		**23.0**	25.1

1. Share-based payment charges are calculated based on the expected fair value of share awards as calculated using the Black-Scholes option pricing model. Details of the share option schemes, and principal assumptions made at the last grant and measurement dates are set out in note 29 'Share-based payments'.

(b) Employee numbers

Average monthly number of people (including Executive Directors) employed	2024	2023
Total average headcount	**98**	105

The details of individual Directors' remuneration and pension benefits as set out in the tables contained in the Directors' Remuneration Report on pages 138 to 161 form part of these consolidated financial statements.

(c) Auditors' remuneration

	2024 £m	2023 £m
Remuneration to the principal auditors in respect of audit fees:		
Company and Group consolidated financial statements	**1.0**	1.1
Audit of the financial statements of the Company's subsidiaries	**0.3**	0.2
Audit of the financial statements of the Company's joint ventures and associates	**–**	0.1
Fees related to the audit of the Company, subsidiaries, joint ventures and associates	**1.3**	1.4
Audit related assurance services including interim review	**0.1**	0.2
Total fees for audit and audit related services	**1.4**	1.6

The Group's auditors, PricewaterhouseCoopers LLP, have engaged on assignments in addition to their audit engagement duties where their expertise and experience of the Group are important. 2024 non-audit fees, including the interim review, represented 10.0 per cent of the total audit fee (31 December 2023: 11.0 per cent). Further details on the Audit Committee's non-audit services policy can be found on page 137.

6 Gain/(loss) on revaluation and sale of investment property

	2024 £m	2023 £m
Gain/(loss) on revaluation of investment property	**202.9**	(68.5)
(Loss)/profit on sale of investment property	**(8.3)**	3.5
Gain/(loss) on revaluation and sale of investment property	**194.6**	(65.0)

7 Change in value of investments and other receivables

Included in the change in value of investments and other receivables are impairments in relation to amounts receivable from the Lillie Square joint venture of £5.2 million (31 December 2023: £12.5 million) and other impairments of £1.8 million (31 December 2023: nil).

The investment and other receivables in Lillie Square consist of the equity investment, interest bearing loans and a working capital facility.

Due to the joint venture being in a net liability position, and incurring losses in the year, the equity investment is held at nil (31 December 2023: nil).

As at the balance sheet date, prior to impairment, the Group held an interest-bearing loan at £89.9 million (31 December 2023: £90.1 million) and working capital facility of £29.2 million (31 December 2023: £29.0 million).

As required by IFRS 9, an impairment assessment was performed comparing the carrying amount of the interest-bearing loans and working capital facility to the present value of the estimated future cash flows from the joint venture.

The key assumptions made in the impairment assessment were the expected cash flows to be generated over the project life and the timing thereof. In terms of IFRS 9 requirements the Group applied a discount rate of 4.25 per cent (being the effective interest rate on the loan to the joint venture) to the cash flows which are in line with the strategic plan of the joint venture.

As a result, the Group has booked an impairment of £5.2 million during 2024 leading to a cumulative impairment of £48.3 million (31 December 2023: £43.1 million cumulative impairment). The cumulative impairment takes into consideration the losses from the joint venture.

Factoring in the impairment, the interest-bearing loan is held at a net book value of £70.7 million (31 December 2023: £76.0 million) and working capital facility at nil (31 December 2023: nil). The balances are included within Trade and other receivables at the balance sheet date. Further details are set out in note 16 'Trade and other receivables'.

8 Finance income

	2024 £m	2023 £m
Finance income:		
On deposits and current accounts	**5.0**	6.3
On interest rate derivatives	**9.8**	9.3
Finance income	**14.8**	15.6
Other finance income:		
On loans to joint ventures and associates	**4.2**	4.1
Non-underlying finance income	**0.3**	–
Other finance income	**4.5**	4.1

9 Finance costs

	2024 £m	2023 £m
On bank facilities and loan notes	**35.8**	40.3
On exchangeable bonds[1]	**8.5**	8.4
On mortgage bonds	**–**	1.8
On secured loans	**27.4**	16.5
On obligations under lease liabilities	**0.3**	0.5
Finance costs	**72.0**	67.5
Other finance costs:		
Non-underlying finance charges[2]	**6.5**	31.3
Other finance costs	**6.5**	31.3

1. On 30 November 2020 the Group issued £275 million of secured exchangeable bonds maturing in March 2026. The net proceeds received from the issue of the exchangeable bonds have been split between the financial liability element and an option component. The debt component is accounted for at amortised cost and, after taking into account transaction costs, accrues interest at an effective interest rate of 3.1 per cent, of which 2 per cent (£5.5 million) represents the cash coupon on the bond.
2. Non-underlying finance charges have been excluded from the calculation of underlying earnings as these are non-recurring costs and do not represent the underlying performance of the business. Non-underlying finance charges include £1.0 million (31 December 2023: £2.2 million) for the accelerated amortisation on the refinancing of the revolving credit facility during the year and £5.5 million (31 December 2023: £4.5 million) for the unwind of the fair value adjustment of debt on completion of merger. The prior year charge includes an additional £24.6 million in relation to the accelerated unwind of the finance costs on early redemption of the Chinatown and Carnaby bonds.

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10 Taxation

	2024 £m	2023 £m
Current income tax:		
Current income tax charge	**0.5**	0.2
Adjustments in respect of previous years	**(0.2)**	–
Current tax on profits	**0.3**	0.2
Deferred income tax:		
On accelerated capital allowances	**–**	0.1
On Group losses	**0.9**	(1.4)
On other temporary differences	**(0.9)**	1.3
Deferred tax on profits	**–**	–
Total taxation charge in the consolidated income statement	**0.3**	0.2

Factors affecting the tax charge for the year

The tax charge for the year is £0.3 million (31 December 2023: £0.2 million) against a profit before tax of £252.4 million (31 December 2023: £750.6 million). A reconciliation against the standard rate of corporation tax in the United Kingdom ("UK") is set out below:

	2024 £m	2023 £m
Profit before tax	**252.4**	750.6
Profit on ordinary activities multiplied by the standard rate in the UK of 25.0% (2023: 23.5%)	**63.1**	176.4
Revaluation (gains)/losses attributable to the REIT business	**(50.8)**	3.9
Expenses disallowed	**2.8**	18.4
Non-taxable items	**(1.5)**	(0.2)
Non-taxable items: Gain on bargain purchase	**–**	(189.3)
REIT tax-exempt rental profits	**(12.6)**	(6.5)
Share of partnership loss	**(0.1)**	(1.0)
Other temporary differences not provided	**1.3**	(0.1)
Utilisation of losses not recognised for deferred tax	**(1.7)**	(1.4)
Adjustments in respect of previous years	**(0.2)**	–
Total taxation charge in the consolidated income statement	**0.3**	0.2

As a UK REIT, the Group is exempt from UK corporation tax on income and gains from qualifying activities. Non-qualifying activities are subject to UK corporation tax.

As a UK REIT, the Group must distribute at least 90 per cent of the Group's income profits from its tax-exempt property rental business (calculated by reference to tax rather than accounting rules), by way of a dividend, which is known as a Property Income Distribution ("PID"). A corporation tax charge will arise for the Group at the main corporation tax rate if the minimum PID requirement is not met within 12 months of the end of the period. Further details regarding the PID is set out in note 11 'Dividends'.

The main corporation tax rate increased from 19 to 25 per cent with effect from 1 April 2023.

11 Dividends

Group and Company	PID	Non-PID	Date paid	2024 £m	2023 £m
	Pence per share				
Ordinary shares					
For the year ended 31 December 2022:					
Second interim dividend of 1.7 pence per share	0.7	1.0	20 March 2023	**–**	14.5
For the year ended 31 December 2023:					
Interim cash dividend of 1.5 pence per share	–	1.5	18 September 2023	**–**	29.3
Final dividend of 1.65 pence per share	0.65	1.0	31 May 2024	**32.2**	–
For the year ended 31 December 2024:					
Interim cash dividend of 1.7 pence per share	1.0	0.7	1 October 2024	**33.2**	–
Dividend expense[1]				**65.4**	43.8

1. Includes £4.3 million (31 December 2023: £1.9 million) paid to a controlled entity, Capco Investment London (No.7) Scottish Limited Partnership, in respect of 128,350,793 shares, of which 127,008,786 are held as collateral for the exchangeable bonds. The entity has provided an undertaking not to exercise its voting rights in respect of such ordinary shares but will receive the proposed dividend, all of which was retained by the Group following calculation of the dividend threshold test as set out in the exchangeable bond conditions. The Group's dividend expense recorded in the consolidated statement of cash flows is £61.1 million (31 December 2023: £41.9 million).

As a UK REIT, Shaftesbury Capital is required to distribute at least 90 per cent of the Group's income profits from its tax-exempt property rental business, by way of a PID.

These distributions can be subject to withholding tax at 20 per cent. Dividends from profits of the Group's taxable residual business are ordinary dividends and will be taxed as an ordinary dividend.

On 26 February 2025, the Directors proposed a final cash dividend for 2024 of 1.8 pence per ordinary share which will be paid wholly as a PID. The final cash dividend will be paid on 30 May 2025 to all shareholders on the register on 25 April 2025.

12 Property Portfolio

	Note	2024 £m	2023 £m
At 1 January		**4,740.2**	1,715.1
Investment property acquired on merger at 6 March 2023 fair value		**–**	3,141.0
Additions from acquisitions		**84.9**	17.4
Additions from subsequent expenditure		**43.1**	35.1
Disposals		**(162.2)**	(81.5)
Transfer to owner-occupied property	13	**–**	(18.4)
Gain/(loss) on revaluation	6	**202.9**	(68.5)
Transfer to held for sale[1]		**(9.8)**	-
Carrying value of investment property		**4,899.1**	4,740.2
Adjustment in respect of fixed head leases		**(3.0)**	(3.0)
Adjustment in respect of tenant lease incentives and deferred letting fees	16	**47.5**	37.9
Market value of investment property		**4,943.6**	4,775.1

1. Two properties had exchanged for sale at year end and were accordingly classified as held for sale. The sale of one property completed post year end with the other anticipated to complete during the first quarter of 2025.

	2024 £m	2023 £m
The investment property valuation comprises:		
Freehold properties	**3,849.0**	3,791.3
Leasehold properties	**1,094.6**	983.8
Market value of investment property	**4,943.6**	4,775.1

Market value of property portfolio

	Note	2024 £m	2023 £m
Market value of investment property		**4,943.6**	4,775.1
Market value of investment property held for sale		**9.8**	–
Market value of owner-occupied property	13	**20.1**	20.2
Market value of wholly-owned property portfolio		**4,973.5**	4,795.3

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12 Property Portfolio continued

Revaluation gain/(loss) of property portfolio

	Note	2024 £m	2023 £m
Revaluation gain/(loss) reported in consolidated income statement	6	**202.9**	(68.5)
Revaluation (loss)/gain reported in consolidated statement of comprehensive income	13	**(0.1)**	1.8
Total revaluation gain/(loss) of wholly-owned property portfolio		**202.8**	(66.7)

Valuation process

The fair value of the Group's wholly-owned investment property and owner-occupied property at 31 December 2024 was determined by independent, appropriately qualified external valuers, CBRE and Cushman & Wakefield. The valuations conform to the Royal Institution of Chartered Surveyors ("RICS") Valuation Professional Standards. Fees paid to valuers are based on fixed price contracts.

Each year the Company appoints the external valuers. The valuers are selected based on their knowledge, independence and reputation for valuing assets such as those held by the Group.

Valuations are performed bi-annually and are performed consistently across all properties in the Group's portfolio. At each reporting date, appropriately qualified employees of the Group verify all significant inputs and review computational outputs. Valuers submit and present summary reports to the Group's Audit Committee, with the Executive Committee reporting to the Board on the outcome of each valuation round.

Net zero carbon and EPC compliance

We are committed to meeting our 2030 carbon reduction targets and have reset our Net Zero Carbon target to 2040 to align with SBTi long-term carbon reduction requirements, achieving SBTi validation in January 2025. A key element in achieving this will come from carbon efficiencies created through refurbishments of the Group's property portfolio.

During 2024, the Group's additions from subsequent expenditure were £43.1 million (31 December 2023: £35.1 million). Included within the £43.1 million total subsequent expenditure is work which related to enhancing the environmental performance of assets, and design stage work aimed at delivering environmental enhancements.

We aim for 75 per cent of commercial units to have a "B" or above EPC compliance rating by 2027 and for all commercial units to have a "B" or above and residential units a "C" or above rating by 2030. Any committed capital expenditure has been included in note 25 'Capital commitments'.

Valuation techniques

Valuations are based on what is determined to be the highest and best use. When considering the highest and best use a valuer will consider, on a property-by-property basis, its actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the valuer will consider the cost and the likelihood of achieving and implementing this change in use in arriving at its valuation.

The fair value of the Group's investment properties has primarily been determined using a market approach, which provides an indication of value by comparing the subject asset with similar assets for which price information is available. The external valuers use information provided by the Group, such as tenancy information and capital expenditure expectations. In deriving fair value, the valuer also makes a series of assumptions, using professional judgement and market observations. These assumptions include, but are not limited to, market yields, ERVs and void periods. The critical key assumptions are the equivalent yields and ERVs, as set out within the table on the next page and within the Analysis of property portfolio on page 226. Equivalent yields are based on current market prices, depending on, inter alia, the location, condition and use of the properties. ERVs are calculated using a number of factors which include current rental income, market comparatives and local occupancy levels. Whilst there is market evidence for the key inputs, and recent transaction prices for similar properties, there is still a significant element of estimation and judgement. As a result of adjustments made to market observable data, these significant inputs are deemed unobservable.

Non-financial assets carried at fair value, as is the case for investment property held by the Group, are required to be analysed by level depending on the valuation method adopted under IFRS 13 'Fair Value Measurement' ("IFRS 13").

The different valuation levels are defined as:

Level 1: valuation based on quoted market prices traded in active markets;

Level 2: valuation based on inputs other than quoted prices included within Level 1 that maximise the use of observable data either directly or from market prices or indirectly derived from market prices; and

Level 3: where one or more inputs to valuation are not based on observable market data. Valuations at this level are more subjective and therefore more closely managed, including sensitivity analysis of inputs to valuation models.

When the degree of subjectivity or nature of the measurement inputs change, consideration is given as to whether a transfer between fair value levels is deemed to have occurred. Unobservable data becoming observable market data would determine a transfer from Level 3 to Level 2. All investment properties held by the Group are classified as Level 3 in the current and prior year.

The following table sets out the key unobservable inputs used in the valuation models of the wholly-owned property portfolio:

Key unobservable inputs	2024 Range (weighted average)	2023 Range (weighted average)
Estimated rental value per square foot per annum	**£19–£296 (£92)**	£19–£276 (£83)
Equivalent yield	**2.9%–6.5% (4.45%)**	2.4%–6.0% (4.30%)

Sensitivity to changes in key assumptions

As noted in the critical accounting judgements and key sources of estimation and uncertainty section in note 1 'Principal accounting policies', the valuation of the Group's property portfolio is inherently subjective. As a result, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market.

The sensitivity analysis below illustrates the impact on the fair value of the Group's properties, from changes in the key assumptions:

	Change in ERV			
	-10% £m	-5% £m	+5% £m	+10% £m
(Decrease)/increase in fair value	(402.2)	(202.7)	205.7	413.0
	Change in Yield			
	-50bps £m	-25bps £m	+25bps £m	+50bps £m
Increase/(decrease) in fair value	660.1	309.1	(273.0)	(523.2)

The table above shows movements in key assumptions in isolation. These key unobservable inputs are interdependent. All other factors being equal, a higher equivalent yield would lead to a decrease in the valuation, and an increase in estimated rental value would increase the capital value, and vice versa. However, there are interrelationships between the key unobservable inputs which are partially determined by market conditions, which would impact these changes.

At 31 December 2024, the Group was contractually committed to £24.1 million (31 December 2023: £24.8 million) of future expenditure for the purchase, construction, refurbishment and enhancement of investment property. Refer to note 25 'Capital commitments' for further information on capital commitments.

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13 Property, plant and equipment

	Owner-occupied property £m	Other £m	Total £m
Net carrying value at 1 January 2023	–	0.6	0.6
Additions	–	3.4	3.4
Property, plant and equipment acquired on merger at 6 March 2023 fair value	–	0.2	0.2
Transfer from investment property	18.4	–	18.4
Depreciation	–	(0.4)	(0.4)
Revaluation	1.8	–	1.8
Net carrying value at 31 December 2023	20.2	3.8	24.0
Additions	**–**	**2.3**	**2.3**
Depreciation[1]	**–**	**(0.7)**	**(0.7)**
Revaluation	**(0.1)**	**–**	**(0.1)**
Net carrying value at 31 December 2024	**20.1**	**5.4**	**25.5**

1. £0.3 million of depreciation is recognised within note 5 'Administration expenses' and £0.4 million is recognised within note 4 'Gross profit'.

14 Investments in joint ventures and associates

Investments in joint ventures and associates are measured using the equity method. All the Group's joint ventures and associates are held with other investors on a 50:50 basis. At 31 December 2024, investments comprised of Lillie Square joint venture ("LSJV"). The Group disposed of its interest in the Longmartin associate ("Longmartin") on 24 October 2024.

The table below reconciles the opening to closing carrying value of investments in joint ventures and associates as presented on the consolidated balance sheet.

Investments in joint ventures and associates	Longmartin £m	LSJV £m	Innova £m	Total £m
At 1 January 2023	–	–	0.2	0.2
Investments in associate acquired at fair value on completion of merger	84.7	–	–	84.7
Share of profit/(loss) for the period[1]	0.2	(7.6)	–	(7.4)
Losses restricted[1]	–	7.6	–	7.6
Dividend received	(1.5)	–	–	(1.5)
Disposal of joint venture	–	–	(0.2)	(0.2)
At 31 December 2023	83.4	–	–	83.4
Share of profit/(loss) for the period[1]	**4.5**	**(1.8)**	**–**	**2.7**
Losses restricted[1]	**–**	**1.8**	**–**	**1.8**
Dividend received	**(1.2)**	**–**	**–**	**(1.2)**
Disposal of associate	**(86.7)**	–	**–**	**(86.7)**
At 31 December 2024	**–**	**–**	**–**	**–**

1. The loss from the Lillie Square joint venture for the year of £1.8 million (31 December 2023: £7.6 million) has been restricted in accordance with the requirements of IAS 28. Restricted losses represent the Group's share of losses from LSJV in the year of £1.8 million (31 December 2023: £7.6 million) allocated to the cumulative losses which exceed the Group's investment in the joint venture. Cumulative losses of £40.2 million have been restricted to date (31 December 2023: £38.4 million) and as a result the carrying value of the investment in LSJV is nil (31 December 2023: nil). The Group holds £70.7 million (31 December 2023: £76.0 million) of recoverable loans from LSJV within note 16 'Trade and other receivables'. The profit from joint ventures and associates included within the consolidated income statement consists of our share of the Longmartin profit for the year of £4.5 million (31 December 2023: £0.2 million).

LSJV

LSJV was established as a joint venture arrangement with the Kwok Family Interests ("KFI") in August 2012. The joint venture was established to own, manage and develop land interests at Lillie Square. LSJV comprises Lillie Square LP, Lillie Square GP Limited, acting as general partner to the partnership, and its subsidiaries. All major decisions regarding LSJV are taken by the Board of Lillie Square GP Limited, through which the Group shares strategic control.

The summarised income statement and balance sheet of LSJV is presented below and overleaf.

Summarised income statement	2024 £m	2023 £m
Revenue	**3.6**	7.3
Gross profit/(loss)	**1.3**	(0.5)
Gain/(loss) on revaluation, sale and transfer of investment and trading property	**3.0**	(7.5)
Administration expenses	**(0.7)**	(0.4)
Net finance costs[1]	**(7.1)**	(6.8)
Loss for the year after taxation	**(3.5)**	(15.2)

1. Net finance costs include £7.6 million (31 December 2023: £7.4 million) interest payable on the interest-bearing loans issued to the joint venture by the Group and KFI. Finance income receivable by the Group from LSJV of £3.8 million (31 December 2023: £3.7 million) is recognised in the consolidated income statement within other finance income.

Summarised balance sheet	2024 £m	2023 £m
Investment property	**87.4**	46.8
Other non-current assets	**5.6**	5.6
Non-current assets	**93.0**	52.4
Trading property	**42.8**	80.3
Other current assets	**1.3**	1.5
Cash and cash equivalents	**9.7**	15.9
Current assets	**53.8**	97.7
Amounts payable to joint venture partners[1]	**(224.8)**	(224.9)
Other current liabilities	**(2.1)**	(1.7)
Current liabilities	**(226.9)**	(226.6)
Net liabilities	**(80.1)**	(76.5)
Carrying value of investment and trading property	**130.2**	127.1
Unrecognised surplus on trading property[2]	**0.3**	3.3
Market value of investment and trading property[2]	**130.5**	130.4

1. Amounts payable to joint venture partners include working capital facilities advanced by the Group and KFI of £29.2 million (31 December 2023: £29.0 million) and an interest-bearing loan of £163.0 million (nominal value) advanced by the Group and KFI to the joint venture. The carrying value of the loan before impairment, including accrued interest was £179.8 million (31 December 2023: £180.2 million). Recoverable amounts receivable by the Group, net of impairments, are recognised on the consolidated balance sheet within non-current trade and other receivables.
2. The unrecognised surplus on trading property and the market value of LSJV's property portfolio are shown for informational purposes only and are not a requirement of IFRS. Trading property continues to be measured at the lower of cost and net realisable value.

Longmartin

Longmartin was a joint venture arrangement with The Mercers' Company. Pursuant to the terms of the Longmartin investment, the merger between Capital & Counties Properties PLC and Shaftesbury PLC during the prior year triggered the right for the Mercers to acquire the Company's shares in the Longmartin investment. As a result of the Mercers duly exercising their option to acquire the Company's shares in the Longmartin investment, a sale of the Company's entire interest in the investment was concluded on 24 October 2024.

The total proceeds from the sale amounted to £82.9 million, which comprised cash proceeds of £82.5 million and a receivable of £0.4 million. In addition to the £82.5 million cash received, the loan to associate balance of £11.6 million was repaid on disposal.

The carrying value of the investment in associate immediately prior to disposal amounted to £86.7 million. The loss on sale of associate of £4.0 million included transaction costs of £0.2 million.

The summarised income statement of Longmartin up until the date of disposal, is presented below.

Summarised income statement	1 January 2024 to 24 October 2024 £m	6 March 2023 to 31 December 2023 £m
Revenue	**17.0**	14.9
Gross profit	**11.4**	10.6
Administration expenses	**(0.3)**	(0.2)
Gain/(loss) on revaluation of investment property	**7.8**	(1.9)
Net finance costs	**(6.6)**	(7.5)
Taxation	**(3.3)**	(0.6)
Profit for the period after taxation	**9.0**	0.4
Dividends paid	**2.4**	3.0

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15 Derivative financial instruments

Derivative financial assets	2024 £m	2023 £m
Non-current		
Interest rate derivatives	–	1.4
Current		
Interest rate derivatives	**3.4**	8.3
Derivative financial assets	**3.4**	9.7

Derivative financial liabilities	2024 £m	2023 £m
Non-current		
Derivative liability – exchangeable bonds[1]	**1.8**	7.2
Derivative financial liabilities	**1.8**	7.2

1. On 30 November 2020 the Group issued £275 million of secured exchangeable bonds maturing in March 2026. The net proceeds received from the issue of the exchangeable bonds have been split between the financial liability element and an option component, representing the fair value of the embedded option to convert the financial liability into equity of Shaftesbury Capital. The debt component is accounted for at amortised cost at the effective interest rate method and the derivative liability is accounted for at fair value through profit or loss.

During the year, the following movements on derivative financial instruments were recognised in profit or loss:

Profit or loss	2024 £m	2023 £m
Fair value loss on interest rate derivatives	**(6.3)**	(7.4)
Fair value gain/(loss) on derivative liability – exchangeable bonds	**5.4**	(3.9)
Change in fair value of derivative financial instruments	**(0.9)**	(11.3)

16 Trade and other receivables

	2024 £m	2023 £m
Non-current		
Prepayments and accrued income[1]	**39.9**	28.5
Amounts receivable from joint ventures[2]	**70.7**	76.0
Amounts receivable from associates[3]	**–**	11.6
Other receivables[4]	**29.1**	–
Trade and other receivables	**139.7**	116.1
Current		
Rent receivable[5]	**9.9**	13.6
Prepayments and accrued income[1]	**15.2**	17.1
Other receivables[4]	**5.3**	12.0
Trade and other receivables	**30.4**	42.7

1. Includes tenant lease incentives and deferred letting fees of £47.5 million (31 December 2023: £37.9 million).
2. Amounts receivable from joint ventures represents an interest-bearing loan of £89.9 million (31 December 2023: £90.1 million) provided to LSJV. The loan bears interest at 4.25 per cent per annum and is repayable on demand. As it is not the intention of the Group to call on the loan in the next 12 months it has been presented as non-current. £4.0 million of the loan balance was repaid in the current year. The loan has been impaired by £19.2 million (31 December 2023: £14.1 million) to date. Included within current trade and other receivables is working capital funding of £29.2 million due from LSJV (31 December 2023: £29.0 million) that has been fully impaired.
3. The amount receivable from associates in the prior year represented the loan of £11.6 million provided to Longmartin, which was settled in the current year as part of the disposal of Longmartin.
4. Other receivables include £29.1 million (31 December 2023: £7.0 million) of restricted cash held on deposit as security for the secured term loans and bank facilities with certain conditions restricting the use.
5. Rent receivable is shown net of an expected credit loss provision of £8.0 million (31 December 2023: £4.8 million).

17 Cash and cash equivalents

	2024 £m	2023 £m
Cash at hand	**11.7**	10.4
Cash on short-term deposits	**98.1**	175.3
Cash	**109.8**	185.7
Tenant deposits[1]	**14.2**	14.5
Cash and cash equivalents	**124.0**	200.2

1. Tenant deposits included above relate to cash held on deposit as security against tenant rent payments which are subject to certain restrictions and therefore not available for general use by the Group. The deposits are held in bank accounts administered by Group Treasury and therefore included within cash and cash equivalents in the consolidated balance sheet. Cash deposits against tenants' rent payment obligations totalling £22.2 million (31 December 2023: £18.9 million) are held in bank accounts administered by the Group's managing agents which are not included within the consolidated balance sheet.

18 Trade and other payables

	2024 £m	2023 £m
Rent in advance	**22.1**	17.7
Accruals	**42.7**	60.4
Other payables	**14.9**	10.4
Other taxes and social security	**5.1**	7.5
Trade and other payables	**84.8**	96.0

19 Borrowings

2024	Carrying value £m	Secured £m	Unsecured £m	Fixed rate £m	Floating rate £m	Fair value £m	Nominal value £m
Non-current							
Bank loans	**269.9**	**–**	**269.9**	**–**	**269.9**	**269.9**	**275.0**
Loan notes (USPPs)	**379.3**	**–**	**379.3**	**379.3**	**–**	**341.0**	**380.0**
Secured loans	**545.8**	**545.8**	**–**	**545.8**	**–**	**544.8**	**584.8**
Exchangeable bonds[1]	**272.8**	**272.8**	**–**	**272.8**	**–**	**263.1**	**275.0**
	1,467.8	**818.6**	**649.2**	**1,197.9**	**269.9**	**1,418.8**	**1,514.8**
Total borrowings	**1,467.8**						**1,514.8**
Cash, excluding tenant deposits							**(109.8)**
Net debt							**1,405.0**

1. Fair value of exchangeable bonds includes the fair value of the option component of £1.8 million as disclosed in note 15 'Derivative financial instruments'.

2023	Carrying value £m	Secured £m	Unsecured £m	Fixed rate £m	Floating rate £m	Fair value £m	Nominal value £m
Current							
Loan notes (USPPs)	94.9	–	94.9	94.9	–	93.0	95.0
	94.9	–	94.9	94.9	–	93.0	95.0
Non-current							
Bank loans	345.9	–	345.9	–	345.9	350.0	350.0
Loan notes (USPPs)	379.2	–	379.2	379.2	–	340.7	380.0
Secured loans	539.9	539.9	–	539.9	–	569.5	584.8
Exchangeable bonds[1]	269.8	269.8	–	269.8	–	256.9	275.0
	1,534.8	809.7	725.1	1,188.9	345.9	1,517.1	1,589.8
Total borrowings	1,629.7						1,684.8
Cash, excluding tenant deposits							(185.7)
Net debt							1,499.1

1. Fair value of exchangeable bonds includes the fair value of the option component of £7.2 million as disclosed in note 15 'Derivative financial instruments'.

£584.8 million (nominal value) of the Group's borrowings are secured by fixed charges over certain investment properties held by subsidiaries, with a market value of £1,681.1 million (31 December 2023: £1,624.2 million), and by floating charges over the assets of certain subsidiaries.

There are currently no restrictions on the remittance of income from investment properties.

Certain borrowing agreements contain financial and other covenants that, if contravened, could alter the repayment profile. Details of financial covenants are included in note 22 'Financial risk management'. The Group has complied with the financial covenants of all its borrowings during both years presented.

The Group has two revolving credit facilities totalling £450 million, which are undrawn at 31 December 2024.

Undrawn facilities and cash attributable to the Group, excluding tenant deposits, at 31 December 2024 were £559.8 million (31 December 2023: £485.7 million).

The fair value of the Group's borrowings has been estimated using the market value for floating rate borrowings, which approximates nominal value, and are classified as Level 2 fair values as defined by IFRS 13. The fair values of fixed rate borrowings have been determined by using a discounted cash flow approach, using a current borrowing rate. The loans are classified as Level 3 fair value measurements as defined by IFRS 13 due to the use of unobservable inputs, including own credit risk. The different valuation levels are defined in note 12 'Property portfolio'.

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19 Borrowings continued

Analysis of movement in borrowings	2024 Current borrowings £m	2024 Non-current borrowings £m
Balance at 1 January	**94.9**	**1,534.8**
Borrowings drawn	**–**	**135.0**
Borrowings repaid	**(95.0)**	**(210.0)**
Other net cash movements	**–**	**(3.5)**
Other non-cash movements	**0.1**	**11.5**
Balance at 31 December	**–**	**1,467.8**

Analysis of movement in borrowings	2023 Current borrowings £m	2023 Non-current borrowings £m
Balance at 1 January	–	738.3
Borrowings assumed on completion of merger	–	889.0
Borrowings drawn	–	1,124.0
Borrowings repaid	–	(1,151.0)
Other net cash movements	–	(12.3)
Other non-cash movements	94.9	(53.2)
Balance at 31 December	94.9	1,534.8

The maturity profile of gross debt is as follows:

	2024 £m	2023 £m
Wholly repayable in one year	**–**	95.0
Wholly repayable in more than one year but not more than five years	**982.3**	887.5
Wholly repayable in more than five years	**532.5**	702.3
	1,514.8	1,684.8

20 Lease liabilities

Lease liabilities included within investment property

(a) Minimum lease payments under lease obligations

	2024 £m	2023 £m
Not later than one year	**0.3**	0.3
Later than one year and not later than five years	**1.2**	1.2
Later than five years	**7.6**	7.6
	9.1	9.1
Future finance charges on lease liabilities	**(6.1)**	(6.1)
Total undiscounted lease liabilities	**3.0**	3.0

(b) Present value of minimum lease obligations

	2024 £m	2023 £m
Not later than one year	**0.3**	0.3
Later than one year and not later than five years	**1.0**	1.0
Later than five years	**1.7**	1.7
Present value of lease liabilities	**3.0**	3.0

Lease liabilities included under investment property are in respect of leasehold interests in investment property. Certain leases provide for payment of contingent rent, usually a proportion of rental income in addition to the minimum lease payments above. £0.3 million contingent rent has been paid during the year (31 December 2023: £0.3 million).

These lease liabilities are effectively secured obligations, as the rights to the leased asset revert to the lessor in the event of default.

21 Operating leases

The Group earns rental income by leasing its investment property to tenants under operating leases.

In the United Kingdom standard commercial leases vary considerably between markets and locations but typically are for a term of five to fifteen years at market rent with provisions to review every five years.

The Group is exposed to changes in the residual value of properties at the end of the current leases. This residual value risk is mitigated through the implementation of active asset management initiatives which aim to ensure the Group enters into new leasing deals prior to the expiry of current leases. The Group also offers lease incentives to encourage high quality tenants to remain in properties for longer lease terms. Expectations about the future residual values are reflected in the fair value of the properties.

The future undiscounted minimum lease amounts receivable under non-cancellable operating leases are as follows:

	2024 £m	2023[1] £m
Within one year	**165.8**	159.5
Between one and two years	**141.8**	134.3
Between two and three years	**120.8**	111.5
Between three and four years	**99.7**	95.3
Between four and five years	**75.3**	77.8
Later than five years	**353.7**	329.2
Total undiscounted minimum lease receivables	**957.1**	907.6

1. The presentation of the 2023 balances has changed due to additional disaggregation of the maturity analysis of the lease payments.

The consolidated income statement includes £0.4 million (31 December 2023: £0.4 million) recognised in respect of expected increased rent resulting from outstanding reviews where the actual rent will only be determined on settlement of the rent review.

22 Financial risk management

The Group's financial risk management strategy seeks to set financial limits for treasury activity to ensure they are in line with the risk appetite of the Group. The Group is exposed to a variety of risks arising from the Group's operations: market risk, liquidity risk and credit risk.

The following table sets out each class of financial asset and financial liability as at 31 December:

Categories of financial instruments

	Note	2024 Carrying value £m	2024 Gain/(loss) to income statement £m	2023 Carrying value £m	2023 Gain/(loss) to income statement £m
Derivative financial assets	15	**3.4**	**(6.3)**	9.7	(7.4)
Total held for trading assets		**3.4**	**(6.3)**	9.7	(7.4)
Cash and cash equivalents	17	**124.0**	**–**	200.2	–
Other financial assets[1]	16	**115.0**	**–**	113.2	–
Total cash and other financial assets		**239.0**	**–**	313.4	–
Investment held at fair value through profit or loss[2]		**–**	**–**	–	52.0
Total investment held at fair value through profit or loss		**–**	**–**	–	52.0
Derivative financial liabilities	15	**(1.8)**	**5.4**	(7.2)	(3.9)
Total held for trading liabilities		**(1.8)**	**5.4**	(7.2)	(3.9)
Borrowings	19	**(1,467.8)**	**–**	(1,629.7)	–
Lease liabilities	20	**(3.0)**	**–**	(3.0)	–
Other financial liabilities[3]	18	**(62.7)**	**–**	(78.5)	–
Total borrowings and other financial liabilities		**(1,533.5)**	**–**	(1,711.2)	–

1. Includes rent receivable, amounts due from joint ventures and associates and other receivables.
2. £52.0 million gain recognised in 2023 relates to the fair value movement on the 97 million Shaftesbury PLC shares held until completion of the all-share merger on 6 March 2023.
3. Includes trade and other payables (excluding rents in advance).

The majority of the Group's financial risk management is carried out by the Group's treasury function under policies approved by the Board of Directors. The policies for managing each of these risks and the principal effects of these policies on the results for the year are summarised on the following pages.

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22 Financial risk management continued

Market risk

Interest rate risk

Interest rate risk comprises both cash flow and fair value risks. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market interest rates.

The Group's interest rate risk arises from borrowings issued at variable rates that expose the Group to cash flow interest rate risk, whereas borrowings issued at fixed interest rates expose the Group to fair value interest rate risk.

It is Group policy, and often a requirement of our lenders, to eliminate substantially all short and medium-term exposure to interest rate fluctuations in order to establish certainty over medium-term cash flows by using fixed interest rate derivatives. Interest rate derivatives have the economic effect of converting borrowings from floating to fixed rates. Interest rate caps protect the Group by capping the maximum interest rate payable at the caps ceiling. Interest rate collars protect the Group by capping the maximum interest rate payable at the collar's ceiling but sacrifice the profitability of interest rate falls below a certain floor.

Group policy is to ensure that interest rate protection on Group external debt is greater than 25 per cent.

The Group has entered into various non-traded derivative instruments to manage its exposure to interest rate risk. These derivatives have not been designated as hedging instruments and therefore they are classified as financial derivatives at fair value through profit or loss.

All of the Group's drawn debt is at fixed rates or currently has interest rate protection in place, taking into account £250 million of hedging which provides for a cap of 3.0 per cent and a floor of 2.0 per cent on SONIA exposure until the end of 2025, and interest on cash deposits.

The derivative contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The sensitivity analysis below illustrates the impact of a 100 basis point ("bps") shift, upwards and downwards, in the level of interest rates on the movement in fair value of interest rate derivatives entered into by the Group.

	Increase in interest rates by 100 bps 2024 £m	**Decrease in interest rates by 100 bps 2024 £m**	Increase in interest rates by 100 bps 2023 £m	Decrease in interest rates by 100 bps 2023 £m
Effect on profit before tax (change in fair value of derivative financial instruments):				
Increase/(decrease)	**2.3**	**(2.1)**	4.9	(4.6)

The sensitivity analysis above is a reasonable illustration of the possible effect from the changes in slope and shifts in the yield curve that may actually occur and represents management's assessment of possible changes in interest rates. 100 bps has been used in 2024 (31 December 2023: 100 bps) to reflect current macroeconomic conditions. The fixed rate derivative financial instruments are matched by floating rate debt, therefore such a movement would have a very limited effect on Group cash flow overall.

Liquidity risk

Liquidity risk is managed to ensure that the Group is able to meet future payment obligations when financial liabilities fall due.

The Group's policy is to seek to minimise its exposure to liquidity risk by managing its exposure to interest rate risk and to refinancing risk. The Group seeks to achieve an appropriate balance between a number of factors, including tenor and costs.

Liquidity analysis is intended to provide sufficient headroom to meet the Group's operational requirements and investment commitments.

The Group's policy also includes maintaining adequate cash, as well as maintaining adequate committed and undrawn facilities.

A key factor in ensuring existing facilities remain available to the Group is the borrowing entity's ability to meet the relevant facility's financial covenants. The Group has a process to regularly monitor both current and projected compliance with the financial covenants.

The Group regularly reviews the maturity profile of its financial liabilities and will seek to avoid concentrations of maturities through the regular replacement of facilities and by staggering maturity dates. Refinancing risk may be reduced by reborrowing prior to the contracted maturity date, effectively switching liquidity risk for market risk. This is subject to credit facilities being available at the time of the desired refinancing.

Liquidity risk

The tables below set out the maturity analysis of the Group's financial liabilities based on the undiscounted contractual obligations to make payments of interest and to repay principal. The unsecured revolving credit facility of £300 million is not included for 2024 and 2023 and the unsecured revolving credit facility of £150 million is not included for 2024 as these facilities were undrawn as at the respective balance sheet dates. Where interest payment obligations are based on a floating rate, the rates used are those implied by the par yield curve.

	2024										
	Carrying value	**Within 1 yr (2025)**		**Between 1-2 yrs (2026-2027)**		**Between 3-5 yrs (2028-2029)**		**Over 5 yrs (2030 onwards)**		**Total**	
Group	**£m**	**Interest £m**	**Principal £m**	**Interest £m**	**Principal £m**	**Interest £m**	**Principal £m**	**Interest £m**	**Principal £m**	**Interest £m**	**Principal £m**
Non-derivatives											
Loan notes	**379.3**	**10.2**	**–**	**16.2**	**212.5**	**10.6**	**85.0**	**7.6**	**82.5**	**44.6**	**380.0**
Unsecured bank loans[1]	**269.9**	**20.2**	**–**	**23.2**	**200.0**	**6.5**	**75.0**	**–**	**–**	**49.9**	**275.0**
Secured loans	**545.8**	**27.0**	**–**	**54.0**	**–**	**69.2**	**264.8**	**56.8**	**320.0**	**207.0**	**584.8**
Exchangeable bonds	**272.8**	**5.5**	**–**	**2.7**	**275.0**	**–**	**–**	**–**	**–**	**8.2**	**275.0**
Other payables	**62.7**	**–**	**62.7**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**62.7**
Total non-derivatives	**1,530.5**	**62.9**	**62.7**	**96.1**	**687.5**	**86.3**	**424.8**	**64.4**	**402.5**	**309.7**	**1,577.5**
Derivatives											
Interest rate derivatives	**(3.4)**	**(3.4)**	**–**	**-**	**–**	**–**	**–**	**–**	**–**	**(3.4)**	**–**
Total derivatives	**(3.4)**	**(3.4)**	**–**	**-**	**–**	**–**	**–**	**–**	**–**	**(3.4)**	**–**

	2023										
	Carrying value	Within 1 yr (2024)		Between 1-2 yrs (2025-2026)		Between 3-5 yrs (2027-2028)		Over 5 yrs (2029 onwards)		Total	
Group	£m	Interest £m	Principal £m	Interest £m	Principal £m	Interest £m	Principal £m	Interest £m	Principal £m	Interest £m	Principal £m
Non-derivatives											
Loan notes	474.1	13.0	95.0	10.2	–	16.2	212.5	18.1	167.5	57.6	475.0
Unsecured bank loans[1]	345.9	25.0	–	19.8	–	17.2	350.0	–	–	62.0	350.0
Secured loans	539.9	27.1	–	27.0	–	54.0	–	124.9	584.8	233.0	584.8
Exchangeable bonds	269.8	5.5	–	5.5	–	2.7	275.0	–	–	13.7	275.0
Other payables and tax liabilities	96.2	–	96.2	–	–	–	–	–	–	–	96.2
Total non-derivatives	1,725.9	70.6	191.2	62.5	–	90.1	837.5	143.0	752.3	366.3	1,781.0
Derivatives											
Interest rate derivatives	(9.7)	(7.0)	–	(1.2)	–	–	–	–	–	(8.2)	–
Total derivatives	(9.7)	(7.0)	–	(1.2)	–	–	–	–	–	(8.2)	–

1. £150 million nominal value of the unsecured bank loans were repaid on 8 February 2024. The unsecured bank loan has an initial maturity in December 2026 with the option to extend the tenor by a further two periods of one year each, subject to lender approval.

Contractual maturities reflect the expected maturities of financial instruments.

The interest payments on variable interest rate loans and bonds issued in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above table as interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts based on the current drawn facility balances.

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Financial covenants

The Group has an unsecured revolving credit facility, loan notes, secured loans and an unsecured corporate loan facility that contain loan covenants. Details of these loans are disclosed in note 19 'Borrowings'. A future breach of covenant may require the Group to repay the facilities earlier than indicated in the above table. Details of the loan covenants are set out below:

		31 December 2024			
	Maturity	Nominal value as at 31 December 2024 £m	Carrying value at 31 December 2024 £m	LTV covenant[2]	Interest cover covenant[2]
Private placement loan notes	2026–2037	380.0	379.3	60%	1.20x
Exchangeable bond	2026	275.0	272.8	N/A	N/A
Unsecured term facilities[1]	2027–2029	275.0	269.9	60%	1.20x
Secured term loans (Canada Life)	2029	134.8	128.5	60%	1.40x
Secured term loans (Aviva)	2030–2035	450.0	417.3	65%	1.35x
Unsecured revolving credit facility (undrawn)[1]	2027	150.0	–	60%	1.20x
Revolving credit facility (undrawn)	2028	300.0	–	60%	1.20x

1. Additional requirements that Group unencumbered assets are equal to or exceed 1.5x of Group unsecured debt.
2. The covenants of the drawn loan balances are defined within the Glossary.

Under the terms of the debt agreements, the secured term loan covenants are calculated quarterly, and the covenants for the remaining debt agreements are calculated at the end of each annual and interim reporting period. There are no indications that the Group would have difficulties complying with the covenants when they will next be tested.

Credit risk

The Group's principal financial assets are trade and other receivables, amounts receivable from joint ventures and cash and cash equivalents. Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Credit risk arises primarily from trade receivables relating to customers but also from the Group's undrawn commitments and holdings of assets such as cash deposits and loans with counterparties. The carrying value of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk without taking into account the value of any deposits or guarantees obtained.

Trade and other receivables:

Credit risk associated with trade receivables is actively managed; customers are managed individually by asset managers, who continuously monitor and work with customers, anticipating and wherever possible identifying and addressing risks prior to default. Customers are managed through a large and diverse customer base to reduce the credit risk to the Group. Trade receivables are less than one per cent of total assets at 31 December 2024 (31 December 2023: less than one per cent) and are £17.9 million as at 31 December 2024 (31 December 2023: £18.4 million).

Prospective customers are assessed through an internally conducted review process, by obtaining credit ratings and reviewing financial information. As a result, deposits or guarantees may be obtained. The amount of deposits held as collateral at 31 December 2024 was £36.4 million (31 December 2023: £33.4 million). £22.2 million (31 December 2023: £18.9 million) of the cash deposits held against customers' rent payment obligations are in bank accounts administered by the Group's managing agents which are not included within the consolidated balance sheet.

Rent receivable balances are provided against by applying the IFRS 9 expected credit loss model which uses a lifetime expected loss allowance. In assessing the provision the Group identifies risk factors associated by sector and the type of rent receivable outstanding (rent arrears, service charge, other). In determining the provision on a customer by customer basis, the Group considers both recent payment history and future expectations of the customer's ability to pay or possible default in order to recognise an expected credit loss allowance.

Trade receivable balances are written off when there is no reasonable expectation of recovery or when a rent concession is provided for past due rent. Indicators that there is no reasonable recovery include the failure of the debtor to engage in a repayment plan with the Group and a failure to make contractual payments.

The amounts of trade receivables presented in the consolidated balance sheet are net of impairment for doubtful receivables.

During the year, the loss allowance provision increased due to a limited number of customer administrations or anticipated failures in early 2025.

Ageing of gross trade receivables and loss allowances were as follows:

	2024 £m		2023 £m	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Not yet due	–	–	0.5	–
0-90 days	7.4	(1.1)	9.1	(1.3)
91-180 days	4.0	(1.3)	4.5	(0.7)
Over 180 days	6.5	(5.6)	4.3	(2.8)
Trade receivables	17.9	(8.0)	18.4	(4.8)

As at 31 December 2024 there is a provision for trade receivables of £8.0 million (31 December 2023: £4.8 million). The total provision for the year is £3.9 million (31 December 2023: £2.0 million), as shown in note 4 'Gross Profit', reflecting impairments during the year and movements in the provision.

As the Group operates predominantly in central London, it is subject to some geographical concentration risk. However, this is mitigated by the extensive range of customers from varying business sectors and the credit review process as noted above.

Amounts receivable from joint ventures:

Included within receivables, net of impairment is nil (31 December 2023: nil) working capital facility advanced to the Lillie Square joint venture and an interest-bearing loan of £70.7 million (31 December 2023: £76.0 million). The carrying value of the investment in the joint venture is nil (31 December 2023: nil) as the Group's share of losses exceeds the cost of its investment. Total funding advanced to the joint venture, including the working capital facility and an interest-bearing loan has been impaired by £48.3 million cumulatively. Details of the impairment are set out in note 7 'Change in value of investments and other receivables'.

The Lillie Square joint venture is in a net liability position due to carrying trading property at the lower of cost and net realisable value and the amortisation of the previously issued deep discount bonds. However, based on a market valuation undertaken by the Group's valuers JLL, there is an unrecognised surplus of £0.1 million (Group share) as at 31 December 2024. This surplus will only be evidenced on sale of trading property when significant risks and rewards have transferred to the buyer. Therefore, while Lillie Square demonstrates positive pricing evidence commercially and funding provided is not deemed to be at risk of default, for reporting purposes the Group is required to allocate losses against amounts advanced to the joint venture, to the extent that losses do not exceed the investment, until the unrecognised surplus on trading property is realised through sale.

Cash, deposits and derivative financial instruments:

The credit risk relating to cash, deposits and derivative financial instruments is actively managed by the Group's treasury function. Relationships are maintained with a number of institutional counterparties, ensuring compliance with Group cash investment policy relating to limits on the credit ratings of counterparties. The maximum exposure to cash and deposits, excluding tenant deposits, as at 31 December 2024 amounted to £114.7 million (31 December 2023: £195.6 million), including the Group's share of joint venture cash. The maximum fair value exposure to derivative financial instruments is £1.8 million (31 December 2023: £9.7 million).

Gross carrying value and loss allowance of other receivables (excluding trade receivables) are set out in the table below:

	2024 £m		2023 £m	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Amounts receivable from joint ventures and associates[1]	119.0	(48.3)	130.7	(43.1)
Other receivables[2]	90.4	(0.9)	58.5	(0.9)

1. Included within amounts receivable as at 31 December 2023 is an interest-bearing loan of £11.6 million advanced to the Longmartin associate. The interest-bearing loan was settled on disposal of Longmartin in the current year. Refer to note 14 'Investments in joint ventures and associates' for further detail.
2. £0.9 million (31 December 2023: £0.9 million) loss allowance relates to the provision against tenant lease incentives.

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Capital structure

The Group seeks to enhance shareholder value both by investing in the business so as to improve the return on investment and by managing the capital structure appropriately. The Group uses a mix of equity, debt and other financial instruments, and aims to access both debt and equity capital markets efficiently.

The key ratios used to monitor the capital structure of the Group are loan-to-value and the interest cover ratio. The Group aims not to exceed a loan-to-value ratio of more than 40 per cent and to maintain interest cover above 125 per cent. These ratios are disclosed on the nominal value of debt and market value of investment properties. These metrics are discussed in the Financial review on page 50.

Loan-to-value	Note	2024 £m	2023 £m
Debt at nominal value	19	**1,514.8**	1,684.8
Less: cash	17	**(109.8)**	(185.7)
Net debt (A)	19	**1,405.0**	1,499.1
Total property portfolio at market value (B)	12	**4,973.5**	4,795.3
Loan-to-value (A/B)		**28.2%**	31.3%

Interest cover	Note	2024 £m	2023 £m
Finance costs	9	**(72.0)**	(67.5)
Finance income	8	**14.8**	15.6
Net finance costs (A)		**(57.2)**	(51.9)
Gross profit[1]	4	**167.1**	147.0
Other income		**–**	2.7
Underlying operating income (B)		**167.1**	149.7
Interest cover (B/A)		**292.1%**	288.4%

1. 2023 gross profit excludes a £5.1 million charge relating to the alignment of accounting policies on completion of the merger.

Fair value estimation

Financial instruments carried at fair value are required to be analysed by level depending on the valuation method adopted under IFRS 13. The different valuation levels are defined in note 12 'Property portfolio'.

The table below presents the Group's financial assets and liabilities recognised at fair value at 31 December 2024 and 31 December 2023. There were no transfers between levels during the year.

	2024				2023			
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Held for trading assets								
Derivative financial assets	**–**	**3.4**	**–**	**3.4**	–	9.7	–	9.7
Total assets	**–**	**3.4**	**–**	**3.4**	–	9.7	–	9.7
Held for trading liabilities								
Derivative financial liabilities	**–**	**(1.8)**	**-**	**(1.8)**	–	(7.2)	–	(7.2)
Total liabilities	**–**	**(1.8)**	**-**	**(1.8)**	–	(7.2)	–	(7.2)

The fair values of derivative financial instruments are determined from observable market prices or estimated using appropriate yield curves at 31 December each year by discounting the future contractual cash flows to the net present values.

The fair values of the Group's cash and cash equivalents, other financial assets carried at amortised cost and other financial liabilities are not materially different from those at which they are carried in the consolidated financial statements.

23 Deferred tax

The change in corporation tax rate referred to in note 10 'Taxation' has been enacted for the purposes of IAS 12 'Income Taxes' ('IAS 12') and therefore has been reflected in these consolidated financial statements based on the expected timing of the realisation of deferred tax.

Deferred tax on investment property is calculated under IAS 12 provisions on a disposals basis by reference to the property's original tax base cost. Properties that fall within the Group's qualifying REIT activities will be outside the charge to UK corporation tax subject to certain conditions being met. The Group's recognised deferred tax position on investment property as calculated under IAS 12 is nil at 31 December 2024 (31 December 2023: nil).

	Accelerated capital allowances £m	Fair value of derivative financial instruments £m	Other temporary differences £m	Non-REIT group losses £m	Total £m
Provided deferred tax provision:					
At 31 December 2022	0.4	–	(0.4)	–	–
Consolidated income statement items	0.1	0.9	0.4	(1.4)	–
At 31 December 2023	0.5	0.9	–	(1.4)	–
Consolidated income statement items	**–**	**(0.9)**	**–**	**0.9**	**–**
At 31 December 2024	**0.5**	**–**	**–**	**(0.5)**	**–**
Unrecognised deferred tax assets:					
At 31 December 2022	–	–	(0.3)	(24.2)	(24.5)
Consolidated income statement items	–	–	(0.6)	2.8	2.2
At 31 December 2023	–	–	(0.9)	(21.4)	(22.3)
Consolidated income statement items	**–**	**(0.7)**	**(1.5)**	**(1.0)**	**(3.2)**
At 31 December 2024	**–**	**(0.7)**	**(2.4)**	**(22.4)**	**(25.5)**

In accordance with the requirements of IAS 12, deferred tax assets are only recognised to the extent that the Group believes it is probable that future taxable profits will be available against which the deferred tax assets can be recovered. As at 31 December 2024, the Group has unrecognised deferred tax assets of £25.5 million (31 December 2023: £22.3 million) in relation to £89.8 million (31 December 2023: £86.0 million) of gross losses carried forward within its residual business and £12.4 million (31 December 2023: £3.5 million) of other deductible temporary differences.

24 Share capital and share premium

Group and Company

Issue type	Transaction date	Issue price (pence)	Number of shares	Share capital £m[1]	Share premium £m
At 1 January 2023			851,450,638	212.8	232.5
Issued to satisfy employee share scheme awards	March	25	6,170,629	1.5	–
Issued on completion of all-share merger[2]	March	25	1,095,549,228	273.9	–
At 31 December 2023			**1,953,170,495**	**488.2**	**232.5**
Issued to satisfy employee share scheme awards[3]	June	25	**7,643**	**–**	**–**
At 31 December 2024			**1,953,178,138**	**488.2**	**232.5**

1. Nominal value of share capital of 25 pence per share.
2. On completion of the all-share merger on 6 March 2023, 1,095,549,228 new shares were issued (including 128,350,793 shares issued to a Shaftesbury Capital controlled entity in respect of secured shares previously held as collateral for the exchangeable bonds).
3. On 10 June 2024, 7,643 new shares were issued to satisfy employee share scheme awards.

25 Capital commitments

At 31 December 2024, the Group was contractually committed to £24.1 million (31 December 2023: £24.8 million) of future expenditure for the purchase, construction, refurbishment and enhancement of investment property.

The Group's share of joint venture capital commitments arising on LSJV amounts to nil (31 December 2023: nil).

26 Contingent liabilities

The Group has contingent liabilities in respect of legislation, sustainability targets, legal claims, guarantees and warranties arising from the ordinary course of business. There are no contingent liabilities that require disclosure or recognition in the consolidated financial statements.

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27 Cash flow information

(a) Cash generated from operations

	Note	2024 £m	2023 £m
Profit before tax		**252.4**	750.6
Adjustments:			
(Gain)/loss on revaluation and sale of investment property[1]		**(197.6)**	65.0
Gain on bargain purchase	31	**–**	(805.5)
Change in value of investments and other receivables	7	**7.0**	12.5
Change in fair value of financial assets at fair value through profit or loss	22	**–**	(52.0)
Depreciation[2]	13	**0.7**	0.4
Amortisation of tenant lease incentives and other direct costs		**(5.6)**	0.1
Provision for expected credit loss		**3.9**	2.0
Profit from joint ventures and associates	14	**(4.5)**	(0.2)
Share-based payment	29	**3.1**	7.9
Finance income	8	**(14.8)**	(15.6)
Other finance income	8	**(4.5)**	(4.1)
Finance costs	9	**72.0**	67.5
Other finance costs	9	**6.5**	31.3
Change in fair value of derivative financial instruments	15	**0.9**	11.3
Loss on sale of associate	14	**4.0**	–
Change in working capital:			
Change in trade and other receivables		**(4.6)**	(27.1)
Change in trade and other payables		**(10.2)**	(14.3)
Cash generated from operations		**108.7**	29.8

1. Included within the gain on revaluation and sale of investment property in the consolidated income statement is cash transaction costs of £3.0 million incurred on the disposal of property.
2. £0.3 million of depreciation is recognised within note 5 'Administration expenses' and £0.4 million is recognised within note 4 'Gross profit'.

(b) Reconciliation of cash flows from financing activities

The table below sets out the reconciliation of the movements in borrowings to cash flows arising from financing activities:

	Note	Long-term borrowings £m	Short-term borrowings £m	Derivative liability – exchangeable bond £m	Total liabilities from financing activities £m
Balance at 1 January 2023		738.4	–	3.3	741.7
Cash flows from financing activities					
Repayment of bank loans	19	(1,151.0)	–	–	(1,151.0)
Drawdown of revolving credit facility and secured loan	19	1,126.0	–	–	1,126.0
Total cash flows used in financing activities		(25.0)	–	–	(25.0)
Other movements					
Debt acquired on completion of merger		889.0	–	–	889.0
Reclassification from long-term to short-term at year end	19	(94.9)	94.9	–	–
Amortisation		27.3	–	–	27.3
Changes in fair value	15	–	–	3.9	3.9
Total other movements		821.4	94.9	3.9	920.2
Balance at 31 December 2023		1,534.8	94.9	7.2	1,636.9
Cash flows from financing activities					
Repayment of bank loans		**(210.0)**	**(95.0)**	**–**	**(305.0)**
Drawdown of revolving credit facility and secured loan		**135.0**	**–**	**–**	**135.0**
Total cash flows used in financing activities		**(75.0)**	**(95.0)**	**–**	**(170.0)**
Other movements					
Transaction costs associated with financing activities		**(3.5)**	**–**	**–**	**(3.5)**
Amortisation and unwind of fair value adjustment on debt		**11.5**	**0.1**	**(5.4)**	**6.2**
Total other movements		**8.0**	**0.1**	**(5.4)**	**2.7**
Balance as at 31 December 2024		**1,467.8**	**–**	**1.8**	**1,469.6**

28 Related party transactions

(a) Transactions with Directors

Key management compensation[1]	2024 £m	2023 £m
Short-term employee benefits	**3.4**	5.3
Post-employment pension	**–**	–
Termination benefits	**0.7**	–
Share-based payment	**1.7**	0.7
	5.8	6.0

1. Key management comprises the Directors of the Company, who have been determined to be the only individuals with authority and responsibility for planning, directing and controlling the activities of the Group.

Share dealings

No Director had any dealings in the shares of any Group company between 31 December 2024 and 26 February 2025, being a date not more than one month prior to the date of the notice convening the Annual General Meeting.

Other than as disclosed in these consolidated financial statements, no Director of the Company had a material interest in any contract (other than service contracts), transaction or arrangement with any Group company during the year ended 31 December 2024.

(b) Transactions between the Group and its joint ventures and associates

Transactions during the year between the Group and its joint ventures and associates, which are related parties, are disclosed in notes 14 'Investment in joint ventures and associates', 16 'Trade and other receivables' and 25 'Capital commitments'. During the year the Group received management fees of nil (31 December 2023: £0.1 million) that were charged on an arm's length basis.

Property purchased by Directors of the Company

A related party of the Group, Lillie Square GP Limited, entered into the following related party transaction as defined by IAS 24 'Related Party Disclosures':

- Situl Jobanputra, Chief Financial Officer of Shaftesbury Capital, and a family member own an apartment in the Lillie Square development. The disclosures in respect of this purchase were included in previous financial statements.
- Owners of apartments in the Lillie Square development are required to pay annual ground rent, insurance premium fees, maintenance work fees and bi-annual service charge fees, which for Directors are related party transactions. During 2024, £7,962.78 had been paid to a related party of the Shaftesbury Capital Group, Lillie Square GP Limited, in relation to these charges.

Transactions with Directors are conducted at fair and reasonable market prices based upon similar comparable transactions at that time. Where applicable, appropriate approval has been provided. Lillie Square GP Limited acts in the capacity of general partner to Lillie Square LP, a joint venture between the Group and KFI.

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29 Share-based payments

The Group operates a number of share-based payment schemes relating to employee benefits and incentives. All schemes are equity settled with the increase in equity measured by reference to the fair value of the Group's equity instruments at the grant date of the share awards. The corresponding expense is recognised on a straight-line basis over the vesting period based on Group estimates of the number of shares that are expected to vest. The total expense recognised in the consolidated income statement in respect of share-based payments for 2024 was £3.1 million (31 December 2023: £7.9 million).

All options have a vesting period of three years and a maximum contractual life of 10 years. The fair value of share awards is determined by the market price of the shares at the grant date.

Full details of the performance criteria, vesting outcomes and any additional holding periods for the performance share plan are set out within the Directors' remuneration report on pages 138 to 161.

1. Performance share plan

Nil cost options to subscribe for ordinary shares and conditional awards of free shares may be awarded under the Performance Share Plan ("PSP"). The Company may make a proportion of awards as HMRC approved market value options.

Share options outstanding at 31 December 2024 have an exercise price of nil and a weighted average remaining contractual life of five years and are exercisable between 2026 and 2029.

(a) Nil cost option awards

	Number of nil cost options	
	2024	2023
Outstanding at 1 January	**6,476,714**	8,382,021
Awarded during the year	**5,430,059**	7,409,650
Forfeited/lapsed during the year	**–**	(4,543,139)
Exercised during the year[1]	**–**	(4,771,818)
Outstanding at 31 December	**11,906,773**	6,476,714
Exercisable at 31 December	**–**	–

1. The weighted average share price at the date of exercise in the prior year was 124.5 pence.

(b) Deferred share awards

	Number of deferred share awards	
	2024	2023
Outstanding at 1 January	**3,230,147**	2,629,395
Awarded during the year	**2,899,064**	3,571,056
Forfeited/lapsed during the year	**(594,727)**	(1,571,493)
Exercised during the year[1]	**–**	(1,398,811)
Outstanding at 31 December	**5,534,484**	3,230,147
Exercisable at 31 December	**–**	–

1. The weighted average share price at the date of exercise in the prior year was 124.5 pence.

2. Fair value of share-based payment

The fair value of share awards is calculated using the Black-Scholes option pricing model for the half that is subject to the total return performance condition and using the stochastic pricing model for the half that is subject to the total shareholder return performance condition. Inputs to the models for share awards during the year are as follows:

Year of share award	**2024**	2023
Closing share price at grant date	**135p**	113p
Exercise price	**0p–135p**	0p–113p
Expected option life	**3-5 years**	3-5 years
Risk-free rate	**3.24%**	3.25%
Expected volatility[1]	**30.33-31.46%**	30.16-37.04%
Expected dividend yield	**0%**	0%
Fair value per option	**79p–135p**	73p–113p

1. Expected volatility is a measure of an amount by which the share price is expected to fluctuate during the period. Volatility is calculated by determining the movement in share price over the period commensurate with the holding period immediately prior to the grant date.

30 Related undertakings

The Company's subsidiaries and other related undertakings at 31 December 2024 are listed below. All Group entities are included in the consolidated financial statements.

Unless otherwise stated, the Company holds 100 per cent of the voting rights and beneficial interests in the shares of the subsidiaries listed below. The share capital of each of the companies, where applicable, comprises ordinary shares unless otherwise stated.

Registered address: Regal House, 14 James Street, London, WC2E 8BU

Related undertakings	
20 The Piazza Limited	Covent Garden Management Services Limited[1,2]
20 The Piazza Management Limited[1]	Covent Garden Real Estate Holdings Limited[1,6]
22 Southampton Street Limited	Floral Court Collection Management Limited[1]
22 Southampton Street Management Limited[1]	Floral Court Limited
34 Henrietta Street Limited	Innova Investment Management Limited[1]
34 Henrietta Street Management Company Limited[1]	Lillie Square Clubhouse Limited (50%)[1,4]
C & C Management Services Limited[2]	Lillie Square Developments Limited (50%)[4]
C&C Properties UK Limited[2]	Lillie Square GP Limited (50%)[4]
Capco Covent Garden Limited[2]	Lillie Square LP (50%)[4]
Capco Covent Garden Residential Limited	Lillie Square Management Limited (50%)[4]
Capco Group Treasury Limited[2]	Lillie Square Nominee Limited (50%)[1,4]
Capco London Limited[1]	Shaftesbury AV Investment Limited
Capital & Counties CG Limited	Shaftesbury AV Limited
Capital & Counties CGP	Shaftesbury Carnaby PLC
Capital & Counties CG Nominee Limited[1]	Shaftesbury Charlotte Street Limited[1]
Capital & Counties Limited[2,3]	Shaftesbury Chinatown PLC
Carnaby Estate Holdings Limited[1]	Shaftesbury CL Investment Limited
Carnaby Investments Limited[1]	Shaftesbury CL Limited
Carnaby Property Investments Limited[1]	Shaftesbury Covent Garden Limited
Charlotte Street Estate Holdings Limited[1]	Shaftesbury Covent Garden Property Investments Limited[1]
Chinatown Estate Holdings Limited[1]	Shaftesbury Investments 2 Limited[1]
Chinatown London Ltd[1]	Shaftesbury Investments 4 Limited[1]
Chinatown Property Investments Limited[1]	Shaftesbury Investments 6 Limited[1]
Covent Garden Estate Holdings Limited[1]	Shaftesbury Investments 7 Limited[1]
Covent Garden (43 Management) Limited[1]	Shaftesbury Investments 8 Limited[1]
Covent Garden (49 Wellington Street) Limited	Shaftesbury Investments 9 Limited[1]
Covent Garden Group Holdings Limited	Shaftesbury Investments 10 Limited[1]
Covent Garden Holdings (No.1) Limited[1]	Shaftesbury PLC[2]
Covent Garden Holdings (No.2) Limited[1]	Shaftesbury Soho Limited
Covent Garden Holdings (No.3) Limited[5]	Shaftesbury West End Limited[1]

1. Dormant entity.
2. Direct undertakings of the Company.
3. Ordinary and non-voting deferred shares.
4. Equity accounted joint ventures and associates.
5. With effect from 20 January 2024, the company changed its name from CG Treasury Limited to Covent Garden Holdings (No.3) Limited and ceased to be a direct undertaking of the Company.
6. Incorporated on 15 November 2024.

Registered address: C/O Shepherd and Wedderburn LLP, 9 Haymarket Square, Edinburgh, Scotland, EH3 8FY

Related undertakings	
Capco Investment London (No.6) Limited[1,2]	Capco Investment London (No.7) Scottish Limited Partnership[2]

1. Dormant entity.
2. Direct undertakings of the Company.

Registered address: 27 Esplanade, St Helier, Jersey, JE1 1SG

Related undertakings	
Capital & Counties Properties (Jersey) 3 Limited[1,2]	Innova Investment Holdings Limited
Capvestco Earls Court Limited	Lillie Square LP Limited
Capvestco Limited[1,2]	

1. Dormant entity.
2. Direct undertakings of the Company.

Registered address: 28 Esplanade, St Helier, Jersey, JE2 3QA

Related undertaking
Covent Garden Unit Trust

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31 Gain on bargain purchase

In the prior year, on 6 March 2023, the all-share merger between Capital & Counties Properties PLC (now called Shaftesbury Capital PLC) and Shaftesbury PLC, was completed. The merger was effected through the issuance of shares, which had a fair value of £1,612.9 million on completion date (including the fair value of the 25.2 per cent that the Group already owned). The fair value of the net identifiable assets acquired on completion amounted to £2,418.4 million, resulting in a gain on bargain purchase of £805.5 million.

During the prior year £35.8 million of transaction costs in connection with the all-share merger were incurred. These costs were recorded within administrative expenses in the consolidated income statement.

Shaftesbury PLC contributed £121.9 million to revenue and reduced profit before tax by £64.3 million for the year ended 31 December 2023. Had the merger taken place at the beginning of the 2023 financial year, it is estimated that the Group's reported revenue would have increased by £24.9 million and profit before tax would have declined by £1.7 million. The Group's reported underlying earnings before tax would have increased by £5.0 million.

32 Events after the reporting date

In January 2025, the Group completed on the disposal of an investment property for £3.0 million (before costs). The property was classified as held for sale as at 31 December 2024. In February 2025, the Group acquired an investment property for £6.0 million (before costs).

Shaftesbury Capital PLC Company balance sheet

As at 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investments in Group companies	II	**2,129.4**	2,129.4
Trade and other receivables	III	**1,523.4**	–
		3,652.8	2,129.4
Current assets			
Trade and other receivables	III	**0.5**	1,616.8
Derivative financial instruments		**3.4**	–
		3.9	1,616.8
Total assets		**3,656.7**	3,746.2
Non-current liabilities			
Borrowings	IV	**(542.7)**	(616.6)
Derivative financial instruments	V	**(1.8)**	(7.2)
		(544.5)	(623.8)
Current liabilities			
Trade and other payables		**(16.1)**	(3.7)
		(16.1)	(3.7)
Total liabilities		**(560.6)**	(627.5)
Net assets		**3,096.1**	3,118.7
Equity			
Share capital	24	**488.2**	488.2
Other components of equity		**2,607.9**	2,630.5
Total equity		**3,096.1**	3,118.7

The profit for the year attributable to shareholders of the Company is £39.7 million (31 December 2023: £89.7 million loss). References in Roman numerals refer to the notes to the Company financial statements, references in numbers refer to the notes to the Group financial statements.

These financial statements of Shaftesbury Capital PLC (registered number: 07145051) have been approved for issue by the Board of Directors on 26 February 2025 and signed on its behalf by:

Ian Hawksworth
Chief Executive

Situl Jobanputra
Chief Financial Officer

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Shaftesbury Capital PLC Company statement of changes in equity

For the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Own shares[1] £m	Capital redemption reserve £m	Merger reserve £m	Share-based payment reserve £m	Retained earnings £m	Total equity £m
At 1 January 2023		212.8	232.5	–	1.5	293.7	9.8	1,293.7	2,044.0
Loss and total comprehensive expense for the year		–	–	–	–	–	–	(89.7)	(89.7)
Completion of all-share merger[2]		273.9	–	–	–	930.2	–	–	1,204.1
Dividends	11	–	–	–	–	–	–	(43.8)	(43.8)
Issue of shares and realisation of share-based payment reserve on issue of employee share options[3]		1.5	–	(0.8)	–	–	(9.8)	11.9	2.8
Fair value of share-based payment	29	–	–	–	–	–	1.3	–	1.3
Balance at 31 December 2023		488.2	232.5	(0.8)	1.5	1,223.9	1.3	1,172.1	3,118.7
Profit and total comprehensive income for the year		–	–	–	–	–	–	**39.7**	**39.7**
Dividends	11	–	–	–	–	–	–	**(65.4)**	**(65.4)**
Fair value of share-based payment	29	–	–	–	–	–	**3.1**	–	**3.1**
Balance at 31 December 2024		**488.2**	**232.5**	**(0.8)**	**1.5**	**1,223.9**	**4.4**	**1,146.4**	**3,096.1**

1. Represents 3,146,886 shares held by the Group's Employee Benefit Trust in respect of employee share awards.
2. Represents non-qualifying consideration received by the Group following previous share placings and the all-share merger with Shaftesbury PLC, which completed on 6 March 2023. The amounts taken to the merger reserve do not currently meet the criteria for qualifying consideration and therefore will not form part of distributable reserves as they form part of linked transactions.
3. Represents the issue of 6,170,629 new shares and subsequent realisation of the outstanding share-based payment reserve on the close out of the Capco share scheme prior to completion of the all-share merger. Following the vesting, 3,146,886 shares were purchased by the Group's Employee Benefit Trust.

Shaftesbury Capital PLC Notes to the Company financial statements

I Principal accounting policies

General information

Shaftesbury Capital PLC (the "Company") was incorporated and registered in England and Wales and domiciled in the United Kingdom on 3 February 2010 under the Companies Act as a public company limited by shares, registration number 7145051. The registered office of the Company is Regal House, 14 James Street, London, WC2E 8BU, United Kingdom. The principal activity of the Company is to act as the ultimate parent company of Shaftesbury Capital PLC Group (the "Group"), whose principal activity is the investment in and management of property.

Basis of preparation

The Company's financial statements are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'), and in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention as modified for the revaluation of derivative financial instruments.

The Directors have taken advantage of the exemption offered by section 408 of the Companies Act 2006 not to present a separate income statement or statement of comprehensive income for the Company.

Historically the Company's financial statements have been prepared in accordance with United Kingdom-adopted accounting standards ('UK-adopted IFRS' or 'IFRS'). In the current year the Company has elected to apply FRS 101. The change in basis of preparation has not resulted in a change in accounting policies and as a result, all accounting policies have been applied consistently to all the years presented and are the same as those applied by the Group as set out on pages 178 to 186. However, the change from IFRS to FRS 101 has resulted in reduced disclosure when compared to the Company's prior year financial statements. The full list of disclosure exemptions taken by the Company are:

- IFRS 7, 'Financial instruments: Disclosures';
- Paragraphs 10(d) (statement of cash flows); 16 (statement of compliance with all IFRS); 38A (requirement for minimum of two primary statements, including cash flow statements); 38B-D (additional comparative information); 111 (statement of cash flows information); and 134-136 (capital management disclosures), 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements); and 40A–D (requirements for a third statement of financial position) of IAS 1, 'Presentation of financial statements';
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered between two or more members of a group.

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board that are effective for annual periods that begin on or after 1 January 2024.

- IAS 1 'Presentation of Financial Statements' (amendment) (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)
- IFRS 16 'Leases' (amendment) (Lease liability in a sale and leaseback)

The adoption of the above amendments have not had a material impact on the amounts reported in the financial statements or on the disclosures.

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I Principal accounting policies continued

Investments in Group companies

Investments in Group companies, which eliminates on consolidation, are stated in the Company's separate financial statements at cost less impairment losses, if any. Impairment losses are determined with reference to the investment's fair value less estimated selling costs and value-in-use calculations. Fair value is derived from the subsidiaries', and their subsidiaries' net assets at the balance sheet date. Value-in-use calculations which require the use of estimates, comprise discounted cash flows based on the latest strategic plan. On disposal, the difference between the net disposal proceeds and the carrying amount is included in the income statement.

Other

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, include the assessment and classification of the recoverable amounts of loans and investments.

The Directors did not make any significant judgements in the preparation of these financial statements.

The auditors' remuneration for audit and other services is disclosed in note 5 'Administration expenses' to the Group financial statements.

II Investment in Group companies

	2024 £m	2023 £m
At 1 January	**2,129.4**	516.4
Additions	**–**	1,613.0
At 31 December	**2,129.4**	2,129.4

Investments in Group companies are carried at cost less impairment losses, if any. An impairment test is performed on an annual basis. An impairment charge of nil was recorded in the current year (31 December 2023: nil).

III Trade and other receivables

	2024 £m	2023 £m
Non-current		
Amounts owed by subsidiaries	**1,523.4**	–
Trade and other receivables	**1,523.4**	–
Current		
Amounts owed by subsidiaries	**–**	1,616.3
Prepayments and accrued income	**0.5**	0.5
Trade and other receivables	**0.5**	1,616.8

As at 31 December 2023, it was deemed appropriate to classify the receivable balances as current based on the Group's intention to review the post-merger holding structure, including amounts owed by subsidiaries.

The post-merger review of the holding structure was completed post the 2024-year end, and following recapitalisations and settlements of receivables from further down in the group will result in a reduction in the amounts owed by subsidiaries and a corresponding increase in investments in Group companies.

As the Company does not have the intention in the short term to recall the remaining balances post the restructure, the amounts owed by subsidiaries as at 31 December 2024 have been classified as non-current.

An impairment test is performed on an annual basis to determine the recoverability of amounts owed by subsidiaries. The key assumptions made in the impairment assessment are the expected cash flows to be generated by each subsidiary, discounted at a rate of 4.6 per cent (31 December 2023: 4.6 per cent). As a result, an impairment of nil (31 December 2023: £96.9 million) was raised against the amounts owed by subsidiaries.

IV Borrowings

	2024						
	Carrying value £m	Secured £m	Unsecured £m	Fixed rate £m	Floating rate £m	Fair value £m	Nominal value £m
Non-current							
Bank loans	**269.9**	**–**	**269.9**	**–**	**269.9**	**269.9**	**275.0**
Exchangeable bonds[1]	**272.8**	**272.8**	**–**	**272.8**	**–**	**263.1**	**275.0**
Borrowings	**542.7**	**272.8**	**269.9**	**272.8**	**269.9**	**533.0**	**550.0**

1. Fair value of exchangeable bonds includes the fair value of the option component of £1.8 million as disclosed in note V 'Derivative financial instruments'.

	2023						
	Carrying value £m	Secured £m	Unsecured £m	Fixed rate £m	Floating rate £m	Fair value £m	Nominal value £m
Non-current							
Bank loans	346.8	–	346.8	–	346.8	350.0	350.0
Exchangeable bonds[1]	269.8	269.8	–	269.8	–	256.9	275.0
Borrowings	616.6	269.8	346.8	269.8	346.8	606.9	625.0

1. Fair value of exchangeable bonds includes the fair value of the option component of £7.2 million as disclosed in note V 'Derivative financial instruments'.

The Company has two revolving credit facilities totalling £450 million, which are undrawn at 31 December 2024.

The maturity profile of gross debt is as follows:

	2024 £m	2023 £m
Wholly repayable in more than one year but not more than five years	**550.0**	625.0
	550.0	625.0

V Derivative financial instruments

Derivative financial assets	2024 £m	2023 £m
Current		
Interest rate derivatives	**3.4**	–
Derivative financial assets	**3.4**	–

Derivative liabilities	2024 £m	2023 £m
Non-current		
Derivative liability – exchangeable bonds[1]	**1.8**	7.2
Derivative financial liabilities	**1.8**	7.2

1. On 30 November 2020 the Company issued £275 million of secured exchangeable bonds maturing in March 2026. The net proceeds received from the issue of the exchangeable bonds have been split between the financial liability element and an option component, representing the fair value of the embedded option to convert the financial liability into equity of Shaftesbury. The debt component is accounted for at amortised cost at the effective interest rate method and the derivative liability is accounted for at fair value through profit or loss.

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Alternative performance measures (unaudited)

For the year ended 31 December 2024

The Group has applied the European Securities and Markets Authority guidelines on alternative performance measures ("APMs") in these results. An APM is a financial measure of historical or future finance performance, position or cash flow of the Group which is not a measure defined or specified in IFRS. Set out below is a summary of the APMs used in this Annual Report.

Many of the APMs included are based on the EPRA Best Practice Recommendations reporting framework, a set of standard disclosures for the property industry, which aims to improve the transparency, comparability and relevance of published results of public real estate companies in Europe.

The Group also uses underlying earnings, property portfolio and financial debt ratio APMs. Financial debt ratios are supplementary ratios which we believe are useful in monitoring the capital structure of the Group. Additionally, loan-to-value and interest cover are covenants within many of the Group's borrowing facilities.

APM	Definition of measure	Nearest IFRS measure	Explanation and reconciliation	2024	2023
Underlying earnings	EPRA earnings adjusted for items not considered part of the core underlying activities of the Group	Profit for the year	Note 3	**£73.0m**	£60.4m
	2023 pro forma underlying earnings[1]	Profit for the year	Table 5	**N/A**	£62.8m
Underlying earnings per share	Underlying earnings per weighted average number of ordinary shares	Basic earnings per share	Note 3	**4.0p**	3.7p
	2023 pro forma underlying earnings per weighted average number of ordinary shares	Basic earnings per share	Table 5	**N/A**	3.4p
EPRA earnings[2]	Earnings that reflect the operational performance of the Group	Profit for the year	Note 3	**£75.3m**	£67.9m
EPRA earnings per share[2]	EPRA earnings per weighted average number of ordinary shares	Basic earnings per share	Note 3	**4.1p**	4.1p
EPRA NTA	Net asset value adjusted to include properties at fair value and exclude items not expected to crystallise in a long-term investment property business model	Net assets attributable to shareholders	Note 3	**£3,671.1m**	£3,479.4m
EPRA NTA per share	EPRA NTA per the diluted number of ordinary shares	Net assets attributable to shareholders per share	Note 3	**200.2p**	190.3p
Market value of property portfolio	Market value of wholly-owned property portfolio	Investment properties	Note 12	**£4,973.5m**	£4,795.3m
Loan-to-value	Net debt, at nominal value and excluding tenant deposits, divided by market value of property portfolio	N/A	Note 22	**28.2%**	31.3%
Interest cover	Underlying gross profit and other income divided by net underlying finance costs	N/A	Note 22	**292.1%**	288.4%
Interest cover (excluding non-underlying administrative expenses)	Underlying gross profit and other income less underlying administrative expenses divided by net underlying finance costs	N/A	Table 1	**223.3%**	212.7%
Total accounting return ("TAR")	The movement in EPRA NTA per share plus dividends per share paid during the year	N/A	Table 2	**7.0%**	5.8%
Total property return ("TPR")	Capital growth including gains and losses on disposals, rent received (less associated costs) and ground rent	N/A	Table 3	**7.6%**	2.2%
Net debt to EBITDA	Net debt, at nominal value, excluding tenant deposits, divided by EBITDA	N/A	Table 4	**10.9**	13.9
Gross debt with interest rate protection	Proportion of gross debt with interest rate protection, including interest on cash deposits	N/A	Note 22	**100%**	100%
Weighted average cost of debt – gross	Cost of debt weighted by the drawn balance of external borrowings	N/A	Financial Review, page 50	**4.0%**	4.2%
Weighted average cost of debt – net	Cost of debt weighted by the drawn and undrawn balance of external borrowings	N/A	Financial Review, page 50	**3.7%**	3.4%
Cash and undrawn committed facilities	Cash and cash equivalents, excluding tenant deposits, plus undrawn committed facilities	N/A	Financial Review, page 50	**£559.8m**	£485.7m

1. The underlying earnings growth on a pro forma basis is 16.2 per cent.
2. Prior year comparatives have been re-presented based on changes to EPRA earnings following the publication of EPRA Best Practice Recommendations Guidelines in September 2024. Refer to note 3 'Performance measures' for further details.

Where this report uses like-for-like comparisons, these are defined within the Glossary.

1. Interest cover (excluding non-underlying administration expenses)

Interest cover	Note	2024 £m	2023 £m
Finance costs	9	**(72.0)**	(67.5)
Finance income	8	**14.8**	15.6
Net finance costs (A)		**(57.2)**	(51.9)
Gross profit[1]	4	**167.1**	147.0
Other income		**–**	2.7
Administration expenses	5	**(42.7)**	(83.8)
Less: merger-related transaction and integration costs and non-underlying administration expenses	5	**3.3**	44.5
Underlying operating profit (B)		**127.7**	110.4
Interest cover (excluding non-underlying administration expenses) (B/A)		**223.3%**	212.7%

1. 2023 excludes a £5.1 million charge relating to the alignment of accounting policies on completion of the merger.

2. Total accounting return

	Note	2024	2023
Opening EPRA NTA (A)	3	**190.3p**	182.1p
Closing EPRA NTA	3	**200.2p**	190.3p
Increase in the year		**9.9p**	8.2p
Adjusted for:			
Dividends per share paid in the current year	11	**3.4p**	2.3p
Total accounting return (B)		**13.3p**	10.5p
Total accounting return % (B/A)		**7.0%**	5.8%

3. Total property return

	Note	2024 £m
Gross profit	4	**167.1**
Gain on revaluation and sale of investment property	6	**194.6**
Total capital return (A)		**361.7**
Market value of wholly-owned property portfolio	12	**4,973.5**
Gain on revaluation and sale of investment property	6	**(194.6)**
Capital employed (B)		**4,778.9**
Total property return % (A/B)[1]		**7.6%**

1. The prior year total property return of 2.2 per cent was calculated based on pro forma information (obtained from internal management accounts), assuming the all-share merger had completed at the start of the financial year.

4. Net debt to EBITDA

	Note	2024 £m	2023 £m
Underlying gross profit[1]	4	**167.1**	147.0
Underlying administration expenses[2]	5	**(39.4)**	(39.3)
		127.7	107.7
Adjusted for:			
Depreciation		**0.7**	0.4
EBITDA (A)		**128.4**	108.1
Net debt (B)	19	**1,405.0**	1,499.1
Net debt to EBITDA (B/A)		**10.9**	13.9

1. 2023 excludes a £5.1 million charge relating to the alignment of accounting policies on completion of the merger.
2. Underlying administration expenses exclude £3.3 million (31 December 2023: £44.5 million) of merger-related transaction and integration costs and non-underlying administration expenses.

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Alternative performance measures (unaudited) continued

5. 2023 pro forma underlying earnings

	Pro forma 2023 £m
Shaftesbury Capital PLC 31 December 2023[1]	57.8
Shaftesbury PLC 1 January 2023 to 5 March 2023[2]	5.0
Pro forma underlying earnings	62.8
Weighted average number of shares (million)[3]	1,821.7
Underlying earnings per share	3.4p

1. Represents the standalone results of Capital & Counties Properties PLC for the period 1 January to 5 March 2023 and that of the Group for the period 6 March to 31 December 2023, less the dividend income of £2.6 million received for the shareholding held in Shaftesbury PLC pre-merger.
2. Reflects the underlying earnings for Shaftesbury PLC for the period 1 January to 5 March 2023 obtained from internal management accounts of Shaftesbury PLC.
3. Weighted average number of shares used reflects that the shares issued on completion of the merger had been effective from the beginning of the financial year.

EPRA measures (unaudited)

For the year ended 31 December 2024

EPRA Net Reinstatement Value ("EPRA NRV"), EPRA Net Tangible Assets ("EPRA NTA") and EPRA Net Disposal Value ("EPRA NDV") are alternative performance measures that are calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association ("EPRA") to provide a transparent and consistent basis to enable comparison between European property companies. EPRA NTA is considered to be the most relevant measure for the Group's operating activity and is the primary measure of net asset value.

The following is a summary of EPRA performance measures and key Group measures included within this Annual Report. The measures are defined in the Glossary.

EPRA measure	Definition of measure	Explanation/ reconciliation	2024	2023
EPRA earnings[1]	Earnings that reflect the operational performance of the Group	Note 3	**£75.3m**	£67.9m
EPRA earnings per share[1]	EPRA earnings per weighted average number of ordinary shares	Note 3	**4.1p**	4.1p
EPRA NTA	Net asset value adjusted to include properties at fair value and exclude items not expected to crystallise in a long-term investment property business model	Note 3	**£3,671.1m**	£3,479.4m
EPRA NTA per share	EPRA NTA per diluted number of ordinary shares	Note 3	**200.2p**	190.3p
EPRA NDV	EPRA NTA amended to include the fair value of financial instruments and debt	Note 3	**£3,725.2m**	£3,511.7m
EPRA NDV per share	EPRA NDV per diluted number of ordinary shares	Note 3	**203.2p**	192.0p
EPRA NRV	EPRA NTA amended to include real estate transfer tax	Note 3	**£4,004.2**	£3,811.6m
EPRA NRV per share	EPRA NRV per diluted number of ordinary shares	Note 3	**218.4p**	208.4p
EPRA net initial yield	Annualised rental income less non-recoverable costs as a percentage of market value plus assumed purchaser's costs	Table 1	**3.8%**	3.8%
EPRA topped-up initial yield	Net initial yield adjusted for the expiration of rent-free periods	Table 1	**4.1%**	4.2%
EPRA vacancy	ERV of un-let units (including those under offer) expressed as a percentage of the ERV of the wholly owned property portfolio excluding units under development	Table 2	**3.9%**	4.9%
Capital expenditure	Capital expenditure on acquisition and development of investment property portfolio	Table 3	**£131.4m**	£53.8m
EPRA cost ratio	Total costs as a percentage of gross rental income (including direct vacancy costs)	Table 4	**38.9%**	65.6%
	Total costs as a percentage of gross rental income (excluding direct vacancy costs)	Table 4	**34.8%**	60.8%
Adjusted Company cost ratio	Total adjusted costs as a percentage of adjusted gross rental income (including direct vacancy costs)	Table 4	**37.3%**	39.9%
	Total adjusted costs as a percentage of adjusted gross rental income (excluding direct vacancy costs)	Table 4	**33.3%**	35.2%
EPRA LTV (loan-to-value)	Ratio of adjusted net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries, joint ventures and associates, all on a proportionate basis, expressed as a percentage	Table 5	**27.4%**	30.9%
Like-for-like rental growth	Rental income for properties which have been owned throughout both years without significant capital expenditure in either year, so income can be compared on a like-for-like basis	Table 6	**5.7%**	13.2%

1. Prior year comparatives have been re-presented based on changes to EPRA earnings following the publication of EPRA Best Practice Recommendations Guidelines in September 2024. Refer to note 3 'Performance measures' for further details.

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EPRA measures (unaudited) continued

1. EPRA net initial yield and EPRA 'topped-up' net initial yield

	Note	2024 £m	2023 £m
Investment property – wholly owned	12	**4,973.5**	4,795.3
Investment property – share of joint ventures and associates		**43.7**	182.2
Trading property (including share of joint ventures)		**21.6**	41.8
Less: developments		**(228.0)**	(284.1)
Completed property portfolio		**4,810.8**	4,735.2
Allowance for estimated purchasers' costs		**333.1**	316.8
Gross up completed property portfolio valuation (A)		**5,143.9**	5,052.0
Annualised cash passing rental income		**204.7**	202.7
Property outgoings		**(6.9)**	(10.6)
Annualised net rents (B)		**197.8**	192.1
Add: notional rent expiration of rent periods or other lease incentives		**14.9**	18.2
Topped-up net annualised rent (C)		**212.7**	210.3
EPRA net initial yield (B/A)		**3.8%**	3.8%
EPRA 'topped-up' net initial yield (C/A)		**4.1%**	4.2%

The EPRA net initial yield and EPRA 'topped-up' net initial yield are calculated based on EPRA guidelines and include the wholly-owned property portfolio and the Group's share of Lillie Square and Longmartin (the latter applicable only up until the point of disposal in October 2024).

2. EPRA vacancy rate

	2024 £m	2023 £m
Estimated rental value of vacant space	**9.3**	10.9
Estimated rental value of the portfolio less refurbishment estimated rental value	**237.1**	223.0
EPRA vacancy rate	**3.9%**	4.9%

EPRA vacancy rate includes units under offer, net of which vacancy relating to units available to let is 2.6 per cent (31 December 2023: 2.1 per cent). Investment properties held within the joint venture at Lillie Square totalling £43.7 million (the Group's share) (31 December 2023: £182.2 million (the Group's share of Lillie Square and Longmartin)) is not included in the vacancy rate above.

3. Property related capital expenditure

	2024			2023[1]		
	Group (excluding joint ventures and associates) £m	**Joint ventures and associates £m**	**Total Group £m**	Group (excluding joint ventures and associates) £m	Joint ventures and associates £m	Total Group £m
Acquisitions	**84.9**	**–**	**84.9**	17.4	–	17.4
Development	**–**	**0.2**	**0.2**	–	0.8	0.8
Investment property	**–**	**–**	**–**			
Incremental lettable space	**2.0**	**–**	**2.0**	5.1	–	5.1
No incremental lettable space	**38.3**	**0.8**	**39.1**	28.5	0.5	29.0
Tenant lease incentives	**2.8**	**–**	**2.8**	1.5	0.3	1.8
Capitalised interest	**–**	**–**	**–**	–	–	–
Total CapEx	**128.0**	**1.0**	**129.0**	52.5	1.6	54.1
Conversion from accrual to cash basis	**2.4**	**–**	**2.4**	(1.3)	1.0	(0.3)
Total CapEx on cash basis	**130.4**	**1.0**	**131.4**	51.2	2.6	53.8

1. The property related capital expenditure represents the standalone performance of Capco for the period to 6 March 2023 and that of the combined Group from that date to 31 December 2023.

Further detail on the capital expenditure and acquisitions incurred in the year can be found in the Portfolio and operating review on pages 32 to 43.

4. EPRA cost ratio

	2024 £m	2023 £m
Administrative expenses[1]	**42.7**	83.8
Total property outgoings	**56.1**	51.2
Provision for expected credit loss	**3.9**	2.0
Less: Service charge expense	**(22.1)**	(19.3)
Management fee	**(0.1)**	(0.1)
Share of joint ventures and associates expenses	**2.9**	3.5
Exclude:		
Ground rent cost	**(0.4)**	(0.8)
EPRA costs (including direct vacancy costs) (A)	**83.0**	120.3
Direct vacancy costs	**(8.6)**	(8.9)
EPRA costs (excluding direct vacancy costs) (B)	**74.4**	111.4
Gross rental income less ground rent costs	**226.7**	194.3
Less: Service charge income	**(22.1)**	(19.3)
Share of joint ventures and associates property income	**8.8**	8.3
Adjusted gross rental income (C)	**213.4**	183.3
EPRA cost ratio (including direct vacancy costs) (A/C)	**38.9%**	65.6%
EPRA cost ratio (excluding direct vacancy costs) (B/C)	**34.9%**	60.8%
Company specific adjustments[2]:		
Non-underlying administrative expenses	**(3.3)**	(44.5)
Impact of change in accounting policy on property outgoings	**–**	(1.0)
Company specific adjustments for costs (D)	**(3.3)**	(45.5)
Adjusted Company cost (including direct vacancy costs) (E = A+D)	**79.7**	74.8
Adjusted Company cost (excluding direct vacancy costs) (F = B+D)	**71.1**	65.9
Impact of change in accounting policy on rental income	**–**	4.1
Adjusted Company gross rental income (G)	**213.4**	187.4
Adjusted Company cost ratio (including direct vacancy costs) (E/G)	**37.3%**	39.9%
Adjusted Company cost ratio (excluding direct vacancy costs) (F/G)	**33.3%**	35.2%

1. £0.7 million (31 December 2023: £0.3 million) of administrative expenses were capitalised during the year. These capitalised costs mainly relate to employee costs as it is the Group's policy to capitalise directly attributable overheads and operating expenses to assets under refurbishment or development.
2. Company specific adjustments relates to non-underlying administrative expenses and do not represent the recurring, underlying performance of the Group. Details of non-underlying expenses are set out in note 5 'Administration expenses'. The prior year Company specific adjustments include an adjustment relating to the alignment of accounting policies on completion of the merger. £4.1 million of the adjustment was recognised through the straight-lining of tenant lease incentives and £1.0 million in property expenses.

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EPRA measures (unaudited) continued

5. EPRA LTV

	2024		
	Group £m	Share of joint ventures £m	Total £m
Borrowings from financial institutions	**(1,239.8)**	**–**	**(1,239.8)**
Exchangeable bond	**(275.0)**	**–**	**(275.0)**
Exclude:			
Cash and cash equivalents[1]	**124.0**	**4.9**	**128.9**
EPRA net debt (B)	**(1,390.8)**	**4.9**	**(1,385.9)**
Investment properties at fair value	**4,943.6**	**43.7**	**4,987.3**
Owner-occupied property at fair value	**20.1**	**–**	**20.1**
Investment property held for sale	**9.8**	**–**	**9.8**
Properties under development	**–**	**21.6**	**21.6**
Net receivables	**85.5**	**(61.5)**	**24.0**
Total property value (A)	**5,059.0**	**3.8**	**5,062.8**
EPRA LTV (B/A)			**27.4%**

1. Includes tenant deposits of £14.2 million held as security against tenant rent payments which are subject to certain restrictions and therefore not available for general use by the Group.

	2023		
	Group £m	Share of joint ventures and associates £m	Total £m
Borrowings from financial institutions	(1,409.8)	(60.0)	(1,469.8)
Exchangeable bond	(275.0)	–	(275.0)
Net payables	62.6	(80.4)	(17.8)
Exclude:			
Cash and cash equivalents[1]	200.2	9.9	210.1
EPRA net debt (B)	(1,422.0)	(130.5)	(1,552.5)
Investment properties at fair value	4,775.1	182.2	4,957.3
Owner-occupied property at fair value	20.2	–	20.2
Properties under development	–	41.8	41.8
Total property value (A)	4,795.3	224.0	5,019.3
EPRA LTV (B/A)			30.9%

1. Includes tenant deposits of £14.5 million held as security against tenant rent payments which are subject to certain restrictions and therefore not available for general use by the Group.

6. Like-for-like rental growth

The like-for-like rental growth presented represents 100 per cent of the wholly owned property portfolio, where all assets are located in the West End of London.

The like-for-like rental growth compares the growth of rental income of property which has been owned throughout both years without significant capital expenditure in either year.

	2024 £m	Pro forma 2023 £m
Rental income in current year	**205.0**	196.5
Adjusted for impact of:		
Acquisitions	**(2.8)**	(0.4)
Disposals	**(2.9)**	(4.1)
Change in accounting policy[1]	**–**	4.1
Like-for-like rental income in current year (A)	**199.3**	196.1
Rental income in previous year	**196.5**	178.2
Adjusted for impact of:		
Acquisitions	**–**	(0.1)
Disposals	**(12.1)**	(4.8)
Change in accounting policy[1]	**4.1**	–
Like-for-like rental income in prior year (B)	**188.5**	173.3
Like-for-like growth in rental income ((A-B)/B)	**5.7%**	13.2%

1. There was a £4.1 million reduction to 2023 straight-lining of tenant lease incentives as a result of the alignment of accounting policies following the merger.

Rental income for the year ended 31 December 2023 used within the like-for-like rental growth calculation above, has been determined based on pro forma information. The table below summarises the pro forma information.

	Shaftesbury Capital PLC 31 December 2023[1] £m	Shaftesbury PLC 1 January 2023 to 5 March 2023[2] £m	Pro forma 2023 £m
Rent receivable	171.9	21.2	193.1
Straight-lining of tenant lease incentives	3.9	(0.5)	3.4
Rental income	175.8	20.7	196.5

1. As reported in note 4 'Gross profit'. Represents the standalone results of Capital & Counties Properties PLC for the period 1 January to 5 March 2023 and that of the Group from 6 March to 31 December 2023.
2. Reflects the rental income for Shaftesbury PLC for the period 1 January to 5 March 2023 obtained from internal management accounts of Shaftesbury PLC. The amounts have not been adjusted for accounting policy alignments or fair value adjustments.

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Analysis of property portfolio (unaudited)

For the year ended 31 December 2024

Wholly-owned portfolio valuation by use

31 December 2024	Retail	Food & beverage	Offices	Commercial	Residential	Wholly-owned portfolio
Valuation (£m)[1]	1,784.2	1,664.8	877.9	**4,326.9**	644.7	4,971.6
Valuation (%)	36%	33%	18%	**87%**	13%	100%
L-f-L valuation movement (FY 2024)	+7.5%	+4.7%	+3.1%	**+5.5%**	−1.6%	+4.5%
L-f-L valuation movement (H2 2024)	+6.5%	+2.2%	+1.2%	**+3.7%**	−1.0%	+3.1%
Annualised gross income (£m)	73.2	73.0	33.6	**179.8**	23.0	202.8
Annualised gross income (%)	36%	36%	17%	**89%**	11%	100%
L-f-L annualised gross income (FY 2024)	+9.1%	+4.2%	+18.3%	**+8.6%**	+3.9%	+8.0%
L-f-L annualised gross income (H2 2024)	+5.3%	–	+12.0%	**+4.2%**	+2.9%	+4.1%
ERV (£m)	90.2	85.0	50.5	**225.7**	24.9	250.6
ERV (%)	36%	34%	20%	**90%**	10%	100%
L-f-L ERV movement (FY 2024)	+11.2%	+7.2%	+6.1%	**+8.4%**	+1.4%	+7.7%
L-f-L ERV movement (H2 2024)	+8.8%	+3.4%	+1.5%	**+5.0%**	+1.6%	+4.7%
ERV psf (£)	126	91	79	**98**	60	92
Net initial yield	3.8%	4.0%	3.3%	**3.8%**	2.9%	3.6%
Topped-up net initial yield	4.0%	4.3%	3.8%	**4.1%**	N/A	3.9%
Equivalent yield	4.5%	4.7%	4.9%	**4.6%**	3.1%	4.4%
WAULT (years)	3.0	8.1	2.7	**4.8**	1.1	4.4
Floor area (sq ft m)[2]	0.7	1.0	0.6	**2.3**	0.4	2.7
Unit count[2]	415	394	404	**1,213**	656	1,869

1. Excludes £1.9 million of Group properties primarily held in Lillie Square LP Limited (a wholly-owned subsidiary).
2. Excludes long-leasehold residential interests.

Wholly-owned portfolio valuation by location

31 December 2024	Covent Garden	Carnaby | Soho	Chinatown	Fitzrovia	Wholly-owned portfolio
Valuation (£m)[1]	2,652.7	1,597.1	716.3	5.5	4,971.6
Valuation (%)	53%	32%	15%	–	100%
L-f-L valuation movement (FY 2024)	+3.7%	+6.4%	+3.7%	−7.1%	+4.5%
L-f-L valuation movement (H2 2024)	+2.8%	+4.3%	+2.0%	−6.1%	+3.1%
Annualised gross income (£m)	104.3	66.2	32.0	0.3	202.8
Annualised gross income (%)	51%	33%	16%	–	100%
L-f-L annualised gross income (FY 2024)	+7.2%	+12.1%	+2.8%	−5.3%	8.0%
L-f-L annualised gross income (H2 2024)	+2.7%	+8.4%	+0.4%	−0.6%	+4.1%
ERV (£m)	134.0	81.9	34.4	0.3	250.6
ERV (%)	53%	33%	14%	–	100%
L-f-L ERV movement (FY 2024)	+9.1%	+7.1%	+4.1%	–	+7.7%
L-f-L ERV movement (H2 2024)	+5.5%	+4.5%	+2.0%	–	+4.7%
ERV psf (£)	96	92	81	58	92
Net initial yield	3.6%	3.6%	4.0%	5.0%	3.6%
Topped-up net initial yield	3.8%	4.0%	4.1%	5.0%	3.9%
Equivalent yield	4.5%	4.5%	4.3%	4.4%	4.4%
WAULT (years)	4.4	4.0	5.6	6.1	4.4
Floor area (sq ft m)[2]	1.4	0.9	0.4	–	2.7
Unit count[2]	853	660	350	6	1,869

1. Excludes £1.9 million of Group properties primarily held in Lillie Square LP Limited (a wholly-owned subsidiary).
2. Excludes long-leasehold residential interests.

Historical record (unaudited)

For the year ended 31 December 2024

Continuing and discontinued operations

Consolidated income statement	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Gross profit	**167.1**	141.9	57.3	52.0	24.7
Other income/(costs)	**0.1**	2.7	13.5	2.7	(0.5)
Gain/(loss) on revaluation and sale of investment property	**194.6**	(65.0)	(0.8)	(15.8)	(693.3)
Change in value of investments and other receivables	**(7.0)**	(12.5)	(7.9)	-	–
Revaluation of equity investment	**–**	52.0	(239.5)	44.6	50.9
Non-recurring costs	**(3.3)**	(44.5)	(14.6)	(68.6)	(1.4)
Administration expenses	**(39.4)**	(39.3)	(26.0)	(22.7)	(31.5)
Operating profit/(loss)	**312.1**	35.3	(218.0)	(7.8)	(651.1)
Net finance (costs)/income	**(60.2)**	(90.4)	12.2	(44.4)	(29.7)
Profit/(loss) after finance costs	**251.9**	(55.1)	(205.8)	(52.2)	(680.8)
Profit/(loss) on disposal and IFRS 5 impairment of discontinued operation	**–**	–	–	–	1.0
Gain on bargain purchase	**–**	805.5	–	–	–
Loss on sale of associate	**(4.0)**	–	–	–	–
Profit from joint ventures and associates	**4.5**	0.2	–	–	–
Profit/(loss) before tax	**252.4**	750.6	(205.8)	(52.2)	(679.8)
Taxation	**(0.3)**	(0.2)	(6.0)	(0.7)	1.0
Profit/(loss) for the year	**252.1**	750.4	(211.8)	(52.9)	(678.8)

Consolidated balance sheet					
Investment property	**4,899.1**	4,740.2	1,715.1	1,705.6	1,795.8
Other non-current assets	**156.1**	224.9	485.4	713.3	681.5
Cash and cash equivalents	**124.0**	200.2	129.9	331.1	365.1
Other current assets	**42.9**	51.0	20.8	48.9	65.7
Assets held for sale	**9.8**	–	–	–	–
Total assets	**5,231.9**	5,216.3	2,351.2	2,798.9	2,908.1
Non-current borrowings	**(1,470.5)**	(1,534.8)	(738.3)	(934.9)	(1,070.7)
Other non-current liabilities	**(1.8)**	(9.9)	(8.7)	(37.5)	(30.8)
Current borrowings	**(0.3)**	(94.9)	–	–	–
Other current liabilities	**(85.0)**	(96.5)	(42.6)	(39.7)	(46.9)
Total liabilities	**(1,557.6)**	(1,736.1)	(789.6)	(1,012.1)	(1,148.4)
Net assets	**3,674.3**	3,480.2	1,561.6	1,786.8	1,759.7

Per share information	Pence	Pence	Pence	Pence	Pence
Basic earnings/(loss) per share	**13.8**	45.5	(24.9)	4.1	(82.6)
Underlying earnings/(loss) per share[1]	**4.0**	3.7	2.2	0.1	(0.7)
Basic net assets per share	**200.4**	190.3	183.2	209.7	210.4
EPRA NTA per share	**200.2**	190.3	182.1	213.0	212.1
Dividend per share	**3.50**	3.15	2.50	1.50	–

1. Underlying earnings for the year ended 31 December 2024 is £73.0 million (31 December 2023: £60.4 million).

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Board and advisers

Chairman
Jonathan Nicholls

Executive Directors
Ian Hawksworth, Chief Executive
Situl Jobanputra, Chief Financial Officer

Non-executive Directors
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Ruth Anderson
Madeleine Cosgrave
Sian Westerman

Company Secretary
Ruth Pavey

General Counsel
Alison Fisher

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www.carnaby.co.uk

www.chinatown.co.uk

www.coventgarden.london

www.thisissoho.co.uk

Independent auditor
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Solicitors
Herbert Smith Freehills LLP

Financial adviser
Rothschild & Co.

Corporate brokers
Jefferies International Limited
Peel Hunt LLP
UBS AG London Branch

South Africa sponsor
Java Capital Trustees and Sponsors Proprietary Limited

Dividends

The Directors of Shaftesbury Capital PLC have proposed a final cash dividend of 1.8 pence per ordinary share (ISIN GB00B62G9D36) payable on Friday, 30 May 2025.

Dates

The following are the salient dates for the payment of the proposed 2024 final cash dividend:

Proposed 2024 final dividend announced	Thursday, 27 February 2025
Sterling/Rand exchange rate struck	Wednesday, 9 April 2025
Sterling/Rand exchange rate and dividend amount in Rand announced by 11.00 am (South African time)	Thursday, 10 April 2025
Last day to trade cum-dividend*	Tuesday, 22 April 2025
Ordinary shares listed ex-dividend on the Johannesburg Stock Exchange	Wednesday, 23 April 2025
Ordinary shares listed ex-dividend on the London Stock Exchange	Thursday, 24 April 2025
Record date for the 2024 final dividend in UK and South Africa	Friday, 25 April 2025
Deadline for submission of declaration of eligibility to receive gross PID payment to UK registrar	Friday, 25 April 2025 (COB)
Annual General Meeting	Thursday, 22 May 2025
Dividend payment date for shareholders	**Friday, 30 May 2025**

The proposed 2024 final cash dividend is subject to approval at the Company's Annual General Meeting, to be held on Thursday, 22 May 2025.

*South African shareholders should note that, in accordance with the requirements of Strate, the last day to trade cum-dividend on the Johannesburg Stock Exchange will be Tuesday, 22 April 2025. No dematerialisation or rematerialisation of shares will be possible from Wednesday, 23 April 2025 to Friday, 25 April 2025 inclusive. No transfers between the UK and South African registers may take place from close of business on Thursday, 10 April 2025 to Friday, 25 April 2025 inclusive.

The above dates are proposed and subject to change.

The proposed 2024 final cash dividend will be paid wholly as a Property Income Distribution ("PID"). There will be no non-PID (ordinary dividend) element of the final cash dividend. As such, the entire final cash dividend will be subject to a deduction of a 20 per cent UK withholding tax unless exemptions apply.

Information for shareholders

The information below is included only as a general guide to taxation for shareholders based on Shaftesbury Capital's understanding of the law and the practice currently in force. Any shareholder who is in any doubt as to their tax position should seek independent professional advice.

UK shareholders

The proposed 2024 final cash dividend will be paid wholly as a PID. Certain categories of shareholders may be eligible for exemption from the 20 per cent UK withholding tax and may register to receive their dividends on a gross basis. Further information, including the required forms, is available from the 'Investor Information' section of the Company's website (https://www.shaftesburycapital.com/en/investors/investor-information.html), or on request from the Company's UK registrar, MUFG Corporate Markets. Validly completed forms must be received by MUFG Corporate Markets no later than the dividend record date, as advised; otherwise the dividend will be paid after deduction of tax.

There will be no non-PID element of the final cash dividend.

South African shareholders

The proposed 2024 final cash dividend proposed by the Company is a foreign payment and the funds are sourced from the UK.

PID: The proposed 2024 final cash dividend will be paid wholly as a PID and a 20 per cent UK withholding tax is applicable to a PID. As such, South African shareholders may apply to HMRC after payment of the proposed 2024 final cash dividend for a refund of the difference between the 20 per cent UK withholding tax and the UK/South African double taxation treaty rate of 15 per cent.

The proposed 2024 final cash dividend will be exempt from income tax but will constitute a dividend for Dividends Tax purposes, as it will be declared in respect of a share listed on the exchange operated by the JSE. SA Dividends Tax will therefore be withheld from the proposed 2024 final cash dividend at a rate of 20 per cent, unless a shareholder qualifies for an exemption and the prescribed requirements for effecting the exemption are in place by the requisite date. Certain shareholders may also qualify for a reduction of SA Dividends Tax liability to 5 per cent (being the difference between the SA dividends tax rate and the effective UK withholding tax rate of 15 per cent) if the prescribed requirements for effecting the reduction are in place by the requisite date.

Non-PID: There will be no non-PID element of the proposed 2024 final cash dividend.

Other overseas shareholders

Other non-UK shareholders may be able to make claims for a refund of UK withholding tax deducted pursuant to the application of a relevant double taxation convention. UK withholding tax refunds can only be claimed from HMRC, the UK tax authority.

Additional information on PIDs and ordinary dividends (non-PIDs) can be found at https://www.shaftesburycapital.com/en/investors/investor-information/reit.html

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Glossary

Annualised gross income
Total annualised actual and "estimated income" from leases at a valuation date. It includes sundry non-leased income and estimated turnover related rents. No rent is attributed to leases which were subject to rent free periods at that date. It does not reflect any head rents and estimated irrecoverable outgoings at the valuation date. "Estimated income" refers to gross ERVs in respect of rent reviews outstanding at the valuation date and, where appropriate, ERV in respect of lease renewals outstanding at the valuation date where the fair value reflects terms for a renewed lease.

APM (Alternative Performance Measure)
A financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS.

BREEAM
Building Research Establishment Environmental Assessment Method is a method of assessing, rating and certifying sustainability of buildings.

Capco
Capco represents Shaftesbury Capital PLC, formerly Capital & Counties Properties PLC, (also referred to as "the Company") and all its subsidiaries and group undertakings, collectively referred to as "the Group".

Cash and undrawn committed facilities
Cash and cash equivalents, excluding tenant deposits, plus undrawn committed facilities.

Category A (Cat A)
A Category A (Cat A) office refurbishment refers to the basic fit-out of an office space, typically including essential infrastructure such as raised floors, suspended ceilings, lighting, air conditioning, and basic fire and safety systems. This level of refurbishment prepares the space for tenant occupation but does not include interior design elements, partitions, or bespoke fittings.

CDP
CDP Worldwide, a global not-for-profit sustainability disclosure system. Shaftesbury Capital participates in the CDP Climate Change Programme, which measures progress on climate change disclosure.

Contracted income
Includes rent frees and contracted rent increases.

CRREM
Carbon Risk Real Estate Monitor. The leading global standard and initiative for operational decarbonisation of real estate assets.

EBITDA
EBITDA represents underlying earnings before interest, tax, depreciation and amortisation.

Embodied Carbon
The total carbon emissions generated during the creation or refurbishment of a product. Including the extraction, manufacture, transportation, processing, assembly, replacement and deconstruction of the materials required to create or refurbish the product.

EPC
Energy Performance Certificate.

EPRA
European Public Real Estate Association, the publisher of Best Practice Recommendations intended to make financial statements of public real estate companies in Europe clearer, more transparent and comparable.

EPRA cost ratio (including direct vacancy costs)
EPRA cost ratio (including direct vacancy costs) is a proportionally consolidated measure of the ratio of net overheads and operating expenses against gross rental income (with both amounts excluding ground rents payable). Net overheads and operating expenses relate to all administrative and operating expenses, net of any service fees, recharges or other income specifically intended to cover overhead and property expenses.

EPRA cost ratio (excluding direct vacancy costs)
EPRA cost ratio (excluding direct vacancy costs) is the ratio defined above, but with direct vacancy costs removed from the net overheads and operating expenses balance.

EPRA earnings per share
Profit or loss for the year excluding valuation movements on the wholly-owned, joint venture and associate properties, fair value changes of financial instruments and listed investments, cost of early close out of debt, gain on bargain purchase, IFRS 3 merger-related transaction costs, and items that are unusual in nature and unlikely to reoccur in the foreseeable future, divided by the weighted average number of shares in issue during the year.

EPRA LTV (loan-to-value)
Ratio of net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries and joint ventures and associates, all on a proportionally consolidated basis, expressed as a percentage. The calculation includes trading properties at fair value and debt at nominal value.

EPRA NDV (net disposal value) per share
The net assets as at the end of the year including the excess of the fair value of trading property over its cost, revaluation of other non-current investments and the adjustment required to reflect fixed interest rate debt at fair value, divided by the diluted number of ordinary shares.

EPRA net initial yield
Annualised net rent (after deduction of revenue costs such as head rent, running void, service charge after shortfalls and empty rates) on investment and trading property expressed as a percentage of the gross market value before deduction of theoretical acquisition costs, all on a proportionally consolidated basis.

EPRA NTA (net tangible assets) per share
The net assets as at the end of the year including the excess of the fair value of trading property over its cost and revaluation of other non-current investments, excluding the fair value of financial instruments and deferred tax on revaluations, divided by the diluted number of ordinary shares.

EPRA NRV (net reinstatement value) per share
The net assets as at the end of the year including the excess of the fair value of trading property over its cost and excluding the fair value of financial instruments, deferred tax on revaluations plus a gross up adjustment for related costs such as Real Estate Transfer Tax, divided by the diluted number of ordinary shares.

EPRA sBPR
European Public Real Estate Association Sustainability Best Practice Recommendations for Reporting, a guidance framework for reporting environmental performance. The Group publishes details of its environmental performance in line with the EPRA sBPR.

EPRA topped-up initial yield
EPRA net initial yield adjusted for the expiration of rent free periods.

EPRA vacancy
ERV of un-let units, including those under offer, expressed as a percentage of the ERV of the wholly-owned property portfolio excluding units under development.

ERV (Estimated rental value)
The external valuers' estimate 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 the property.

ESC
Environment, Sustainability and Community.

F&B (Food & beverage)
A sector within the portfolio which includes establishments primarily engaged in the preparation and sale of food and beverages. This encompasses a diverse range of customers including restaurants, cafés, bars, pubs and other hospitality venues.

FTSE 350 Real Estate Index
London Stock Exchange index derived from real estate companies in the FTSE 100 and FTSE 250 indices.

FTSE4GOOD
FTSE4GOOD Index Series, hosted by FTSE Russell, a sustainability index in which Shaftesbury Capital participates.

FRC
Financial Reporting Council.

FRS 101
Financial Reporting Standard 101 'Reduced Disclosure Framework'.

GRESB
The Global Real Estate Sustainability Benchmark, a sustainability index. Shaftesbury Capital participates in the GRESB Real Estate Assessment.

Gross income
The Group's share of passing rent plus sundry non-leased income.

Headline earnings
Headline earnings per share is calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants ("SAICA"), a requirement of the Group's JSE listing. This measure is not a requirement of IFRS.

IFRS
United Kingdom-adopted international accounting standards.

ISO
International Organisation for Standardisation.

KPI
Key Performance Indicators.

LETI
The London Energy Transformation Initiative, a network of built environment professionals working to put London on the path to Net Zero Carbon.

Like-for-like property
Property which has been owned throughout both years without significant capital expenditure in either year, so income can be compared on a like-for-like basis. For the purposes of comparison of capital values, this will also include assets owned at the previous balance sheet date but not necessarily throughout the prior year.

LTV (loan to value)
LTV is calculated on the basis of net debt divided by the market value of the wholly-owned property portfolio.

Longmartin
The Longmartin associate was a 50 per cent investment arrangement between Shaftesbury Capital and The Mercers' Company. The Group disposed of its share in Longmartin during the year.

LSJV
The Lillie Square joint venture is a 50 per cent joint venture between the Group and Kwok Family Interests (KFI).

MSCI
Producer of an independent benchmark of property returns.

NAV
Net Asset Value.

Net debt
Total borrowings, at nominal value, less cash and cash equivalents, excluding tenant deposits.

Net initial yield
The net initial income at the valuation date expressed as a percentage of the gross valuation. Yields reflect net income after deduction of any ground rents, head rents and rent charges and estimated irrecoverable outgoings at the valuation date.

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Nominal equivalent yield
Effective annual yield to a purchaser on the gross market value, assuming rent is receivable annually in arrears, and that the property becomes fully occupied and that all rents revert to the current market level (ERV) at the next review date or lease expiry.

Occupancy rate
The ERV of let and under offer units expressed as a percentage of the ERV of let and under offer units plus ERV of un-let units, excluding units under development. This is equivalent to 100 per cent less the EPRA vacancy rate.

Passing rent
Contracted annual rents receivable at the balance sheet date. This takes no account of accounting adjustments made in respect of rent free periods or tenant lease incentives, the reclassification of certain lease payments as finance charges or any irrecoverable costs and expenses, and does not include excess turnover rent, additional rent in respect of unsettled rent reviews or sundry income.

PID (Property Income Distributions)
Distribution under the REIT regime that constitutes at least 90 per cent of the Group's taxable income profits arising from its qualifying property rental business, by way of dividend. PIDs can be subject to withholding tax at 20 per cent. If the Group distributes profits from its non-qualifying business, the distribution will be taxed as an ordinary dividend in the hands of the investors.

Private placement loan notes interest cover
Interest cover is calculated based on net rental income, less an administration adjustment of £5.0 million, divided by net finance costs.

Private placement loan notes LTV
LTV is calculated on the basis of net debt divided by the market value of wholly owned property portfolio. This measure is consistent with the LTV ratio disclosed in 'Alternative performance measures' table.

PSP
Performance Share Plan.

REIT (Real Estate Investment Trust)
A REIT is exempt from corporation tax on income and gains of its property rental business (qualifying activities) provided a number of conditions are met. It remains subject to corporation tax on non-exempt income and gains (non-qualifying activities) which would include any trading activity, interest income and development and management fee income.

RETT (Real Estate Transfer Tax)
Purchasers' cost as included within the independent valuation of investment and trading properties.

Reversionary potential
The amount by which ERV exceeds annualised gross income, measured at a valuation date.

RICS
Royal Institution of Chartered Surveyors.

SBTi
Science Based Target initiative.

S&P Global Corporate Sustainability Assessment
A sustainability index of Standard & Poor Global to which Shaftesbury Capital submits information.

Section 106
Section 106 of the Town and Country Planning Act 1990, pursuant to which the relevant planning authority can impose planning obligations on a developer to secure contributions to services, infrastructure and amenities in order to support and facilitate a proposed development.

Secured loans interest cover
Interest cover is calculated based on net rental income of the company which holds the loan divided by net finance costs associated with the secured loan.

Secured loans LTV
LTV is calculated on the basis of the secured loan balance outstanding divided by the market value of specified properties.

Shaftesbury Capital
Shaftesbury Capital represents Shaftesbury Capital PLC (also referred to as "the Company"), and all its subsidiaries and Group undertakings, collectively referred to as "the Group".

Sterling Overnight Interbank Average Rate (SONIA)
The average overnight Sterling risk-free interest rate, set in arrears, paid by banks for unsecured transactions.

TAR (Total Accounting Return)
The movement in EPRA NTA per share plus dividends per share paid during the year.

TCFD (Task Force on Climate-Related Financial Disclosure)
The TCFD developed a framework to help companies more effectively disclose climate-related risks and opportunities through existing reporting processes.

Tenant lease incentives
Any incentives offered to customers to enter into a lease. Typically incentives are in the form of an initial rent free period and/or a cash contribution to fit-out the premises. Under IFRS the value of incentives granted to customers is amortised through the consolidated income statement on a straight-line basis to the earlier of break or lease expiry.

TOMs
Themes, Outcomes and Measures system.

TPR (Total Property Return)
Capital growth including gains and losses on disposals plus rent received less associated costs, including ground rent.

TSR (Total Shareholder Return)
The movement in the price of an ordinary share plus dividends paid during the year assuming re-investment in ordinary shares.

Underlying earnings
EPRA earnings adjusted for the non-core property rental income business. The Lillie Square joint venture is not considered part of the core underlying business of the Group and therefore its results are excluded from EPRA earnings to derive underlying earnings.

Underlying earnings per share (EPS)
Underlying earnings divided by the weighted average number of shares in issue during the year.

Unsecured term & revolving loan facilities interest cover
Interest cover is calculated based on net rental income divided by net finance costs.

Unsecured term & revolving loan facilities LTV
LTV is calculated on the basis of net debt divided by the market value of wholly-owned property portfolio. This measure is consistent with the LTV ratio disclosed in 'Alternative performance measures' table.

Valuation growth/decline
The valuation movement and realised surpluses or deficits arising from the Group's investment property portfolio expressed as a percentage return on the valuation at the beginning of the period adjusted for acquisitions, disposals and capital expenditure. When measured on a like-for-like basis, the calculation excludes those properties acquired or sold during the period.

WAULT (Weighted average unexpired lease term)
The unexpired lease term to the earlier of break or lease expiry weighted by passing rent for each lease.

Whole Life Carbon
The total embodied and operational emissions that occur over the lifetime of a building, including the carbon associated with decommissioning at end of life.

Zone A
A means of analysing and comparing the rental value of retail space by dividing it in to zones parallel with the main frontage. The most valuable zone, Zone A, falls within a 6 metre depth of the shop frontage. Each successive zone is valued at half the rate of the zone in front of it. The blend is referred to as being 'ITZA' ("In Terms of Zone A").

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Greenhouse Gas emissions

Greenhouse Gas emissions methodology 2024

Shaftesbury Capital monitors and reports its greenhouse gas emissions ("GHG") and operational energy consumption in compliance with the requirements of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 and the extension of these regulations to include the Streamlined Energy and Carbon Reporting ("SECR") regulations.

Our Scope 1, 2 and 3 emissions statements cover the reporting period 1 January 2024 to 31 December 2024 and are detailed on pages 94 and 95.

The GHG emissions data is prepared by following the 'Greenhouse Gas ("GHG") Protocol: A Corporate Accounting and Reporting Standard' published by the World Resources Institute ("WRI"). We use the GHG Protocol operational control approach as this reflects where Shaftesbury Capital has the ability to influence GHG emissions. 100 per cent of emissions and energy use reported are applicable for UK only, as Shaftesbury Capital does not have any other global operations.

Scope 1 emissions, defined as direct emissions including fuel combustion in owned or controlled boilers, backup generators, fuel use for construction plant and machinery and fugitive emissions from air conditioning, are included where they are our responsibility within the managed portfolio.

Scope 2 is defined as indirect energy emissions which include purchased electricity throughout the Group's operations within landlord-controlled parts. The figures relate to landlord-controlled common parts such as lobbies, staircases or vacant units and energy use during refurbishments. Scope 2 emissions also include energy use for external and street lighting, and bin stores, where these are our responsibility within the managed portfolio. Shaftesbury Capital are responsible for all Scope 1 and Scope 2 emissions disclosed on page 95.

For Scope 2 emissions, those arising from generated electricity usage are reported in two ways. Firstly, Shaftesbury Capital calculates the 'location-based' emissions which reflect emissions according to the energy mix of the National Grid. Secondly, Shaftesbury Capital reports 'market-based' emissions which reflect the energy mix provided by our energy suppliers. This helps Shaftesbury Capital to demonstrate the reduction in emissions as a result of purchasing energy from suppliers who generate renewable energy.

In addition, we report Scope 3 emissions comprising other indirect emissions from sources not owned or controlled by Shaftesbury Capital, including customer and supply chain emissions. We report Scope 3 emissions from the following sources:

- Tenant energy consumption in our properties where the leasing arrangements put responsibility on energy operation and direct payment for supply on the tenants (excluding long-leasehold properties)
- Embodied emissions from the materials we use in our refurbishment projects
- Purchased goods and services from our suppliers
- Upstream energy use associated with our Scope 1 and 2 emissions
- Waste treatment and disposal, where waste collection is our responsibility within the managed portfolio
- Emissions from our employees commuting to work
- Emissions from business flights taken throughout the year
- Water supply and treatment, where water supply is our responsibility within the managed portfolio

Shaftesbury Capital has engaged Carbon Footprint Limited to provide independent verification of the 2024 Greenhouse Gas emissions assertion, in accordance with the industry recognised standard ISO 14064-3. The verification statement will be included in our Sustainability Data Report, which will be issued in April 2025.

The energy and carbon statements disclosed in this report, on page 95, have been calculated in accordance with the following standards:

- WRI/WBCSD (World Business Council for Sustainable Development) (2004). Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard – Revised Edition;
- WRI/WBCSD (2011). Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard;
- WRI/WBCSD (2015). Greenhouse Gas Protocol: Scope 2 Guidance for market-based reporting; and
- Department for Environment, Food & Rural Affairs and Department for Business, Energy & Industrial Strategy (2019): Environmental reporting guidelines: Including Streamlined Energy and Carbon Reporting requirements.
- European Real Estate Association (2024) Best Practice Recommendations on Sustainability Reporting (EPRA sBPR).

Emissions calculations are in line with the requirements of the Greenhouse Gas Protocol suite of documents. The method uses activity data relating to Shaftesbury Capital's operations, multiplied by relevant emissions conversion factors, sourced from Department for Energy Security and Net Zero ("DESNZ") UK Government GHG Conversion Factors for Company Reporting (2024), OneClick LCA Emission Factor Database (2024), and spend-based UK Government emission factors by SIC code (2024).

We have used accurate consumption data for reporting of the majority (96%) of Scope 1 and Scope 2 emissions. Where there have been data gaps (c. 4% of data), we have used reasonable estimations such as pro-rata extrapolation to ensure complete coverage for the reporting year.

For Scope 3 occupier emissions we have used various methods, including meter reads, billing information and energy data collected from UK energy operators for approximately 57 per cent of emissions by area, and applied industry benchmarks for the remaining 43 per cent.

For Scope 3 embodied carbon, we aim to collect accurate data for all our refurbishment projects, where feasible. This covered 53% per cent of our spend in 2024 and 17% per cent of our embodied carbon. For the remainder of our refurbishment project spend, where embodied carbon data collection was not feasible, we use UK Government spend-based conversion factors which covered 47% per cent of our spend and 83% per cent of our embodied carbon. We are committed to reducing the proportion of spend required to use benchmarks over time.

Shareholder information

Electronic communication

As part of our commitment to sustainability, Shaftesbury Capital has adopted electronic communications. This means that shareholders will receive documents from the Company electronically unless they elect to receive hard copies.

All of Shaftesbury Capital's annual and interim results will be published on the Company's website www.shaftesburycapital.com. If you are a shareholder who receives hard copies of documents and you wish to elect to receive electronic communications, please contact the appropriate Registrar. Shareholders may revoke an election to receive electronic communications at any time.

Registrars

All enquiries concerning shares or shareholdings, including notification of change of address, queries regarding loss of a share certificate and dividend payments should be addressed to:

For shareholders registered in the UK:
MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom

Telephone: +44 (0) 371 664 0300

Calls are charged at the standard geographic rate and vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open 9.00 am to 5.30 pm, Monday to Friday, excluding public holidays in England and Wales.

Email: shareholderenquiries@cm.mpms.mufg.com

Website: eu.mpms.mufg.com

For shareholders registered in South Africa:
Computershare Investor Services Proprietary Limited, Rosebank Towers, 1st Floor, 15 Biermann Avenue, Rosebank, 2196, South Africa

Postal address: Private Bag X9000, Saxonwold 2132, South Africa

Telephone: +27 (0) 11 370 5000 or 086 1100 933 (lines are open 8.00 am to 4.30 pm, Monday to Friday, excluding public holidays in South Africa)

Email: web.queries@computershare.co.za
Website: www.computershare.com/za

Web-based enquiry service for UK shareholders

Shareholders registered in the United Kingdom can register at www.signalshares.com to access a range of online services including:

- Updating address details or registering a mandate to have dividends paid directly to their bank account
- Online proxy voting
- Electing to receive shareholder communications electronically
- Viewing holding balance, indicative share price and valuation
- Viewing transactions on the holding including any dividend payments received
- Accessing a wide range of shareholder information, including downloadable forms

To register to use this service, shareholders will need their investor code, which can be found on the share certificate(s).

Share price information

The latest information on the Shaftesbury Capital PLC share price is available on the Company's website www.shaftesburycapital.com.

The shares are traded on the London Stock Exchange with LSE code SHC, SEDOL B62G9D3, ISIN GB00B62G9D36. The shares are traded on the Johannesburg Stock Exchange under the abbreviated name SHBCAP and JSE code SHC.

Share dealing services

Many banks, building societies and investment managers offer share dealing services. Additionally, UK shareholders may trade their shares using the online and telephone dealing service that MUFG Corporate Markets provide. To use this service, shareholders should contact MUFG Corporate Markets: infosharedeal@cm.mpms.mufg.com or telephone +44 (0) 371 664 0445. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. (Lines are open 8.00 am to 5.30 pm, Monday to Friday, excluding public holidays in England and Wales). Alternatively, shareholders can log on to https://sharedeal.linkgroup.eu. This service is only available to private individuals resident in the United Kingdom, the European Economic Area, the Channel Islands and the Isle of Man who hold shares in a company for which MUFG Corporate Markets provides share registration services, or a nominee programme administered by MUFG Corporate Markets Trustees (UK) Limited.

ShareGift

ShareGift is a charity share donation scheme for UK-based shareholders who may wish to dispose of a small quantity of shares where the market value makes it uneconomical to sell on a commission basis. Further information can be found on its website www.sharegift.org, by telephoning 020 7930 3737 or by emailing help@sharegift.org.

Strate Charity Shares ("SCS")

SCS is an independent non-profit and registered charity share donation scheme for shareholders in South Africa who may wish to dispose of small holdings of shares that are too costly to sell via a stockbroker on a commission basis. Further information can be found at www.strate.co.za, by emailing charityshares@computershare.co.za or by telephoning 0800 202 363 (freephone) or +27 (0) 11 870 8207.

Share fraud warnings

Shareholders are advised to be wary of any unsolicited calls, mail or emails that offer free advice, the opportunity to buy shares at a discount or to provide free company or research reports. Such approaches are often investment scams and you will probably lose your money. Information on how to protect yourself from investment scams can be found at www.fca.org.uk/scams or by calling the FCA's consumer helpline on 0800 111 6768 (freephone).

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This Report contains "forward-looking statements" regarding the belief or current expectations of Shaftesbury Capital PLC, its Directors and other members of its senior management about Shaftesbury Capital PLC's businesses, financial performance and results of operations. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Shaftesbury Capital PLC and are difficult to predict, that may cause actual results, performance or developments to differ materially from any future results, performance or developments expressed or implied by the forward-looking statements.

These forward-looking statements speak only as at the date of this Report. Except as required by applicable law, Shaftesbury Capital PLC makes no representation or warranty in relation to them and expressly disclaims any obligation to update or revise any forward-looking statements contained herein to reflect any change in Shaftesbury Capital PLC's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The information contained in this Report does not purport to be comprehensive and has not been independently verified. Any information contained in this Report on the price at which shares or other securities in Shaftesbury Capital PLC have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance. No statement in this Report is intended to be a profit forecast and no statement in this Report should be interpreted to mean that earnings per share of Shaftesbury Capital PLC for the current or future financial years would necessarily match or exceed the historical published earnings per share of Shaftesbury Capital PLC. Certain industry and market data contained in this Report has come from third party sources. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of accuracy or completeness of such data.

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