

PRESS RELEASE



SHAFTESBURY CAPITAL PLC ("THE COMPANY") INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

31 July 2024

Ian Hawksworth, Chief Executive, commented:

"We are very pleased with performance across the business. Having set clear priorities, we are delivering on strategy. Conditions across the West End's occupational and investment markets continue to improve. Our strong leasing activity at rents on average 7 per cent ahead of December 2023 ERV is delivering rental growth and increased valuations. With a strong balance sheet, we are well-positioned to generate rental growth and take advantage of market opportunities."

Highlights

- EPRA NTA of 193.4 pence per share, up 1.6 per cent (Dec 2023: 190.3 pence per share)
- Wholly-owned portfolio valuation increased by 1.4 per cent on a like-for-like basis at £4.8 billion (Dec 2023: £4.8 billion) driven by ERV growth
- Strong leasing demand across all uses, 217 leasing transactions, representing £28.1 million of contracted rent, 7 per cent ahead of December 2023 ERV and 16 per cent ahead of previous passing rents
- 3.2 per cent like-for-like increase in ERV to £241.0 million (Dec 23: £236.9 million) and annualised gross income up 3.9 per cent like-for-like to £196.5 million (Dec 23: £192.8 million)
- High occupancy: 2.7 per cent of ERV available to let (Dec 2023: 2.1 per cent). High levels of footfall, customer sales growth and increasing levels of international tourism across our exceptional West End estates
- £216 million of disposals completed since merger at an overall premium to valuation, with £86 million reinvested in acquisitions improving the quality of our portfolio; well-positioned to take advantage of further market opportunities
- Underlying earnings up to 1.9 pence per share (H2 2023: 1.8 pence) and an interim dividend of 1.7 pence per share (H2 2023: 1.65 pence)
- Strong balance sheet with access to £579 million of liquidity, net debt of £1.5 billion (Dec 2023: £1.5 billion) and EPRA loan-to-value ratio of 30 per cent (Dec 2023: 31 per cent)

KEY FINANCIALS

	30 June 2024	31 December 2023
Total equity ¹	£3,537.4m	£3,480.2m
Total equity per share ¹	193.4p	190.3p
Total accounting return	2.5%	5.8%
EPRA net tangible assets ¹	£3,538.2m	£3,479.4m
EPRA net tangible assets per share ¹	193.4p	190.3p
Total property return	2.8%	2.2%
Property market value ²	£4,831.1m	£4,795.3m

	Six months ended 30 June 2024	Six months ended 30 June 2023
Gross profit	£80.7m	£58.3m
Profit for the period ³	£86.1m	£799.1m
Basic earnings per share ¹	4.7p	54.2p
Headline earnings per share ¹	1.8p	0.8p
EPRA earnings per share ¹	1.6p	0.7p
Underlying earnings per share ¹	1.9p	1.9p
Interim dividend per share ⁴	1.7p	1.5p
Total shareholder return	2.0%	9.6%

1. Refer to note 2 'Performance Measures' on page 30.

2. Refer to note 10 'Property Portfolio' on page 34.

3. Refer to the 'Consolidated Statement of Comprehensive Income' on page 23.

4. Refer to note 8 'Dividends' on page 34.

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 information included within the interim results of Shaftesbury Capital for the condensed statement of comprehensive income for the prior period reflects the standalone performance of Capco for the period 1 January 2023 to 6 March 2023 and the performance of the merged business, Shaftesbury Capital, between the completion date of 6 March 2023 and 30 June 2023.

Refer to Glossary of terms on pages 51 to 54.

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A presentation to analysts and investors will take place today at 8:30am (UK time) at the offices of UBS, 5 Broadgate, London, EC2M 2QS. The presentation will also be available to analysts and investors through a live audio call and webcast and after the event on the Group's website at www.shaftesburycapital.com

A copy of this announcement is available for download from our website at www.shaftesburycapital.com

About Shaftesbury Capital

Shaftesbury Capital PLC ("Shaftesbury Capital") is the leading central London mixed-use REIT and is a constituent of the FTSE-250 Index. Our property portfolio, valued at £4.8 billion, 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 apartments 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. Shaftesbury Capital shares are listed on the London Stock Exchange ("LSE") (primary) and the Johannesburg Stock Exchange ("JSE") (secondary) and the A2X (secondary).

Our purpose

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

Our values

We have a set of values that are fundamental to our behaviour, decision making and the delivery both of our purpose and strategy: Act with integrity; Take a creative approach; Listen and collaborate; Take a responsible, Long-term view; and Make a difference.

OPERATING AND PORTFOLIO REVIEW

Strong performance

We are very pleased with performance across the business. Having set clear priorities, we are delivering on strategy. There is continued pace and performance with leasing activity well ahead of ERV, delivering growth in ERV and rental income and increased valuations. With high footfall across the West End, the Elizabeth line is enhancing transport connectivity for visitors, shoppers, workers and tourists alike. We are utilising our data and insight on consumer trends to support the evolution of our portfolio.

We have made significant progress delivering cost efficiencies and the merger benefits are continuing to come through. We are converting the reversionary potential of the portfolio into contracted income. Further income growth from leasing activity and efficiencies are expected to be achieved in the year ahead.

We have completed the sale of selected properties, reinvested in target acquisitions improving the quality of our portfolio and successfully completed a new unsecured loan facility, extending our debt maturity profile. Against an improving market backdrop, Shaftesbury Capital is very-well positioned to take advantage of market opportunities. We are confident in delivering our medium-term targets.

Improving market conditions

The investment market in which we operate has been active for some time demonstrating demand for high quality prime central London real estate. Transactional evidence is now being reflected in more stable valuation yields and rental growth is delivering improved valuations and income.

The occupational market in the core West End is strong and has been improving for some time. We have had leasing success across our portfolio and are delighted that our initiatives are translating into rental performance. Through our active approach to leasing, there has been continued ERV growth over the past 18 months with ongoing positive momentum. 217 leasing transactions completed during the period, 7 per cent ahead of December 2023 ERV. The increased scale and depth provide opportunities for customers to expand and move around the portfolio. To date over 20 customers have upsized or taken additional units across the portfolio. Our rents and valuation are well underpinned by strong leasing demand and are set for further growth.

Executing our strategy across the portfolio

The growth potential of our portfolio is compelling. Our investment priority is currently focused on three core locations, Covent Garden, Carnaby | Soho and Chinatown. Against an improving market backdrop, we are looking at opportunities to expand, adding to our growth prospects.

As we implement our strategy to unify the Covent Garden district, we are seeing the benefit of incorporating Seven Dials and Opera Quarter as part of one destination through leasing, asset management and marketing activity. Our customers and consumers are responding positively with demand for available shops and restaurants. We have been able to make changes in Seven Dials at pace, which is re-enforcing consumer interest in the wider Covent Garden area and delivering leasing performance.

Building on the strong brand line-up, we are beginning to evolve the offer on Carnaby Street paying close attention to brand selection and categories that provide higher productivity, whilst taking inspiration from the area's rich history and demand for surrounding Soho streets. Based on analysis of consumer data and our experience elsewhere, the average spend and dwell time has the potential to be significantly higher which should be supportive of rental growth over time. This will be achieved through targeted leasing activity, introducing differentiated concepts, relevant to the consumer and we have made good early progress with a number of recent signings. In Chinatown, through an active approach, we are introducing more variety and choice to the area increasing the pan-Asian offering at a range of price points, which is delivering rental growth.

Confidence in medium and long-term growth

Our clear strategy is delivering rental income and valuation growth. Footfall is high, with customer sales growth and there is limited vacancy across the portfolio. There are excellent levels of activity, a good leasing pipeline and a number of customers upsizing across the portfolio. We expect continued performance in rents and valuation which are well underpinned and are positioned for further growth.

As long-term responsible owners, we are committed to implementing our Environmental, Sustainability and Community strategy, including achieving Net Zero Carbon by 2030. We are focused on delivering our priorities, progressing further towards an effective and efficient organisational structure, growing rents and dividends. Shaftesbury Capital has a strong balance sheet and significant liquidity to take advantage of market opportunities. Our performance re-affirms confidence in our medium-term targets of 5 to 7 per cent rental growth and Total Accounting Return of 8 to 10 per cent (assuming stable cap rates). With our ambitious team, Shaftesbury Capital is positioned to drive total returns as the leading central London mixed-use REIT.

Investing and upgrading our portfolio

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. 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.

To date, proceeds of £216 million have been realised at a premium to valuation. ERV and contracted rent of disposals post-merger were both £13 million. £128 million of asset sales completed during the first half, including substantially all of the Fitzrovia portfolio. These proceeds have been reinvested in target assets and used to repay borrowings. In March 2024, we completed the acquisition of the freehold interests in 25-31 James Street, Covent Garden for £75 million (before costs). The properties have 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. In addition, we have acquired two assets on Broadwick Street and Marshall Street for £8 million (before costs). We have exchanged contracts on the sale of £15 million of properties which are expected to complete later this year.

Improving portfolio valuation

The valuation of the wholly-owned property portfolio increased by 1.4 per cent on a like-for-like basis to £4.8 billion, equivalent to approximately £1,764 per square foot on average (Dec 2023: £1,680 per square foot), which compares favourably with historic valuation levels which is well in excess of £2,000 per square foot.

The valuation gain has been driven by leasing and asset management activity. Leasing activity was on average 7 per cent ahead of ERV, resulting in an overall increase in portfolio ERV by 3.2 per cent (like-for-like) to £241 million. The equivalent yield was 4.41 per cent, reflecting a marginal outward movement of 7 basis points, whilst the portfolio net initial yield is 3.6 per cent. The equivalent yield for the commercial portfolio (excluding residential) is 4.6 per cent. Following a prolonged period of high inflation and rising interest rates, prime West End property yields are stabilising as market sentiment improves. Total property return for the period was 2.8 per cent compared with the MSCI Total Return Index which recorded 2.3 per cent.

Demand for West End real estate, which predominantly comprises freehold properties and often smaller lot-sizes is strong. 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 as demonstrated through the recent investment activity.

Retail ERVs are currently 15 per cent below pre-pandemic levels, whilst hospitality and leisure ERVs are now in line with pre-pandemic levels. Overall portfolio ERV value is 2 per cent lower than 2019 levels on a like-for-like basis.

Wholly owned portfolio valuation by use

30 June 2024	Retail	Hospitality and leisure	Offices	Residential	Wholly owned portfolio
Valuation (£m) ¹	1,675.5	1,629.6	854.8	669.3	4,829.2
Annualised gross income (£m)	69.6	73.5	30.0	23.4	196.5
ERV (£m)	82.5	82.7	50.3	25.5	241.0
ERV psf (£)	115	87	78	59	88
Net initial yield	3.8%	4.1%	2.9%	2.8%	3.6%
Topped up net initial yield	4.1%	4.2%	3.4%	N/A	3.9%
Equivalent yield	4.5%	4.7%	4.9%	3.1%	4.4%
L-f-L valuation movement	+1.2%	+2.4%	+1.7%	-1.0%	+1.4%
L-f-L ERV movement	+2.8%	+3.7%	+4.8%	-0.2%	+3.2%
L-f-L annualised gross income growth	+3.8%	+4.1%	+5.6%	+1.3%	+3.9%
WAULT (years)	3.3	8.2	2.9	1.2	4.7
Area (sq ft m) ²	0.7	1.0	0.6	0.4	2.7
Unit count ²	417	399	409	683	1,908

1. Excludes £1.9 million of Group properties primarily held in Lillie Square Holdings (a wholly owned subsidiary).

2. Excluding long-leasehold residential interests.

Wholly owned portfolio valuation by location

30 June 2024	Covent Garden	Carnaby Soho	Chinatown	Fitzrovia	Wholly owned portfolio
Valuation (£m) ¹	2,574.9	1,523.7	702.1	28.5	4,829.2
Annualised gross income (£m)	102.1	61.0	31.9	1.5	196.5
ERV (£m)	127.4	78.4	33.7	1.5	241.0
ERV psf (£)	91	88	80	62	88
Net initial yield	3.5%	3.4%	4.0%	4.3%	3.6%
Topped up net initial yield	3.8%	3.8%	4.0%	4.3%	3.9%
Equivalent yield	4.4%	4.5%	4.3%	4.1%	4.4%
L-f-L valuation movement	+0.9%	+2.0%	+1.7%	-0.1%	+1.4%
L-f-L ERV movement	+4.0%	+2.5%	+2.1%	-	+3.2%
L-f-L annualised gross income growth	+4.4%	+3.9%	+2.4%	+0.5%	+3.9%
WAULT (years)	4.9	4.1	5.5	3.9	4.7
Area (sq ft m) ²	1.4	0.9	0.4	-	2.7
Unit count ²	864	665	350	29	1,908

1. Excludes £1.9 million of Group properties primarily held in Lillie Square Holdings (a wholly owned subsidiary).

2. Excluding long-leasehold residential interests.

Independent valuations of the wholly-owned portfolio undertaken by CBRE and Cushman & Wakefield represent the aggregated value of predominantly freehold properties. There is no reflection of any premium which some potential investors may ascribe to the comprehensive ownership of retail, hospitality and leisure properties in adjacent, or adjoining, locations in London's West End where there is a long record of demand exceeding availability of space and limited new supply. In certain market environments, this may lead prospective purchasers to regard parts of the portfolio, for example by street, to have a greater or lower value than the aggregate of the individual property values. Such parties may consider a combination of some, or all, parts of the portfolio to command a premium or discount to the valuation, which has been prepared in accordance with Royal Institution of Chartered Surveyors guidelines.

Our interests comprise a combination of properties which are wholly-owned and a 50 per cent share of property held in the Longmartin associate investment and the Lillie Square joint venture. The consolidated financial statements, prepared under IFRS, include the Group's interest in the associates and joint ventures as one-line items in the Income Statement and Balance Sheet. Investments in associates and joint ventures account for an additional £229 million of property interests (our 50 per cent share).

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, hospitality and leisure space together with 0.6 million square feet of offices and approximately 700 residential apartments.

Operational performance across the portfolio has been strong with rental growth and low vacancy underpinned by sustained demand. 26 new brands and concepts were introduced during the period, reflecting the enduring appeal of our West End portfolio.

During the period 217 leasing transactions (representing approximately 10 per cent of total portfolio leases) were concluded with a combined rental value of £28.1 million, comprising:

- 99 commercial lettings and renewals: £23.8 million, 8.1 per cent ahead of 31 December 2023 ERV and 18.3 per cent ahead of previous passing rents; and
- 118 residential lettings: £4.3 million, 3.9 per cent ahead of 31 December 2023 ERV and 7.3 per cent ahead of previous passing rents.

In addition, 38 commercial rent reviews with a rental value of £10.6 million were concluded on average 5.3 per cent ahead of previous passing rents.

Leasing transactions by use concluded during the period

Use	Transactions	New contracted rent (£m)	% above Dec-2023 ERV	% above previous passing rent
Retail	40	9.3	5.4	17.7
Hospitality & leisure	20	4.0	8.6	20.2
Offices	39	10.5	10.3	17.6
Residential	118	4.3	3.9	7.3
Total	217	28.1	7.4	15.8

Leasing transactions by destination concluded during the period

Use	Transactions	New contracted rent (£m)	% above Dec-2023 ERV	% above previous passing rent
Covent Garden	103	15.2	3.6	17.5
Carnaby Soho	80	11.3	12.6	12.9
Chinatown	30	1.4	10.0	16.8
Fitzrovia	4	0.2	7.4	4.4
Total	217	28.1	7.4	15.8

Retail (34 per cent of the portfolio by value)

The portfolio includes 417 shops with an average ERV of £115 per square foot. We cater for a variety of retailers and provide flexibility for expansion within our portfolio. There is demand from British, independent and global brands ranging from start-ups to established retailers seeking global flagships, which are attracted by the seven-days-a-week footfall and trading environment.

The occupational and investment market continues to demonstrate polarisation of demand to the strongest locations, as retailers become ever more discerning on a growing number of criteria. There is greater emphasis on global locations, consumer experience and service together with better digital engagement. Retail demand is strong, with units attracting interest from multiple customers. Our portfolio remains a preferred destination for market entry and retail expansion. Trading conditions are positive with excellent performance in certain categories such as performance wear, premium concepts and health and wellness.

Our broad range of unit sizes and rental tones, provide scope for customers to grow within our portfolio. Amongst the benefits of scale is our ability to provide additional space for our customers as they expand. Over 20 customers have upsized or taken additional units across the portfolio.

There is positive leasing momentum in the expanded Covent Garden portfolio. During the period, we signed two flagship retailers, in prominent locations overlooking the Piazza with healthy competition for these spaces. Luxury makeup and skincare concept Charlotte Tilbury is upsizing 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 and the Piazza in the space previously occupied by NatWest bank.

Reflecting its unique identity, Seven Dials has attracted significant interest and excellent progress has been made evolving the customer offer as part of our strategy to unify the Covent Garden district. The combination of the Covent Garden Piazza with Seven Dials, Coliseum and the Opera Quarter, when managed as one area, is a compelling proposition for our customers and consumers. There has been a series of key additions to the neighbourhood, with 37 new brands introduced since merger, 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. The neighbourhood is already home to an unrivalled selection of high-performance brands, with outdoor brand Peak Performance, opening its first UK store on Long Acre following the upsizing of its sister brand Arc'teryx, to a flagship on King Street. Swedish footwear brand, Axel Arigato has opened its store overlooking the dial itself, marking its second Shaftesbury Capital location. 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 improving their trading prospects. British wellness brand Elemis opened its debut London store on Monmouth Street joining recent signings Odd Muse, Lakrids by Bulow and Missoma.

Building on the brand line-up, we are beginning to evolve the retail offer on Carnaby Street paying particular attention to brand selection and categories that provide higher productivity, whilst taking inspiration from the area's rich history and demand for its surrounding Soho streets. 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.

There have been a number of introductions across Soho including outdoor sportswear brand Salomon which will open its first UK store on Broadwick Street focused on footwear and curated apparel collections, Wolf & Badger and Malin + Goetz as well as the relocation and upsized store for Carhartt WIP on Brewer Street. Eyewear brand, Jimmy Fairly will join Mango Teen in Soho on Foubert's Place.

Reflecting the ongoing retail demand across our portfolio, we completed 40 retail lettings and renewals with a rental value of £9.3 million. Rents, on average, were 5.4 per cent above December 2023 ERV and 17.7 per cent ahead of previous passing rents. Rent reviews with a rental value of £3.1 million were concluded, 4.7 per cent ahead of previous passing rents.

Hospitality and leisure (34 per cent of the portfolio by value)

Our hospitality and leisure portfolio extends to 399 units and offers a diverse range of food concepts, from accessible casual to premium dining. Customers across the portfolio continue to report sales growth. There is competition for hospitality accommodation, with 0.8 per cent of ERV available to let at 30 June 2024.

During the period, our West End portfolio welcomed 10 new hospitality 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.

4 new concepts have been introduced to Covent Garden including Greek boutique hotel, ERGON House which is set to open in a newly refurbished heritage building, anchoring King Street next year. 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 signed in the Market Building, while Aguamiel, London's first "churreria", offering traditional Mexican desserts opened on Wellington Street.

Donutelier, the boutique bakery specialising in doughnuts and pastries, is set to join Carnaby Street later this year at the gateway to Kingly Court, providing the opportunity for al fresco on Carnaby Street and reinforces Soho's position as a fantastic mixed-use destination. Various units within Kingly Court are attracting interest from multiple customers, as we target some larger format destinational concepts. Goldies, a new hospitality concept, has chosen Kingly Court to launch its debut restaurant. Goldies comes from the experienced restaurateurs behind Soho bistro Blanchette, with Kingly Court providing a growth opportunity in a prime West End location. Kingly Street has recently bolstered its evening offer, with the openings of The Counter and The Little Violet Door joining hospitality concept Two Floors which has expanded its presence following refurbishment.

Chinatown is a highly sought-after location in the heart of the West End's entertainment district. Interest in Chinatown, especially from new international entrants with UK operating partners is healthy and demand from existing customers is active. The continually evolving line-up welcomed Pan-Asian restaurant concept, SanHao which will be debuting a new restaurant, offering hand-pulled noodles and soups.

20 hospitality and leisure leasing transactions completed with a rental value of £4.0 million, 8.6 per cent ahead of December 2023 ERV and 20.2 per cent ahead of previous passing rents. Rent reviews totalled £6.1 million, 5.9 per cent above previous passing rents.

Office (18 per cent of the portfolio by value)

Positive leasing momentum for prime office space continues, specifically for high quality, well fitted, design led product, supported by good building and estate amenity. With the wide range of office suites on offer, we cater to a broad range of customer needs and provide opportunity for expansion.

The office market continues to bifurcate between the best and the rest. We have seen strong 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 their high amenity value and excellent environmental credentials. Rents in excess of £100 per square foot are firmly established across our prime West End portfolio. This includes 68-72 Broadwick and The Floral which have an average floor plate of 10,000 square feet. The Floral, is now fully pre-leased in CAT A condition, ahead of completion to two occupiers in the financial sector.

During the period, 39 office leasing transactions with a rental value of £10.5 million across 108,000 square feet, were concluded 10.3 per cent ahead of December 2023 ERV. Rent reviews with rental value of £1.4 million completed, 5.3 per cent ahead of previous passing rents. £5.7 million of office space under refurbishment is now pre-let or under offer.

Residential (14 per cent of the portfolio by value)

The residential portfolio is performing well, with continued leasing activity and high renewal rates across the portfolio of 683 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 the first half of 2024, demand has strengthened with competitive bidding, minimal voids and short leasing windows observed with autumn typically the peak leasing period.

During the period, 118 residential lettings and renewals with a rental value of £4.3 million completed 3.9 per cent ahead of December 2023 ERV and 7.3 per cent ahead of previous passing rents.

Active consumer engagement through brand partnerships and activations

Unique consumer experiences are offered across our predominantly pedestrianised destinations. We work closely with our customers to enhance operating metrics such as footfall, conversion and spend which in turn support rental growth prospects.

We continue to see significant growth across our social media channels. During the period, the level of engagement and number of followers increased by 12 per cent in aggregate across all destinations. We now have direct engagement with over 1.2 million consumers across all channels with portfolio-wide digital collaborations.

Important marketing initiatives across the portfolio include:

- Launch of a new lighting scheme for Covent Garden's Market Building, created in partnership with Paul Smith
- Chinese New Year – sponsored the celebrations with campaigns across Chinatown and Covent Garden
- Easter campaigns and promotions across the portfolio
- Portfolio-wide activity celebrating London Marathon ahead of a Summer of Sport campaigns
- Pride celebrations across the portfolio including a month-long lighting and floral installation in the Market Building
- American Express spend incentive campaign across Covent Garden and Carnaby | Soho, driving spend, brand loyalty and data insights
- A Summer of Sport is celebrated across the portfolio including Formula 1 and E installations and screenings of Wimbledon and the Olympics on the Piazza
- A shopping event in partnership with Sheerluxe across Covent Garden and Seven Dials celebrating new openings across the district

Annualised gross income and ERV

At 30 June 2024, annualised gross income had increased by 3.9 per cent (like-for-like) to £196.5 million. ERV was £241.0 million, up 3.2 per cent over the period (like-for-like).

Our active approach is informed by a broad base of experience and deep knowledge of the West End. This enables the company 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 30 June 2024, the portfolio's reversion was £44.5 million, with the opportunity to grow annualised gross income by 23 per cent before taking into account any further ERV growth. The components of this reversion are set out below:

Components of the reversion

	30 June 2024 £m	31 December 2023 £m
Annualised gross income	196.5	192.8
Contracted	14.3	17.3
Under offer	4.1	6.2
Available-to-let	5.9	4.7
Under refurbishment	18.9	13.9
Net under-rented	1.3	2.0
ERV	241.0	236.9

High occupancy

At 30 June 2024, EPRA vacancy (including units under offer) was 4.5 per cent of portfolio ERV (2023: 4.9 per cent); 1.8 per cent was under offer and 2.7 per cent was available-to-let.

Under offer

Use	% of portfolio		Area ('000 sq. ft.)
	ERV	ERV (£m)	
Retail	0.6	1.5	11
Hospitality & leisure	0.8	1.8	23
Offices	0.3	0.7	9
Residential	0.1	0.1	2
Total	1.8	4.1	45

Available-to-let space

Use	% of portfolio		Area ('000 sq. ft.)
	ERV	ERV (£m)	
Retail	0.6	1.3	19
Hospitality & leisure	0.8	1.9	46
Offices	0.9	1.9	26
Residential	0.4	0.8	12
Total¹	2.7	5.9	103

1. Includes 17 units let on a temporary basis (ERV: £1.3 million) (31 December 2023: £0.7 million).

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 £18.9 million across 194,000 million square feet, representing 7.8 per cent of portfolio ERV (2023: 5.8 per cent). Refurbishments will be delivered over the next 12-18 months with approximately 50 per cent already pre let or under offer.

During the period, £19.5 million of capital expenditure has been incurred, and capital commitments amount to £17.0 million as at 30 June 2024. This is in line with our guidance of approximately one 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		Area ('000 sq. ft.)
	ERV	ERV (£m)	
Retail	1.8	4.3	31
Hospitality & leisure	1.2	3.0	35
Offices	4.4	10.6	110
Residential	0.4	1.0	18
Total	7.8	18.9	194

Joint ventures and associates

We own 50 per cent of Longmartin and Lillie Square and in the summaries that follow, all figures represent our 50 per cent share.

Longmartin

At 30 June 2024, Longmartin's long leasehold property was valued at £164.0 million (Dec 2023: £158.7 million). After allowing for capital expenditure, the valuation increase for the period was 2.6 per cent. Like-for-like, ERVs increased by 6.7 per cent. At 30 June 2024, the equivalent yield was 4.97 per cent, an increase of 11 basis points over the period (31 December 2023: 4.86 per cent).

Pursuant to the terms of the Longmartin investment (forming 3 per cent of the Group's property portfolio), the merger triggered the right for The Mercers' Company (the "Mercers") 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 Mercers have elected to consider acquiring the Company's shares in the Longmartin investment and discussions remain ongoing. There is no certainty that a transaction relating to the Company's investment in Longmartin will be agreed.

Lillie Square

Shaftesbury Capital owns 50 per cent of the Lillie Square joint venture, a residential estate and remaining development phases located in West London. The property valuation as at 30 June 2024 was £65.1 million, 0.6 per cent lower (like-for-like) than the 31 December 2023 valuation of £65.3 million. In addition, Shaftesbury Capital owns £1.8 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 contracted rents of £3.8 million. The joint venture is in a cash position of £8.5 million (£4.3 million Shaftesbury Capital share). During the period £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 a wide range of stakeholders. As a long-term, responsible investor, sustainability is an important aspect of delivering our strategy as we continue to future proof our West End heritage properties to enhance energy performance and meet the evolving needs of our customers. We are committed to becoming Net Zero Carbon by 2030, recognising our heritage buildings represent substantial long-term carbon stores.

During the period, we published our first EPRA Sustainability Data Report including the first year of combined data as Shaftesbury Capital. Our 2030 Net Zero Carbon commitment, is currently being updated and will be published later this year. As part of this process, we will revalidate targets through the Science Based Targets initiative (SBTi).

We are targeting an EPC rating of A-C for 85 per cent of the portfolio (by ERV) by the end of this year and continue to progress against the target, focusing efforts on low-carbon retrofit and refurbishment, at modest financial outlay which improves energy efficiency. 84 per cent of properties now have an EPC rating of A-C, up 4 percentage points during the period. Furthermore, 65 per cent of commercial EPCs are A or B, which is up 9 percentage points in the period. We target a minimum rating of B on all new commercial refurbishment projects.

A Carbon Risk Real Estate Monitor ("CRREM") aligned energy efficiency analysis has been completed on 39 of our larger assets; initial findings suggest that we can achieve significant efficiency improvements through enhanced operation of our properties and highlights the positive impact that electrification can have on carbon emissions. To further improve our understanding of building performance, we are continuing to roll out smart meters, with approximately 40 per cent landlord meters now installed. We are committed to transparent reporting through recognised indices with updated results to be published in the second half.

Active community engagement

We are committed to engaging with stakeholders across the West End. During the period, we embarked on a review of how we engage with the broader community to better support the vibrant communities that make our places thrive. We engage with local authorities and residents to make public realm enhancements to improve both air quality and the experience of our destinations. These include pedestrianisation, streetscape improvements, providing outdoor seating and schemes to reduce traffic congestion and pollution.

We continue to support community-led initiatives which work with local people in Camden and Westminster providing support for, and engagement with, local charities to address needs in our local communities. This 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.

In addition to our ongoing support to community-led initiatives, we have an established grants fund that offers local charities and groups the opportunity to apply for funding 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, British Beauty Council and London & Partners.

FINANCIAL REVIEW

Financial highlights

There has been strong performance and progress in the first half of 2024, characterised by positive momentum across our portfolio, with strong leasing demand across all uses resulting in rental income growth and an increased property valuation. Consistently high footfall across the West End, together with the Elizabeth line enhancing transport connectivity for visitors, shoppers, workers and tourists, are contributing to sales growth for our retail and hospitality customers. Against an improving market backdrop, the resilient performance over the period demonstrates the exceptional qualities of our portfolio, which has generated growth in annualised income, ERV and the property valuation.

Underlying earnings for the period were £34.2 million, equivalent to 1.9 pence per share, driven primarily by higher net rental income on a like-for-like basis. The Directors have declared an interim cash dividend in respect of the period of 1.7 pence per share (H1 2023: 1.5 pence; H2 2023 1.65 pence).

The wholly-owned portfolio has been independently valued at £4,831.1 million, reflecting 1.4 per cent like-for-like growth. ERV increased by 3.2 per cent (like-for-like) to £241.0 million and annualised gross income was up 3.9 per cent like-for-like to £196.5 million. The equivalent yield was 4.4 per cent, reflecting an outward movement of 7 basis points.

The sale of selected properties was completed in the period for total proceeds of £127.8 million with an additional £15.4 million having exchanged and due to complete shortly. Since the merger, total disposals of £215.9 million have completed at an overall premium to valuation (before costs). £86.4 million, before transaction costs, has been reinvested into strategic acquisitions across the portfolio.

Overall EPRA NTA (net tangible assets) per share increased by 1.6 per cent from 190.3 pence at 31 December 2023 to 193.4 pence. Combined with the 1.65 pence per share dividend paid to shareholders during the period, the total accounting return for the period is 2.5 per cent. Total shareholder return for the period was 2.0 per cent, reflecting dividends paid and the increase in the share price from 138.1 pence to 139.2 pence per share. Total property return was 2.8 per cent, outperforming the MSCI total return index by 0.5 percentage points.

We have made significant progress delivering cost savings and the merger benefits are continuing to come through. Further income growth from leasing activity and operational efficiencies are 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 37.8 per cent for the first half of 2024, having been over 50 per cent on a pro forma basis for the merger.

The Group has a strong balance sheet. The EPRA loan to value ratio at 30 June 2024 was 30.2 per cent. There is significant headroom against debt covenants and access to liquidity, comprising cash and undrawn facilities, currently £578.8 million which reduces to £483.8 million following the repayment of £95 million of debt maturing in the second half of 2024 (31 December 2023: £485.7 million).

During the period we successfully completed a new five-year £75 million unsecured loan facility, extending the debt maturity profile. 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. Net debt of £1.5 billion is in line with the position as at 31 December 2023. 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.

As set out in the November 2023 investor event, we are targeting average annual rental growth of 5-7 per cent and, (assuming stable cap rates), total property returns of 7-9 per cent and total accounting returns of 8-10 per cent over the medium-term. Our performance reaffirms our confidence in our portfolio. We are focused on delivering our priorities, sustainable rental growth, growing cash rents, progressing further towards an effective and efficient organisational structure, 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 core West End property rental business and is a relevant metric in determining dividends. The measure aligns with the main principles of EPRA earnings which excludes 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 and IFRS 3 merger-related transaction costs. In calculating underlying earnings, additional adjustments are made to exclude items considered to be non-recurring or significant by virtue of their size

and nature. Consistent in the calculation for both periods is the removal of 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. The fair value movement of the option component of the exchangeable bond is also adjusted from underlying earnings as such movements do not reflect the true nature of the performance 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, with the debt (including an adjustment to the investment in Longmartin arising from the fair value adjustment of the underlying debt in the associate) adjusted to be held at a fair value of £945.6 million compared to the nominal value of £1,019.8 million. The balance of the fair value adjustments will be amortised to other finance costs over the remaining term of the debt facilities. In the prior period, 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 period amortisation of the fair value adjustment for the other debt facilities of £3.0 million (30 June 2023: £2.0 million) has been adjusted from underlying earnings within other finance costs.

£3.3 million (30 June 2023: £3.4 million) of merger-related integration and other non-underlying costs have been incurred. These costs are non-recurring as they relate to significant transactions outside the core ongoing operations of the Group.

Further details on APMs used and how they reconcile to IFRS are set out on page 42.

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 standalone performance of Capco for the period 1 January to 6 March and the performance of the merged business, Shaftesbury Capital, between the completion date of 6 March 2023 and 30 June 2023.

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

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 30 June 2023.

	30 June 2024	30 June 2023
	£m	£m
Gross profit	80.7	58.3
Gain/(loss) on revaluation and sale of investment property	53.2	(16.8)
Change in fair value of listed equity investment	-	52.0
Other income	0.2	2.6
Administration expenses ¹	(23.4)	(57.5)
Net finance costs ²	(27.9)	(21.5)
Profit from joint ventures and associates	4.2	0.2
Taxation	(0.2)	-
Other ³	(0.7)	(21.9)
	86.1	(4.6)
Gain on bargain purchase	-	803.7
Profit for the period	86.1	799.1
Basic earnings per share	4.7p	54.2p
EPRA earnings ⁴	30.0	10.8
EPRA earnings per share ⁴	1.6p	0.7p
Underlying earnings ⁴	34.2	27.5
Underlying earnings per share ⁴	1.9p	1.9p
Weighted average number of shares⁵	1,821.7m	1,473.3m

1. Administration expenses include £3.3 million of non-underlying costs (2023: £39.6 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 merger adjustments for the fair value of Shaftesbury debt adjustment on merger.

4. Further details regarding EPRA and Underlying earnings are disclosed in note 2 ‘Performance measures’.

5. In total, 1,953.2 million shares are in issue as at 30 June 2023 and 2024. The weighted average number of shares of 1,821.7 million shares excludes 128.4 million own shares held as collateral for the exchangeable bond and 3.1 million shares held by the Group’s approved Employee Benefit Trust, both of which are included in the total number of shares in issue of 1,953.2 million.

Gross profit

	30 June 2024	30 June 2023
	£m	£m
Rent receivable	95.7	73.4
Straight lining of tenant lease incentives ¹	3.1	0.5
Service charge income	12.4	8.5
Revenue	111.2	82.4
Expected credit loss provision	(2.2)	(1.6)
Property expenses ¹	(15.5)	(13.4)
Service charge expenses	(12.4)	(8.5)
Impairment of tenant lease incentives	(0.4)	(0.6)
Gross profit	80.7	58.3

1. 30 June 2023 includes £5.1 million 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 income has been impacted in the period by a £3.9 million reduction for the impact of the disposals in 2023 and 2024, offset by £1.1 million for acquisitions. Rent receivable has increased by 2 per cent like-for-like compared with the second half of 2023 reflecting the positive letting activity across the portfolio.

Profit on revaluation and loss on sale of investment property

The market valuation of the wholly-owned portfolio has increased by 1.4 per cent like-for-like since December 2023 to £4,831.1 million. ERV increased by 3.2 per cent (like-for-like) to £241.0 million and the equivalent yield was 4.4 per cent, reflecting an outward movement of seven basis points. This equates to an equivalent yield of 4.6 per cent on the commercial portfolio, excluding residential properties.

The profit on revaluation of £60.2 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 during the period for gross proceeds of £127.8 million. Based on the opening book value and sale costs, an overall loss has been recognised during the period, although on an overall basis since the merger, a premium has been achieved (before costs).

Administration expenses

	30 June 2024	30 June 2023
	£m	£m
Depreciation	0.3	0.1
Other administration expenses	19.8	17.8
Underlying administration expenses	20.1	17.9
Merger-related transaction costs	-	36.2
Merger-related integration and non-underlying administration expenses	3.3	3.4
Administration expenses	23.4	57.5

Underlying administration expenses of £20.1 million have been incurred. Further efficiencies are expected over the next 6 to 12 months, including the full impact of actions and decisions already taken, as well as those resulting from other areas such as a review of the holding structure of the Group, and the impact for instance on irrecoverable taxes, as well as savings from technology-related and other initiatives.

As part of delivering cost efficiencies, one-off integration and other costs of £3.3 million have been incurred in the period.

The EPRA cost ratio has already been reduced significantly, however over the medium-term the Group is targeting further improvements towards 30 per cent from its current level of 37.8 per cent, driven by growth in rental income and rigorous management of irrecoverable property costs and administration expenses.

Net finance costs

Net finance costs of £27.9 million include interest on the additional £350 million unsecured loan facility entered into in December 2023 as well as the new £75 million unsecured loan facility which completed during the period.

Finance income of £7.5 million in the period comprises £2.4 million interest on cash held on deposit and £5.1 million in relation to interest rate hedging arrangements. Protection is currently in place in relation to the interest rate exposure on all of the Group's expected drawn variable rate debt until the end of 2025 through caps and collars.

Profit from joint ventures and associates

Our share of Longmartin's post-tax profit was £4.2 million for the period. Our share of the revaluation gain was £4.4 million, offset by a deferred tax movement of £1.2 million. Excluding the revaluation and fair value adjustment on debt of £0.3 million, and including the £0.3 million interest received on the interest-bearing loan provided to the associate, our share of underlying earnings from Longmartin was £1.6 million. £1.2 million of dividends were received during the period.

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 £0.2 million in the period (2023: £nil), arising mainly in respect of finance income.

Dividends

The Board has declared an interim cash dividend of 1.7 pence per share reflecting progression in underlying earnings and cash generation. The total gross dividend payable is £33.2 million of which £2.2 million relates to the Group entity which holds 128.4 million shares as security under the terms of 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 declared 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 1.0 pence as a PID and 0.7 pence as a non-PID, on 1 October 2024 to shareholders on the register at 23 August 2024.

SUMMARY BALANCE SHEET

	30 June 2024 £m	31 December 2023 £m
Property portfolio ¹	4,793.5	4,760.4
Investments in joint ventures and associates	86.4	83.4
Net debt ²	(1,481.0)	(1,499.1)
Other assets and liabilities	138.5	135.5
Net assets	3,537.4	3,480.2
EPRA net tangible assets	3,538.2	3,479.4
EPRA net tangible assets per share (pence)	193.4p	190.3p
Adjusted, diluted number of shares³	1,829.2m	1,828.8m

1. Includes £20.2 million (2023: £20.2 million) accounted for as owner-occupied property and £15.2 million (2023: £nil) accounted for as held for sale. The market value of the property portfolio is £4,831.1 million (2023: £4,795.3 million).

2. Net debt based on nominal value of debt drawn less cash, excluding tenant deposits of £13.9 million (2023: £14.5 million).

3. Number of shares excludes 128.4 million shares held as collateral for 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 1.6 per cent to 193.4 pence, due primarily to the like-for-like increase in the valuation of the property portfolio and a broadly stable level of net debt.

Following the completion of the merger in 2023, the Shaftesbury debt, including the debt in relation to our share of the Longmartin investment, which had an overall nominal value of £444.8 million (2023: £444.8 million), was fair valued and was held at £403.4 million as at 30 June 2024 (2023: £400.4 million). This difference of £41.4 million (2023: £44.4 million), or 2.3 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 30 June 2024 is £4,793.5 million, including £20.2 million and £15.2 million classified as owner occupied and held for sale respectively. During the period, a number of selected properties have been sold with an opening carrying value of £132.0 million for gross proceeds of £127.8 million. As at 30 June 2024, £15.2 million of properties have exchanged with completion due shortly.

£83.1 million, before transaction costs, has subsequently been reinvested into asset acquisitions. In March 2024, we completed the acquisition of the freehold interests in 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 period on the wholly-owned portfolio was £19.5 million.

The valuation of the wholly-owned property portfolio of £4,831.1 million was 1.4 per cent higher on a like-for-like basis compared with 31 December 2023. ERV increased by 3.2 per cent (like-for-like) to £241.0 million and the equivalent yield was 4.4 per cent, reflecting an outward movement of 7 basis points.

Total property return for the period was 2.8 per cent. The MSCI Total Return Index recorded performance of 2.3 per cent for the period resulting in outperformance of 0.5 percentage points.

Investment in joint ventures and associates

The figures below in relation to the Longmartin and Lillie Square investments represent our 50 per cent share.

Longmartin

At 30 June 2024, Longmartin's long leasehold property was valued at £164.0 million (2023: £158.7 million). After allowing for capital expenditure, the valuation increased by 2.6 per cent. ERVs increased by 6.7 per cent and at 30 June 2024, the equivalent yield was 4.97 per cent, an increase of 11 basis points over the period (2023: 4.86 per cent).

Longmartin has a £60.0 million fixed-rate term loan maturing in 2026. As at 30 June 2024, net debt, based on nominal value, was £58.1 million resulting in LTV of 35.4 per cent.

Lillie Square

The property valuation as at 30 June 2024 was £65.1 million, a 0.6 per cent like-for-like decline against the 31 December 2023 valuation of £65.2 million. In total, 355 Phase 1 and 2 apartments have been sold. Over 60 apartments have been leased on a short-term basis. Our share of net cash in the joint venture was £4.3 million and there is no external debt. During the period 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, significant headroom against debt covenants, access to liquidity, modest capital commitments, substantial unencumbered asset value and finance costs that are well protected against interest rate movements until December 2025.

The Group's cash and undrawn committed facilities as at 30 June 2024 were £578.8 million (2023: £485.7 million). As at 30 June 2024, the Group had capital commitments of £17.0 million. In addition, £95 million of private placement debt matures in the second half of 2024, which will be repaid using Group liquidity.

	30 June 2024	31 December 2023
	£m	£m
Cash and cash equivalents ¹	128.8	185.7
Undrawn committed facilities	450.0	300.0
Cash and undrawn committed facilities	578.8	485.7
Commitments	(17.0)	(24.8)
Available resources	561.8	460.9

1. Excludes tenant deposits of £13.9 million (2023: £14.5 million).

The gearing measure most widely used in the industry is loan-to-value ("LTV") which at 30 June 2024 was 30.7 per cent. EPRA LTV was 30.2 per cent. This is comfortably within the Group's limit of no more than 40 per cent.

	30 June 2024	31 December 2023
	£m	£m
Cash and cash equivalents	128.8	185.7
Debt at nominal value	(1,609.8)	(1,684.8)
Net debt	(1,481.0)	(1,499.1)
Loan-to-value	30.7%	31.3%
EPRA loan-to-value	30.2%	30.9%
Interest cover	290.0%	273.4%
Interest cover including admin costs	217.9%	212.7%
Weighted average debt maturity - drawn facilities	4.9 years	5.0 years
Weighted average cost of debt - gross ¹	4.0%	4.2%
Weighted average cost of debt - net	3.3%	3.4%
Drawn debt with interest rate protection ²	100%	100%

1. As at 30 June 2024 the weighted average cost of debt reduces to an effective running cash cost of 3.3 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 30 June 2024, Group net debt was £1.5 billion.

During the period a new £75 million unsecured loan facility was entered into, extending the debt maturity profile to approximately 5 years. 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 3.3 per cent (2023: 3.4 per cent) taking into account interest income on cash deposits and the benefit of interest rate hedging.

All of the Group's drawn debt is at fixed rates or currently has interest rate protection in place until the end of 2025. Interest rate protection is in place until the end of 2024 for £200 million of notional value capped at 1.23 per cent and £150 million capping SONIA exposure at 3.75 per cent. £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.

CASH FLOWS

Movement in cash flow	£m
Cash, excluding tenant deposits, as at 31 December 2023	185.7
Operating inflow	19.1
Investing inflow	29.3
Financing outflow	(75.0)
Dividends paid	(30.3)
Cash, excluding tenant deposits, as at 30 June 2024	128.8

The overall balance of cash decreased by £56.9 million to £128.8 million as at 30 June 2024. This is largely due to:

- Operating cash inflows of £19.1 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 period.
- Investing cash inflows of £29.3 million, including £127.8 million gross proceeds from the sale of several properties offset by £20.6 million capital expenditure and £83.1 million for the acquisition of 25-31 James Street, Broadwick Street and Marshall Street. A £1.2 million dividend has been received from the Longmartin investment and £4.0 million loan repayment from the Lillie Square investment.
- The £75.0 million financing outflow reflects the net movement in facilities drawn and repaid in the period. £0.5 million of costs have been incurred on the arrangement of the £75 million unsecured loan facility in the period.
- Total dividends paid in the period excludes the £1.9 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, the full dividend was subsequently retained by the Group.

Going concern

Further information on the going concern assessment is set out in note 1 to the consolidated interim financial statements.

The Company has a strong balance sheet with EPRA loan-to-value of 30.2 per cent, group interest cover of over two times and nearly three times before administrative costs, and access to cash and undrawn facilities of £578.8 million as at 30 June 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 condensed consolidated interim financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these consolidated interim financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

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.

Further details of how we manage risk are set out on pages 59 to 65 of the 31 December 2023 Annual Report.

The Board has performed a robust assessment of the principal and emerging risks facing the Group and has concluded that they continue to apply and are expected to be relevant for the remaining six months of the year. Following the General Election, and change in Government, the Group will monitor for legislation changes that may impact on the Group as well as our customers and consumers.

The principal risks and uncertainties are summarised below:

Principal risks	
Economic, political and operating environment	<ul style="list-style-type: none"> • 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
Portfolio	<ul style="list-style-type: none"> • Inability of the Group to adopt the appropriate strategy or to react to changing market conditions or changing consumer behaviour (including, but not limited to, structural changes in the office, retail and hospitality sectors) • Portfolio concentration • Volatility in the investment market
Leasing and asset management	<ul style="list-style-type: none"> • 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
Operational resilience	<ul style="list-style-type: none"> • Misconduct or poor operational or sustainability standards • Poor performance from one of the Group’s third-party advisers and contractors • Inability to effectively integrate people, systems and processes • Catastrophic event such as a terrorist attack, natural disaster, health pandemic or cyber security crime
People	<ul style="list-style-type: none"> • Inability to retain, integrate and recruit the right people and develop leadership skills within the business • Key person risk as the Group has a relatively limited headcount
Climate change	<ul style="list-style-type: none"> • 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 assets in a heritage environment 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

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Compliance with law and regulations	<ul style="list-style-type: none">• Breach of legislation, regulation or contract• Inability to monitor 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
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DIRECTORS' RESPONSIBILITIES

Statement of Directors' responsibilities

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by Disclosure and Transparency Rules (DTR) 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

A list of current Directors is maintained on the Shaftesbury Capital website: www.shaftesburycapital.com.

By order of the Board

Ian Hawksworth

Chief Executive

30 July 2024

Situl Jobanputra

Chief Financial Officer

30 July 2024

INDEPENDENT REVIEW REPORT TO SHAFTESBURY CAPITAL PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Shaftesbury Capital PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Results of Shaftesbury Capital PLC for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 June 2024;
- the Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Statement of Cash Flows for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Results of Shaftesbury Capital PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Results, including the interim financial statements, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Results based on our review. Our conclusion, including our conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

PricewaterhouseCoopers LLP

Chartered Accountants

London

30 July 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Revenue	3	111.2	82.4
Costs	3	(30.5)	(24.1)
Gross profit	3	80.7	58.3
Other income		0.2	2.6
Administration expenses	4	(23.4)	(57.5)
Gain/(loss) on revaluation and sale of investment property		53.2	(16.8)
Change in value of investments and other receivables		(0.1)	2.2
Change in fair value of financial assets at fair value through profit or loss	15	-	52.0
Operating profit		110.6	40.8
Finance income	5	7.5	5.7
Finance costs	6	(35.4)	(27.2)
Other finance income	5	1.9	2.0
Other finance costs	6	(2.4)	(26.3)
Change in fair value of derivative financial instruments	15	(0.1)	0.2
Net finance costs		(28.5)	(45.6)
Profit from joint ventures and associates	11	4.2	0.2
Gain on bargain purchase	9	-	803.7
Profit before tax		86.3	799.1
Taxation	7	(0.2)	-
Profit for the period		86.1	799.1
Earnings per share			
Basic earnings per share	2	4.7p	54.2p
Diluted earnings per share	2	4.7p	54.0p

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30 June 2024

	Note	As at 30 June 2024 £m	As at 31 December 2023 £m
Non-current assets			
Investment property	10	4,758.1	4,740.2
Property, plant and equipment		23.8	24.0
Investments in joint ventures and associates	11	86.4	83.4
Derivative financial instruments		3.5	1.4
Trade and other receivables	12	112.2	116.1
		4,984.0	4,965.1
Current assets			
Trade and other receivables	12	47.0	42.7
Derivative financial instruments		4.8	8.3
Cash and cash equivalents	13	142.7	200.2
		194.5	251.2
Current assets held for sale			
Investment property held for sale	10	15.2	-
		15.2	-
Total assets		5,193.7	5,216.3
Non-current liabilities			
Borrowings	14	(1,464.3)	(1,534.8)
Lease liabilities		(3.1)	(2.7)
Derivative financial instruments	15	(5.9)	(7.2)
		(1,473.3)	(1,544.7)
Current liabilities			
Borrowings	14	(95.0)	(94.9)
Lease liabilities		(0.3)	(0.3)
Tax liabilities		(0.4)	(0.2)
Trade and other payables		(87.3)	(96.0)
		(183.0)	(191.4)
Total liabilities		(1,656.3)	(1,736.1)
Net assets		3,537.4	3,480.2
Equity			
Share capital	16	488.2	488.2
Other components of equity		3,049.2	2,992.0
Total equity		3,537.4	3,480.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2023

	Note	Share capital £m	Share premium £m	Own shares ¹ £m	Capital redemption reserve £m	Merger reserve £m	Share-based payment reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2023		212.8	232.5	-	1.5	293.7	9.8	(0.4)	811.7	1,561.6
Profit and total comprehensive income for the six months ended 30 June 2023		-	-	-	-	-	-	-	799.1	799.1
Completion of all-share merger ²	9	273.9	-	(32.1)	-	962.3	-	-	-	1,204.1
Dividends	8	-	-	-	-	-	-	-	(14.5)	(14.5)
Issue of shares and realisation of share-based payment reserve on employee share options ³		1.5	-	(0.8)	-	-	(9.8)	-	11.9	2.8
Fair value of share-based payment		-	-	-	-	-	0.6	-	-	0.6
Balance at 30 June 2023		488.2	232.5	(32.9)	1.5	1,256.0	0.6	(0.4)	1,608.2	3,553.7

1. Represents the nominal value of 128,350,794 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 the all-share merger with Shaftesbury PLC completed on 6 March 2023.

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. 3,146,886 shares were bought back and are held by the Group's approved Employee Benefit Trust in respect of employee share awards.

For the six months ended 30 June 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
Balance at 1 January 2024		488.2	232.5	(32.9)	1.5	1,256.0	1.3	(0.3)	1,533.9	3,480.2
Profit and total comprehensive income for the six months ended 30 June 2024		-	-	-	-	-	-	-	86.1	86.1
Dividends ³	8	-	-	-	-	-	-	-	(30.3)	(30.3)
Fair value of share-based payment		-	-	-	-	-	1.3	-	-	1.3
Realisation of cash flow hedge		-	-	-	-	-	-	0.1	-	0.1
Balance at 30 June 2024		488.2	232.5	(32.9)	1.5	1,256.0	2.6	(0.2)	1,589.7	3,537.4

1. Represents the nominal value of 128,350,794 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 by the Group following the all share-merger with Shaftesbury completed on 6 March 2023, a share placing in May 2014 and previous share placements. 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. Excludes £1.9 million dividend paid to a controlled entity, Capco Investment London (No.7) Scottish Limited Partnership, in respect of 128,350,793 shares 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 declared dividend, all of which was retained by the Group following the dividend threshold test as set out in the exchangeable bond conditions.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Cash flows from operating activities			
Cash generated/(utilised) from operations	19	42.1	(12.6)
Finance costs paid		(30.9)	(28.0)
Interest received		7.3	6.0
Net cash inflow/(outflow) from operating activities		18.5	(34.6)
Cash flows from investing activities			
Purchase and development of property ¹		(103.6)	(28.0)
Purchase of fixed assets		(0.1)	-
Sale of investment property		127.8	-
Dividends received from associate		1.2	0.5
Cash acquired in a business combination	9	-	118.1
Loans to joint ventures and associates repayment received		4.0	2.7
Net cash inflow from investing activities		29.3	93.3
Cash flows from financing activities			
Borrowings repaid		(210.0)	(575.0)
Borrowings drawn		135.0	576.0
Acquisition of derivative financial instruments		-	(3.4)
Cash dividends paid	8	(30.3)	(14.5)
Net cash outflow from financing activities		(105.3)	(16.9)
Net movement in cash and cash equivalents		(57.5)	41.8
Cash and cash equivalents at 1 January		200.2	129.9
Cash and cash equivalents at period end	13	142.7	171.7

1. Included within purchase and development of property is £1.2 million of cash acquired on the acquisition of a property portfolio.

NOTES TO THE ACCOUNTS

1 PRINCIPAL ACCOUNTING POLICIES

General Information

Shaftesbury Capital PLC (the “Company”), was incorporated and registered in England and Wales 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 the Shaftesbury Capital PLC Group (the “Group”), whose principal activity is the development 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 condensed consolidated interim financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34, ‘Interim Financial Reporting’ and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

These condensed consolidated interim financial statements have been prepared using the same accounting policies as used in the preparation of Shaftesbury Capital PLC financial statements for the year ended 31 December 2023. The Shaftesbury Capital Annual Report and financial statements for the year ended 31 December 2023 were prepared in accordance with United Kingdom-adopted International Accounting Standards (“IFRS”) and the applicable legal requirements of the Companies Act 2006.

The condensed consolidated interim financial statements are prepared in British pounds sterling.

The condensed consolidated interim financial statements for the six months ended 30 June 2024 are reviewed, not audited, and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 were approved by the Shaftesbury Capital Board of Directors on 28 February 2024 and delivered to the Registrar of Companies. The auditors’ report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement made under Section 498 of the Companies Act 2006.

The condensed consolidated interim financial statements have been prepared under the historical cost convention as modified for the revaluation of property, derivative financial instruments and equity investments held at fair value through profit or loss.

There is no material seasonal impact on the Group’s financial performance.

All income, expenses and cash flows are generated from continuing operations.

These condensed consolidated interim financial statements were approved by the Board of Directors on 30 July 2024.

Accounting policies

The accounting policies used by the Group in these condensed consolidated interim financial statements are consistent with those applied in the Shaftesbury Capital financial statements for the year to 31 December 2023, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the period.

New accounting policies

In the current period, 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. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed consolidated interim financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards:

- IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosure’ (amendment) (Supplier Finance Arrangements)
- IFRS 16 ‘Leases’ (amendment) (Lease Liability in a Sale and Leaseback)
- IAS 1 ‘Presentation of Financial Statements’ (amendment) (Classification of Liabilities as Current or Non-current)

New accounting standards and amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board, which became effective for annual periods that begin on or after 1 January 2024, or have been published but are not yet effective, were either not relevant or had no, or are not expected to have a material impact on the Group’s results.

1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

Going concern

The Directors have considered the appropriateness of adopting the going concern basis in preparing the condensed consolidated interim financial statements. The Group's going concern assessment covers the period to 30 September 2025 (the "going concern period"), being at least 12 months from the date of authorisation of these condensed consolidated interim financial statements.

Footfall across the West End is strong, particularly in our portfolio. There are high occupancy levels and trading activity is positive with continued customer sales growth. There is strong leasing demand across all uses delivering rental growth. There continues to be macroeconomic and political uncertainty, including as to the prospects for interest rates and geopolitical risks. The West End and the Group's unique portfolio of prime investments are not completely insulated, however they 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, £578.8 million as at 30 June 2024. 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 "severe but plausible" downside scenario.

As at the period end, the Group had net debt of £1.5 billion, an EPRA LTV ratio of 30.2 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 an average of 2.3 per cent on £350 million of notional value to December 2024 and 3.0 per cent on £250 million for 12 months to December 2025.

The Group's debt matures between August 2024 and 2037. Debt maturities during the going concern assessment period relate to the £95 million of private placement loan notes maturing in the second half of 2024, which are expected to be funded through cash reserves and undrawn facilities.

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 severe but plausible downside scenario includes the following key assumptions:

- Substantial reduction in forecast rental income due to a 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.

In the near-term impact of climate change risks within the going concern period have been considered in the severe but plausible downside scenario and are expected to be immaterial.

Under the severe but plausible downside scenario, the Group is expected to maintain sufficient liquidity and remain in compliance with the loan-to-value and interest cover covenants of its individual financing arrangements.

In addition to considering a severe but plausible downside scenario, the Board has also undertaken reverse stress testing, which indicates that the Group could withstand a decrease of 42 per cent in rental income and 37 per cent in 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 condensed consolidated interim financial statements and have therefore resolved that the Group's condensed consolidated interim financial statements be prepared on a going concern basis.

1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires the Directors to make judgements and estimates that affect the reported amounts of assets, liabilities, equity, income and expenses from sources not readily apparent. Although these estimates 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. There have been no changes to critical accounting judgements and key sources of estimation uncertainty.

The most significant area of estimation uncertainty in these condensed consolidated interim financial statements 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 30 June 2024 was determined by independent, appropriately qualified external valuers CBRE and Cushman & Wakefield for the wholly owned investment properties, JLL for the Lillie Square joint venture and Knight Frank for the Longmartin investment. 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 as outlined within note 10 'Property Portfolio' in forming their opinion on the valuation of the Group's investment and trading properties. 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 these condensed consolidated interim financial statements, which could have a material effect on the Group's financial position. The key unobservable inputs used in the valuation models and a sensitivity analysis for each are disclosed on page 36.

Other areas of estimation in the condensed consolidated interim 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.

2 PERFORMANCE MEASURES

The Group has applied the European Securities and Markets Authority guidelines on alternative performance measures (“APMs”) in these interim 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.

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 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 core West End property rental business and is a relevant metric in determining dividends. The measure aligns with the main principles of EPRA earnings which in the current period excludes valuation movements on the wholly-owned, joint venture and associate properties and fair value changes of financial instruments. In calculating underlying earnings, additional adjustments are made to exclude items considered to be non-recurring or significant by virtue of size and nature. Consistent in the calculation for both periods is the removal of 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 a core part of the operations of the Group and therefore its results are not included in the underlying earnings. The fair value movement of the option component of the exchangeable bond is also adjusted from the underlying earnings as such fair value movements do not reflect the nature of the performance of the Group.

Following the completion of the all-share merger in March 2023, a fair value exercise was performed on the Shaftesbury balance sheet as at 6 March 2023, with the debt (including an adjustment to the investment in Longmartin arising from the fair value adjustment of the underlying debt in the associate) adjusted to be held at a fair value of £945.6 million compared to the nominal value of £1,019.8 million. The balance of the fair value adjustments will be amortised to other finance costs over the remaining term of the debt facilities. In the prior period, 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 period amortisation of the fair value adjustment for the other debt facilities of £3.0 million (30 June 2023: £1.5 million) has been adjusted from underlying earnings within other finance costs.

£3.3 million (30 June 2023: £3.4 million) of merger-related integration and other non-underlying costs have been incurred. These costs are non-recurring as they relate to transactions outside the core operations of the Group.

A summary of the number of shares, on a basic and diluted basis, in issue at the period end, and on a weighted average basis for the six-month period, is set out in the table below:

Number of shares

	Six months ended 30 June 2024	30 June 2024	Six months ended 30 June 2023	31 December 2023
	Weighted average million	In issue million	Weighted average million	In issue Million
Ordinary shares	1,953.2	1,953.2	1,557.7	1,953.2
Own shares – employee benefit trust	(3.1)	(3.1)	(2.1)	(3.1)
Own shares – collateral for exchangeable bond	(128.4)	(128.4)	(82.3)	(128.4)
Number of shares – basic¹	1,821.7	1,821.7	1,473.3	1,821.7
Dilutive effect of contingently issuable share option awards	5.9	5.9	5.1	6.5
Dilutive effect of contingently issuable deferred share awards	1.6	1.6	0.4	0.6
Number of shares – diluted²	1,829.2	1,829.2	1,478.8	1,828.8

1. Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.

2. Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings and net assets per share.

Earnings per share - IFRS

	Six months ended 30 June 2024	Six months ended 30 June 2023
	£m	£m
Basic earnings	86.1	799.1
Basic earnings per share (pence)	4.7p	54.2p
Diluted earnings per share (pence)	4.7p	54.0p

2 PERFORMANCE MEASURES CONTINUED

Earnings per share – EPRA and Underlying

	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Basic earnings		86.1	799.1
<i>EPRA Group adjustments:</i>			
(Gain)/loss on revaluation and sale of investment property		(53.2)	16.8
Change in value of investments and other receivables		0.1	(2.2)
Change in fair value of derivative financial instruments – interest rate derivatives	15	1.4	(4.1)
Change in fair value of financial assets at fair value through profit or loss		-	(52.0)
Gain on bargain purchase	9	-	(803.7)
Accelerated unwind of unamortised finance costs and interest on early close out of debt ¹		-	24.6
Merger-related transaction costs	4	-	36.2
<i>EPRA joint venture and associate adjustments:</i>			
Gain on revaluation, sale and transfer of investment and trading property		(5.6)	(3.9)
Deferred tax adjustment		1.2	-
EPRA earnings		30.0	10.8
EPRA earnings per share (pence)		1.6p	0.7p
<i>Underlying earnings adjustments:</i>			
Merger-related integration and other non-underlying administrative costs	4	3.3	3.4
Other finance costs ²		2.7	2.0
Impact of change in accounting policy on gross profit ³		-	5.1
Realised provision from merger date (bad debt)		(0.1)	-
Joint ventures adjustment – Lillie Square ⁴		(0.4)	2.3
Change in fair value of derivative financial instruments – exchangeable bond option	15	(1.3)	3.9
Underlying earnings		34.2	27.5
Underlying earnings per share (pence)		1.9p	1.9p

- On early redemption of the Carnaby and Chinatown bonds in April 2023 the unamortised fair value adjustment of £24.6 million that arose on completion of the merger was accelerated.
- Includes the unwind of the fair value adjustments on the remaining debt facilities acquired on merger (including the fair value unwind of our share of the Longmartin debt of £0.3 million (30 June 2023: £0.2 million). £2.7 million of the unwind of the fair value adjustment is recorded through other finance costs included in note 6 'Finance costs' and £0.3 million within the profit from Longmartin as per note 11 'Investments in joint ventures and associates'.
- 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 within the prior period, 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 30 June 2023 decreased by £5.1 million with a corresponding reduction to gross profit. The £5.1 million reduction to gross profit has been adjusted for in order to reflect the true performance of the business for the six-month period ended 30 June 2023.
- 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 £1.6 million (30 June 2023: £1.8 million) interest receivable by the Group on the interest-bearing loans issued to the joint venture offset by £1.2 million (30 June 2023: £4.1 million) of adjustments made to EPRA earnings for profit on sale and transfer of trading property, loss on revaluation of investment property and write down of trading property.

Net assets per share

	As at 30 June 2024			As at 31 December 2023		
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS total equity ¹	3,537.4	3,537.4	3,537.4	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	(8.3)	(8.3)	-	(9.7)	(9.7)	-
Fair value adjustment of exchangeable bond ³	2.1	2.1	-	2.0	2.0	-
Real Estate Transfer Tax	332.7	-	-	332.2	-	-
Excess fair value of debt over carrying value ⁴	-	-	47.2	-	-	29.8
Deferred tax adjustments	6.9	6.9	-	5.2	5.2	-
NAV	3,870.9	3,538.2	3,584.7	3,811.6	3,479.4	3,511.7
NAV per share (pence)	211.6	193.4	196.0	208.4	190.3	192.0

- IFRS total equity of 193.4 pence per share (31 December 2023: 190.3 pence per share).
- This relates to the fair value of interest rate derivatives.
- Adjustment to remove the exchangeable bond option fair value and include the exchangeable bond liability at nominal value of £275 million.
- Excludes the fair value of exchangeable bond option component included under derivative liabilities.

2 PERFORMANCE MEASURES CONTINUED

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.

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Basic earnings	86.1	799.1
<i>Group adjustments:</i>		
Gain on bargain purchase	-	(803.7)
(Gain)/loss on revaluation and profit on sale of investment property	(53.2)	16.8
Headline earnings	32.9	12.2
Basic and diluted headline earnings per share (pence)	1.8	0.8

3 GROSS PROFIT

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Rental receivable	95.7	73.4
Straight-lining of tenant lease incentives ¹	3.1	0.5
Service charge income	12.4	8.5
Revenue	111.2	82.4
Expected credit loss provision	(2.2)	(1.6)
Property expenses ¹	(15.5)	(13.4)
Service charge expenses	(12.4)	(8.5)
Impairment of tenant lease incentives	(0.4)	(0.6)
Costs	(30.5)	(24.1)
Gross profit	80.7	58.3

1. 30 June 2023 includes £5.1 million 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.

All revenue has been generated from operations within the United Kingdom.

4 ADMINISTRATION EXPENSES

Included within administration expenses in the consolidated statement of comprehensive income are:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Depreciation	0.3	0.1
Employee costs	11.7	10.7
Head office administration expenses	8.1	7.1
Merger-related transaction costs ¹	-	36.2
Merger-related integration costs	3.3	3.4
Administration expenses	23.4	57.5

1. Costs relate to transaction fees and expenses in respect of the all-share merger with Shaftesbury.

5 FINANCE INCOME

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Finance income:		
On deposits and current accounts	2.4	2.6
On interest rate derivatives	5.1	3.1
Finance income	7.5	5.7
Other finance income:		
On loans to joint ventures and associates	1.9	2.0
Other finance income	1.9	2.0

6 FINANCE COSTS

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
On bank facilities and loan notes	16.9	16.2
On exchangeable bonds ¹	4.2	4.2
On secured loans	14.0	4.8
On mortgage bonds	-	1.7
On obligations under lease liabilities	0.3	0.3
Finance costs	35.4	27.2
Other finance costs:		
Non-underlying finance charges ²	2.4	26.3
Other finance costs	2.4	26.3

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 (£2.8 million for the six-month period) 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 mainly relate to the unwind of the fair value adjustment of the debt on completion of the merger. Included in the prior period charge is £24.6 million which relates to the accelerated unwind of finance costs on early redemption of the Chinatown and Carnaby bonds.

7 TAXATION

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Current income tax:		
Current income tax charge	0.2	-
Current tax charge	0.2	-
Deferred income tax:		
On accelerated capital allowances	-	0.1
On fair value of derivative financial instruments	(0.3)	-
On Group losses	0.3	-
On other temporary differences	-	(0.1)
Deferred income tax	-	-
Total taxation charge in the consolidated statement of comprehensive income	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.

8 DIVIDENDS

	PID	Non-PID	Date paid	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Ordinary shares	Pence per share					
For year ended 31 December 2022:						
Second interim dividend of 1.7 pence per share	0.7	1.0	20 March 2023	-	14.5	14.5
For 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	20 May 2024	32.2	-	-
Dividend expense for the period¹				32.2	14.5	43.8

1. Includes £1.9 million (31 December 2023: £1.9 million) dividend paid to a controlled entity, Capco Investment London (No.7) Scottish Limited Partnership, in respect of 128,350,793 shares 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 declared 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 £30.3 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 Property Income Distribution ("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. A corporation tax charge would arise for the Group at the prevailing tax rate if the minimum PID requirement is not met within 12 months of the end of the period.

On 30 July 2024, the Directors declared an interim cash dividend for 2024 of 1.7 pence per ordinary share, of which 1.0 pence per ordinary share will be paid as a PID and 0.7 pence per ordinary share will be paid as a non-PID. The interim cash dividend will be paid on 1 October 2024 to all shareholders on the register on 23 August 2024.

9 GAIN ON BARGAIN PURCHASE

The Capco and Shaftesbury PLC all-share merger completed on 6 March 2023. The fair value of the identifiable net assets acquired amounted to £2,416.6 million. As the fair value of the identifiable net assets acquired and liabilities assumed was greater than the total consideration transferred, a gain on bargain purchase of £803.7 million was recognised on completion of the transaction.

The initial accounting for the all-share merger had only been provisionally determined for the six months ended 30 June 2023. As a result, the gain on bargain purchase reflected within the Group financial statements for the year ended 31 December 2023 does not correspond to the gain on bargain purchase for the six months ended 30 June 2023 since adjustments to the final valuation of the all-share merger were made. Specifically, a change in the valuation of trade and other receivables at year end resulted in a £1.8 million increase in the gain on bargain purchase reported within the Group financial statements to be £805.5 million for the year ended 31 December 2023.

10 PROPERTY PORTFOLIO

	30 June 2024 £m	31 December 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	84.7	17.4
Additions from subsequent expenditure	19.5	35.1
Disposals	(131.1)	(81.5)
Transfers to owner-occupied property	-	(18.4)
Gain/(loss) on revaluation	60.2	(68.5)
Transfer to investment property held for sale	(15.4)	-
Carrying value of investment property	4,758.1	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	40.4	37.9
Market value of investment property	4,795.5	4,775.1

10 PROPERTY PORTFOLIO CONTINUED

	30 June 2024 £m	31 December 2023 £m
The investment property valuation comprises:		
Freehold properties	3,735.6	3,791.3
Leasehold properties	1,059.9	983.8
Market value of investment property	4,795.5	4,775.1

Market value of property portfolio

	30 June 2024 £m	31 December 2023 £m
Market value of investment property	4,795.5	4,775.1
Market value of owner-occupied property	20.2	20.2
Market value of investment property held for sale ¹	15.4	-
Market value of wholly-owned property portfolio	4,831.1	4,795.3

1. At 30 June 2024, three properties had exchanged for sale and accordingly were classified as held for sale. The sales in respect of each of the three properties are expected to be completed in the second half of the financial year. The carrying value of investment property classified as held for sale per the consolidated balance sheet includes cost to sell of £0.2 million.

Valuation process

The fair value of the Group's investment property at 30 June 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 upon 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 Directors reporting to the Board on the outcome of each valuation round.

Net zero carbon and EPC compliance

The Group published its Net Zero Carbon Pathway in November 2023 and has set 2030 as its target date to achieve this, aligning to a 1.5°C pathway and the aim to be carbon neutral for scope 1 & 2 emissions by 2025. A key element in achieving this will come from carbon efficiencies created through developments and refurbishments of the Group's property portfolio. During 2024, the Group's additions from subsequent expenditure were £19.5 million (31 December 2023: £35.1 million). This included both capital works, which enhanced the environmental performance of assets, and design stage work aimed at delivering environmental enhancements. While new ground-up developments form a limited part of the Group's activity, the design stage work on refitting and refurbishment of units, particularly in heritage buildings, is equally important to deliver Whole Life Carbon Efficiency.

The Net Zero Carbon Pathway also highlights the 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 17 '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 been determined primarily using a market approach, which provides an indication of value by comparing the subject asset with similar assets for which pricing 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 estimated future rental income (ERVs), as set out within the Analysis of Property Portfolio on page 48. Equivalent yields are based on current market prices, depending on, inter alia, the location, condition and use of the properties.

10 PROPERTY PORTFOLIO CONTINUED

Valuation techniques (continued)

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 changes, 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 period.

Sensitivity to changes in key assumptions

As noted in the critical accounting judgements and key sources of estimation and uncertainty section in note 1, 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%	-5%	+5%	+10%
	£m	£m	£m	£m
(Decrease)/increase in fair value	(378.3)	(190.5)	195.8	392.3

	Change in Yield			
	-50bp	-25bp	+25bp	+50bp
	£m	£m	£m	£m
Increase/(decrease) in fair value	645.8	302.7	(270.4)	(511.9)

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 30 June 2024, the Group was contractually committed to £17.0 million (31 December 2023: £24.8 million) of future expenditure for the purchase, construction, development and enhancement of investment property. Refer to note 17 'Capital commitments' for further information on capital commitments.

11 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates are measured using the equity method. All joint ventures and associates are held with investors on a 50:50 basis. At 30 June 2024, investments comprise the Longmartin associate ("Longmartin") and the Lillie Square joint venture ("LSJV").

The table below reconciles the opening to closing carrying value of investments in joint ventures and associates as presented in the consolidated balance sheet:

Investment in joint ventures and associates	Longmartin £m	LSJV £m	Total £m
At 1 January 2024	83.4	-	83.4
Share of profit/(loss) for the period ¹	4.2	(0.1)	4.1
Losses restricted ¹	-	0.1	0.1
Dividend received	(1.2)	-	(1.2)
At 30 June 2024	86.4	-	86.4

1. The loss from the Lillie Square venture for the period of £0.1 million has been restricted in accordance with the requirements of IAS 28. Restricted losses represent the Group's share of loss in LSJV in the period of £0.1 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 £38.5 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).

Summarised statement of comprehensive income and balance sheet used for equity accounting purposes:

	Longmartin		LSJV	
	Six months ended 30 June 2024 £m	6 March 2023 to 30 June 2023 £m	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Summarised statement of comprehensive income				
Revenue	9.8	6.0	0.1	5.4
Net rental income/(expense)	7.2	4.3	0.6	(0.3)
Gain/(loss) on revaluation, sale and transfer of investment and trading property	8.7	(0.1)	2.4	8.4
Administration expenses	(0.3)	(0.4)	(0.1)	(0.3)
Net finance costs ¹	(4.0)	(2.8)	(3.1)	(3.4)
Taxation	(3.2)	(0.6)	-	-
Profit/(loss) for the period after taxation	8.4	0.4	(0.2)	4.4

1. Net finance costs includes £3.3 million (30 June 2023: £3.4 million) interest payable on the interest bearing loans issued to LSJV by the Group and KFI and £0.5 million on loans issued to Longmartin by the Group and the Mercers. Longmartin net finance costs includes the unwind of the adjustment of debt to fair value on completion of the merger of £0.6 million (30 June 2023: £0.6 million). Finance income receivable by the Group on these loans of £1.9 million (30 June 2023: £2.0 million) is recognised in the consolidated comprehensive statement of income within other income.

	Longmartin		LSJV	
	30 June 2024 £m	31 December 2023 £m	30 June 2024 £m	31 December 2023 £m
Summarised balance sheet				
Investment property ¹	337.0	327.2	85.1	46.8
Trading property	-	-	44.7	80.3
Other non-current assets	4.3	2.4	5.5	5.6
Non-current assets	341.3	329.6	135.3	132.7
Cash and cash equivalents	4.8	3.8	8.5	15.9
Other current assets	0.1	1.6	1.9	1.5
Current assets	4.9	5.4	10.4	17.4
Non-current liabilities	(139.3)	(136.3)	-	-
Non-current liabilities	(139.3)	(136.3)	-	-
Amounts payable to partners ²	-	(23.1)	(220.2)	(224.9)
Other current liabilities	(33.7)	(8.8)	(2.4)	(1.7)
Current liabilities	(33.7)	(31.9)	(222.6)	(226.6)
Net (liabilities)/assets	173.2	166.8	(76.9)	(76.5)

1. Investment property in LSJV includes units leased to tenants on short-term basis. Units are transferred from trading property to investment property upon entering the lease.

2. Amounts payable to joint venture partners include working capital facilities advanced by the Group and KFI of £29.0 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, including accrued interest, was £175.5 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.

11 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES CONTINUED

	Longmartin		LSJV	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	£m	£m	£m	£m
Reconciliation of carrying value to market value of investment and trading property				
Carrying value of investment property	337.0	327.2	85.1	46.8
Finance lease asset	(11.2)	(11.2)	-	-
Lease incentives and costs included in receivables	2.1	1.4	-	-
Market value of investment property¹	327.9	317.4	85.1	46.8
Carrying value of trading property	-	-	44.7	80.3
Unrecognised surplus on trading property ²	-	-	0.3	3.3
Market value of investment and trading property¹	327.9	317.4	130.1	130.4

- Investment properties owned by the joint ventures and associates have been valued by professionally qualified external valuers at 30 June, Knight Frank LLP for Longmartin and JLL for LSJV, who are both members of the Royal Institution of Chartered Surveyors.
- The unrecognised surplus on trading property and market value of LSJV's property portfolio shown for informational purposes and are not a requirement of IFRS. Trading property continues to be measured at the lower of cost and net realisable value.

12 TRADE AND OTHER RECEIVABLES

	30 June 2024	31 December 2023
	£m	£m
Non-current		
Prepayments and accrued income ¹	27.0	28.5
Amounts receivable from joint ventures ²	73.6	76.0
Amounts receivable from joint associates ³	11.6	11.6
Trade and other receivables	112.2	116.1
Current		
Rent receivable ⁴	15.7	13.6
Other receivables ⁵	13.2	12.0
Prepayments and accrued income ¹	18.1	17.1
Trade and other receivables	47.0	42.7

- Includes tenant lease incentives and deferred letting fees of £40.4 million (31 December 2023: £37.9 million).
- Amounts receivable from joint ventures represent an interest-bearing loan of £87.8 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 presented it as non-current. The loan has been impaired by £14.2 million (31 December 2023: £14.1 million) to date. Included within current trade and other receivables is working capital funding of £29.0 million (31 December 2023: £29.0 million) due from LSJV that has been fully impaired.
- Amounts receivable from associates represents a loan of £11.6 million (31 December 2023: £11.6 million) provided to Longmartin. 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.
- Rent receivable is shown net of an expected credit loss provision of £7.4 million (31 December 2023: £4.8 million).
- Other receivables include £7.1 million (31 December 2023: £7.0 million) of restricted cash held on deposit as security for term loans and bank facilities with certain conditions restricting the use.

13 CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
	£m	£m
Cash at hand	6.9	10.4
Cash on short-term deposits	121.9	175.3
Cash	128.8	185.7
Tenant deposits ¹	13.9	14.5
Cash and cash equivalents	142.7	200.2

- 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 £21.2 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.

14 BORROWINGS

	30 June 2024						
	Carrying value £m	Secured £m	Unsecured £m	Fixed rate £m	Floating rate £m	Fair value £m	Nominal value £m
Current							
Loan notes (USPPs)	95.0	-	95.0	95.0	-	94.6	95.0
	95.0	-	95.0	95.0	-	94.6	95.0
Non-current							
Bank loans	271.0	-	271.0	-	271.0	275.0	275.0
Loan notes (USPPs)	379.3	-	379.3	379.3	-	339.2	380.0
Secured loans	542.8	542.8	-	542.8	-	553.9	584.8
Exchangeable bonds ¹	271.2	271.2	-	271.2	-	258.5	275.0
	1,464.3	814.0	650.3	1,193.3	271.0	1,426.6	1,514.8
Total borrowings	1,559.3						1,609.8
Cash, excluding tenant deposits							(128.8)
Net debt							1,481.0

1. Fair value of exchangeable bonds includes the fair value of the option component of £5.9 million.

	31 December 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	1,517.7	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.

The Group has two revolving credit facilities totalling £450 million, which are undrawn at 30 June 2024.

£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 £1,593.7 million (31 December 2023: £1,624.2 million), and by floating charges over the assets of the Company and/or certain subsidiaries.

There are currently no restrictions on the remittance of income from investment properties.

Undrawn facilities and cash attributable to the Group, excluding tenant deposits and cash held within the joint ventures and associates, at 30 June 2024 were £578.8 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 discounted cash flow approach for fixed rate borrowings, representing Level 2 fair value measurements as defined by IFRS 13. The different valuation levels are defined in note 10 'Property Portfolio'.

15 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The table below sets out each class of financial asset and financial liability at 30 June 2024 and 31 December 2023:

	Note	30 June 2024		31 December 2023	
		Carrying value £m	Gain/(loss) to profit or loss £m	Carrying value £m	Gain/(loss) to profit or loss £m
Derivative financial assets		8.3	(1.4)	9.7	(7.4)
Total held for trading assets		8.3	(1.4)	9.7	(7.4)
Cash and cash equivalents	13	142.7	-	200.2	-
Other financial assets ¹		114.1	-	113.2	-
Total cash and other financial assets		256.8	-	313.4	-
Investment held at fair value through profit or loss		-	-	-	52.0
Total investment held at fair value through profit or loss		-	-	-	52.0
Derivative financial liabilities		(5.9)	1.3	(7.2)	(3.9)
Total held for trading liabilities		(5.9)	1.3	(7.2)	(3.9)
Borrowings	14	(1,559.3)	-	(1,629.7)	-
Lease liabilities		(3.4)	-	(3.0)	-
Other financial liabilities ²		(67.7)	-	(78.5)	-
Total borrowings and other financial liabilities		(1,630.4)	-	(1,711.2)	-

1. Includes rent receivable, amounts due from joint ventures and associates, tax assets and other receivables.

2. Includes trade and other payables (excluding rents in advance) and tax liabilities.

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 'Fair Value Measurement'. The different levels are defined as per note 10 'Property Portfolio'.

The table below present the Group's financial assets and liabilities recognised at fair value at 30 June 2024 and 31 December 2023. There were no transfers between levels during the period.

	30 June 2024				31 December 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	-	8.3	-	8.3	-	9.7	-	9.7
Total assets	-	8.3	-	8.3	-	9.7	-	9.7
Held for trading liabilities								
Derivative financial liabilities	-	(5.9)	-	(5.9)	-	(7.2)	-	(7.2)
Total liabilities	-	(5.9)	-	(5.9)	-	(7.2)	-	(7.2)

The fair values of derivative financial instruments are determined from observable market prices or estimated using appropriate yield curves at the period end 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 these condensed consolidated interim financial statements.

16 SHARE CAPITAL AND SHARE PREMIUM

Issue type	Issue price (pence)	Number of shares	Share capital £m	Share premium £m
At 1 January 2024		1,953,170,495	488.2	232.5
Issued to satisfy share scheme awards ¹	25	7,643	-	-
At 30 June 2024		1,953,178,138	488.2	232.5

1. On 10 June 2024, 7,643 new shares were issued to satisfy share scheme awards.

17 CAPITAL COMMITMENTS

At 30 June 2024, the Group was contractually committed to £17.0 million (31 December 2023: £24.8 million) of future expenditure for the purchase, construction, development and enhancement of investment, development and trading property. The full amount is committed 2024 expenditure.

The Group's share of joint venture capital commitments arising on LSJV amounts to nil (31 December 2023: nil) and Longmartin amounts to £0.2 million (31 December 2023: £0.1 million).

18 CONTINGENT LIABILITIES

The Group has contingent liabilities in respect of legislation, sustainability targets, legal claims, guarantees, warranties and indemnities arising from the ordinary course of business. There are no contingent liabilities that require disclosure or recognition in the condensed consolidated interim financial statements.

19 CASH FLOWS FROM OPERATING ACTIVITIES

	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Profit before tax		86.3	799.1
<i>Adjustments:</i>			
(Gain)/loss on revaluation and sale of investment property		(53.2)	16.8
Gain on bargain purchase		-	(803.7)
Change in value of investments and other receivables		0.1	(2.2)
Change in fair value of financial assets at fair value through profit or loss		-	(52.0)
Depreciation		0.3	0.1
Amortisation of tenant lease incentives and other direct costs		(2.4)	2.7
Provision for expected credit loss		2.2	1.6
Profit from joint ventures and associates	11	(4.2)	(0.2)
Share-based payment		1.3	0.6
Finance income	5	(7.5)	(5.7)
Other finance income	5	(1.9)	(2.0)
Finance costs	6	35.4	27.2
Other finance cost	6	2.4	26.3
Change in fair value of derivative financial instruments		0.1	(0.2)
<i>Change in working capital:</i>			
Change in trade and other receivables		(3.0)	2.6
Change in trade and other payables		(14.1)	(23.6)
Cash generated/(utilised) from operations		42.1	(12.6)

20 RELATED PARTY TRANSACTIONS

Transactions between the Group and its joint ventures and associates

Transactions during the period between the Group and its joint ventures and associates, which are related parties, are disclosed in notes 11 'Investments in joint ventures and associates', 12 'Trade and other receivables' and 17 'Capital commitments'.

Property owned 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 Lillie Square. As owners of apartments in Lillie Square, Directors are required to pay annual ground rent, insurance premium fees, maintenance work fees and bi-annual service charge fees. The disclosures in respect of this purchase were included in previous financial statements.

Transactions with Directors are conducted at fair and reasonable market price 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.

ALTERNATIVE PERFORMANCE MEASURES

The Group has applied the European Securities and Markets Authority guidelines on alternative performance measures ("APMs") in these interim 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.

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	Six months ended 30 June 2024	Six months ended 30 June 2023
Underlying earnings	Profit for the period excluding items deemed non-recurring or significant by virtue of size or nature	Profit for the period	Note 2	£34.2m	£27.5m
Underlying earnings per share	Underlying earnings per weighted number of ordinary shares	Basic earnings per share	Note 2	1.9p	1.9p
EPRA earnings	Recurring earnings from core operational activity	Profit for the period	Note 2	£30.0m	£10.8m
EPRA earnings per share	EPRA earnings per weighted number of ordinary shares	Basic earnings per share	Note 2	1.6p	0.7p
Interest cover	Underlying gross profit and other income divided by net underlying finance costs	N/A	Covenants Page 43	290.0%	307.0%

APM	Definition of measure	Nearest IFRS measure	Explanation and reconciliation	30 June 2024	31 December 2023
EPRA NTA	Net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model	Net assets attributable to shareholders	Note 2	£3,538.2m	£3,479.4m
EPRA NTA per share	EPRA NTA per the diluted number of ordinary shares	Net assets attributable to shareholders per share	Note 2	193.4p	190.3p
Market value of property portfolio	Market value of wholly owned property portfolio	Investment property	Note 10	£4,831.1m	£4,795.3m
Loan-to-value	Net debt, at nominal value and excluding tenant deposits, divided by market value of property portfolio	N/A	Covenants Page 43	30.7%	31.3%
Gross debt with interest rate protection	Proportion of the gross debt with interest rate protection	N/A	N/A	100%	100%
Weighted average cost of debt ¹	Cost of debt weighted by the drawn balance of external borrowings	N/A	N/A	4.0%	4.2%
Cash and undrawn committed facilities	Cash and cash equivalents, excluding tenant deposits, plus undrawn committed facilities	N/A	Financial Review	£578.8m	£485.7m

1. As at 30 June 2024 the weighted average cost of debt reduces to an effective running cash cost of 3.3 per cent (31 December 2023: 3.4 per cent) taking account of interest on cash deposits and interest rate caps and collars.

COVENANTS

Financial covenants

	30 June 2024			
	Maturity	Nominal as at 30 June 2024 ¹ £m	LTV covenant	Interest cover covenant
Private placement loan notes	2024-2037	475.0	60%	1.20x
Exchangeable bond	2026	275.0	N/A	N/A
Unsecured term facilities ²	2027-2029	275.0	60%	1.20x
Secured term loans (Canada Life)	2029	134.8	60%	1.40x
Secured term loans (Aviva)	2030-2035	450.0	65%	1.35x
Unsecured revolving credit facilities (undrawn) ²	2027	150.0	60%	1.20x
Revolving credit facilities (undrawn)	2026	300.0	60%	1.20x

1. The balance sheet value of the loans includes unamortised fees.

2. Unsecured facilities have an additional requirement that Group unencumbered assets are equal to or exceed 1.5x of Group unsecured debt.

Loan-to-value

	Note	30 June 2024 £m	31 December 2023 £m
Debt at nominal value		1,609.8	1,684.8
Less: cash		(128.8)	(185.7)
Net debt	14	1,481.0	1,499.1
Total property portfolio at market value	10	4,831.1	4,795.3
Loan-to-value		30.7%	31.3%

Interest cover

	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Finance costs	6	(35.4)	(27.2)
Finance income	5	7.5	5.7
		(27.9)	(21.5)
<i>Underlying operating profit:</i>			
Gross profit ¹	3	80.7	63.4
Other income		0.2	2.6
		80.9	66.0
Interest cover		290.0%	307.0%

1. 30 June 2023 adjusted for the change in accounting policy as discussed in note 2.

	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Finance costs	6	(35.4)	(27.2)
Finance income	5	7.5	5.7
		(27.9)	(21.5)
<i>Underlying operating profit:</i>			
Gross profit ¹	3	80.7	63.4
Other income		0.2	2.6
Administrative expenses	4	(23.4)	(57.5)
Less: non-underlying administrative expenses	4	3.3	39.6
		60.8	48.1
Interest cover post administrative expenses		217.9%	223.7%

1. 30 June 2023 adjusted for the change in accounting policy as discussed in note 2.

EPRA MEASURES

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. The measures are defined in the Glossary.

EPRA measure	Definition of measure	Table	30 June 2024	30 June 2023
EPRA earnings	Recurring earnings from core operational activity	Note 2	30.0m	10.8m
EPRA earnings per share	EPRA earnings per weighted number of ordinary shares	Note 2	1.6p	0.7p

EPRA measure	Definition of measure	Table	30 June 2024	31 December 2023
EPRA cost ratio	Total adjusted costs as a percentage of gross rental income (including direct vacancy costs)	5	41.0%	65.6%
	Total adjusted costs as a percentage of gross rental income (excluding direct vacancy costs)	5	35.9%	60.8%
Adjusted Company cost ratio	Total adjusted costs as a percentage of adjusted gross rental income (including direct vacancy costs)	5	37.8%	39.9%
	Total adjusted costs as a percentage of adjusted gross rental income (excluding direct vacancy costs)	5	32.7%	35.2%

EPRA measure	Definition of measure	Table	30 June 2024	31 December 2023
EPRA NTA	Net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model	Note 2	3,538.2m	3,479.4m
EPRA NTA per share	EPRA NTA per the diluted number of ordinary shares	Note 2	193.4p	190.3p
EPRA NDV	EPRA NTA amended to include the fair value of financial instruments and debt	Note 2	3,584.7m	3,511.7m
EPRA NDV per share	EPRA NDV per the diluted number of ordinary shares	Note 2	196.0p	192.0p
EPRA NRV	EPRA NTA amended to include real estate transfer tax	Note 2	3,870.9	3,811.6m
EPRA NRV per share	EPRA NRV per the diluted number of ordinary shares	Note 2	211.6p	208.4p
EPRA net initial yield	Annualised rental income less non-recoverable costs as a percentage of market value plus assumed purchaser’s costs	1	3.8%	3.8%
EPRA topped-up initial yield	Net initial yield adjusted for the expiration of the rent-free periods	1	4.1%	4.2%
EPRA vacancy	ERV of unlet units (including those under offer) expressed as a percentage of the ERV of the portfolio excluding units under development	2	4.5%	4.9%
Capital Expenditure	Capital expenditure on acquisition and development of investment property portfolio	3	104.9m	53.8m
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 and joint ventures and associates, all on a proportionate basis, expressed as a percentage	4	30.2%	30.9%

1. EPRA Net initial yield and EPRA 'topped-up' net initial yield

	30 June 2024 £m	31 December 2023 £m
Investment property – wholly owned	4,831.1	4,795.3
Investment property – share of joint ventures and associates	206.5	182.2
Trading property (including share of joint venture)	22.5	41.8
Less: developments	(258.2)	(284.1)
Completed property portfolio	4,801.9	4,735.2
Allowance for estimated purchasers' costs	332.8	316.8
Gross up completed property portfolio valuation (A)	5,134.7	5,052.0
Annualised cash passing rental income	205.8	202.7
Property outgoings	(9.3)	(10.6)
Annualised net rents (B)	196.5	192.1
Add: notional rent expiration of rent periods or other lease incentives	14.6	18.2
Topped-up net annualised rent (C)	211.1	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 the EPRA guidelines and includes the wholly-owned property portfolio and the Group's share of Lillie Square and Longmartin.

2. EPRA VACANCY RATE

	30 June 2024 £m	31 December 2023 £m
Estimated rental value of vacant space	10.0	10.9
Estimated rental value of the portfolio less development and refurbishment estimated rental value	222.1	223.0
EPRA vacancy rate	4.5%	4.9%

EPRA vacancy rate is disclosed only for the wholly-owned property portfolio. This includes units under offer, net of which vacancy relating to units available to let is 2.7 per cent. Investment properties held within the joint venture at Lillie Square and the Longmartin associate totalling £206.5 million (our share) (2023: £182.2 million (our share)) is not included in the vacancy rate above.

3. PROPERTY RELATED CAPEX

	30 June 2024			31 December 2023		
	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	84.7	–	84.7	17.4	–	17.4
Development	–	0.2	0.2	–	0.8	0.8
Investment property						
Incremental lettable space	2.1	–	2.1	5.1	–	5.1
No incremental lettable space	16.7	0.5	17.2	28.5	0.5	29.0
Tenant lease incentives	0.7	–	0.7	1.5	0.3	1.8
Total CapEx	104.2	0.7	104.9	52.5	1.6	54.1
Conversion from accrual to cash basis	0.6	(0.1)	0.5	(1.3)	1.0	(0.3)
Total CapEx on cash basis¹	104.8	0.6	105.4	51.2	2.6	53.8

1. The purchase and development of property per the consolidated statement of cash flows is £103.6 million, includes £1.2 million of cash acquired on the acquisition of a property portfolio.

4. EPRA LTV (Loan-to-Value)

	30 June 2024		
	Group £m	Share of joint ventures and associates £m	Total £m
Borrowings from financial institutions	1,334.8	60.0	1,394.8
Exchangeable bond	275.0	-	275.0
Net payables	(71.6)	78.9	7.2
Exclude:			
Cash and cash equivalents ¹	(142.7)	(6.6)	(149.3)
Net debt (B)	1,395.5	132.3	1,527.7
Investment property at fair value	4,795.5	206.5	5,002.0
Owner occupied property at fair value	20.2	-	20.2
Properties held for sale at fair value	15.4	-	15.4
Properties under development	-	22.5	22.5
Total property value (A)	4,831.1	229.0	5,060.1

EPRA LTV (B/A) **30.2%**

1. Includes tenant deposits of £13.9 million held as security against tenant rent payments which are subject to certain restrictions and therefore not available for general use by the Group.

	31 December 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)
Net debt (B)	1,422.0	130.5	1,552.5
Investment property 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 payments which are subject to certain restrictions and therefore not available for general use by the Group.

5. EPRA cost ratio

	Six months ended 30 June 2024 £m	Twelve months ended 31 December 2023 £m
Administrative expenses	23.4	83.8
Total property outgoings	28.2	51.2
Provision for expected credit loss	2.2	2.0
Less: Service charge expense	(12.4)	(19.3)
Management fee	(0.1)	(0.1)
Share of joint ventures and associates expenses	1.4	3.5
Exclude:		
Ground rent cost	(0.2)	(0.8)
EPRA Cost (including direct vacancy costs) (A)	42.5	120.3
Direct vacancy costs	(5.3)	(8.9)
EPRA Costs (excluding direct vacancy costs) (B)	37.2	111.4
Gross Rental Income less ground rent costs	111.0	194.3
Less: Service charge income	(12.4)	(19.3)
Share of joint ventures and associates property income	5.1	8.3
Adjusted gross rental income (C)	103.7	183.3
EPRA Cost Ratio (including direct vacancy costs) (A/C)	41.0%	65.6%
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	35.9%	60.8%
Company specific adjustments:		
Non-underlying administrative expenses ¹	(3.3)	(44.5)
Impact of change in accounting policy on property outgoings ²	-	(1.0)
Company specific adjustments for costs (D)	(3.3)	(45.5)
Adjusted Company Cost (including direct vacancy costs) (E = A+D)	39.2	74.8
Adjusted Company Cost (excluding direct vacancy costs) (F = B+D)	33.9	65.9
Impact of change in accounting policy on rental income ²	-	4.1
Adjusted Company gross rental income (G)	103.7	187.4
Adjusted Company Cost ratio (including direct vacancy costs) (E/G)	37.8%	39.9%
Adjusted Company Cost ratio (excluding direct vacancy costs) (F/G)	32.7%	35.2%

1. Company specific adjustment relates to non-underlying administrative expenses and do not represent the recurring, underlying performance of the Group.

2. Company specific adjustment in 2023 relates to the impact in the change in accounting policies as a result of the all-share merger. £5.1 million 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 is recognised through the straight lining of lease incentives and £1.0 million in property expenses.

£0.1 million (2023: £0.3 million) of administrative expenses were capitalised during the period.

ANALYSIS OF PROPERTY PORTFOLIO

For the six months ended 30 June 2024

Wholly owned portfolio valuation by use

30 June 2024	Retail	Hospitality and leisure	Offices	Residential	Wholly owned portfolio
Valuation (£m) ¹	1,675.5	1,629.6	854.8	669.3	4,829.2
Annualised gross income (£m)	69.6	73.5	30.0	23.4	196.5
ERV (£m)	82.5	82.7	50.3	25.5	241.0
ERV psf (£)	115	87	78	59	88
Net initial yield	3.8%	4.1%	2.9%	2.8%	3.6%
Topped up net initial yield	4.1%	4.2%	3.4%	N/A	3.9%
Equivalent yield	4.5%	4.7%	4.9%	3.1%	4.4%
L-f-L valuation movement	+1.2%	+2.4%	+1.7%	-1.0%	+1.4%
L-f-L ERV movement	+2.8%	+3.7%	+4.8%	-0.2%	+3.2%
L-f-L annualised gross income growth	+3.8%	+4.1%	+5.6%	+1.3%	+3.9%
WAULT (years)	3.3	8.2	2.9	1.2	4.7
Area (sq ft m) ²	0.7	1.0	0.6	0.4	2.7
Unit count ²	417	399	409	683	1,908

1. Excludes £1.9 million of Group properties primarily held in Lillie Square Holdings (a wholly owned subsidiary).

2. Excluding long-leasehold residential interests.

Wholly owned portfolio valuation by location

30 June 2024	Covent Garden	Carnaby Soho	Chinatown	Fitzrovia	Wholly owned portfolio
Valuation (£m) ¹	2,574.9	1,523.7	702.1	28.5	4,829.2
Annualised gross income (£m)	102.1	61.0	31.9	1.5	196.5
ERV (£m)	127.4	78.4	33.7	1.5	241.0
ERV psf (£)	91	88	80	62	88
Net initial yield	3.5%	3.4%	4.0%	4.3%	3.6%
Topped up net initial yield	3.8%	3.8%	4.0%	4.3%	3.9%
Equivalent yield	4.4%	4.5%	4.3%	4.1%	4.4%
L-f-L valuation movement	+0.9%	+2.0%	+1.7%	-0.1%	+1.4%
L-f-L ERV movement	+4.0%	+2.5%	+2.1%	-	+3.2%
L-f-L annualised gross income growth	+4.4%	+3.9%	+2.4%	+0.5%	+3.9%
WAULT (years)	4.9	4.1	5.5	3.9	4.7
Area (sq ft m) ²	1.4	0.9	0.4	-	2.7
Unit count ²	864	665	350	29	1,908

1. Excludes £1.9 million of Group properties primarily held in Lillie Square Holdings (a wholly owned subsidiary).

2. Excluding long-leasehold residential interests.

DIVIDENDS

The Directors of Shaftesbury Capital have declared an interim cash dividend of 1.7 pence per ordinary share (ISIN GB00B62G9D36) payable on 1 October 2024.

Dates

The following are the salient dates for payment of the interim cash dividend:

Sterling/Rand exchange rate struck	Monday, 12 August 2024
Sterling/Rand exchange rate and dividend amount in Rand announced	Tuesday, 13 August 2024
Ordinary shares listed ex-dividend on the Johannesburg Stock Exchange	Wednesday, 21 August 2024
Ordinary shares listed ex-dividend on the London Stock Exchange	Thursday, 22 August 2024
Record date for the cash interim dividend in UK and South Africa	Friday, 23 August 2024
Dividend payment date for shareholders	Tuesday, 1 October 2024

South African shareholders should note that, in accordance with the requirements of Strate, the last day to trade cum-dividend will be Tuesday, 20 August 2024 and that no dematerialisation or rematerialisation of shares will be possible from Wednesday, 21 August 2024 to Friday 23 August 2024 inclusive. No transfers between the UK and South African registers may take place from close of business on Tuesday, 13 August 2024 to Friday, 23 August 2024 inclusive.

The above dates are proposed and subject to change.

The Property Income Distribution ("PID") element (being 1.0 pence) will be subject to a deduction of a 20 per cent UK withholding tax unless exemptions apply. The non-PID element (being 0.7 pence) will be treated as an ordinary UK company dividend.

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 - PIDs

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 our UK registrars, Link Group. Validly completed forms must be received by Link Group no later than the dividend Record Date, as advised; otherwise the dividend will be paid after deduction of tax.

South African shareholders

The interim cash dividend declared by the Company is a foreign payment and the funds are sourced from the UK.

PIDs: A 20 per cent UK withholding tax is applicable to a PID. South African shareholders may apply to HMRC after payment of the PID element of the 2024 interim 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 PID element of the 2024 interim 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 PID element of the 2024 interim 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: The non-PID element of the 2024 interim cash dividend will be exempt from income tax but will constitute a dividend for SA 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 non-PID element of the 2024 interim 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.

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>

Payment of future dividends

The Company has committed to becoming net zero carbon by 2030. To help meet this commitment and minimise our impact on the environment, future cash dividend payments made by the Company from the start of 2025 will only be made by electronic means. We will no longer be issuing payments by cheque.

Shareholders on the UK section of the register who have not already provided bank account details will need to do this to enable payment of cash dividends. Visit the dividend information section of our website for details of the different methods to register bank account details (<https://www.shafesburycapital.com/en/investors/investor-information/dividend-information.html>)

GLOSSARY

Alternative Performance Measure (APM)

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.

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.

Contracted income

Includes rent frees and contracted rent increases.

Capco

Capco represents Shaftesbury Capital PLC, formally 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.

CRREM

Carbon Risk Real Estate Monitor. The leasing global standard and initiative for operational decarbonisation of real estate assets.

Energy Performance Certificate (EPC)

An asset rating setting out how energy efficient a building is, rated by its carbon dioxide emission on a scale of A to G, with A being the most energy efficient.

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 period 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 and IFRS 3 merger-related transaction costs, divided by the weighted average number of shares in issue during the period.

EPRA loan-to-value (LTV)

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 proportionate basis, expressed as a percentage. The calculation includes trading properties at fair value and debt at nominal value.

EPRA net disposal value (NDV) per share

The net assets as at the end of the period including the excess of the fair value of trading property over its cost, revaluation of other non-current investments and the fair value of fixed interest rate debt over their carrying 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 development property expressed as a percentage of the gross market value before deduction of theoretical acquisition costs.

EPRA net tangible assets (NTA) per share

The net assets as at the end of the period 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 net reinstatement value (NRV) per share

The net assets as at the end of the period 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 and diluting for the effect of those shares potentially issuable under employee share schemes plus a gross up adjustment for related costs such as Real Estate Transfer Tax, divided by the diluted number of ordinary shares.

EPRA topped-up initial yield

EPRA net initial yield adjusted for the expiration of rent-free periods.

EPRA vacancy

ERV of unlet units, including those under offer, expressed as a percentage of the ERV of the wholly-owned property portfolio excluding units under development.

Estimated rental value (ERV)

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.

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 ("SAICA"), a requirement of the Group's JSE listing. This measure is not a requirement of IFRS.

Leasing activity

The rental value secured from lettings, rent reviews and lease renewals during a period.

Like-for-like property

Property which has been owned throughout both periods, without significant capital expenditure in either period, 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 period.

Loan-to-value (LTV)

LTV is calculated on the basis of net debt divided by the market value of the wholly owned property portfolio.

Longmartin

Longmartin Properties Limited is a 50 per cent associate between the Group and The Mercers' Company and owns a long leasehold interest in a number of mixed-use buildings, centred on St Martin's Courtyard in Covent Garden, which offers a range of hospitality, leisure and retail concepts, alongside over 100,000 square feet of office space and 75 apartments.

LSJV

The Lillie Square joint venture is a 50 per cent joint venture between the Group and Kwok Family Interests (KFI). The joint venture was established to own, manage and develop land interests at Lillie Square.

MSCI

Producer of an independent benchmark of property returns.

NAV

Net Asset Value.

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.

Net debt

Total borrowings, at nominal value, less cash and cash equivalents, excluding tenant deposits.

Net rental income (NRI)

Gross rental income less ground rents, payable service charge expenses and other non-recoverable charges, having taken due account of expected credit loss provisions and adjustments to comply with International Financial Reporting Standards regarding tenant lease incentives.

Net Zero Carbon

When there is a balance between the amount of Greenhouse Gas ("GHG") emissions produced and the amount removed from the atmosphere targeting initially reduction in GHG emissions resulting from our buildings and operations and then offsetting any unavoidable residual emissions.

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.

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.

Property income distributions (PIDs)

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.

Real estate investment trust (REIT)

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.

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.

Shaftesbury PLC

Shaftesbury represents Shaftesbury PLC and all its subsidiaries and Group undertakings, collectively referred to as the Shaftesbury Group.

Shaftesbury Capital

With effect from 6 March 2023, Capital & Counties Properties PLC changed its name to Shaftesbury Capital PLC (also referred to as "the Company" or "Shaftesbury Capital"), 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 arrear, paid by banks for unsecured transactions.

Tenant lease incentives

Any incentives offered to tenants 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 tenants are amortised through the consolidated statement of comprehensive income on a straight-line basis to the earlier of break or lease expiry.

Topped-up net initial yield

Net initial yield adjusted for the expiration of rent-free periods.

Total accounting return (TAR)

The movement in EPRA NTA per share plus dividends per share paid during the period.

Total property return (TPR)

Capital growth including gains and losses on disposals plus rent received less associated costs, including ground rent.

Total shareholder return (TSR)

The movement in the price of an ordinary share plus dividends paid during the period assuming re-investment in ordinary shares.

Underlying administrative costs

Administrative expenses excluding merger-related transaction and integration costs and non-underlying administrative expenses. The items are excluded as considered to be non-recurring or significant by virtue of size and nature.

Underlying earnings

Underlying earnings reflects the underlying financial performance of the Group's core West End property rental business. The measure aligns with the main principles of EPRA earnings. Additional adjustments are made to exclude items considered to be non-recurring or significant by virtue of size and nature.

Underlying earnings per share (EPS)

Underlying earnings divided by the weighted average number of shares in issue during the period.

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, on a time weighted basis, 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.

Weighted average cost of debt - gross

The cost of debt weighted by the drawn balance of external borrowings.

Weighted average cost of debt - net

The cost of debt weighted by the drawn balance of external borrowings, taking account of interest on cash deposits and interest rate caps and collars.

Weighted average unexpired lease term (WAULT)

The unexpired lease term to the earlier of break or lease expiry weighted by ERV for each lease.

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 6m 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").

Important notices

This press release 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 press release. 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 press release does not purport to be comprehensive and has not been independently verified.

Any information contained in this announcement 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 press release is intended to be a profit forecast and no statement in this press release 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 press release 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.