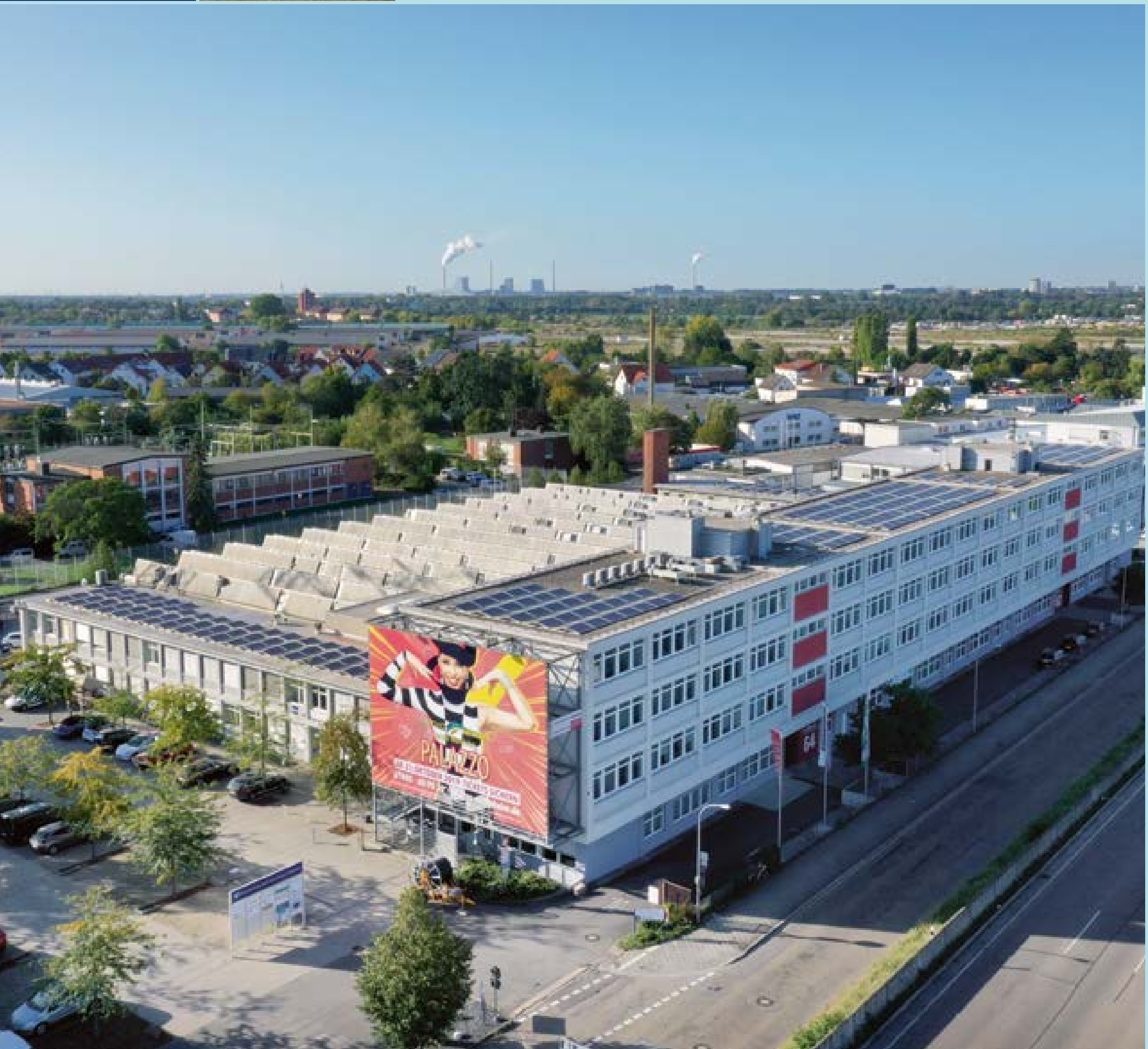
Financial statements



INDEPENDENT AUDITOR'S REPORT
to the members of Sirius Real Estate Limited

Opinion

We have audited the financial statements of Sirius Real Estate Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related notes 1 to 35, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS').

In our opinion, the financial statements:

» give a true and fair view of the state of the Group's affairs as at 31 March 2023 and of its profit for the year then ended;

» have been properly prepared in accordance with International Financial Reporting Standards; and

» have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

» We obtained an understanding of the process followed by Management in preparing the Group's going concern assessment over the going concern period to 31 October 2024, including challenging the completeness of risks identified in Management's assessment, identifying and assessing scenarios that may arise as a result of the ongoing conflict in Ukraine and other macro-economic factors (such as forecast inflation levels and interest rates) which may adversely affect future occupancy and income levels and the impact of a fall in property valuations on compliance with loan covenants.

» We obtained the base case scenario and the severe but plausible downside scenario covering the going concern period prepared by Management and provided to the Board. We challenged Management on whether the scenarios considered were sufficient to allow them to form their view on going concern. We tested the mathematical accuracy of the models and verified the opening available cash balance in Management's cash flow forecast by comparing it to the year-end cash balance which was subject to our audit procedures.

» We challenged the appropriateness of each of the key assumptions through agreeing them to supporting evidence and searching for contradictory evidence, using our understanding of the Group's business, evidence gained during the audit and our industry knowledge. We assessed the historical forecasting accuracy as an input into determining the ability of Management to forecast for the going concern period.

» We used our Chartered Surveyors to challenge the stress tests applied to forecast reductions in property valuations in the severe but plausible downside scenario. We applied further sensitivities where appropriate to stress test the impact on forecast available cash.

» We checked the modelled details of the lending terms and covenants back to lender agreements, verifying the key terms and confirming the availability of the debt facilities in the going concern period.

Conclusions relating to going concern continued

- We performed testing to evaluate whether the covenant requirements of the debt facilities would be breached under the severe but plausible downside scenario prepared by Management and applied additional stress tests to observe their impact on liquidity. We performed additional reverse stress testing to understand the fall in valuations and/or occupancy needed to use remaining liquidity. In assessing the likelihood of these scenarios, we considered the perspective of our Chartered Surveyors, assessed the impact of the timing of these events and understood the availability of mitigating actions to be taken.
- In August 2022 Management agreed a new debt facility with Berlin Hyp for €170.0m on a seven-year term ahead of its maturity on 31 October 2023. In May 2023 Management agreed a new debt facility with Deutsche Pfandbriefbank AG for €58.3m on a seven-year facility expiring on 31 December 2030. We inspected the new financing documents to determine whether the facilities were available to the Group.
- We challenged Management's assessment of events or conditions after the going concern period that may cast significant doubt on the entity's ability to continue as a going concern.
- We reviewed the disclosures in the Annual Report and Accounts in relation to going concern with a view to assessing whether they appropriately disclose the risks, the impact on the Group's operations and results and the availability of mitigating actions to be taken.

Our key observations on going concern include:

- The Group's activities are financed in part through external debt financing. Under the severe but plausible downside scenario the Group is expected to comply with its loan covenants with no cure payments or breaches forecast.
- Managements' assessment of going concern is based on the current portfolio, on the assumption that any significant new acquisitions will be appropriately financed.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period to 31 October 2024. Going concern has also been determined to be a key audit matter.

In relation to the Group's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	» The Group operates in both Germany and the United Kingdom. We performed an audit of the complete financial information of both the German and United Kingdom components, which were both designated as full scope components. » The components where we performed full audit procedures accounted for 100% of Adjusted profit before tax, 100% of Revenue and 100% of Total assets. » The Group audit team also performed direct audit procedures on investment in associates included within the Group financial statements.
Key audit matters	» The valuation of the investment property portfolio. » Revenue recognition, including the timing of revenue recognition, the treatment of rents, service charge income and lease incentives. » Going concern basis used in the preparation of the financial statements.
Materiality	» Overall Group materiality of €21.3m (2022: €23.6m) which represents 0.9% of 2023 Total assets (2022: 1% of Total assets) was applied to balances related to investment properties, loans, derivatives and the related Income Statement balances. » Specific materiality of €4.5m (2022: €3.9m) which represents 5% of Adjusted profit before tax (2022: 5% of Adjusted profit before tax) was applied to account balances not related to investment properties, loans, derivatives and the related Income Statement balances. » We have allocated the performance materiality and audit differences threshold to the two components of the Group (Germany and the UK).

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Sirius Real Estate Limited

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each Company within the Group. Taken together, this enables us to form an opinion on the Group financial statements. We take into account size, risk profile, the organisation of the Group, the effectiveness of Group-wide controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by a single integrated audit team.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements we selected both components covering entities within Germany and United Kingdom, which represent the principal business units within the Group.

We performed an audit of the complete financial information of both the components ("full scope components") which were selected based on their size or risk characteristics.

	Germany	United Kingdom
Revenue	79% of Group	21% of Group
Adjusted profit before tax	69% of Group	31% of Group
Total assets	80% of Group	20% of Group

For the current year, the full scope components contributed 100% (2022: 100%) of the Group's Adjusted profit before tax, 100% (2022: 100%) of the Group's Revenue and 100% (2022: 100%) of the Group's Total assets.

Climate change

Stakeholders are increasingly interested in how climate change will impact Sirius Real Estate Limited. The Group has determined that the most significant future impacts from climate change on its operations will be from the failure to meet net zero targets leading to regulatory, reputational and commercial impact and failure to mitigate physical impact on the property portfolio. These are explained on pages 55 to 65 in the Task Force for Climate related Financial Disclosures and on pages 80 and 81 in the principal risks and uncertainties. They have also explained their climate commitments on pages 44 to 47. All of these disclosures form part of the "Other information" rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained within Note 3 to the financial statements ('Other sources of estimation uncertainty') how they have reflected the impact of climate change in their financial statements.

Our audit effort in considering the impact of climate change on the Group's financial statements focused on evaluating Management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 59 to 61 and the significant judgements and estimates disclosed in note 3 and whether these have been appropriately reflected in the investment property portfolio valuation and associated disclosures and in the models of future cash flows which are used to assess the Group's ability to continue to operate as a going concern. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter, however, the impact of climate change is considered in the valuation of investment properties and also considered in performing the going concern assessment.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters. In addition to going concern the matters listed in the table below were key audit matters.

An overview of the scope of our audit continued

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
The valuation of the investment property portfolio 2023: €2,123.0m (2022: €2,100.0m) in investment properties, €8.8m (2022: €13.8m) included within assets held for sale and €354.7m (2022: €349.8m) included in investments in associates Refer to the Audit Committee Report (pages 98 to 103); Accounting policies (pages 153 to 161); and Note 14 of the Financial Statements (pages 179 to 182) The valuation of the investment property portfolio (including investment properties within assets held for sale and held in investments in associates) requires significant judgement and use of estimates by management and the external valuers. Any input inaccuracies or unreasonable basis used in these judgements (such as in respect of market rental income and yields applied) could result in a material misstatement of the income statement and balance sheet balances. There is also a risk that management may influence the significant judgements and estimates in respect of property valuations in order to achieve property valuation and other performance targets to meet market expectations or bonus targets.	Our audit procedures in respect of the valuation of investment property included: » We performed a walkthrough of the valuation process and methodology, evaluating the Group's controls over data used in the valuation of the investment property portfolio and Management's review of the valuations. » We evaluated the competence of the external valuer which included consideration of their qualifications, expertise and objectivity. » We selected a sample based on factors including size, risk, type of property and location, which in total comprised 46% of the market value of investment properties (including investment properties within assets held for sale and total value of investments in associates). For this sample of properties, we performed testing over source documentation provided by the Group to the external valuer. This included agreeing a sample of this documentation back to underlying lease data and vouching costs incurred to date in respect of properties with capital expenditure in the period. » We included Chartered Surveyors on our audit team who reviewed and challenged the valuation approach and assumptions for our sample. Our Chartered Surveyors assessed the yield of each property against available market evidence and/or asset specific considerations. They also assessed whether the other assumptions applied by the external valuer, such as the market rental income and voids were supported by available market data. Furthermore, they reperformed valuation calculations to determine a reasonable range of values. » We challenged the external valuer on whether climate factors had been considered as part of the valuations. The external valuer confirmed that this had been considered but did not lead to any specific adjustments to values. » We conducted analytical procedures by comparing assumptions and the value of each property in the portfolio by reference to movements in yields and rents during the year and their impact on the valuation, along with asset specific considerations to evaluate the appropriateness of the valuations adopted by the Group. We challenged Management and their external valuer with our audit findings, including contradictory evidence to obtain further understanding of the movements in values. » We obtained a confirmation from the external valuer that they had not been subject to undue influence from Management. » We utilised our analytical procedures and work of the Chartered Surveyors described above in order to assess for evidence of undue Management influence. » We performed site visits accompanied by our Chartered Surveyors for a sample of properties, to confirm existence and state of repair of the properties. » We assessed the adequacy of the disclosures of estimates and valuation assumptions in note 3 and note 14 that were made in accordance with IFRS 13 – Fair Value Measurement. **Scope of our procedures** We performed full scope audit procedures over the valuation of the investment property portfolio (including investment properties within assets held for sale and held in investments in associates) in respect of both components, representing 100% of the total portfolio.	We concluded that the methodology applied by the external valuer was appropriate and that the external valuations were a reasonable assessment of the market value of investment properties at 31 March 2023. Our Chartered Surveyors concluded that the sample of valuations they reviewed were within a reasonable range. We concluded that the investment property valuations are reasonable and did not identify evidence of undue Management influence. We reviewed the disclosures in the financial statements and consider them appropriate.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Sirius Real Estate Limited

An overview of the scope of our audit continued

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition, including the timing of revenue recognition, the treatment of rents, service charge income and lease incentives 2023: €169.7m rental and other income and €100.4m service charge income (2022: €134.9m rental and other income and €75.3m service charge income) Refer to the Audit Committee report (pages 98 to 103); Accounting policies (pages 153 to 161); and Note 6 of the Financial Statements (page 165) Market expectations and profit-based targets may place pressure on Management to distort revenue recognition. This may result in overstatement of revenues to assist in meeting current or future targets or expectations.	Our audit procedures over revenue recognition included: » We evaluated the Group's controls over revenue recognition which have been designed by the Group to prevent and detect fraud and errors in revenue recognition. » We selected a sample of lease agreements and agreed the terms per the lease agreements to the data input into the property management system, including lease incentive clauses. We agreed a sample of service charge income balances in the year to the supporting terms of the lease agreements, invoices raised and cash collections. » We performed analytical procedures using data analytics tools to assess whether revenue had been recognised in the appropriate accounting period. We performed anchor testing from rental agreements to cash combined with three-way journal correlation using data analytics. This provided substantive evidence on occurrence and measurement of revenue, with some evidence on completeness of processing. » We agreed a sample of lease agreements to the revenue recognised, after considering the straight-lining of lease incentives over the lease period in accordance with IFRS 16 – Leases. » For the service charge income, we analysed and compared our expectation to actual service charge income recognised in the ledger. We reviewed the service charge calculation and allocation to tenants and the recoverability of historic service charge debtors. » We assessed whether the revenue recognition policies adopted complied with IFRS through sample testing transactions to determine the underlying accounting treatment applied. » We challenged the appropriateness of a sample of manual journals posted to revenue through obtaining evidence to support the journal posting. The manual journals testing is specifically designed to address the risk of management override of controls and incorrect cut off. **Scope of our procedures** We performed full scope audit procedures over revenue recognition, in respect of both components, representing 100% of total revenue.	We audited the timing of revenue recognition, treatment of rents, service charge income and lease incentives and assessed the risk of management override. Based upon the audit procedures performed, we have concluded that revenue, service charge income and the lease incentives have been recognised on an appropriate basis in the year.

In the prior year, our Auditor's report included a key audit matter in relation to the accounting for the acquisition of BizSpace, including the purchase price allocation and assessing goodwill for impairment. In the current year, we have updated our risk assessment and concluded that it is no longer a key audit matter as the acquisition was completed in the year ended 31 March 2022.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

An overview of the scope of our audit continued

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

The table below sets out the materiality, performance materiality and threshold for reporting audit differences applied on our audit:

	Basis	Materiality	Performance materiality	Audit differences
Overall	0.9% of Total assets (2022: 1% of Total assets)	€21.3m (2022: €23.6m)	€16.0m (2022: €17.8m)	€1.1m (2022: €1.1m)
Specific – account balances not related to investment properties, loans or derivatives.	5% of Adjusted profit before tax (2022: 5% of Adjusted profit before tax)	€4.5m (2022: €3.9m)	€3.4m (2022: €2.9m)	€0.2m (2022: €0.2m)

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We believe that an asset-based measure is the most appropriate basis for determining overall materiality, given that key users of the Group's financial statements are primarily focused on the valuation of the Group's assets. Based on this, we determined that it is appropriate to set the overall materiality at 0.9% of Total assets (2022: 1.0% of Total assets). We applied overall materiality to the investment property, loans, derivatives and the related Income Statement balances.

This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

We determined that for other account balances not related to investment properties, loans, derivatives and the related Income Statement balances, a misstatement of less than overall materiality for the financial statements as a whole could influence the economic decisions of users. We believe that it is most appropriate to use a profit-based measure as profit is also a focus of users of the financial statements.

We determined that materiality for these areas should be based upon 5% of Adjusted profit before tax. Adjusted profit before tax is considered an important performance metric and aligned with industry earnings measures.

During the course of our audit, we reassessed initial materiality which has not resulted in a change from our planning materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely €16m (2022: €17.8m) and €3.4m (2022: €2.9m) respectively for overall and specific materiality levels. We have set performance materiality at this percentage based on our expectations of identifying material misstatements and the control environment supporting the prevention of material misstatement.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the overall and specific performance materiality allocated to components was €8m and €1.7m, respectively (2022: € 8.9m to € 1.4m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €1.1m (2022: €1.1m), as well as uncorrected audit differences in excess of €0.2m (2022: €0.2m) that relate to our testing of account balances not related to investment property, loans, derivatives and the related Income Statement balances, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Sirius Real Estate Limited

An overview of the scope of our audit continued

Other information

The other information comprises the information included in the annual report set out on pages 1 to 138, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

» proper accounting records have not been kept by the Company; or

» the financial statements are not in agreement with the Company's accounting records and returns; or

» we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

» Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 136 and 137;

» Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 82;

» Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on pages 136 and 137;

» Directors' statement on fair, balanced and understandable set out on page 134;

» Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 72 to 81;

» The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 102 and 103; and

» The section describing the work of the Audit Committee set out on pages 100 and 101.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 134, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group'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.

An overview of the scope of our audit continued

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

» We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (IFRS, The Companies (Guernsey) Law, 2008, the UK Corporate Governance Code and The King IV Report for Corporate Governance™ for South Africa 2016), the relevant tax regulations in the jurisdictions the Group operates in, the General Data Protection Regulation (GDPR), Health & Safety Regulations and the Bribery Act. There are no significant industry specific laws or regulations that we considered in determining our approach;

» We understood how Sirius Real Estate Limited is complying with those frameworks, to the extent necessary to mitigate the risk of a material error in the financial statements, through enquiry with Management, and by identifying the Group's policies and procedures regarding compliance with laws and regulations. We also identified those members of Management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to those charged with governance. We corroborated our enquiries through our review of board minutes and papers provided to the board and the Audit Committee, as well as consideration of the results of our audit procedures across the Group to either corroborate or provide contrary evidence which was then followed up. Our assessment included the tone from the top and the emphasis on a culture of honest and ethical behaviour;

» We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by reviewing the Group's risk register and through enquiry with Management and the Audit Committee during the planning and execution phases of our audit. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how Management monitors those programmes and controls;

» Based on this understanding we designed our audit procedures to identify relevant non-compliance with such laws and regulations. Our procedures involved:

  - Enquiry of Management, and when appropriate, those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
  - Reading minutes of meetings of those charged with governance;
  - Obtaining electronic confirmations from the Group's banking providers to vouch the existence of cash balances and completeness of loans and other treasury positions such as derivatives;
  - Obtaining and reading correspondence from legal and regulatory bodies, including the Financial Reporting Council (FRC), the London Stock Exchange (LSE), the Johannesburg Stock Exchange (JSE) and tax authorities in all jurisdictions the Group operates in; and
  - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding the business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Sirius Real Estate Limited

An overview of the scope of our audit continued

Other matters we are required to address

» Following the recommendation from the Audit Committee we were re-appointed by the Company in 2022 to audit the Group financial statements for the year ending 31 March 2024 and subsequent financial periods.

» The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 31 March 2019 to 31 March 2023.

» The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Saunders
for and on behalf of Ernst & Young LLP
Guernsey, Channel Islands
3 June 2023

CONSOLIDATED INCOME STATEMENT
for the year ended 31 March 2023

	Notes	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Revenue	6	**270.1**	210.2
Direct costs	7	**(116.7)**	(87.7)
Net operating income		**153.4**	122.5
(Loss)/gain on revaluation of investment properties	14	**(9.8)**	140.9
Gain/(loss) on disposal of properties		**4.7**	(0.6)
Recoveries from prior disposals of subsidiaries		**—**	0.1
Movement in expected credit loss provision(1)	7	**(1.0)**	(2.3)
Administrative expenses(1)	7	**(48.3)**	(38.4)
Goodwill impairment	17	**—**	(40.9)
Share of profit of associates	20	**2.6**	6.9
Operating profit		**101.6**	188.2
Finance income	10	**2.8**	3.0
Finance expense	10	**(18.3)**	(23.3)
Change in fair value of derivative financial instruments	10	**0.9**	1.0
Net finance costs		**(14.6)**	(19.3)
Profit before tax		**87.0**	168.9
Taxation	11	**(7.3)**	(20.9)
Profit for the year after tax		**79.7**	148.0
Profit attributable to:			
Owners of the Company		**79.6**	147.9
Non-controlling interest		**0.1**	0.1
		79.7	148.0
Earnings per share			
Basic earnings per share	12	**6.82c**	13.48c
Diluted earnings per share	12	**6.73c**	13.29c

(1) To conform to the current year presentation, the movement in expected credit loss provision has been shown as a separate line and this is a reallocation from administrative expenses for the year ended 31 March 2022.

All operations of the Group have been classified as continuing.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2023

	Notes	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Profit for the year after tax		**79.7**	148.0
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods			
Foreign currency translation reserve	28	**(17.2)**	(1.7)
Other comprehensive loss after tax that may be reclassified to profit or loss in subsequent periods		**(17.2)**	(1.7)
Other comprehensive loss for the year after tax		**(17.2)**	(1.7)
Total comprehensive income for the year after tax		**62.5**	146.3
Total comprehensive income attributable to:			
Owners of the Company		**62.4**	146.2
Non-controlling interest		**0.1**	0.1
		62.5	146.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Notes	31 March 2023 €m	31 March 2022 €m
Non-current assets			
Investment properties	14	**2,123.0**	2,100.0
Plant and equipment	16	**7.2**	5.5
Intangible assets	17	**4.1**	4.3
Right of use assets	18	**14.4**	15.0
Other non-current financial assets	19	**48.4**	48.3
Investment in associates	20	**26.7**	24.1
Total non-current assets		**2,223.8**	2,197.2
Current assets			
Trade and other receivables	21	**30.5**	24.6
Derivative financial instruments		**1.3**	0.3
Cash and cash equivalents	22	**124.3**	151.0
Total current assets		**156.1**	175.9
Assets held for sale	15	**8.8**	13.8
Total assets		**2,388.7**	2,386.9
Current liabilities			
Trade and other payables	23	**(101.5)**	(89.3)
Interest-bearing loans and borrowings	24	**(243.7)**	(19.6)
Lease liabilities	18	**(2.2)**	(1.1)
Current tax liabilities	11	**(5.4)**	(10.4)
Total current liabilities		**(352.8)**	(120.4)
Non-current liabilities			
Interest-bearing loans and borrowings	24	**(720.7)**	(961.9)
Lease liabilities	18	**(37.4)**	(37.6)
Deferred tax liabilities	11	**(80.2)**	(75.9)
Total non-current liabilities		**(838.3)**	(1,075.4)
Total liabilities		**(1,191.1)**	(1,195.8)
Net assets		**1,197.6**	1,191.1
Equity			
Issued share capital	27	**—**	—
Other distributable reserve	28	**516.4**	570.4
Own shares held	27	**(8.3)**	(6.3)
Foreign currency translation reserve	28	**(18.9)**	(1.7)
Retained earnings		**707.9**	628.3
Total equity attributable to the owners of the Company		**1,197.1**	1,190.7
Non-controlling interest		**0.5**	0.4
Total equity		**1,197.6**	1,191.1

The financial statements on pages 149 to 202 were approved by the Board of Directors on 2 June 2023 and were signed on its behalf by:

Daniel Kitchen
Chairman

Company number: 46442

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

	Notes	Issued share capital €m	Other distributable reserve €m	Own shares held €m	Foreign currency translation reserve €m	Retained earnings €m	Total equity attributable to the owners of the Company €m	Non-controlling interest €m	Total equity €m
As at 31 March 2021		–	449.1	(3.0)	–	480.4	926.5	0.3	926.8
Profit for the year		–	–	–	–	147.9	147.9	0.1	148.0
Other comprehensive income for the year		–	–	–	(1.7)	–	(1.7)	–	(1.7)
Total comprehensive income for the year		–	–	–	(1.7)	147.9	146.2	0.1	146.3
Shares issued		159.9	–	–	–	–	159.9	–	159.9
Transaction cost relating to share issues		(6.2)	–	–	–	–	(6.2)	–	(6.2)
Dividends paid	30	13.7	(44.5)	–	–	–	(30.8)	–	(30.8)
Transfer of share capital	30	(167.4)	167.4	–	–	–	–	–	–
Share-based payment transactions	9	–	1.9	–	–	–	1.9	–	1.9
Value of shares withheld to settle employee tax obligations	9	–	(3.5)	–	–	–	(3.5)	–	(3.5)
Own shares purchased	27	–	–	(5.5)	–	–	(5.5)	–	(5.5)
Own shares allocated	27	–	–	2.2	–	–	2.2	–	2.2
As at 31 March 2022		**–**	**570.4**	**(6.3)**	**(1.7)**	**628.3**	**1,190.7**	**0.4**	**1,191.1**
Profit for the year		–	–	–	–	79.6	79.6	0.1	79.7
Other comprehensive income for the year		–	–	–	(17.2)	–	(17.2)	–	(17.2)
Total comprehensive income for the year		–	–	–	(17.2)	79.6	62.4	0.1	62.5
Dividends paid	30	1.4	(59.2)	–	–	–	(57.8)	–	(57.8)
Transfer of share capital	30	(1.4)	1.4	–	–	–	–	–	–
Share-based payment transactions	9	–	5.5	–	–	–	5.5	–	5.5
Value of shares withheld to settle employee tax obligations	9	–	(1.7)	–	–	–	(1.7)	–	(1.7)
Own shares purchased	27	–	–	(2.3)	–	–	(2.3)	–	(2.3)
Own shares allocated	27	–	–	0.3	–	–	0.3	–	0.3
As at 31 March 2023		**–**	**516.4**	**(8.3)**	**(18.9)**	**707.9**	**1,197.1**	**0.5**	**1,197.6**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Notes	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Operating activities			
Profit for the year before tax		**87.0**	168.9
(Gain)/loss on disposal of properties		**(4.7)**	0.6
Recoveries from prior disposals of subsidiaries		**—**	(0.1)
Net exchange differences		**(0.2)**	(2.0)
Share-based payments	9	**5.5**	4.2
Loss/(gain) on revaluation of investment properties	14	**9.8**	(140.9)
Change in fair value of derivative financial instruments	10	**(0.9)**	(1.0)
Depreciation of property, plant and equipment	16	**2.1**	1.2
Amortisation of intangible assets	17	**1.3**	1.2
Depreciation of right of use assets	18	**2.1**	0.8
Goodwill impairment	17	**—**	40.9
Share of profit of associates	20	**(2.6)**	(6.9)
Finance income	10	**(2.8)**	(3.0)
Finance expense	10	**18.3**	23.2
Increase in trade and other receivables		**(5.9)**	(5.2)
Increase in trade and other payables		**12.4**	3.5
Taxation paid		**(8.0)**	(3.7)
Cash flows from operating activities		**113.4**	81.8
Investing activities			
Purchase of investment properties		**(42.8)**	(162.8)
Prepayments relating to new acquisitions		**—**	(1.9)
Proceeds from loss on control of subsidiaries (net of cash disposed)		**—**	0.1
Capital expenditure on investment properties		**(28.4)**	(23.8)
Purchase of plant and equipment and intangible assets		**(5.3)**	(3.5)
Acquisition of a subsidiary (net of cash acquired)		**—**	(254.7)
Proceeds on disposal of properties (including held for sale)		**32.0**	15.3
Increase in loans receivable due from associates		**(0.1)**	(1.1)
Interest received		**2.8**	3.0
Cash flows used in investing activities		**(41.8)**	(429.5)
Financing activities			
Proceeds from issue of share capital	27	**—**	159.9
Transaction costs on issue of shares	27	**—**	(6.2)
Shares purchased		**(2.3)**	(5.5)
Payment relating to exercise of share options	9	**(1.7)**	(3.5)
Dividends paid to owners of the Company	30	**(57.8)**	(30.8)
Dividends paid to non-controlling interest		**—**	—
Proceeds from loans		**—**	750.0
Repayment of loans		**(20.4)**	(399.4)
Payment of principal portion of lease liabilities		**(1.2)**	(5.9)
Exit fees/prepayment of financing penalties		**—**	(5.3)
Capitalised loan issue cost		**—**	(14.4)
Finance charges paid		**(15.2)**	(7.1)
Cash flows from financing activities		**(98.6)**	431.8
(Decrease)/increase in cash and cash equivalents		**(27.0)**	84.0
Net exchange difference		**0.3**	1.3
Cash and cash equivalents as at the beginning of the year		**151.0**	65.7
Cash and cash equivalents as at the year end	22	**124.3**	151.0

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

1. General information

Sirius Real Estate Limited (the "Company") is a company incorporated in Guernsey and resident in the United Kingdom for tax purposes, whose shares are publicly traded on the Main Market of the London Stock Exchange ("LSE") (primary listing) and the Main Board of the Johannesburg Stock Exchange ("JSE") (primary listing).

The consolidated financial information of the Company comprises that of the Company and its subsidiaries (together referred to as the "Group" or "Sirius") for the year ended 31 March 2023.

The principal activity of the Group is the investment in, and development of, commercial and industrial property to provide conventional and flexible workspace in Germany and the United Kingdom ("UK").

2. Significant accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, investment properties held for sale and derivative financial instruments, which have been measured at fair value. The consolidated financial information has been presented in euros and all values are rounded to the nearest thousand (€000) in prior years. The consolidated financial information in the current year is presented in euros and all values are rounded to the nearest hundred thousand shown in millions (€m), except where otherwise indicated.

The Company has prepared its annual consolidated financial statements in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS") as a result of the primary listing on the JSE. See also note 2(c) for statement of compliance.

As at 31 March 2023 the Group's consolidated financial statements reflect consistent accounting policies and methods of computation as used in the previous financial year, except for the changes in the application of accounting policies as described in note 2(b), in accordance with IFRS.

(b) Changes in accounting policies

There were several new and amendments to standards and interpretations which were applicable for the first time for the Group from 1 April 2022. None of them have had a significant impact on the Group's income statement or balance sheet.

IFRIC: Demand Deposits with restrictions on use arising from a contract with a Third Party (IAS 7 Statement of Cash Flows).

The agenda decision considered accounting for deposits subject to contractual restrictions on use. The Committee clarified the position such that where an entity has a contractual obligation with a third party to keep a specified amount of cash in a separate demand deposit for specified purposes, but accessibility of cash amounts in these deposits is assured, the entity includes the demand deposit as a component of "cash and cash equivalents" in its statement of financial position and statement of cash flows. The Committee concluded that the contractual restrictions do not change the nature of the deposit if the entity can access those amounts on demand. Therefore, the Group has reviewed the deposits in respect of accessibility and concluded no adjustment is required. Deposits that are determined to be restricted only as to their use are separately disclosed (see note 22).

In respect of IFRS 16, deferred tax had not previously been recognised due to the application of the initial recognition exemption. On 7 May 2021, the IASB issued "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)", which amends the application of the initial recognition exemption for transactions giving rise to offsetting deferred tax assets and deferred tax liabilities. A deferred tax liability has been recognised on the IFRS 16 right of use asset and a deferred tax asset in respect of the IFRS 16 lease liability resulting in a net deferred tax liability recognised as at 31 March 2023 and 31 March 2022. The amendments to the initial recognition exemption under IAS 12 are effective for accounting periods beginning on or after 1 January 2023 and have been adopted early. The early adoption of this did not have a material impact on the annual financial statements of the Group.

A number of new other standards and amendments to standards have been issued but are not yet effective for the Group and have not been early adopted. The application of these new standards and amendments is not expected to have a material impact on the Group's financial statements.

(c) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of JSE Limited, IFRS, IAS 34 Interim Reporting and The Companies (Guernsey) Law, 2008. The consolidated financial statements have been prepared on the same basis as the accounting policies set out in the Group's annual financial statements for the year ended 31 March 2022, except for the changes in accounting policies as shown in note 2(b). All forward-looking information is the responsibility of the Board of Directors and has not been reviewed or reported on by the Group's auditor.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

2. Significant accounting policies continued

(d) Going concern

The Group has prepared its going concern assessment for the period to 31 October 2024 (the "going concern period"), a period greater than twelve months and chosen to align with the expected timing of the approval of the Company's subsidiary entities financial statements where a letter of support is expected to be required from the Company. The Directors also evaluated potential events and conditions beyond the going concern period that may cast significant doubt on the Group's ability to continue as a going concern, with no significant transactions or events of material uncertainty identified.

The Group's going concern assessment is based on a forecast of the Group's future cash flows. This considers Management's base case scenario and a severe but plausible downside scenario where sensitivities are applied to model the outcome on the occurrence of downside assumptions explained below. It considers the Group's principal risks and uncertainties and is dependent on a number of factors including financial performance, continued access to lending facilities (see note 24) and the ability to continue to operate the Group's secured and unsecured debt structure within its financial covenants. Within the going concern period, three of the Group's facilities mature, with the €20.0 million tranche of the HSBC Schuldschein loan falling due in July 2023, the Berlin Hyp facility of €170.0 million having already been refinanced in August 2022 one year ahead of its maturity in October 2023 (see note 24) and the Deutsche Pfandbriefbank loan of €57.3 million, which falls due in December 2023 having been refinanced on 26 May 2023 through a new €58.3 million facility extending to 31 December 2030 (see note 35). No further debt of the Group matures until 2025.

The severe but plausible scenario models a potential downturn in the Group's performance, including the potential impact of downside macro-factors such as geopolitical instability, future energy shortages, further cost increases due to inflation, pressures from increasing interest rates and outward yield movements on the Group's financial position and future prospects. The cash flow projections incorporate assumptions on future trading performance and potential valuation movements in order to estimate the level of headroom on facilities and covenants for loan to value, debt service cover, EPRA net asset value, unencumbered assets ratios, fixed charge ratios and occupancy ratios set out within the relevant finance agreements.

The impact of the macro-factors above have placed further pressure on the costs of the business, however this did not result in any deterioration in the Group's income streams in FY23 and asset values remained relatively stable. However, the Directors have been mindful of the challenging macro-factors present in the market from 31 March 2022 and have reflected this in an increase to the severity of the falls in valuations assessed in the severe but plausible downside scenario in the going concern period.

The base case and severe but plausible downside scenarios include the following assumptions applied to both the German and UK portfolios:

Base case:

» 5.5% growth in rent roll at 31 March 2023, principally from contractual increases in rents and organic growth through lease renewals;

» increasing cost levels in line with forecast inflation of 6% to March 2024 and 2% beyond;

» continuation of forecast capex investment;

» continuation of forecast dividend payments in line with historic dividend payouts;

» payment of contractual loan interest and loan amortisation amounts, repayment of €20.0 million of the Schuldschein facility in July 2023 and utilisation of the new Berlin Hyp and Deutsche Pfandbriefbank facilities on the maturity of existing facilities in October and December 2023; and

» no acquisitions or sale of assets within the period.

Severe but plausible downside scenario:

» reduction in occupancy and rental income of 10% per annum from the base case assumptions;

» reduction in service charge recovery of 10% per annum from the base case assumptions;

» reduction in property valuations of 10% per annum; and

» payment of contractual loan interest and loan amortisation amounts, repayment of €20.0 million of the Schuldschein facility in July and utilisation of the new Berlin Hyp and Deutsche Pfandbriefbank facilities on the maturity of existing facilities in October and December 2023.

The Directors are of the view that there is a remote probability of a more severe scenario arising than the above severe but plausible downside scenario based upon the Group's track record of performance in challenging scenarios, most recently through the high inflationary environment in both Germany and the UK, the Covid-19 pandemic and post-pandemic period. In addition, the Group has already secured the refinancing of the Deutsche Pfandbriefbank and Berlin Hyp AG facilities in advance of their maturity dates in the going concern period.

In the severe but plausible downside scenario, the Group is expected to comply with its loan covenants, with no covenant breaches forecasted.

The Directors are of the view that there is a high probability of securing the refinancing or an alternative source of secured or unsecured funding to replace the €20.0 million Schuldschein facility. This judgement has been informed by the Group's financial forecasts and the Group's track-record in previously refinancing maturing debt. The Company is in discussions with its current lender to secure re-financing as it comes due. Should the debt facility falling due not be refinanced or extended, the group has available cash to repay the facility and could call upon the use of mitigating factors referred to below. The mitigating factors are within the control of the Directors and there is sufficient time for such mitigating factors to be implemented, if required.

2. Significant accounting policies continued

(d) Going concern continued

In the severe but plausible downside scenario, the Company assumes full repayment of the maturing loan obligations as they fall due, amounting to €20.0 million in the going concern period. The Company forecasts indicate sufficient free cash would be available to repay these funds in full and maintain sufficient liquidity to not require the additional mitigating actions as outlined below available to it, should the severe but plausible downside scenario come to pass.

The Group also performed a reverse stress test over the impact of a fall in its property valuations during the going concern period. This showed that the Group could withstand a fall in valuations of 21%, (a level not previously seen by the Group) before there was a loan to value covenant breach. This is therefore considered to be a remote possibility during the going concern period. In each of the scenarios considered for going concern, the Group forecasts having sufficient free cash available and if required, could utilise available mitigating actions which would be available to the Group in the going concern review period, which include restricting dividends, reducing capital expenditure or the disposal of unencumbered assets that have a book value of €1.6 billion as at 31 March 2023. The restriction of dividends or reducing capital expenditure are within the control of the Directors and there is sufficient time to implement these restrictions, if required. The Directors have not identified any material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern for the duration of the going concern period.

After due consideration of the going concern assessment for the period to 31 October 2024, the Board believes it is appropriate to adopt the going concern basis in preparing its financial statements.

(e) Basis of consolidation

The consolidated financial information comprises the financial information of the Group as at 31 March 2023. The financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity.

(f) Acquisitions

Where a property is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property (see policy in note 2(aa)). More specifically, consideration is made of the extent to which substantive processes are acquired and, in particular, the extent of services provided by the subsidiary. IFRS 3 "Business Combinations" sets out an optional concentration test designed to simplify the evaluation of whether an acquired set of activities and assets is not a business. An acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Where such acquisitions are not deemed to be an acquisition of a business, they are not treated as business combinations. Instead, they are treated as asset acquisitions, with the cost to acquire the corporate entity being allocated between the identifiable assets and liabilities of the entity based on their relative fair values on the acquisition date. Accordingly, no goodwill arises.

(g) Foreign currency translation

The consolidated financial information is presented in euros, which is the functional and presentational currency of the Parent Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using the functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rate ruling at the statement of financial position date. All differences are taken to the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the exchange rates at the dates of the transactions, or where appropriate, the average exchange rates for the period. The foreign exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

2. Significant accounting policies continued

(h) Revenue recognition

Rental income

Rental income from operating leases and licence agreements containing leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Fixed or determinable rental increases, which can take the form of actual amounts or agreed percentages, are recognised on a straight-line basis over the term of material leases. If the increases are related to a price index to cover inflationary cost increases, then the policy is to apply the price index from the date it is known on a straight-line basis.

The value of rent free periods and all similar lease incentives is spread on a straight-line basis over the term of material leases only. Where there is a reasonable expectation that the tenant will exercise break options, the value of rent free periods and all similar lease incentives is booked up to the break date.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group mainly generates revenue from contracts with customers for services rendered to tenants including management charges and other expenses recoverable from tenants based on the Group's right to recharge tenants for costs incurred (with or without markup) on a day-to-day basis ("service charge income"). These services are specified in the lease agreements and separately invoiced. Service charge income is recognised as revenue when the performance obligations of the services specified in the lease agreements are met.

The individual activities vary significantly throughout the day and from day to day; however, the nature of the overall promise of providing property management service remains the same each day. Accordingly, the service performed each day is distinct and substantially the same. These services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The actual service provided during each reporting period is determined using cost incurred as the input method.

Transaction prices are regularly updated and are estimated at the beginning of each year based on previous costs and estimated spend. Service charge budgets are prepared carefully to make sure that they are realistic and reasonable. Variable consideration is only included in the transaction price to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Performance obligations related to service charge revenue is discharged by the Company continuously and on a daily basis, through the provision of utilities and other services to tenants. Changes in service charge revenue are linked to changes in the cost of fulfilling the obligation or the value to a tenant at a given period of time. Accordingly, the variable consideration is allocated to each distinct period of service (i.e. each day) as it meets the variable consideration allocation exception criteria.

Service charge expenses are based on actual costs incurred and invoiced together with an estimate of costs to be invoiced in future periods as receipt of final invoices from suppliers can take up to twelve months after the end of the financial period. The estimates are based on expected consumption rates and historical trends and take into account market conditions at the time of recording.

Service charge income is based on service charge expense and takes into account recovery rates which are largely derived from estimated occupancy levels. Service charge costs related to vacant space are irrecoverable.

The Group acts as a principal in relation to these services, and records revenue on a gross basis, as it controls the specified goods or services before transferring them to tenants.

Where amounts invoiced to tenants are greater than the revenue recognised at the period end date, the difference is recognised as unearned revenue when the Group has unconditional right to consideration, even if the payments are non-refundable. Where amounts invoiced are less than the revenue recognised at the period end date, the difference is recognised as contract assets or, when the Group has a present right to payment, as receivables albeit unbilled.

Rental income, fee income and other income from managed properties

As the Group derives income and incurs expenses relating to properties it manages but does not own, such income and expense is disclosed separately within revenue and direct costs. Income relating to managed properties is accounted for according to revenue recognition accounting policies set out above. The Group identifies itself as a principal in this arrangement as it controls and manages the services provided to its customers.

Allocation of revenues earned through all-inclusive lease and licence arrangements

The Group has entered into leases and licensing arrangements (which contain a lease) where the revenue due from the tenant is an all-inclusive price, representing lease income (recognised in accordance with IFRS 16) and service charge income (recognised in accordance with IFRS 15). Management has estimated the allocation of the revenues using the relevant service charge costs incurred and the occupancy of the properties where all-inclusive lease and licence arrangements are in place. The allocation resulted in €24.0m (2022: €5.7m) being recorded as service charge income.

Interest income

Interest income is recognised as it accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument).

2. Significant accounting policies continued

(i) Leases

Group as lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Group as lessee

All contracts that give the Group the right to control the use of an identified asset over a certain period of time in return for consideration are considered leases within the meaning of IFRS 16 "Leases" ("IFRS 16").

For all contracts that meet the definition of leases according to IFRS 16, the Group, at the commencement date of the lease (i.e. the date the underlying asset is available for use), recognises lease liabilities equal to the present value of the future lease payments, discounted to reflect the term-specific incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. Lease liabilities are subsequently increased by the periodic interest expenses and reduced by the lease payments made during the financial year.

Correspondingly, right of use assets are initially recognised at cost under IFRS 16 which is the amount of the lease liabilities (plus any advance payments that have already been made or any initial direct costs). Subsequently, the right of use assets are generally measured at cost, taking depreciation (calculated straight-line over the lease term) and impairments into account and are presented separately in the statement of financial position except for right of use assets that meet the definition of IAS 40 "Investment Property" ("IAS 40") which are presented as investment property and subsequently measured at fair value in line with the measurement rules set out in IAS 40.

Periods resulting from extension or termination options granted on a unilateral basis are assessed on a case-by-case basis and are only taken into account if their use is sufficiently probable.

The Group utilises the recognition exemptions provided by IFRS 16 and does not apply IFRS 16 to leases with a contractual term of twelve months or less or to leases in which the underlying asset is of low value (on a case-by-case basis).

Lease payments associated with short-term leases and with leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Right of use assets relating to office spaces are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(j) Income tax

Certain subsidiaries may be subject to foreign taxes in respect of foreign sources of income. Sirius Real Estate Limited is a UK resident for tax purposes. The Group's UK property business is a UK Real Estate Investment Trust ("REIT"). As a result, the Group's UK property business does not pay UK corporation tax on its profits and gains from the qualifying rental business in the UK. Non-qualifying UK profits and gains continue to be subject to corporation tax as normal.

Current income tax

Current income tax assets and liabilities are measured at the reporting date at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, with the following exceptions:

» where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences and affects neither accounting nor taxable profit or loss;

» in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

» deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the year when the related asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(k) Sales tax

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

» where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

» receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

2. Significant accounting policies continued

(l) Investment properties

Investment properties are properties that are either owned by the Group or held under a lease which are held for long-term rental income and/or capital appreciation.

Investment properties owned by the Group are initially recognised at cost, including transaction costs when the control of the property is transferred. Where recognition criteria are met, the carrying amount includes subsequent costs to add to or replace part of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date as determined by professional external valuer. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

The German properties are valued on the basis of a ten to fourteen year discounted cash flow model supported by comparable evidence. The discounted cash flow calculation is a valuation of rental income considering non-recoverable costs and applying a discount rate for the current income risk over a ten to fourteen year period. After ten to fourteen years, a determining residual value (exit scenario) is calculated, discounted to present value.

The UK properties are valued in accordance with the RICS Traditional Red Book valuation methodology, where the income being generated is capitalised by an appropriate yield. Yields are based on comparable evidence of similar quality assets which have traded in the open market. The yield applied reflects the age, location, ownership, customer base and agreement type.

Investment properties relating to leased assets are recognised in accordance with IFRS 16 (see policy in note 2(i)). Subsequent to initial recognition, investment properties relating to leased assets are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

The fair value of investment properties relating to leased assets as at 31 March 2023 and 31 March 2022 have been arrived at on the basis of a valuation carried out at that date by management. The valuation is based upon assumptions including future rental income and expenditure in accordance with the conditions of the related lease agreements. The properties are valued on the basis of a discounted cash flow model with the measurement period equal to the term of the lease agreements.

(m) Disposals of investment property

Investment property disposals are recognised when control of the property transfers to the buyer, which typically occurs on the date of completion. Profit or loss arising on disposal of investment properties is calculated by reference to the most recent carrying value of the asset adjusted for subsequent capital expenditure.

(n) Assets held for sale and disposal groups

(i) Investment properties held for sale

Investment properties held for sale are separately disclosed at the asset's fair value. In order for an investment property held for sale to be recognised, the following conditions must be met:

» the asset must be available for immediate sale in its present condition and location;

» the asset is being actively marketed;

» the asset's sale is expected to be completed within twelve months of classification as held for sale;

» there must be no expectation that the plan for selling the asset will be withdrawn or changed significantly; and

» the successful sale of the asset must be highly probable.

(ii) Disposal groups

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of a disposal group, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset with the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

Additional disclosures are provided in note 15.

(o) Plant and equipment

Recognition and measurement

Items of plant and equipment are stated at historical cost less accumulated depreciation and any impairment loss.

2. Significant accounting policies continued

(o) Plant and equipment continued

Depreciation

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Depreciation is charged in the income statement on a straight-line basis over the estimated useful lives of an item of the fixed assets. The estimated useful lives are as follows:

Plant and equipment	three to ten years
Fixtures and fittings	three to fifteen years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(p) Intangible assets

The Group recognises only acquired intangible assets. These intangibles are valued at cost.

The Group recognises both internally developed and acquired intangible assets. These intangibles are valued at cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with a definite useful life are amortised on a straight-line basis over their respective useful lives. Their useful lives are between three and five years. Any amortisation of these assets is recognised as such under administrative expenses in the consolidated income statement.

Intangible assets with an indefinite useful life, including goodwill, are not amortised.

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

» the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;

» its intention to complete and its ability and intention to use or sell the asset;

» how the asset will generate future economic benefits;

» the availability of resources to complete the asset; and

» the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Goodwill arising on consolidation represents the excess of the cost of the purchase consideration over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment.

(q) Trade and other receivables

Rent and service charge receivables and any contract assets do not contain significant financing components and are measured at the transaction price. Other receivables are initially measured at fair value plus transaction costs. Subsequently, trade and other receivables are measured at amortised cost and are subject to impairment (see note 2(y)). The Group applies the simplified impairment model of IFRS 9 in order to determine expected credit losses in trade and other receivables, including lease incentives.

The Group assesses on a forward-looking basis the expected credit losses associated with its trade and other receivables. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the receivable. If collection is expected in more than one year, the balance is presented within non-current assets.

(r) Treasury Shares and shares issued to the Employee Benefit Trust

Own equity instruments are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's equity instruments.

(s) Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(t) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash is measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

2. Significant accounting policies continued

(u) Bank borrowings

Interest-bearing bank loans and borrowings are initially recorded at fair value net of directly attributable transaction costs.

Subsequent to initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest rate method.

When debt refinancing exercises are carried out, existing liabilities will be treated as being extinguished when the new liability is substantially different from the existing liability. In making this assessment, the Group will consider the transaction as a whole, taking into account both qualitative and quantitative characteristics in order to make the assessment.

(v) Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

(w) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(x) Dividends

Interim dividend distributions to shareholders are recognised in the financial statements when paid. Final dividend distributions to the Company's shareholders are recognised as a liability in the consolidated financial information in the period in which the dividends are approved by the shareholders. The final dividend relating to the year ended 31 March 2023 will be approved and recognised in the financial year ending 31 March 2024.

(y) Impairment excluding investment properties

(i) Financial assets

A financial asset (excluding financial assets at fair value through profit and loss) is assessed at each reporting date to determine whether there is any impairment. The Group recognises an allowance for expected credit losses ("ECLs") for all receivables and contract assets held by the Group. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms and that are not recognised separately by the Group.

For rent and service charge receivables and any contract assets, the Group applies a simplified approach in calculating ECLs. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e. a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). In determining the ECLs the Group takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or Company voluntary arrangements and market expectations and trends in the wider macroeconomic environment in which our customers operate.

Impairment losses are recognised in the income statement. For more information refer to note 7. Trade and other receivables are written off once all avenues to recover the balances are exhausted and there is no expectation of recovery.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in profit or loss in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

(z) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification, except for deferred tax assets and liabilities which are classified as non-current assets and liabilities. An asset is current when it is:

» expected to be realised or intended to be sold or consumed in the normal operating cycle;

» held primarily for the purpose of trading;

» expected to be realised within twelve months after the reporting period; or

» cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2. Significant accounting policies continued

(z) Current versus non-current classification continued

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

(aa) Business combinations and goodwill

The Group measures goodwill as the fair value of the consideration paid or payable less the net fair value of the identifiable assets, liabilities assumed and contingent liabilities acquired, all measured as of the acquisition date.

(i) Subsidiary undertakings

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable, as well as other factors including board representation. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control passes.

(ii) Associates

Associates are those entities over which the Group has significant influence, but which are not subsidiary undertakings or joint ventures. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

(ab) Non-IFRS measures

The Directors have chosen to disclose EPRA earnings, EPRA net asset value metrics and EPRA loan to value, which are widely used alternative metrics to their IFRS equivalents (further details on EPRA best practice recommendations can be found at www.epra.com). Note 12 to the financial statements includes a reconciliation of basic and diluted earnings to EPRA earnings. Note 13 to the financial statements includes a reconciliation of net assets to EPRA net asset value metrics. Note 24 to the financial statements includes a calculation of EPRA loan to value ratio.

The Directors are required, as part of the JSE Listing Requirements, to disclose headline earnings; accordingly, headline earnings are calculated using basic earnings adjusted for revaluation gain net of related tax, gain/loss on sale of properties net of related tax, recoveries from prior disposals of subsidiaries net of related tax, NCI relating to revaluation and revaluation gain/loss on investment property relating to associates net of related tax. Note 12 to the financial statements includes a reconciliation between IFRS and headline earnings.

The Directors have chosen to disclose adjusted earnings in order to provide an alternative indication of the Group's underlying business performance; accordingly, it excludes the effect of adjusting items net of related tax. Note 12 to the financial statements includes a reconciliation of adjusting items included within adjusted earnings, with certain adjusting items stated within administrative expenses in note 7 and certain finance costs in note 10.

The Directors have chosen to disclose adjusted profit before tax and funds from operations in order to provide an alternative indication of the Group's underlying business performance and to facilitate the calculation of its dividend pool; a reconciliation between profit before tax and funds from operations is included within note 29 to the financial statements. Within adjusted profit before tax are adjusting items as described above gross of related tax.

Further details on non-IFRS measures can be found in the Business analysis section of this document.

3. Significant accounting judgements, estimates, assumptions and other sources of estimation uncertainty

Judgements

In the process of applying the Group's accounting policies, which are described in note 2, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial information:

Acquisition and disposal of properties

Property transactions can be complex in nature and material to the financial statements. To determine when an acquisition or disposal should be recognised, management considers whether the Group assumes or relinquishes control of the property, and the point at which this is obtained or relinquished. Consideration is given to the terms of the acquisition or disposal contracts and any conditions that must be satisfied before the contract is fulfilled. In the case of an acquisition, management must also consider whether the transaction represents an asset acquisition or business combination.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

3. Significant accounting judgements, estimates, assumptions and other sources of estimation uncertainty continued

Estimates and assumptions

Key estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of owned and leased investment properties (including those recognised within assets held for sale or a disposal group)

The fair value of the Group's owned investment properties was determined by Cushman & Wakefield LLP (2022: Cushman & Wakefield LLP), an independent valuer. After adjusting investment properties for lease incentive accounting, the book value of investment properties excluding assets held for sale is shown as €2,098.5m (2022: €2,074.9m) as disclosed in note 14.

The Cushman & Wakefield LLP valuation approach is explained in note 2(l).

The fair value of the Group's leased investment properties was determined by management. The book value of leased investment properties is shown as €24.5m (2022: €25.1m) as disclosed in note 14.

As a result of the level of estimation used in arriving at the market valuations, the amounts which may ultimately be realised in respect of any given property may differ from the valuations shown on the statement of financial position. Refer to note 14 for further information, including sensitivity analysis.

Cash flow and covenant compliance forecasts

Cash flow forecasts and covenant compliance forecasts are prepared by management to assess the going concern assumption and viability of the Group. Estimations of future revenue and expenditure are made to determine the expected cash inflows and outflows, considering expectations for occupancy levels, forecast expenditure and the current market climate. The impact of the forecasted cash flows and underlying property valuations are considered when assessing forecast covenant compliance and anticipated levels of headroom on the Group's debt facilities.

Refer to note 2(d) for further details, which includes the assessment of forecasted cash flows and covenant compliance in management's going concern assessment.

Other sources of estimation uncertainty

The following areas of estimation uncertainty are not presented to comply with the requirements of paragraph 125 of IAS 1 "Presentation of Financial Statements" as it is not expected there is a risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year. They are presented as additional disclosure of estimates used in the accounts.

Sustainability

In preparing the financial statements, Management considered the impact of climate change, taking into account the relevant disclosures in the Strategic Report, including those made in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures. The Group also considered the work performed to date in preparing its potential net zero pathway for the German portfolio to 2045 based on the CRREM ("Carbon Risk Real Estate Monitor") methodology, the leading global standard for operational decarbonisation of real estate assets, and in line with the Science Based Target initiative ("SBTi") and the Energy Performance Certificate ("EPC") regulatory requirements for the UK. At the time of preparing the financial statements, the Group expects a limited exposure in relation to the investment properties, based on the current climate-related requirements. On this basis, the Directors concluded that climate change did not have a material impact on the financial reporting judgements and estimates for the period, consistent with this assessment this is not expected to have a significant impact on the Group's going concern of viability assessment.

4. Business combinations

The provisions of IFRS 3 are applied to all business combinations.

Acquisitions in 2022

Acquisition of Helix Investments Limited

Company	Type of acquisition	Date of acquisition	Acquired voting rights
Helix Investments Limited, Jersey	Purchase	15 Nov 2021	100%

The purchase price amounted to €242.8m (£206.8m). The consideration was transferred in the form of cash. On completion a loan advanced by the seller and held by Helix Investments Limited of €45.0m (£38.3m) was also repaid in cash.

The Group incurred costs of €5.3m for legal advice and due diligence in connection with the business combination and these are included in administrative expenses.

Helix Investments Limited is the holding company of the BizSpace Group business, which is a leading provider of regional flexible workspace, offering light industrial, workshop, studio and out of town office units to a wide range of businesses across the UK. The acquisition therefore provides Sirius with a unique opportunity to enter with immediate scale an under-served market via a one-step acquisition of an established platform. It provides Sirius with a high-quality portfolio, offering significant organic growth potential in rental pricing in a UK market characterised by supply constraints. The BizSpace Group business is also highly complementary to Sirius' existing platform, allowing for meaningful operational and financial synergies to drive value creation for Sirius shareholders.

4. Business combinations continued

Acquisitions in 2022 continued

Acquisition of Helix Investments Limited continued

The acquired identifiable assets and liabilities as at 15 November 2021 are presented at their fair values in the following table in accordance with the final purchase price allocation:

	Helix Investments Limited €m
Investment property	421.1
Other non-current assets	3.0
Current assets	3.5
Cash and cash equivalents	33.1
Loans	(214.5)
Current liabilities	(23.7)
Lease liabilities	(12.2)
Deferred tax liabilities	(4.7)
Net assets	**205.6**
Purchase price	242.8
Goodwill	**37.2**

Based on final purchase price allocation, goodwill arising on the purchase of Helix Investments Limited amounts to €37.2m as at 15 November 2021. At 31 March 2022, the Directors assessed the computed goodwill to determine if it represented recoverable value over and above the value included in the acquired investment properties and other net assets, and concluded that there was insufficient evidence to support such recovery and so wrote off the goodwill. As at 31 March 2022 the carrying amount of the goodwill is €nil as it has been impaired as per note 17.

The gross amounts of acquired trade receivables and impairment losses recognised were as follows as at 15 November 2021.

	Helix Investments Limited €m
Gross trade receivables	1.1
Expected credit loss provision	(0.5)
Net trade receivables	**0.6**

Due to first-time consolidation as at 15 November 2021, the acquired company has contributed revenue of €21.0m and profit after tax of €47.9m to consolidated revenue and consolidated profit in the year ended 31 March 2022.

Had the company already been fully consolidated as at 1 April 2021, consolidated revenue and consolidated profit after tax in the year ended 31 March 2022 would have been as follows:

	1 April 2021 to 31 March 2022 €m
Group revenue	243.9
Group profit after tax	211.1

5. Operating segments

Information on each operating segment based on the geographical location in which the Group operates is provided to the chief operating decision maker, namely the Group's Senior Management Team, on an aggregated basis and represented as operating profit and expenses.

The investment properties that the Group owns are aggregated into segments with similar economic characteristics such as the nature of the property, the products and services it provides, the customer type for the product served, and the method in which the services are provided. The Group's Senior Management Team considers that this is best achieved through the operating segments of the German assets and the UK assets. The Group's investment properties are considered to be their own segment. The properties at each location (Germany and UK) have similar economic characteristics. These have been aggregated into two operating segments based on location in accordance with the requirements of IFRS 8. The Group's Senior Management Team considers the two locations to be separate segments. Further disaggregation of the investment properties is disclosed in note 14 owing to the range in values of key inputs and assumptions underpinning the property valuation. Consequently, the Group is considered to have two reportable operating segments, as follows:

» Germany; and

» the UK.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

5. Operating segments continued

Consolidated information by segment is provided on a net operating income basis, which includes revenues made up of gross rents from third parties and direct expenses, gains/losses on property valuations, property disposals, and control of subsidiaries. All of the Group's share of profit of associates and administrative expenses including goodwill impairment, amortisation and depreciation are separately disclosed as part of operating profit. Group administrative costs, finance income and expenses and change in fair value of derivative financial instruments are disclosed.

Income taxes and depreciation are not reported to the Senior Management Team on a segmented basis. There are no sales between segments.

The UK operating segment is a result of a business combination as disclosed in note 4. As such the UK segment reportable figures from the prior year are those from 15 November 2021 until 31 March 2022 whilst the Germany segment consists of the full annual period ended 31 March 2022. There is no single tenant that makes up more than 10% of each segment's revenue or Group revenue.

	Year ended 31 March 2023			Year ended 31 March 2022		
	Germany €m	UK €m	Total €m	Germany €m	UK €m	Total €m
Rental and other income from investment properties	125.5	33.3	158.8	108.7	15.3	124.0
Service charge income from investment properties	66.6	24.0	90.6	55.0	5.7	60.7
Rental and other income from managed properties	10.9	–	10.9	10.9	–	10.9
Service charge income from managed properties	9.8	–	9.8	14.6	–	14.6
Revenue	212.8	57.3	270.1	189.2	21.0	210.2
Direct costs	(96.7)	(20.0)	(116.7)	(80.1)	(7.6)	(87.7)
Net operating income	116.1	37.3	153.4	109.1	13.4	122.5
(Loss)/gain on revaluation of investment properties	(3.9)	(5.9)	(9.8)	100.9	40.0	140.9
Gain/(loss) on disposal of properties	–	4.7	4.7	(0.4)	(0.2)	(0.6)
Recoveries from prior disposals of subsidiaries	–	–	–	0.1	–	0.1
Depreciation and amortisation	(4.2)	(1.3)	(5.5)	(2.7)	(0.5)	(3.2)
Movement in expected credit loss provision(1)	(1.0)	–	(1.0)	(2.2)	(0.1)	(2.3)
Other administrative expenses(1)	(36.1)	(6.7)	(42.8)	(32.1)	(3.1)	(35.2)
Goodwill impairment	–	–	–	(3.7)	(37.2)	(40.9)
Share of profit of associates	2.6	–	2.6	6.9	–	6.9
Operating profit	73.5	28.1	101.6	175.9	12.3	188.2
Finance income	2.5	0.3	2.8	3.0	–	3.0
Amortisation of capitalised finance costs	(3.3)	–	(3.3)	(2.6)	–	(2.6)
Other finance expense	(10.8)	(4.2)	(15.0)	(15.8)	(4.9)	(20.7)
Change in fair value of derivative financial instruments	0.9	–	0.9	1.0	–	1.0
Net finance costs	(10.7)	(3.9)	(14.6)	(14.4)	(4.9)	(19.3)
Segment profit for the year before tax	62.8	24.2	87.0	161.5	7.4	168.9

(1) To conform to the current year presentation the movement in expected credit loss provision has been shown as a separate line and this is a reallocation from other administrative expenses for the year ended 31 March 2022.

	31 March 2023			31 March 2022		
	Germany €m	UK €m	Total €m	Germany €m	UK €m	Total €m
Segment assets						
Investment properties	1,691.6	431.4	2,123.0	1,635.2	464.8	2,100.0
Investment in associates	26.7	–	26.7	24.1	–	24.1
Other non-current assets(1)	21.9	3.8	25.7	21.6	3.2	24.8
Total segment non-current assets	1,740.2	435.2	2,175.4	1,680.9	468.0	2,148.9

(1) Consists of plant and equipment, intangible assets and right of use assets.

6. Revenue

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Rental and other income from investment properties	**158.8**	124.0
Service charge income from investment properties	**90.6**	60.7
Rental and other income from managed properties	**10.9**	10.9
Service charge income from managed properties	**9.8**	14.6
Total revenue	**270.1**	210.2

Other income relates primarily to income associated with conferencing and catering of €4.3m (2022: €3.0m) and fee income from managed properties of €5.3m (2022: €4.1m).

Total revenue from contracts with customers includes service charge income and other income totalling €94.9m from investment properties (2022: €63.7m) and €15.1m from managed properties (2022: €18.7m). Service charge income and other income totalled €85.2m from the German segment (2022: €76.4m) and €24.8m from the UK segment (2022: €6.0m).

7. Operating profit

The following items have been charged in arriving at operating profit:

Direct costs

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Service charge costs relating to investment properties	**92.8**	66.1
Costs relating to managed properties	**17.4**	17.0
Non-recoverable maintenance	**6.5**	4.6
Direct costs	**116.7**	87.7

Movement in expected credit loss provision

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Expected credit loss recognised	**8.7**	7.7
Expected credit loss reversed	**(7.7)**	(5.4)
Movement in expected credit loss provision(1) (see note 25)	**1.0**	2.3

(1) To conform to the current year presentation, the movement in expected credit loss provision has been shown as a separate line in the consolidated income statement and this is a reallocation from other administrative expenses for the year ended 31 March 2022.

The expected credit loss provision has increased during the year mainly due to the increase of gross trade receivables as a result of acquired assets in the financial year.

Administrative expenses

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Audit and non-audit fees to audit firm	**1.7**	1.4
Legal and professional fees	**6.0**	3.9
Other administration costs	**5.7**	(0.3)
Share-based payments	**5.5**	4.2
Employee costs	**19.4**	16.0
Director fees and expenses	**0.7**	0.6
Depreciation of plant and equipment (see note 16)	**2.1**	1.2
Amortisation of intangible assets (see note 17)	**1.3**	1.2
Depreciation of right of use assets (see note 18)	**2.1**	0.8
Marketing	**3.1**	2.3
Exceptional items	**0.7**	7.1
Administrative expenses(1)	**48.3**	38.4

(1) To conform to the current year presentation, the movement in expected credit loss provision has been shown as a separate line in the consolidated income statement and this is a reallocation from other administrative expenses for the year ended 31 March 2022.

Other administration costs include net foreign exchange losses of €0.2m as a result of declining British pound sterling ("GBP") rates throughout the year (2022: €2.0m gain as a result of the increased foreign currency cash balances as at the year end).

7. Operating profit continued

Administrative expenses continued

Employee costs as stated above relate to costs which are not recovered through service charge.

Exceptional items relate to the following:

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Acquisition costs in relation to business combinations	–	5.3
Other fees for projects(1)	2.4	–
Legal case costs(2)	0.4	0.9
Lease agreement termination fees(3)	0.9	0.5
Internal tax restructuring costs	–	0.4
Decrease in tax liabilities recognised on acquisition of the BizSpace Group(4)	(3.0)	–
Total	**0.7**	7.1

(1) The other fees for projects amounting to €2.4m (2022: €nil) relate to capital management measures undertaken by the Group. These measures are non-recurring in nature, outside the normal course of business and have been identified as exceptional items.

(2) The legal case costs amounting to €0.4m relate to multiple cases which differ from the cases the Group faced in the year end 31 March 2022 amounting to €0.9m. These legal cases are non-recurring in nature, outside the normal course of business and have been identified as exceptional items.

(3) The lease agreement termination fee amounting to €0.9m (2022: €0.5m) was paid in compensation for early termination of a rental contract at the end of July 2022 within the UK segment of the Group. These termination fees are non-recurring in nature, outside the normal course of business and have been identified as exceptional items.

(4) In the current year, the Group identified an error in the accrual of tax liabilities arising in the BizSpace Group as at 31 March 2022, resulting in an overstatement of the tax liability of €5.0m, of which €3.0m arose on acquisition. These were assessed as not being material to the 31 March 2022 financial statements and the reduction in the liability has been recorded in the current year financial statements. The amounts have been recorded within administrative expenses under exceptional items and the taxation (see note 11) lines of the income statement.

The following services have been provided by the Group's auditor:

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Audit fees to audit firm:		
Audit of consolidated financial statements	1.0	1.1
Audit of subsidiary undertakings	0.2	0.2
Total audit fees	**1.2**	1.3
Audit related assurance services	0.1	0.1
Other assurance services	0.4	0.2
Total assurance services	**0.5**	0.3
Total fees for non-audit services	**0.5**	0.3
Total fees	**1.7**	1.6

For the year ended 31 March 2022, other assurance services include services in the amount of €0.2m relating to the corporate bond issuances which have been capitalised to the loan issue costs.

8. Employee costs and numbers

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Wages and salaries	30.7	24.3
Social security costs	4.3	3.8
Defined contribution pension scheme	0.5	0.4
Other employment costs	0.9	0.4
Total	**36.4**	28.9

Included in the costs related to wages and salaries for the year are expenses of €5.5m (2022: €4.2m) relating to the granting or award of shares (see note 9). The costs for all periods include those relating to Executive Directors.

All employees are employed directly by one of the following Group subsidiary companies: Sirius Facilities GmbH, Sirius Facilities (UK) Limited, Curris Facilities & Utilities Management GmbH, SFG NOVA GmbH, Sirius Finance (Guernsey) Limited, BizSpace Limited, BizSpace II Limited, M25 Business Centres Limited and Sirius Corporate Services B.V. The average number of people employed by the Group during the year was 421 (2022: 416), expressed in full-time equivalents. In addition, as at 31 March 2023, the Board of Directors consists of six Non-Executive Directors (2022: six) and two Executive Directors (2022: three).

9. Employee schemes

Equity-settled share-based payments

2018 LTIP

The LTIP for the benefit of the Executive Directors and the Senior Management Team was approved in 2018 with three separate grant dates. Awards granted under the LTIP are made in the form of nil-cost options which vest after the three year performance period with vested awards being subject to a further holding period of two years. Awards are split between ordinary and outperformance awards. Ordinary awards carry both adjusted net asset value per share ("TNR") (two-thirds of award) and relative total shareholder return ("TSR") (one-third of award) performance conditions and outperformance awards carry a sole TNR performance condition. The employee's tax obligation will be determined upon the vesting date of the share issue.

June 2020 grant

3,600,000 ordinary share awards were granted under the scheme on 15 June 2020 with a total charge for the award of €2.3m. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 15 June 2020 LTIP grant an expense of €0.8m is recognised in the consolidated income statement to 31 March 2023. A total of 250,000 shares were forfeited during the performance period by two participants who left the Group.

The following assumptions were used in calculating the fair value per share for the TNR and TSR elements of the award that were granted on 15 June 2020:

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award	1/3 ordinary award
Share price at grant date – €	0.84	0.84
Exercise price – €	nil	nil
Expected volatility – %	38.5	38.5
Performance projection period – years	2.79	2.67
Expected dividend yield – %	4.28	4.28
Risk-free rate based on European treasury bonds rate of return – %	(0.677) p.a.	(0.677) p.a.
Expected outcome of performance conditions – %	100	67.2
Fair value per share – €	0.745	0.564

The weighted average fair value of share options granted on 15 June 2020 is €0.68.

Assumptions considered in this model include: expected volatility of the Company's share price, as determined by calculating the historical volatility of the Company's share price over the period immediately prior to the date of grant and commensurate with the expected life of the awards; dividend yield based on the actual dividend yield as a percentage of the share price at the date of grant; performance projection period; risk-free rate; and correlation between comparators.

June 2019 grant

3,760,000 ordinary share awards and 690,000 outperformance share awards were granted under the scheme on 16 June 2019 with a total charge for the awards of €2.1m over three years. Another 93,039 share awards have been granted throughout the performance period as part of dividend equivalents resulting in a total number of shares of 4,543,039. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 16 June 2019 LTIP grant an expense of €nil is recognised in the consolidated income statement to 31 March 2023.

The fair value per share for the TNR and TSR elements of the award was determined using Black-Scholes and Monte-Carlo models respectively with the following assumptions used in the calculation:

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award/ outperformance award	1/3 ordinary award
Share price at grant date – €	0.73	0.73
Exercise price – €	nil	nil
Expected volatility – %	23.8	23.8
Performance projection period – years	2.80	2.67
Expected dividend yield – %	4.56	4.56
Risk-free rate based on European treasury bonds rate of return – %	(0.695) p.a.	(0.695) p.a.
Expected outcome of performance conditions – %	100/24.5	46.6
Fair value per share – €	0.643	0.340

The weighted average fair value of share options granted on 16 June 2019 is €0.54.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

9. Employee schemes continued

Equity-settled share-based payments continued

June 2019 grant continued

Assumptions considered in this model include: expected volatility of the Company's share price, as determined by calculating the historical volatility of the Company's share price over the period immediately prior to the date of grant and commensurate with the expected life of the awards; dividend yield based on the actual dividend yield as a percentage of the share price at the date of grant; performance projection period; risk-free rate; and correlation between comparators.

The June 2019 grant vested on 18 July 2022. Vesting was at partial level for all participants resulting in the exercise of 1,620,093 shares with a weighted average share price of €1.02 at the date of exercise. 1,391,585 shares have been surrendered in relation to the partial settlement of certain participants' tax liabilities arising in respect of the vesting. An amount of €1.7m was paid for the participants' tax liabilities.

The remaining 1,531,361 shares vested on 23 November 2022. Final vesting resulted in the exercise of 811,621 shares with a weighted average share price of €1.02 at the date of exercise. 719,740 shares have been surrendered in relation to the settlement of certain participants' tax liabilities arising in respect of the vesting.

2021 LTIP

The LTIP for the benefit of the Executive Directors and the Senior Management Team was approved in 2021. Awards granted under the LTIP are made in the form of nil-cost options which vest after the three year performance period with vested awards being subject to a further restricted period of two years when shares acquired on exercise cannot be sold. Awards are subject to adjusted net asset value per share ("TNR") (two-thirds of award) and relative total shareholder return ("TSR") (one-third of award) performance conditions. The employees' tax obligation will be determined upon the vesting date of the share issue.

August 2021 grant

4,154,119 ordinary share awards were granted under the scheme on 2 August 2021 with a total charge for the award of €4.7m. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 2 August 2021 LTIP grant an expense of €1.6m is recognised in the consolidated income statement to 31 March 2023. A total of 725,000 shares were forfeited during the performance period by two participants who left the Group.

The following assumptions were used in calculating the fair value per share for the TNR and TSR elements of the award that were granted on 2 August 2021:

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award	1/3 ordinary award
Share price at grant date – €	1.39	1.39
Exercise price – €	nil	nil
Expected volatility – %	40.5	40.5
Expected life – years	2.91	2.91
Performance projection period – years	2.66	2.66
Expected dividend yield – %	2.79	2.79
Risk-free rate based on European treasury bonds rate of return – %	(0.817) p.a.	(0.817) p.a.
Fair value per share – €	1.28(1)	0.84(2)

(1) In accordance with IFRS 2, TNR is classed as a non-market performance condition. As such, the fair value has been calculated using a Black-Scholes model and does not take the expected outcome of the performance condition into account. The Company currently estimates the expected vesting outcome for the TNR award to be 100%.

(2) In accordance with IFRS 2, relative TSR is classed as a market-based performance condition. As such, projected performance and the likelihood of achieving the condition have been taken into account when calculating the fair value using a Monte-Carlo model. The model also uses assumptions for the expected volatility of comparator companies, the pairwise correlation between comparator companies and TSR performance between the start of the performance period and the date of grant.

The weighted average fair value of share options granted on 2 August 2021 is €1.13.

Expected volatility of the Company's share price was determined by calculating the historical volatility of the Company's share price over the period immediately prior to the date of grant, commensurate with the term to the end of the performance period.

July 2022 grant

3,480,028 ordinary share awards were granted under the scheme on 18 July 2022 with a total charge for the award of €2.6m. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 18 July 2022 LTIP grant an expense of €0.6m is recognised in the consolidated income statement to 31 March 2023. A total of 635,000 shares were forfeited during the performance period by two participants who left the Group.

9. Employee schemes continued

Equity-settled share-based payments continued

July 2022 grant continued

The following assumptions were used in calculating the fair value per share for the TNR and TSR elements of the awards that were granted on 18 July 2022:

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award	1/3 ordinary award
Share price at grant date – €	1.05	1.05
Exercise price – €	nil	nil
Expected volatility – %	41.2	41.2
Expected life – years	2.95	2.95
Performance projection period – years	2.70	2.70
Expected dividend yield – %	4.21	4.21
Risk-free rate based on European treasury bonds rate of return – %	(0.609) p.a.	(0.609) p.a.
Fair value per share – €	0.93(1)	0.40(2)

(1) In accordance with IFRS 2, TNR is classed as a non-market performance condition. As such, the fair value has been calculated using a Black-Scholes model and does not take the expected outcome of the performance condition into account. The Company currently estimates the expected vesting outcome for the TNR award to be 100%.

(2) In accordance with IFRS 2, relative TSR is classed as a market-based performance condition. As such, projected performance and the likelihood of achieving the condition have been taken into account when calculating the fair value using a Monte-Carlo model. The model also uses assumptions for the expected volatility of comparator companies, the pairwise correlation between comparator companies and TSR performance between the start of the performance period and the date of grant.

The weighted average fair value of share options granted on 18 July 2022 is €0.75.

Expected volatility of the Company's share price was determined by calculating the historical volatility of the Company's share price over the period immediately prior to the date of grant, commensurate with the term to the end of the performance period.

2021 SIP

Another SIP for the benefit of the senior employees was approved in 2021. Awards granted under the SIP are made in the form of a conditional right to receive a specified number of shares for nil cost which vest after the three year performance period (on 1 March 2025 for the 2021 award) with vested awards being subject to a further restricted period of one year when shares cannot be sold. Awards are subject to adjusted net asset value per share ("TNR") (two-thirds of award) and relative total shareholder return ("TSR") (one-third of award) performance conditions. Awards are equity settled. The employees' tax obligation will be determined upon the vesting date of the share issue.

September 2021 grant

3,074,500 share awards were granted under the scheme on 7 September 2021 with a total charge for the award of €3.7m on the basis that 0% of awards are forfeited during the vesting period. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 7 September 2021 SIP grant an expense of €1.1m is recognised in the consolidated income statement to 31 March 2023.

The following assumptions were used in calculating the fair value per share for the TNR and TSR elements of the award that were granted on 7 September 2021:

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award	1/3 ordinary award
Share price at grant date – €	1.49	1.49
Exercise price – €	n/a	n/a
Expected volatility – %	40.7	40.7
Expected life – years	3.48	3.48
Performance projection period – years	2.56	2.56
Expected dividend yield – %	2.60	2.60
Risk-free rate based on European treasury bonds rate of return – %	(0.737) p.a.	(0.737) p.a.
Fair value per share – €	1.36(1)	0.92(2)

(1) In accordance with IFRS 2, TNR is classed as a non-market performance condition. As such, the fair value has been calculated using a Black-Scholes model and does not take the expected outcome of the performance condition into account. The Company currently estimates the expected vesting outcome for the TNR award to be 100%.

(2) In accordance with IFRS 2, relative TSR is classed as a market-based performance condition. As such, projected performance and the likelihood of achieving the condition have been taken into account when calculating the fair value using a Monte-Carlo model. The model also uses assumptions for the expected volatility of comparator companies and the pairwise correlation between comparator companies and TSR performance between the start of the performance period and the date of grant.

9. Employee schemes continued

Equity-settled share-based payments continued

September 2021 grant continued

The weighted average fair value of share options granted on 7 September 2021 is €1.21.

Expected volatility of the Company's share price was determined by calculating the historical volatility of the Company's share price over the period immediately prior to the date of grant, commensurate with the term to the end of the performance period.

April 2022 grant

30,000 ordinary share awards were granted under the scheme on 1 April 2022 with a total charge for the award of €0.03m. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 1 April 2022 SIP grant an expense of €0.01m is recognised in the consolidated income statement to 31 March 2023.

The following assumptions were used in calculating the fair value per share for the TNR and TSR elements of the awards that were granted on 1 April 2022:

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award	1/3 ordinary award
Share price at grant date – €	1.51	1.51
Exercise price – €	n/a	n/a
Expected volatility – %	32.5	32.5
Expected life – years	2.92	2.92
Performance projection period – years	2.00	2.00
Expected dividend yield – %	2.93	2.93
Risk-free rate based on European treasury bonds rate of return – %	(0.074) p.a.	(0.074) p.a.
Fair value per share – €	1.39(1)	0.89(2)

(1) In accordance with IFRS 2, TNR is classed as a non-market performance condition. As such, the fair value has been calculated using a Black-Scholes model and does not take the expected outcome of the performance condition into account. The Company currently estimates the expected vesting outcome for the TNR award to be 100%.

(2) In accordance with IFRS 2, relative TSR is classed as a market-based performance condition. As such, projected performance and the likelihood of achieving the condition have been taken into account when calculating the fair value using a Monte-Carlo model. The model also uses assumptions for the expected volatility of comparator companies, the pairwise correlation between comparator companies and TSR performance between the start of the performance period and the date of grant.

The weighted average fair value of share options granted on 1 April 2022 is €1.22.

Expected volatility of the Company's share price was determined by calculating the historical volatility of the Company's share price over the period immediately prior to the date of grant, commensurate with the term to the end of the performance period.

August 2022 grant

150,000 ordinary share awards were granted under the scheme on 1 August 2022 with a total charge for the award of €0.1m. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 1 August 2022 SIP grant an expense of €0.03m is recognised in the consolidated income statement to 31 March 2023.

The following assumptions were used in calculating the fair value per share for the TNR and TSR elements of the awards that were granted on 1 August 2022:

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award	1/3 ordinary award
Share price at grant date – €	1.51	1.51
Exercise price – €	n/a	n/a
Expected volatility – %	29.7	29.7
Expected life – years	2.58	2.58
Performance projection period – years	1.66	1.66
Expected dividend yield – %	3.96	3.96
Risk-free rate based on European treasury bonds rate of return – %	(0.184) p.a.	(0.184) p.a.
Fair value per share – €	1.02(1)	0.46(2)

9. Employee schemes continued

Equity-settled share-based payments continued

August 2022 grant continued

(1) In accordance with IFRS 2, TNR is classed as a non-market performance condition. As such, the fair value has been calculated using a Black-Scholes model and does not take the expected outcome of the performance condition into account. The Company currently estimates the expected vesting outcome for the TNR award to be 100%.

(2) In accordance with IFRS 2, relative TSR is classed as a market-based performance condition. As such, projected performance and the likelihood of achieving the condition have been taken into account when calculating the fair value using a Monte-Carlo model. The model also uses assumptions for the expected volatility of comparator companies, the pairwise correlation between comparator companies and TSR performance between the start of the performance period and the date of grant.

The weighted average fair value of share options granted on 1 August 2022 is €0.83.

Expected volatility of the Company's share price was determined by calculating the historical volatility of the Company's share price over the period immediately prior to the date of grant, commensurate with the term to the end of the performance period.

August 2022 grant – the BizSpace Group awards

1,600,000 ordinary share awards were granted under the scheme on 1 August 2022 for certain BizSpace Group employees with a total charge for the award of €1.3m. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 1 August 2022 SIP grant an expense of €0.4m is recognised in the consolidated income statement to 31 March 2023.

The following assumptions were used in calculating the fair value per share for the TNR and TSR elements of the awards that were granted on 1 August 2022:

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award	1/3 ordinary award
Share price at grant date – €	1.51	1.51
Exercise price – €	n/a	n/a
Expected volatility – %	29.7	29.7
Expected life – years	2.58	2.58
Performance projection period – years	1.66	1.66
Expected dividend yield – %	3.96	3.96
Risk-free rate based on European treasury bonds rate of return – %	(0.184) p.a.	(0.184) p.a.
Fair value per share – €	1.02(1)	0.46(2)

(1) In accordance with IFRS 2, TNR is classed as a non-market performance condition. As such, the fair value has been calculated using a Black-Scholes model and does not take the expected outcome of the performance condition into account. The Company currently estimates the expected vesting outcome for the TNR award to be 100%.

(2) In accordance with IFRS 2, relative TSR is classed as a market-based performance condition. As such, projected performance and the likelihood of achieving the condition have been taken into account when calculating the fair value using a Monte-Carlo model. The model also uses assumptions for the expected volatility of comparator companies, the pairwise correlation between comparator companies and TSR performance between the start of the performance period and the date of grant.

The weighted average fair value of share options granted on 1 August 2022 is €0.83.

Expected volatility of the Company's share price was determined by calculating the historical volatility of the Company's share price over the period immediately prior to the date of grant, commensurate with the term to the end of the performance period.

Deferred Bonus Plan

The Deferred Bonus Plan ("DBP") is subject to rules approved by the Board and to the Directors' Remuneration Policy (approved by shareholders triennially) for Executive Directors of Sirius Real Estate Limited only.

The Executive Directors consisting of the Chief Executive Officer, the Chief Financial Officer and the Chief Investment Officer of the Company are currently required to participate in the DBP.

The participants are subject to annual performance bonus conditions and objectives to be agreed by the Remuneration Committee. At the end of the applicable financial year, and on receipt of an annual performance bonus, as determined by the Remuneration Committee, 65% or more is awarded as cash with the remainder transferred into shares in the Company. Of the 35%, half is deferred for one year and the remaining half is deferred for two years. The DBP had been previously treated as cash settled as it was not material to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

9. Employee schemes continued

Equity-settled share-based payments continued

Number of share awards

Movements in the number of awards outstanding are as follows:

	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of share awards	Weighted average exercise price €m	Number of share awards	Weighted average exercise price €m
Balance outstanding as at the beginning of the year (nil exercisable)	**15,278,619**	**–**	15,584,750	–
Maximum granted during the year	**5,353,067**	**–**	7,302,831	–
Forfeited during the year	**(1,610,000)**	**–**	(195,000)	–
Exercised during the year	**(2,431,714)**	**–**	(4,934,934)	–
Shares surrendered to cover employee tax obligations	**(2,111,325)**	**–**	(2,479,028)	–
Balance outstanding as at year end (nil exercisable)	**14,478,647**	**–**	15,278,619	–

Employee benefit schemes

A reconciliation of share-based payments and employee benefit schemes and their impact on the consolidated income statement is as follows:

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Charge relating to 2018 LTIP – June 2019 grant	**–**	1.1
Charge relating to 2018 LTIP – June 2020 grant	**0.8**	0.8
Charge relating to 2021 LTIP – August 2021 grant	**1.6**	1.1
Charge relating to 2021 LTIP – July 2022 grant	**0.6**	–
Charge relating to 2019 SIP – August 2019 grant	**–**	0.6
Charge relating to 2021 SIP – September 2021 grant	**1.1**	0.6
Charge relating to 2021 SIP – August 2022 grant (including the BizSpace Group awards)	**0.4**	–
DBP	**1.0**	–
Total consolidated income statement charge relating to share-based payments	**5.5**	4.2

An amount of €5.5m (2022: €1.9m) is recognised in other distributable reserves as per the consolidated statement of changes in equity. In addition, an amount of €1.7m has been paid for participants' tax liabilities in relation to share-based payment schemes.

10. Finance income, finance expense and change in fair value of derivative financial instruments

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Bank interest income	**0.6**	0.1
Finance income from associates	**2.2**	2.9
Finance income	**2.8**	3.0
Bank loan interest expense	**(13.6)**	(11.5)
Interest expense related to lease liabilities (see note 18)	**(1.1)**	(0.5)
Amortisation of capitalised finance costs	**(3.3)**	(2.6)
Total interest expense	**(18.0)**	(14.6)
Bank charges and bank interest expense on deposits	**(0.3)**	(0.9)
Refinancing costs, exit fees and prepayment penalties	**–**	(7.8)
Other finance costs	**(0.3)**	(8.7)
Finance expense	**(18.3)**	(23.3)
Change in fair value of derivative financial instruments	**0.9**	1.0
Net finance expense	**(14.6)**	(19.3)

For the year ended 31 March 2022, included within refinancing costs are exit fees and early prepayment penalties of €6.9m that directly related to the early repayment of loans and cost in relation to the restructuring of debt in the amount of €0.9m.

The change in fair value of derivative financial instruments of €0.9m (2022: €1.0m) reflects the change in the market valuation of these financial instruments.

11. Taxation

Consolidated income statement

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Current income tax		
Current income tax charge	**(4.8)**	(6.2)
Current income tax charge relating to disposals of investment properties	**—**	—
Adjustments in respect of prior periods(1)	**1.8**	0.1
Total current income tax	**(3.0)**	(6.1)
Deferred tax		
Relating to origination and reversal of temporary differences	**(4.3)**	(14.8)
Total deferred tax	**(4.3)**	(14.8)
Income tax charge reported in the income statement	**(7.3)**	(20.9)

(1) In the current year, the Group identified an error in the accrual of tax liabilities arising in the BizSpace Group as at 31 March 2022, resulting in an overstatement of the tax liability of €5.0m of which €3.0m arose on acquisition. These were assessed as not being material to the 31 March 2022 financial statements and the reduction in the liability has been recorded in the current year financial statements. The amounts have been recorded within administrative expenses under exceptional items and the taxation (see note 11) lines of the income statement.

The German corporation tax rate of 15.825% is used in the tax reconciliation for the Group. Taxation for other jurisdictions is calculated at the rates prevailing in each jurisdiction.

The reconciliation of the effective tax rate is explained below:

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Profit before tax	**87.0**	168.9
Current tax using the German corporation tax rate of 15.825% (2022: 15.825%)	**13.8**	26.7
Effects of:		
Deductible interest on internal financing(1)	**(4.4)**	(5.4)
Tax exempt gain from selling of investments and dividends(2)	**(0.4)**	(1.1)
Non-deductible expenses	**(0.3)**	0.4
Change in unrecognised deferred tax – tax effect of utilisation of tax losses not previously recognised(3)	**2.8**	(10.5)
Adjustments in respect of prior periods(4)	**(1.8)**	(0.1)
German trade tax	**0.4**	—
Tax exempt income under REIT regime(5)	**(3.7)**	—
Goodwill impairment(6)	**—**	6.5
Difference in foreign tax rates(7)	**0.9**	1.5
Deferred tax – current year movements	**—**	1.0
Rate difference between current tax and deferred tax	**—**	1.9
Total income tax charge in the income statement	**7.3**	20.9

(1) The item refers to intra-group financing and also includes the difference in foreign tax rates within the jurisdiction of the recipient of the interest income and the German corporation tax rate.

(2) The tax exempt gain from selling of investments and dividends in the current year relates to the profits of associates only.

(3) Following the acquisition of the BizSpace Group on 15 November 2021, the BizSpace Group has entered into the UK REIT regime effective from 1 April 2022. The result of the REIT conversion included the derecognition of deferred tax assets and deferred tax liabilities on investment properties as at 31 March 2022. The reconciling item increased as at 31 March 2023 due to the use of previously not recognised tax losses.

(4) To align with tax returns filed for previous years, an adjustment (primarily arising on tax gains on disposal of investment properties) has been made within the financial year.

(5) The BizSpace Group has entered into the UK REIT regime effective from 1 April 2022 which exempts income from property rental business and profits from disposal of assets from UK tax charge.

(6) An impairment of €40.9m in relation to the goodwill was included as a permanent item in the tax reconciliation of last year.

(7) As the current UK corporation tax rate is 19% this item shows the difference between this rate and the German corporation tax rate of 15.825% used in the above reconciliation.

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11. Taxation continued

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	31 March 2023 €m	31 March 2022 €m	**31 March 2023 €m**	31 March 2022 €m	**31 March 2023 €m**	31 March 2022 €m
Revaluation of investment property	**–**	–	**(99.5)**	(95.4)	**(99.5)**	(95.4)
Rent free adjustments	**–**	–	**(0.7)**	(0.6)	**(0.7)**	(0.6)
Capitalised own works	**–**	–	**(0.1)**	(0.1)	**(0.1)**	(0.1)
Hedging (swaps)	**–**	–	**(0.2)**	(0.1)	**(0.2)**	(0.1)
Fair value adjustment on leased investment properties	**3.9**	4.1	**(3.8)**	(4.3)	**0.1**	(0.2)
Tax losses	**20.2**	20.3	**–**	–	**20.2**	20.3
Fixed asset temporary differences	**–**	0.2	**–**	–	**–**	0.2
Deferred tax assets/(liabilities)	**24.1**	24.6	**(104.3)**	(100.5)	**(80.2)**	(75.9)

For accounting periods beginning on or after 1 January 2023 IASB ED/2019/5 amended the application of the initial recognition exemption for transactions giving rise to offsetting deferred tax assets and deferred tax liabilities. In respect of IFRS 16, the Group adopted the amendments to the initial recognition exemption under IAS 12 already in last year and recognises a deferred tax asset in respect of the IFRS 16 lease liabilities and a deferred tax liability in respect of IFRS 16 right of use, resulting in a net deferred tax asset for the current year.

Movement in deferred tax during the year is as follows:

	31 March 2022 €m	Recognised in income €m	Exchange differences €m	Acquisition of a subsidiary €m	**31 March 2023 €m**
Revaluation of investment property	(95.4)	(4.1)	–	–	**(99.5)**
Rent free adjustments	(0.6)	(0.1)	–	–	**(0.7)**
Capitalised own works	(0.1)	–	–	–	**(0.1)**
Hedging (swaps)	(0.1)	(0.1)	–	–	**(0.2)**
Fair value adjustment on leased investment properties	(0.2)	0.3	–	–	**0.1**
Tax losses	20.3	(0.1)	–	–	**20.2**
Fixed asset temporary differences	0.2	(0.2)	–	–	**–**
Other short-term temporary differences	–	–	–	–	**–**
Total	(75.9)	(4.3)	–	–	**(80.2)**

	31 March 2021 €m	Recognised in income €m	Exchange differences €m	Acquisition of a subsidiary €m	31 March 2022 €m
Revaluation of investment property	(73.9)	(8.7)	–	(12.8)	(95.4)
Rent free adjustments	(0.6)	–	–	–	(0.6)
Capitalised own works	–	(0.1)	–	–	(0.1)
Hedging (swaps)	0.2	(0.3)	–	–	(0.1)
Fair value adjustment on leased investment properties	–	(5.7)	–	5.5	(0.2)
Tax losses	18.0	2.3	–	–	20.3
Fixed asset temporary differences	–	(1.0)	–	1.2	0.2
Other short-term temporary differences	–	(1.3)	–	1.3	–
Total	(56.3)	(14.8)	–	(4.8)	(75.9)

11. Taxation continued

Deferred tax assets and liabilities continued

The Group has not recognised a deferred tax asset on €240.2m (2022: €256.9m) of tax losses carried forward and future share scheme deductions due to uncertainties over recovery. There is no expiration date on €240.2m of the losses and future share scheme tax deductions will convert to tax losses on realisation.

A change in ownership of the Group may result in restriction on the Group's ability to use tax losses in certain tax jurisdictions.

Recognised and unrecognised temporary differences in the acquired BizSpace Group of €54m were derecognised as at 31 March 2022 following the BizSpace Group's entry to the UK REIT regime effective 1 April 2022. A deferred tax asset of €0.05m relating to the excess of capital allowances over qualifying net book value in the BizSpace Group is expected to be recoverable by the residual business of the BizSpace Group post REIT conversion. For the financial year beginning 1 April 2023 the normal corporation tax rate was increased from 19% to 25%. This may have a potential impact on any taxable profits made by the residual business of the BizSpace Group post REIT conversion and other UK operations only from that date.

A deferred tax liability is recognised on temporary differences of €nil (2022: €nil) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets		Liabilities		Net	
	31 March 2023 €m	31 March 2022 €m	**31 March 2023 €m**	31 March 2022 €m	**31 March 2023 €m**	31 March 2022 €m
UK	**–**	0.2	**–**	–	**–**	0.2
Germany	**24.1**	24.4	**(104.3)**	(100.5)	**(80.2)**	(76.1)
Cyprus	**–**	–	**–**	–	**–**	–
Deferred tax assets/(liabilities)	**24.1**	24.6	**(104.3)**	(100.5)	**(80.2)**	(75.9)

	Assets		Liabilities		Net	
	31 March 2023 €m	31 March 2022 €m	**31 March 2023 €m**	31 March 2022 €m	**31 March 2023 €m**	31 March 2022 €m
UK	**–**	–	**(0.4)**	(7.3)	**(0.4)**	(7.3)
Germany	**–**	–	**(4.6)**	(2.7)	**(4.6)**	(2.7)
Cyprus	**–**	–	**(0.4)**	(0.4)	**(0.4)**	(0.4)
Current tax liabilities	**–**	–	**(5.4)**	(10.4)	**(5.4)**	(10.4)

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12. Earnings per share

The calculations of the basic, diluted, EPRA, headline and adjusted earnings per share are based on the following data:

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Earnings attributable to the owners of the Company		
Basic earnings	79.6	147.9
Diluted earnings	79.6	147.9
EPRA earnings	88.2	70.7
Diluted EPRA earnings	88.2	70.7
Headline earnings	89.0	58.4
Diluted headline earnings	89.0	58.4
Adjusted		
Basic earnings	79.6	147.9
Add loss/(deduct gain) on revaluation of investment properties	9.8	(140.9)
(Deduct gain)/add loss on disposal of properties	(4.7)	0.6
Deduct recoveries from prior disposals of subsidiaries (net of related tax)	–	(0.1)
Tax in relation to the revaluation gains/losses of investment properties and gains/losses on disposal of properties above less REIT related tax effects	4.2	14.6
Non-controlling interest ("NCI") relating to revaluation (net of related tax)	–	0.2
Goodwill impairment	–	40.9
Add loss/(deduct gain) on revaluation of investment property relating to associates	0.5	(6.0)
Tax in relation to the revaluation gains/losses on investment property relating to associates above	(0.4)	1.2
Headline earnings after tax	89.0	58.4
Deduct change in fair value of derivative financial instruments (net of related tax and NCI)	(0.8)	(0.8)
Deduct revaluation expense relating to leased investment properties	(1.5)	(5.6)
Add adjusting items (net of related tax and NCI)[(1)]	6.2	19.1
Adjusted earnings after tax	92.9	71.1
Number of shares		
Weighted average number of ordinary shares for the purpose of basic, headline, adjusted and basic EPRA earnings per share	1,167,757,975	1,097,082,162
Weighted average number of ordinary shares for the purpose of diluted earnings, diluted headline earnings, diluted adjusted earnings and diluted EPRA earnings per share	1,183,626,763	1,112,360,781
Basic earnings per share	6.82c	13.48c
Diluted earnings per share	6.73c	13.29c
Basic EPRA earnings per share	7.55c	6.44c
Diluted EPRA earnings per share	7.45c	6.36c
Headline earnings per share	7.62c	5.32c
Diluted headline earnings per share	7.52c	5.25c
Adjusted earnings per share	7.96c	6.48c
Adjusted diluted earnings per share	7.85c	6.39c

(1) See reconciliation between adjusting items as stated within earnings per share and those stated within administrative expenses in note 7.

12. Earnings per share continued

	Notes	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Exceptional items	7	**0.7**	7.1
Refinancing costs, exit fees and prepayment penalties	10	**—**	7.8
Share-based payments	7	**5.5**	4.2
Adjusting items as per note 12		**6.2**	19.1

The following table shows the reconciliation of basic to headline earnings, separately disclosing the impact before tax (gross column) and after tax (net column):

	Year ended 31 March 2023		Year ended 31 March 2022	
	Gross €m	Net €m	Gross €m	Net €m
Basic earnings		**79.6**		147.9
Add loss/(deduct gain) on revaluation of investment properties	**9.8**	**14.0**	(140.9)	(126.3)
(Deduct gain)/add loss on disposal of properties	**(4.7)**	**(4.7)**	0.6	0.6
Deduct recoveries from prior disposals of subsidiaries	**—**	**—**	(0.1)	(0.1)
NCI relating to revaluation	**0.1**	**—**	0.2	0.2
Goodwill impairment	**—**	**—**	40.9	40.9
Add loss/(deduct gain) on revaluation of investment property relating to associates	**0.5**	**0.1**	(6.0)	(4.8)
Headline earnings		**89.0**		58.4

EPRA earnings

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Basic and diluted earnings attributable to owners of the Company	**79.6**	147.9
Add loss/(deduct gain) on revaluation of investment properties	**9.8**	(140.9)
(Deduct gain)/add loss on disposal of properties (net of related tax)	**(4.7)**	0.6
Deduct recoveries from prior disposals of subsidiaries (net of related tax)	**—**	(0.1)
Refinancing costs, exit fees and prepayment penalties	**—**	7.8
Goodwill impairment	**—**	40.9
Acquisition costs in relation to business combinations	**—**	5.3
Change in fair value of derivative financial instruments	**(0.9)**	(1.0)
Deferred tax in respect of EPRA fair value movements on investment properties	**4.3**	14.8
NCI relating to revaluation (net of related tax)	**—**	0.2
Add loss/(deduct gain) on revaluation of investment property relating to associates	**0.5**	(6.0)
Tax in relation to the revaluation gains/losses on investment property relating to associates	**(0.4)**	1.2
EPRA earnings	**88.2**	70.7

For more information on EPRA earnings refer to Annex 1.

For the calculation of basic, headline, adjusted, EPRA and diluted earnings per share the number of shares has been reduced by 7,492,763 own shares held (2022: 5,280,308 shares), which are held by an Employee Benefit Trust on behalf of the Group.

The weighted average number of shares for the purpose of diluted, diluted EPRA, diluted headline and adjusted diluted earnings per share is calculated as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average number of ordinary shares for the purpose of basic, basic EPRA, headline and adjusted earnings per share	**1,167,757,975**	1,097,082,162
Weighted average effect of grant of LTIP and SIP shares	**15,868,789**	15,278,619
Weighted average number of ordinary shares for the purpose of diluted, diluted EPRA, diluted headline and adjusted diluted earnings per share	**1,183,626,764**	1,112,360,781

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12. Earnings per share continued

EPRA earnings continued

The Company has chosen to report EPRA earnings per share ("EPRA EPS"). EPRA EPS is a definition of earnings as set out by the European Public Real Estate Association. EPRA earnings represents earnings after adjusting for gains/losses on revaluation of investment properties, gains/losses on disposals of properties (net of related tax), recoveries from prior disposals of subsidiaries (net of related tax), refinancing costs, exit fees and prepayment penalties, goodwill impairment, acquisition costs in relation to business combinations, changes in fair value of derivative financial instruments (collectively, the "EPRA earnings adjustments"), deferred tax in respect of the EPRA earnings adjustments, NCI relating to revaluation (net of related tax), gains/losses on revaluation of investment property relating to associates and the related tax thereon.

13. Net asset value per share

	31 March 2023 €m	31 March 2022 €m
Net asset value		
Net asset value for the purpose of assets per share (assets attributable to the owners of the Company)	**1,197.1**	1,190.7
Deferred tax liabilities (see note 11)	**80.2**	75.9
Derivative financial instruments at fair value	**(1.3)**	(0.3)
Adjusted net asset value attributable to the owners of the Company	**1,276.0**	1,266.3
Number of shares		
Number of ordinary shares for the purpose of net asset value per share and adjusted net asset value per share	**1,168,371,222**	1,166,880,684
Number of ordinary shares for the purpose of EPRA NTA per share	**1,182,849,869**	1,182,159,303
Net asset value per share	**102.46c**	102.04c
Adjusted net asset value per share	**109.21c**	108.51c
EPRA NTA per share	**108.11c**	107.28c

31 March 2023	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
Net asset value as at year end (basic)	**1,197.1**	**1,197.1**	**1,197.1**
Diluted EPRA net asset value at fair value	**1,197.1**	**1,197.1**	**1,197.1**
Group			
Derivative financial instruments at fair value	**(1.3)**	**(1.3)**	**n/a**
Deferred tax in respect of EPRA fair value movements on investment properties	**80.2**	**80.1**[1]	**n/a**
Intangibles as per note 17	**n/a**	**(4.1)**	**n/a**
Fair value of fixed interest rate debt	**n/a**	**n/a**	**99.2**
Real estate transfer tax	**164.4**	**n/a**	**n/a**
Investment in associate			
Deferred tax in respect of EPRA fair value movements on investment properties	**7.0**	**7.0**[1]	**n/a**
Fair value of fixed interest rate debt	**n/a**	**n/a**	**9.9**
Real estate transfer tax	**9.3**	**n/a**	**n/a**
Total EPRA NRV, NTA and NDV	**1,456.7**	**1,278.8**	**1,306.2**
EPRA NRV, NTA and NDV per share	**123.15c**	**108.11c**	**110.43c**

13. Net asset value per share continued

31 March 2022	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
Net asset value as at year end (basic)	1,190.7	1,190.7	1,190.7
Diluted EPRA net asset value at fair value	1,190.7	1,190.7	1,190.7
Group			
Derivative financial instruments at fair value	(0.3)	(0.3)	n/a
Deferred tax in respect of EPRA fair value movements on investment properties	75.9	75.6(1)	n/a
Intangibles as per note 17	n/a	(4.3)	n/a
Fair value of fixed interest rate debt	n/a	n/a	(22.2)
Real estate transfer tax	160.7	n/a	n/a
Investment in associate			
Deferred tax in respect of EPRA fair value movements on investment properties	6.5	6.5(1)	n/a
Fair value of fixed interest rate debt	n/a	n/a	2.1
Real estate transfer tax	9.1	n/a	n/a
Total EPRA NRV, NTA and NDV	1,442.6	1,268.2	1,170.6
EPRA NRV, NTA and NDV per share	122.03c	107.28c	99.02c

(1) The Group intends to hold and does not intend in the long term to sell any of the investment properties and has excluded such deferred taxes for the whole portfolio as at year end except for deferred tax in relation to assets held for sale.

For more information on adjusted net asset value and EPRA NRV, NTA and NDV, refer to Annex 1.

The number of ordinary shares for the purpose of EPRA NRV, NTA and NDV per share is calculated as follows:

	31 March 2023	31 March 2022
Number of ordinary shares for the purpose of net asset value per share and adjusted net asset value per share	**1,168,371,222**	1,166,880,684
Effect of grant of LTIP and SIP shares	**14,478,647**	15,278,619
Number of ordinary shares for the purpose of EPRA NRV, NTA and NDV per share	**1,182,849,869**	1,182,159,303

The number of shares has been reduced by 7,492,763 own shares held (2022: 5,280,308 shares), which are held by an Employee Benefit Trust on behalf of the Group.

14. Investment properties

The movement in the book value of investment properties is as follows:

	31 March 2023 €m	31 March 2022 €m
Total investment properties at book value as at the beginning of the year	**2,100.0**	1,362.2
Acquisition of a subsidiary (see note 4)(1)	**—**	421.1
Additions – owned investment properties	**44.7**	162.8
Additions – leased investment properties	**1.4**	3.4
Capital expenditure and broker fees	**29.9**	22.5
Disposals	**(17.1)**	(1.8)
Reclassified as investment properties held for sale (see note 15)	**(8.8)**	(13.7)
(Loss)/gain on revaluation above capex and broker fees	**(7.7)**	147.0
Adjustment in respect of lease incentives	**(0.6)**	(0.5)
Deficit on revaluation relating to leased investment properties	**(1.5)**	(5.6)
Foreign exchange differences	**(17.3)**	2.6
Total investment properties at book value as at year end(2)	**2,123.0**	2,100.0

(1) An amount of €12.2m related to leased investment properties.

(2) Excluding assets held for sale.

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14. Investment properties continued

The reconciliation of the valuation carried out by the external valuer to the carrying values shown in the consolidated statement of financial position is as follows:

	31 March 2023 €m	31 March 2022 €m
Owned investment properties at market value per valuer's report(1)	**2,103.1**	2,079.1
Adjustment in respect of lease incentives	**(4.6)**	(4.2)
Leased investment property market value	**24.5**	25.1
Total investment properties at book value as at year end(1)	**2,123.0**	2,100.0

(1) Excluding assets held for sale.

The fair value (market value) of the Group's owned investment properties as at year end has been arrived at on the basis of a valuation carried out at that date by Cushman & Wakefield LLP (2022: Cushman & Wakefield LLP), an independent valuer accredited by the Royal Institute of Chartered Surveyors ("RICS"). The fee arrangement with Cushman & Wakefield LLP for the valuation of the Group's properties is fixed, subject to an adjustment for acquisitions and disposals.

The value of each of the properties has been assessed in accordance with the RICS valuation standards on the basis of market value. The methodology and assumptions used to determine the fair values of the properties are consistent with the previous year.

The weighted average lease expiry remaining across the owned portfolio in Germany as at year end was 2.8 years (2022: 2.9 years). The weighted average lease expiry remaining across the owned portfolio in the UK as at year end was 1.01 years (2022: 0.9 years). Licence agreements in the UK are rolling and are included in the valuation.

The fair value (market value) of the Group's leased investment properties as at year end has been arrived at on the basis of a valuation carried out by management using discounted cash flows similar to the approach of Cushman & Wakefield LLP. A sensitivity analysis is not provided on the lease investment properties as the balance is not considered material to the financial statements.

The reconciliation of loss or gain on revaluation above capex as per the consolidated income statement is as follows:

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
(Loss)/gain on revaluation above capex and broker fees	**(7.7)**	147.0
Adjustment in respect of lease incentives	**(0.6)**	(0.5)
Deficit on revaluation relating to leased investment properties	**(1.5)**	(5.6)
(Loss)/gain on revaluation of investment properties reported in the income statement	**(9.8)**	140.9

Included in the loss or gain on revaluation of investment properties reported in the income statement (excluding the revaluation effects in respect of leased investment properties) are gross gains of €39.2m and gross losses of €49.0m (2022: gross gains of €160.4m and gross losses of €19.5m).

Other than the capital commitments disclosed in note 32, the Group is under no contractual obligation to purchase, construct or develop any investment property. The Group is responsible for routine maintenance of the investment properties.

All investment properties are categorised as Level 3 fair values as they use significant unobservable inputs. There have not been any transfers between levels during the year. Investment properties have been classed according to their asset type. Information on these significant unobservable inputs per class of investment property is disclosed below (excluding leased investment properties).

The valuation for owned investment properties is (including assets classified as held for sale) performed on a lease-by-lease basis due to the mixed-use nature of the sites using the discounted cash flow technique for the German portfolio and on a capitalised income basis (where income is capitalised by an appropriate yield which reflects the age, location, ownership, customer base and agreement type) for the UK portfolio. This gives rise to large ranges in the inputs.

14. Investment properties continued

31 March 2023	Market value €m	Current rental rate per sqm €		Market rental rate per sqm €		Occupancy %		Gross initial yield %		Net initial yield %		Discount factor %		Void period months	
		Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Traditional business parks															
Mature	**362.0**	**2.88**	**8.58**	**2.67**	**7.80**	**64.7**	**100.0**	**4.7**	**9.9**	**3.7**	**7.6**	**4.1**	**5.8**	**6**	**15**
Value add	**607.6**	**2.25**	**6.64**	**3.58**	**8.46**	**26.9**	**97.4**	**2.9**	**9.8**	**0.8**	**7.5**	**4.5**	**7.1**	**9**	**18**
Total traditional business parks	**969.6**	**2.25**	**8.58**	**2.67**	**8.46**	**26.9**	**100.0**	**2.9**	**9.9**	**0.8**	**7.6**	**4.1**	**7.1**	**6**	**18**
Modern business parks															
Mature	**200.4**	**5.38**	**8.64**	**3.93**	**8.15**	**94.3**	**100.0**	**3.6**	**10.5**	**2.4**	**9.3**	**4.1**	**5.4**	**6**	**15**
Value add	**250.1**	**2.92**	**9.76**	**3.91**	**10.35**	**54.5**	**92.8**	**5.5**	**9.4**	**3.8**	**7.4**	**4.8**	**7.3**	**9**	**24**
Total modern business parks	**450.5**	**2.92**	**9.76**	**3.91**	**10.35**	**54.5**	**10.0**	**3.6**	**10.5**	**2.4**	**9.3**	**4.1**	**7.3**	**6**	**24**
Office															
Mature	**37.5**	**14.34**	**14.34**	**10.78**	**10.78**	**92.6**	**92.6**	**8.7**	**8.7**	**7.3**	**7.3**	**4.9**	**4.9**	**9**	**9**
Value add	**236.4**	**4.05**	**10.27**	**6.42**	**12.19**	**49.7**	**87.5**	**4.4**	**9.3**	**2.4**	**6.8**	**5.0**	**6.9**	**9**	**18**
Total office	**273.9**	**4.05**	**14.34**	**6.42**	**12.19**	**49.7**	**92.6**	**4.4**	**9.3**	**2.4**	**7.3**	**4.9**	**6.9**	**9**	**18**
Total Germany	**1,694.0**	**2.25**	**14.34**	**2.67**	**12.19**	**26.9**	**100.0**	**2.9**	**10.5**	**0.8**	**9.3**	**4.1**	**7.3**	**6**	**24**

31 March 2023	Market value €m	Average current rental rate per sqm €		Average market rental rate per sqm €		Occupancy %		Net initial yield %		Void period months	
		Low	High	Low	High	Low	High	Low	High	Low	High
Total mixed-use schemes	**102.4**	**2.09**	**20.25**	**5.46**	**23.58**	**42.0**	**93.3**	**4.0**	**10.8**	**4.00**	**12.00**
Total office	**143.7**	**5.42**	**33.89**	**7.94**	**24.68**	**50.5**	**100.0**	**4.9**	**23.2**	**4.00**	**12.00**
Total industrial	**171.6**	**2.23**	**8.19**	**2.55**	**12.99**	**64.1**	**100.0**	**3.8**	**12.4**	**4.00**	**12.00**
Total UK	**417.7**	**2.09**	**33.89**	**2.55**	**24.68**	**42.0**	**100.0**	**3.8**	**23.2**	**4.00**	**12.00**

31 March 2022	Market value €m	Current rental rate per sqm €		Market rental rate per sqm €		Occupancy %		Gross initial yield %		Net initial yield %		Discount factor %		Void period months	
		Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Traditional business parks															
Mature	329.1	2.67	8.32	2.65	7.42	91.5	100.0	4.5	8.5	3.7	6.7	3.6	5.4	6	12
Value add	625.5	—[1]	8.16	3.49	8.46	—[1]	97.3	—[1]	9.0	(3.7)[1]	6.8	3.9	7.1	9	18
Total traditional business parks	954.6	—[1]	8.32	2.65	8.46	—[1]	100.0	—[1]	9.0	(3.7)[1]	6.8	3.6	7.1	6	18
Modern business parks															
Mature	195.8	5.03	8.13	3.74	7.68	91.8	100.0	5.0	9.8	4.1	8.4	3.6	5.0	6	15
Value add	213.1	2.86	10.28	3.76	10.15	74.9	97.8	2.9	9.4	1.6	6.6	4.4	7.3	9	24
Total modern business parks	408.9	2.86	10.28	3.74	10.15	74.9	100.0	2.9	9.8	1.6	8.4	3.6	7.3	6	24
Office															
Mature	10.2	10.07	10.07	9.38	9.38	87.1	87.1	6.4	6.4	5.2	5.2	4.5	4.5	9	9
Value add	266.9	2.03	11.78	6.15	12.18	40.0	92.0	2.0	9.5	—[1]	7.2	4.6	6.6	9	18
Total office	277.1	2.03	11.78	6.15	12.18	40.0	92.0	2.0	9.5	—[1]	7.2	4.5	6.6	9	18
Total Germany	1,640.6	—[1]	11.78	2.65	12.18	—[1]	100.0	—[1]	9.8	(3.7)[1]	8.4	3.6	7.3	6	24

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14. Investment properties continued

31 March 2022	Market value €m	Average current rental rate per sqm €		Average market rental rate per sqm €		Occupancy %		Net initial yield %		Void period months	
		Low	High	Low	High	Low	High	Low	High	Low	High
Total mixed-use schemes	123.3	1.71	26.49	5.78	23.59	48.6	96.8	3.0	10.0	4	12
Total office	153.1	—(1)	25.38	5.83	26.50	—(1)	100.0	—(1)	10.0	4	12
Total industrial	175.4	1.04	10.94	2.39	11.24	65.1	100.0	3.0	10.0	4	12
Total UK	451.8	—(1)	26.49	2.39	26.50	—(1)	100.0	—(1)	10.0	4	12

(1) The Group acquired vacant investment properties during the year ended 31 March 2022. As a result, the lower range for rental rates, occupancy and yields is 0 or lower.

As a result of the level of judgement and estimates used in arriving at the market valuations, the amounts which may ultimately be realised in respect of any given property may differ from valuations shown in the statement of financial position. Key inputs are considered to be inter-related whereby changes in one key input can result in changes in other key inputs. The impact of changes in relation to the key inputs is also shown in the table below:

31 March 2023	Market value €m	Change of 5% in market rental rates €m		Change of 0.25% in discount rates €m		Change of 0.5% in gross initial yield €m		Change of 0.5% in net initial yield €m	
		Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Total traditional business parks	**969.6**	**48.9**	**(49.2)**	**(19.3)**	**19.1**	**(73.1)**	**86.8**	**(106.6)**	**109.0**
Total modern business parks	**450.5**	**22.0**	**(21.7)**	**(8.5)**	**9.3**	**(32.2)**	**37.9**	**(41.5)**	**47.4**
Total office	**273.9**	**14.0**	**(14.1)**	**(5.6)**	**5.6**	**(20.8)**	**24.8**	**(28.3)**	**36.8**
Market value Germany	**1,694.0**	**84.9**	**(85.0)**	**(33.4)**	**34.0**	**(126.1)**	**149.5**	**(176.4)**	**193.2**

31 March 2023	Market value €m	Change of 5% in market rental rates €m		Change of 0.5% in net initial yield €m	
		Increase	Decrease	Increase	Decrease
Total mixed-use schemes	**102.4**	**(6.2)**	**7.5**	**3.8**	**(3.6)**
Total office	**143.7**	**(6.8)**	**7.8**	**4.7**	**(4.5)**
Total industrial	**171.6**	**(10.8)**	**12.7**	**7.0**	**(6.6)**
Market value UK	**417.7**	**(23.8)**	**28.0**	**15.4**	**(14.8)**

31 March 2022	Market value €m	Change of 5% in market rental rates €m		Change of 0.25% in discount rates €m		Change of 0.5% in gross initial yield €m		Change of 0.5% in net initial yield €m	
		Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Total traditional business parks	954.6	48.5	(48.4)	(19.6)	20.1	(84.2)	82.2	(98.0)	126.3
Total modern business parks	408.9	19.2	(19.4)	(8.6)	8.4	(30.9)	36.8	(38.1)	48.1
Total office	277.1	14.5	(14.3)	(5.8)	5.8	(23.0)	28.5	(37.9)	27.8
Market value Germany	1,640.6	82.2	(82.1)	(34.0)	34.3	(138.1)	147.5	(174.0)	202.2

31 March 2022	Market value €m	Change of 5% in market rental rates €m		Change of 0.5% in net initial yield €m	
		Increase	Decrease	Increase	Decrease
Total mixed-use schemes	123.3	4.0	(4.4)	(4.5)	4.4
Total office	153.1	5.8	(5.4)	(4.3)	5.1
Total industrial	175.4	7.1	(6.3)	(5.8)	6.8
Market value UK	451.8	16.9	(16.1)	(14.6)	16.3

15. Assets held for sale

Investment properties held for sale

	31 March 2023 €m	31 March 2022 €m
Magdeburg	—	13.8
Wuppertal	8.8	—
Balance as at year end	**8.8**	13.8

The disclosures regarding valuation in note 14 are also applicable to assets held for sale.

As at 31 March 2023, an amount of €8.8m relating to the sale of the Wuppertal asset was received prior to the completion date of 1 April 2023 and was included in the cash at bank per note 22. As at 31 March 2022, an amount of €13.8m relating to the sale of the Magdeburg asset was received prior to the completion date of 1 April 2022 and was included in the cash at bank per note 22.

As a result, an equal and opposite position within other payables was recognised. See note 23 for further details.

16. Plant and equipment

	Plant and equipment €m	Fixtures and fittings €m	Total €m
Cost			
As at 31 March 2022	2.7	8.4	11.1
Additions in year	0.8	3.3	4.1
Disposals in year	(0.8)	(1.4)	(2.2)
Foreign exchange differences	—	(0.2)	(0.2)
As at 31 March 2023	**2.7**	**10.1**	**12.8**
Depreciation			
As at 31 March 2022	(1.1)	(4.5)	(5.6)
Charge for year	(0.6)	(1.5)	(2.1)
Disposals in year	0.8	1.3	2.1
Foreign exchange differences	(0.1)	0.1	—
As at 31 March 2023	**(1.0)**	**(4.6)**	**(5.6)**
Net book value as at 31 March 2023	**1.7**	**5.5**	**7.2**
Cost			
As at 31 March 2021	1.0	6.1	7.1
Acquisition of a subsidiary (see note 4)	0.8	1.8	2.6
Additions in year	0.9	0.5	1.4
Disposals in year	—	—	—
Foreign exchange differences	—	—	—
As at 31 March 2022	2.7	8.4	11.1
Depreciation			
As at 31 March 2021	(0.7)	(3.7)	(4.4)
Charge for year	(0.4)	(0.8)	(1.2)
Disposals in year	—	—	—
Foreign exchange differences	—	—	—
As at 31 March 2022	(1.1)	(4.5)	(5.6)
Net book value as at 31 March 2022	1.6	3.9	5.5

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17. Intangible assets

	Software and licences with definite useful life €m	Goodwill €m	Total €m
Cost			
As at 31 March 2022	10.5	40.9	51.4
Additions in year	1.1	–	1.1
Disposals in year	–	–	–
Foreign exchange differences	–	–	–
As at 31 March 2023	**11.6**	**40.9**	**52.5**
Amortisation			
As at 31 March 2022	(6.2)	(40.9)	(47.1)
Charge for year	(1.3)	–	(1.3)
Disposals in year	–	–	–
Foreign exchange differences	–	–	–
As at 31 March 2023	**(7.5)**	**(40.9)**	**(48.4)**
Net book value as at 31 March 2023(1)	**4.1**	**–**	**4.1**
Cost			
As at 31 March 2021	7.9	3.7	11.6
Acquisition of a subsidiary (see note 4)	0.5	37.2	37.7
Additions in year	2.1	–	2.1
Disposals in year	–	–	–
Foreign exchange differences	–	–	–
As at 31 March 2022	10.5	40.9	51.4
Amortisation			
As at 31 March 2021	(5.0)	–	(5.0)
Charge for year	(1.2)	–	(1.2)
Disposals in year	–	–	–
Impairment	–	(40.9)	(40.9)
Foreign exchange differences	–	–	–
As at 31 March 2022	(6.2)	(40.9)	(47.1)
Net book value as at 31 March 2022(1)	4.3	–	4.3

(1) Included in the net book value is an amount of €1.1m relating to intangible assets under development not yet amortised (2022: €2.4m). All these development projects are expected to finalise in the next financial year.

Internalisation of Asset Management Agreement

On 30 January 2012, a transaction was completed to internalise the Asset Management Agreement and, as a result of the consideration given exceeding the net assets acquired, goodwill of €3.7m was recognised. The goodwill was allocated to the cash-generating units comprising the Germany segment.

In the year ended 31 March 2022 indicators of impairment relating to the goodwill balance were noted as the Group has determined that the identified cash flows could no longer be distinguished from those included in other assets held by the cash-generating units in the Germany segment. This resulted in the entirety of the balance being impaired and a consequent impairment loss of €3.7m being recognised. Goodwill which has been impaired may not be reversed in future periods.

Helix Investment Limited

On 15 November 2021, the business combination described in note 4 resulted in the recognition of goodwill due to the consideration given exceeding the net assets required by €37.2m. The goodwill balance was allocated to the cash-generating units comprising the UK segment and an impairment test was performed at 31 March 2022 to determine whether the recoverable amount of the cash-generating units exceeds the carrying value. The key assumptions regarding value in use were three year cash flow forecasts as prepared by management of the group of cash-generating units and the discount rate applied. Cash flows beyond three years are extrapolated using an inflation figure of 2%. The discount rate used is a pre-tax rate and reflects the risks specific to the real estate industry in the UK. A discount rate of 7.13% and terminal value of 5.13% were applied in the impairment review.

In the period between acquisition and the prior year ended 31 March 2022, the properties held by the BizSpace Group and the rent roll of the UK segment increased in value significantly. The Group considered these factors along with the value in use calculation in assessing whether the goodwill was recoverable and concluded that it was not. Whilst the Group's longer-term plans for the business and the potential synergies with the broader Group are at an early stage, based on the impairment review conducted the Group concluded that there was not sufficient evidence to support the goodwill balance over and above the cash flows already included in the assessment of the fair value of investment properties and other assets held by the Group. As a result, an impairment loss of €37.2m was recognised for the year ended 31 March 2022. Goodwill which has been impaired may not be reversed in future periods.

18. Right of use assets and lease liabilities

Set out below are the carrying amounts of right of use assets (excluding those disclosed under investment properties) recognised and the movements during the year:

	Office €m	Total €m
As at 31 March 2021	1.9	1.9
Additions	15.0	15.0
Depreciation expense	(0.8)	(0.8)
Lease modifications[1]	(1.1)	(1.1)
As at 31 March 2022	15.0	15.0
Additions	1.5	1.5
Depreciation expense	(2.1)	(2.1)
As at 31 March 2023	**14.4**	**14.4**

(1) Lease modifications relate to the early termination of the head office lease.

In addition to office spaces the Group is also counterparty to long-term leasehold agreements and head leases relating to commercial property. Right of use assets amounting to €24.5m (2022: €25.1m) are classified as investment properties, of which €2.8m (2022: €4.0m) relate to commercial property.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	31 March 2023 €m	31 March 2022 €m
Balance as at the beginning of the year	**(38.7)**	(15.0)
Acquisition of a subsidiary (see note 4)	**—**	(12.2)
Accretion of interest	**(1.1)**	(0.5)
Additions	**(2.8)**	(18.4)
Lease modifications[1]	**—**	1.1
Payments	**2.3**	6.4
Foreign exchange differences	**0.7**	(0.1)
Balance as at year end	**(39.6)**	(38.7)
Current lease liabilities as at year end	**(2.2)**	(1.1)
Non-current lease liabilities as at year end	**(37.4)**	(37.6)

(1) Lease modifications relate to the early termination of the head office lease.

The following table sets out the carrying amount, by maturity, of the Group's lease liabilities:

31 March 2023	**Within 1 year €m**	**1–5 years €m**	**5+ years €m**	**Total €m**
Commercial property[1]	**(0.2)**	**(1.0)**	**(0.3)**	**(1.5)**
Long-term leasehold[1]	**(0.2)**	**(1.0)**	**(20.4)**	**(21.6)**
Office space	**(1.8)**	**(7.5)**	**(7.2)**	**(16.5)**
Total	**(2.2)**	**(9.5)**	**(7.9)**	**(39.6)**

31 March 2022	Within 1 year €m	1–5 years €m	5+ years €m	Total €m
Commercial property[1]	(0.7)	(0.9)	(0.5)	(2.1)
Long-term leasehold[1]	(0.2)	(1.0)	(19.9)	(21.1)
Office space	(0.2)	(6.3)	(9.0)	(15.5)
Total	(1.1)	(8.2)	(29.4)	(38.7)

(1) These lease liabilities relate to right of use assets recorded as investment properties.

Maturity analysis of lease liabilities using contractual undiscounted payments is disclosed in note 25.

The overall weighted average discount rate used for the year is 2.7% (2022: 2.3%).

During the year expenses paid for leases of low-value assets and short-term leases which are recognised straight-line over the lease term (included in the administrative expenses) amounted to €0.6m (2022: €0.5m).

In addition to leases of low-value assets and payments resulting from short-term leases that are included in the cash flow from operating activities, interest payments and repayments of lease liabilities totalling €2.3m (2022: €6.4m) were incurred for the year and are included in the cash flow from financing activities.

19. Other non-current financial assets

	31 March 2023 €m	31 March 2022 €m
Deposits	**4.1**	4.1
Loans to associates	**44.3**	44.2
Balance as at year end	**48.4**	48.3

Loans to associates relate to shareholder loans granted to associates by the Group. The loans terminate on 31 December 2026 and are charged at a fixed interest rate. The expected credit loss has been considered based on multiple factors such as history of repayments, forward-looking budgets and forecasts. Based on the assessment the expected credit loss was immaterial.

20. Investment in associates

The principal activity of the associates is the investment in, and development of, commercial property located in Germany and to provide conventional and flexible workspace. Since the associates are individually immaterial the Group is disclosing aggregated information of the associates.

The following table illustrates the summarised financial information of the Group's investment in associates:

	31 March 2023 €m	31 March 2022 €m
Current assets	**28.4**	20.0
Non-current assets	**354.7**	349.8
Current liabilities	**(15.6)**	(10.4)
Non-current liabilities	**(296.1)**	(294.1)
Equity	**71.4**	65.3
Unrecognised accumulated losses	**4.9**	3.7
Subtotal	**76.3**	69.0
Group's share in equity – 35%	**26.7**	24.1

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Net operating income	**21.1**	19.9
(Loss)/gain on revaluation of investment properties	**(0.7)**	18.9
Administrative expense	**(3.7)**	(3.0)
Operating profit	**16.7**	35.8
Net finance costs	**(8.8)**	(9.8)
Profit before tax	**7.9**	26.0
Taxation	**(1.9)**	(4.2)
Unrecognised loss/(profit)	**1.3**	(2.0)
Total profit and comprehensive income for the year after tax	**7.3**	19.8
Group's share of profit for the year – 35%	**2.6**	6.9

Included within the non-current liabilities are shareholder loans amounting to €126.8m (2022: €126.5m). As at year end no contingent liabilities existed (2022: none). The associates had contracted capital expenditure for development and enhancements of €3.4m as at year end (2022: €2.0m).

The following table illustrates the movement in investment in associates:

	31 March 2023 €m	31 March 2022 €m
Balance as at the beginning of the year	**24.1**	17.2
Dividend received	**—**	—
Share of profit	**2.6**	6.9
Balance as at year end	**26.7**	24.1

21. Trade and other receivables

	31 March 2023 €m	31 March 2022 €m
Gross trade receivables	**22.4**	18.8
Expected credit loss provision (see note 25)	**(8.7)**	(7.7)
Net trade receivables	**13.7**	11.1
Other receivables	**14.1**	8.9
Prepayments	**2.7**	4.6
Balance as at year end	**30.5**	24.6

Other receivables include lease incentives of €4.6m (2022: €4.0m) and accrued service charge income of €nil (2022: €1.0m).

For the year ended 31 March 2022, prepayments included costs of €1.9m relating to the acquisition of a new site in Düsseldorf that was notarised before 31 March 2022.

22. Cash and cash equivalents

	31 March 2023 €m	31 March 2022 €m
Cash at bank	**99.2**	127.4
Cash restricted under contractual terms:		
Deposit for bank guarantees	**1.3**	1.4
Deposits received from tenants	**23.8**	22.2
Balance as at year end	**124.3**	151.0

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash as at year end is €124.3m (2022: €151.0m).

Tenants' deposits are legal securities of tenants retained by the Group without the right to use these cash deposits for purposes other than strictly tenant related transactions (e.g. move-out costs, costs due to non-compliance with certain terms of the lease agreement or late rent/service charge payments).

Cash is held by reputable banks and the Group assessed the expected credit loss to be immaterial.

23. Trade and other payables

	31 March 2023 €m	31 March 2022 €m
Trade payables	**12.0**	6.5
Accrued expenses	**31.9**	25.1
Interest and amortisation payable	**5.6**	5.6
Tenant deposits	**23.8**	22.2
Unearned revenue	**10.6**	7.9
Other payables	**17.6**	22.0
Balance as at year end	**101.5**	89.3

Accrued expenses include primarily costs totalling €16.4m (2022: €11.0 m) relating to service charge costs, bonuses of €4.5m (2022: €5.7m), costs relating to non-recurring project costs of €2.8m (2022: €2.5m) and administrative expenses of €2.4m (2022: €2.0m) that have not been invoiced to the Group.

Included within other payables are credit balances due to tenants in relation to over collections of service charge in amount of €3.6m (2022: €2.6m). As of 31 March 2023, other payables included €8.8m of proceeds relating to the sale of the Wuppertal asset that is categorised as an asset held for sale at 31 March 2023 in advance of the completion date of 1 April 2023. As at 31 March 2022, other payables included €13.8m of proceeds relating to the sale of the Magdeburg asset that is categorised as an asset held for sale at 31 March 2022 in advance of the completion date of 1 April 2022. See note 15 for details of assets held for sale. Unearned revenue includes service charge amounts of €3.1m (2022: €1.2m). Service charge income is only recognised as income when the performance obligations are met. All unearned revenue of the prior year was recognised as revenue in the current year.

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24. Interest-bearing loans and borrowings

	Interest rate %	Loan maturity date	**31 March 2023 €m**	31 March 2022 €m
Current				
Berlin Hyp AG				
– fixed rate facility	1.48	31 October 2023	**58.2**	1.9
– fixed rate facility	0.90	31 October 2023	**110.4**	1.5
Saarbrücken Sparkasse				
– fixed rate facility	1.53	28 February 2025	**0.7**	0.8
Deutsche Pfandbriefbank AG				
– hedged floating rate facility	Hedged(1)	31 December 2023	**51.1**	1.1
– floating rate facility	Floating(1)	31 December 2023	**6.2**	0.1
Schuldschein				
– floating rate facility	Floating(2)	5 December 2022	**–**	5.0
– floating rate facility	Floating(2)	6 January 2023	**–**	10.0
– fixed rate facility	1.60	3 July 2023	**20.0**	–
Capitalised finance charges on all loans			**(2.9)**	(0.8)
			243.7	19.6
Non-current				
Berlin Hyp AG				
– fixed rate facility	1.48	31 October 2023	**–**	58.2
– fixed rate facility	0.90	31 October 2023	**–**	110.4
Saarbrücken Sparkasse				
– fixed rate facility	1.53	28 February 2025	**13.5**	14.3
Deutsche Pfandbriefbank AG				
– hedged floating rate facility	Hedged(1)	31 December 2023	**–**	51.1
– floating rate facility	Floating(1)	31 December 2023	**–**	6.2
Schuldschein				
– floating rate facility	Floating(2)	6 January 2025	**5.0**	5.0
– fixed rate facility	1.70	3 March 2025	**10.0**	10.0
– fixed rate facility	1.60	3 July 2023	**–**	20.0
Corporate bond I				
– fixed rate	1.125	22 June 2026	**400.0**	400.0
Corporate bond II				
– fixed rate	1.75	24 November 2028	**300.0**	300.0
Capitalised finance charges on all loans			**(7.8)**	(13.3)
			720.7	961.9
Total			**964.4**	981.5

(1) Tranche 1 of this facility is fully hedged with a swap charged at a rate of 1.40%; tranche 2 of this facility is fully hedged with a swap charged at a rate of 1.25%; and €19.1m of tranche 3 of this facility is fully hedged with a swap charged at a rate of 0.91%. A €6.5m extension and the tranche 3 related €0.5m arrangement fee are charged with a floating rate of 1.20% over three-month EURIBOR (not less than 0%). The Group has not adopted any hedge accounting.

(2) This unsecured facility has a floating rate of 1.70% over six month EURIBOR (not less than 0%).

The borrowings (excluding capitalised loan issue cost) are repayable as follows:

	31 March 2023 €m	31 March 2022 €m
On demand or within one year	**246.6**	20.4
In the second year	**28.5**	246.7
In the third to tenth years inclusive	**700.0**	728.5
Total	**975.1**	995.6

The Group has pledged 15 (2022: 15) investment properties to secure several separate interest-bearing debt facilities granted to the Group. The 15 (2022: 15) properties had a combined valuation of €510.7m as at year end (2022: €504.7m).

24. Interest-bearing loans and borrowings continued

Berlin Hyp AG

On 20 October 2016, the Group concluded an agreement with Berlin Hyp AG to refinance and extend a facility which had an outstanding balance of €39.2m on 30 September 2016. The facility totals €70.0m and was scheduled to terminate on 29 October 2023. Amortisation was 2.50% per annum with the remainder due at maturity. The facility was charged with an all-in fixed interest rate of 1.48% for the full term of the loan. The facility was secured over six property assets. The loan was subject to various covenants with which the Group had complied. On 13 September 2019, the facility was incorporated into the agreement as detailed below. As a result, the maturity date of the loan was extended to 31 October 2023 with all other conditions remaining unchanged.

On 13 September 2019, the Group agreed to a facility agreement with Berlin Hyp AG for €115.4m. The loan terminates on 31 October 2023. Amortisation is 1.25% per annum with the remainder due in the fourth year. The loan facility is charged at a fixed interest rate of 0.90%. This facility is secured over nine property assets. The facility is subject to various covenants with which the Group has complied.

On 31 August 2022, the Group concluded an agreement with Berlin Hyp AG to refinance the existing facility with a new facility which amounts to €170.0m. The new facility is a separate financial instrument to the existing facility and will come into effect on 1 November 2023 with a term of seven years and a fixed interest rate of 4.26%.

Saarbrücken Sparkasse

On 28 March 2018, the Group agreed to a facility agreement with Saarbrücken Sparkasse for €18.0m. The loan terminates on 28 February 2025. Amortisation is 4.00% per annum with the remainder due in one instalment on the final maturity date. The facility is charged with an all-in fixed interest rate of 1.53% for the full term of the loan. The facility is secured over one property asset and is subject to various covenants with which the Group has complied. No changes to the terms of the facility have occurred during the twelve month period ended 31 March 2023.

Deutsche Pfandbriefbank AG

On 19 January 2019, the Group agreed to a facility agreement with Deutsche Pfandbriefbank AG for €56.0m. Tranche 1, totalling €21.6m, has been hedged at a rate of 1.40% until 31 December 2023 by way of an interest rate swap. A first drawdown of tranche 3 totalling €0.5m was charged at a fixed interest rate of 1.20%. On 3 April 2019, tranche 2 was drawn down, totalling €14.8m, and has been hedged at a rate of 1.25% until 31 December 2023 by way of an interest rate swap. On 28 June 2019, tranche 3 has been drawn down, totalling €19.1m. Tranche 3 has been hedged at a rate of 0.91% until 31 December 2023 by way of an interest rate swap. The facility is secured over five property assets and is subject to various covenants with which the Group has complied.

On 19 February 2020, the Group agreed to extend tranche 3 of its existing facility by €6.5m. The loan is coterminous with the existing facility maturing in December 2023. The loan has been treated as a new loan and is charged with a floating interest rate of 1.20% plus three month EURIBOR (not less than 0%). Amortisation is 2.00% per annum with the remainder due in one instalment on the final maturity date. No changes to the terms of the facility have occurred during the twelve month period ended 31 March 2023.

Schuldschein

On 2 December 2019, the Group agreed to new loan facilities in the form of unsecured Schuldschein for €20.0m. On 25 February 2020, the Group agreed new loan facilities in the form of unsecured Schuldschein for €30.0m. In total the unsecured facility amounts to €50.0m spread over five tranches and is charged at a blended interest rate of 1.60% and average maturity of 2.6 years with no amortisation. The Schuldschein is subject to various covenants with which the Group has complied. The first and second tranches totalling €15.0m were repaid during the twelve month period ended 31 March 2023.

Corporate bond I

On 22 June 2021, the Group raised its inaugural corporate bond for €400.0m. The bond, which is listed at the Luxembourg Stock Exchange, has a term of five years and an interest rate of 1.125% due annually on its anniversary date, with the principal balance coming due on 22 June 2026. The corporate bond is subject to various covenants with which the Group has complied. No changes to the terms of the facility have occurred during the twelve month period ended 31 March 2023.

Corporate bond II

On 24 November 2021, the Group issued its second corporate bond for €300.0m. The bond, which is listed at the Luxembourg Stock Exchange, has a term of seven years and an interest rate of 1.75% due annually on its anniversary date, with the principal balance coming due on 24 November 2028. The corporate bond is subject to various covenants with which the Group has complied. No changes to the terms of the facility have occurred during the twelve month period ended 31 March 2023.

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24. Interest-bearing loans and borrowings continued

Group debt covenants

A summary of the Group's debt covenants is set out below:

	31 March 2023 €m	31 March 2022 €m
Carrying amount of interest-bearing loans and borrowings	964.4	981.5
Unamortised borrowing costs	10.7	14.1
Book value of owned investment properties[1]	2,107.3	2,088.7
Gross loan to value ratio	**46.3%**	**47.7%**

(1) Includes assets held for sale.

The Group's loans are subject to various covenants, which include interest cover ratio, loan to value, debt service cover, occupancy, etc. as stipulated in the loan agreements.

During the year, the Group did not breach any of its loan covenants, nor did it default on any of its obligations under its loan agreements and the Group has a sufficient level of headroom as at year end.

Refer to note 2(d) where the Group discloses forecast covenant compliance with regard to management's going concern assessment.

EPRA loan to value ("LTV")

		Proportionate consolidation	
31 March 2023	Group €m	Investment in associates €m	Total €m
Interest-bearing loans and borrowings[1]	264.4	52.1	316.5
Corporate bonds	700.0	–	700.0
Net payables	71.0	4.5	75.5
Cash and cash equivalents	(124.3)	(8.6)	(132.9)
Net debt (a)	**911.1**	**48.0**	**959.1**
Investment properties	2,123.0	124.2	2,247.2
Assets held for sale	8.8	–	8.8
Plant and equipment	7.2	–	7.2
Intangible assets	4.1	–	4.1
Loan to associates	44.3	–	44.3
Total property value (b)	**2,187.4**	**124.2**	**2,311.6**
EPRA LTV (a/b)	**41.7%**	**38.6%**	**41.5%**

24. Interest-bearing loans and borrowings continued

EPRA loan to value ("LTV") continued

31 March 2022	Group €m	Proportionate consolidation Investment in associates €m	Total €m
Interest-bearing loans and borrowings(1)	281.5	51.9	333.4
Corporate bonds	700.0	–	700.0
Net payables	70.7	3.1	73.8
Cash and cash equivalents	(151.0)	(6.2)	(157.2)
Net debt (a)	901.2	48.8	950.0
Investment properties	2,100.0	122.4	2,222.4
Assets held for sale	13.8	–	13.8
Plant and equipment	5.5	–	5.5
Intangible assets	4.3	–	4.3
Loan to associates	44.2	–	44.2
Total property value (b)	2,167.8	122.4	2,290.2
EPRA LTV (a/b)	41.6%	39.9%	41.5%

(1) Excludes corporate bonds as shown as a separate line.

25. Financial risk management objectives and policies

The Group's principal financial liabilities comprise bank loans, derivative financial instruments and trade payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets, such as trade receivables and cash, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, market risk, currency risk and interest rate risk.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The risk management policies employed by the Group to manage these risks are discussed below.

In the event of a default by an occupational tenant, the Group will suffer a rental shortfall and incur additional costs, including expenses incurred to try and recover the defaulted amounts and legal expenses in maintaining, insuring and marketing the property until it is re-let. During the year, the Group monitored the tenants in order to anticipate and minimise the impact of defaults by occupational tenants, as well as to ensure that the Group has a diversified tenant base. The credit risk on tenants is also addressed through the performance of credit checks, collection of deposits and regular communication with the tenants.

Included in loans to associates are loans provided to associate entities from Group entities. During the year the Group assessed credit risk relating to loans to associates by reviewing business plans and monitoring cash collection rates and the operational performance of each associate in order to anticipate and minimise the impact of any impairment.

Included in other receivables are lease incentives. During the year the Group monitored tenants in order to anticipate and minimise the impact of defaults and move-outs from tenants which received lease incentives.

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25. Financial risk management objectives and policies continued

Credit risk continued

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 March 2023 €m	31 March 2022 €m
Net trade receivables	**13.7**	11.1
Other receivables	**13.6**	8.8
Loans to associates	**44.3**	44.2
Derivative financial instruments	**1.3**	0.3
Cash and cash equivalents	**124.3**	151.0
Total	**197.2**	215.4

Included in other receivables are guarantees and deposits in the amount of €4.1m (2022: €4.1m).

The ageing of trade receivables at the statement of financial position date was:

	31 March 2023		31 March 2022	
	Gross €m	Impairment €m	Gross €m	Impairment €m
0–30 days	**13.9**	**(4.3)**	12.1	2.7
31–120 days (past due)	**1.3**	**(0.5)**	1.3	(0.4)
More than 120 days	**7.2**	**(3.9)**	5.4	(4.6)
Total	**22.4**	**(8.7)**	18.8	(7.7)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	31 March 2023 €m	31 March 2022 €m
Balance as at the beginning of the year	**(7.7)**	(5.4)
Expected credit loss recognised	**(8.7)**	(7.7)
Expected credit loss reversed	**7.7**	5.4
Balance as at year end	**(8.7)**	(7.7)

The allowance account for trade receivables is used to record impairment losses unless the Group believes that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

Most trade receivables are generally due one month in advance. The exception is service charge balancing billing, which is due ten days after it has been invoiced. Included in the Group's trade receivables are debtors with carrying amounts of €13.7m (2022: €11.1m) that are past due at the reporting date for which the Group has not provided significant impairment as there has not been a significant change in credit quality and the amounts are still considered recoverable.

No significant impairment has been recognised relating to non-current receivables in the period due to unchanged credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the objective of minimising such losses, such as maintaining sufficient cash and other highly liquid current assets and having available an adequate amount of committed credit facilities. The Group prepares cash flow forecasts and continually monitors its ongoing commitments compared to available cash. Cash and cash equivalents are placed with financial institutions on a short-term basis which allows immediate access. This reflects the Group's desire to maintain a high level of liquidity in order to meet any unexpected liabilities that may arise due to the current financial position. Similarly, accounts receivable are due either in advance (e.g. rents and recharges) or within ten days (e.g. service charge reconciliations), further bolstering the Group's management of liquidity risk.

25. Financial risk management objectives and policies continued

Liquidity risk continued

The table below summarises the maturity profile of the Group's financial liabilities, based on contractual undiscounted payments:

31 March 2023	Interest-bearing loans €m	Derivative financial instruments €m	Trade and other payables €m	Lease liabilities €m	Total €m
Undiscounted amounts payable in:					
6 months or less	**(28.5)**	**(0.8)**	**(59.0)**	**(1.6)**	**(89.9)**
6 months–1 year	**(229.4)**	**(0.4)**	**–**	**(1.7)**	**(231.5)**
1–2 years	**(38.8)**	**–**	**–**	**(3.3)**	**(42.1)**
2–5 years	**(421.3)**	**–**	**–**	**(10.0)**	**(431.3)**
5–10+ years	**(303.4)**	**–**	**–**	**(94.7)**	**(398.1)**
	(1,021.4)	**(1.2)**	**(59.0)**	**(111.3)**	**(1,192.9)**
Interest	**46.3**	**1.2**	**–**	**71.7**	**119.2**
	(975.1)	**–**	**(59.0)**	**(39.6)**	**(1,073.7)**

31 March 2022	Interest-bearing loans €m	Derivative financial instruments €m	Trade and other payables €m	Lease liabilities €m	Total €m
Undiscounted amounts payable in:					
6 months or less	(9.5)	(0.1)	(56.3)	(1.3)	(67.2)
6 months–1 year	(24.5)	(0.1)	–	(0.8)	(25.4)
1–2 years	(258.8)	(0.2)	–	(2.9)	(261.9)
2–5 years	(454.7)	(0.1)	–	(9.0)	(463.8)
5–10+ years	(308.7)	–	–	(92.4)	(401.1)
	(1,056.2)	(0.5)	(56.3)	(106.4)	(1,219.4)
Interest	60.6	0.5	–	67.7	128.8
	(995.6)	–	(56.3)	(38.7)	(1,090.6)

Currency risk

The Group's exposure to currency risk relates primarily to the Group's exposure to the GBP and to a lesser extent the South African rand. This exposure is driven primarily by the acquisition of the BizSpace Group as detailed in note 4. In addition thereto, the Group has dividend obligations in both the GBP and South African rand. The foreign currency risk in relation to the GBP is mitigated as a result of the BizSpace Group generating GBP denominated income in order to fund its obligations when they come due and, in addition, the Group's GBP dividend obligations. The Group holds small deposits in South African rand for the purposes of working capital and dividend obligations.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's long-term floating rate debt obligations. The Group's policy is to mitigate interest rate risk by ensuring that a minimum of 80% of its total borrowing is at fixed or capped interest rates by taking out fixed rate loans or derivative financial instruments to hedge interest rate exposure, or interest rate caps.

A change in interest will only have an impact on loans fixed by a swap. An increase of 100 bps in interest rate would result in a decreased post tax profit in the consolidated income statement of €0.04m (2022: €0.3m) (excluding the movement on derivative financial instruments) and a decrease of 100 bps in interest rate would result in an increased post tax profit in the consolidated income statement of €0.04m (2022: €0.3m) (excluding the movement on derivative financial instruments).

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

31 March 2023	Within 1 year €m	1–2 years €m	2–3 years €m	3–4 years €m	4+ years €m	Total €m
Deutsche Pfandbriefbank AG	**(6.2)**	**–**	**–**	**–**	**–**	**(6.2)**
Schuldschein	**–**	**(5.0)**	**–**	**–**	**–**	**(5.0)**

31 March 2022	Within 1 year €m	1–2 years €m	2–3 years €m	3–4 years €m	4+ years €m	Total €m
Deutsche Pfandbriefbank AG	(0.1)	(6.2)	–	–	–	(6.3)
Schuldschein	(15.0)	–	(5.0)	–	–	(20.0)

The other financial instruments of the Group that are not included in the above tables have fixed interest rates and are therefore not subject to interest rate risk.

25. Financial risk management objectives and policies continued

Market risk

The Group's activities are within the real estate market, exposing it to very specific industry risks.

The yields available from investments in real estate depend primarily on the amount of revenue earned and capital appreciation generated by the relevant properties, as well as expenses incurred. If properties do not generate sufficient revenues to meet operating expenses, including debt service and capital expenditure, the yield is affected, and it can have an impact on the decision of our investors and banks. Revenues from properties may be adversely affected by: the general economic climate; local conditions, such as an oversupply of properties, or a reduction in demand for properties, in the market in which the Group operates; the attractiveness of the properties to the tenants; the quality of the management; competition from other available properties; and increased operating costs.

Revenues from properties may be adversely affected by: the general economic climate; local conditions, such as an oversupply of properties, or a reduction in demand for properties, in the market in which the Group operates; the attractiveness of the properties to the tenants; the quality of the management; competition from other available properties; and increased operating costs.

In addition, the Group's profit would be adversely affected if a significant number of tenants were unable to pay rent or its properties could not be rented on favourable terms. Certain significant expenditures associated with each equity investment in real estate (such as external financing costs, real estate taxes and maintenance costs) are generally not reduced when circumstances cause a reduction in revenue from properties. By diversifying in product, risk categories and tenants, the Group expects to lower the risk profile of the portfolio.

Capital management

For the purpose of the Group's capital management, capital includes all equity reserves attributable to the equity holders of the parent. The Group seeks to enhance shareholder value both by investing in the business so as to improve the return on investment and by managing the capital structure. The Group manages its capital structure and in doing so takes into consideration the impact of changes in economic conditions. The Group assesses its capital management through the total accounting shareholder return which was 4.8% as at 31 March 2023 (2022: 20.0%) and the net loan to value which was 41.6% as at 31 March 2023 (2022: 41.6%).

To maintain or adjust the capital structure, the Group may undertake a number of actions including but not limited to share issuances and changes to its distribution policy to shareholders. The transfer of amounts recorded in share capital to other distributable reserves is made in accordance with The Companies (Guernsey) Law, 2008. The Group's distribution policy takes into account the concept of solvency under The Companies (Guernsey) Law, 2008. The Group is not subject to externally imposed capital requirements other than those related to the covenants of the bank loan facilities. There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current year (note 2d).

26. Financial instruments

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements (excluding assets held for sale and liabilities directly associated with assets held for sale):

		31 March 2023		31 March 2022	
	Fair value hierarchy level	Carrying amount €m	Fair value €m	Carrying amount €m	Fair value €m
Financial assets					
Cash and cash equivalents		**124.3**	**124.3**	151.0	151.0
Trade and other receivables(1)		**27.3**	**27.3**	19.9	19.9
Loans to associates	2	**44.3**	**44.3**	44.2	44.2
Derivative financial instruments	2	**1.3**	**1.3**	0.3	0.3
Financial liabilities					
Trade and other payables		**59.0**	**59.0**	56.3	56.3
Derivative financial instruments	2	**—**	**—**	—	—
Interest-bearing loans and borrowings(2)					
Floating rate borrowings	2	**11.2**	**11.2**	26.3	26.3
Floating rate borrowings – hedged(3)	2	**51.1**	**51.1**	52.2	52.2
Floating rate borrowings – capped	2	**—**	**—**	—	—
Fixed rate borrowings	2	**912.8**	**813.6**	917.1	939.3

All amounts in the table above are carried at amortised cost except for derivative financial instruments which are held at fair value.

(1) This is made up of net trade receivables, other receivables (excluding lease incentives) and guarantees and deposits.

(2) Excludes loan issue costs.

(3) The Group holds interest rate swap contracts designed to manage the interest rate and liquidity risks of expected cash flows of its borrowings with the variable rate facilities with Deutsche Pfandbriefbank AG. Please refer to note 24 for details of swap contracts.

26. Financial instruments continued

Fair value hierarchy

For financial assets or liabilities measured at amortised cost and whose carrying value is a reasonable approximation to fair value there is no requirement to analyse their value in the fair value hierarchy.

The below analyses financial instruments measured at fair value into a fair value hierarchy based on the valuation technique used to determine fair value:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group holds interest rate swap contracts which are reset on a quarterly basis. The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. The average interest rate is based on the outstanding balances at the end of the reporting period. The interest rate swap is measured at fair value with changes recognised in profit or loss.

The fair values of the loans and borrowings have been calculated based on a discounted cash flow model using the prevailing market rates of interest.

27. Issued share capital

Authorised	Number of shares	Share capital €
Ordinary shares of no par value	Unlimited	–
As at 31 March 2023 and 31 March 2022	**Unlimited**	**–**

Issued and fully paid	Number of shares	Share capital €
As at 31 March 2021	1,049,132,259	–
Issued ordinary shares	119,344,125	167.4
Transfer of share capital to other distributable reserves	–	(167.4)
Shares issued to Employee Benefit Trust	(3,557,745)	–
Shares allocated by the Employee Benefit Trust	1,962,045	–
As at 31 March 2022	1,166,880,684	–
Issued ordinary shares	3,702,993	1.4
Transfer of share capital to other distributable reserves	–	(1.4)
Shares issued to Employee Benefit Trust	(2,500,000)	–
Shares allocated by the Employee Benefit Trust	287,545	–
As at 31 March 2023	**1,168,371,222**	**–**

Holders of the ordinary shares are entitled to receive dividends and other distributions and to attend and vote at any general meeting. Shares held in treasury are not entitled to receive dividends or to vote at general meetings.

Pursuant to a scrip dividend offering on 13 June 2022, the Company issued 1,271,279 ordinary shares at an issue price of £0.97384 resulting in the Company's overall issued share capital being 1,175,052,364 ordinary shares.

In addition, during the year the Company issued 2,431,714 shares in relation to the exercise of the LTIP 2018 (June 2019 grant) as per note 9. These shares were issued at nil-cost, and the fair value of these shares recorded in the share capital account has been transferred back to the other distributable reserves.

Treasury shares held by the Employee Benefit Trust are disclosed as own shares held. During the year 2,500,000 shares were acquired and 287,545 were allocated by the Employee Benefit Trust. A total of 7,492,763 own shares purchased at an average share price of €1.1185 are held by the Employee Benefit Trust (2022: 5,280,308 own shares purchased at an average share price of €1.1882). The total number of shares with voting rights was 1,175,863,985 (2022: 1,172,160,992). No votes are cast in respect of the shares held in the Employee Benefit Trust in connection with the Company's share plans and dividends paid and payable are subject to a standing waiver.

All shares issued in the year were issued under general authority. No shares were bought back in the year (2022: none) and there are no Treasury Shares held directly by the Company at the year end (2022: none).

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28. Other reserves

Other distributable reserve

This reserve comprises of amounts in relation to scrip dividend transfers from share capital, share-based payment transactions and share buy-backs. The balance of €516.4m in total at year end (2022: €570.4m) is considered distributable.

Foreign currency translation reserve

The Group holds a foreign currency translation reserve which relates to foreign currency translation effect during the course of the business with the UK segment.

The following table illustrates the movement in the foreign currency translation reserve:

	31 March 2023 €m	31 March 2022 €m
Balance as at the beginning of the year	**(1.7)**	–
Foreign currency translation	**(17.2)**	(1.7)
Balance as at year end	**(18.9)**	(1.7)

The movement in the year of €17.2m deficit is a result of a declining GBP rate which is lower at year end compared with 31 March 2022 (2022: €1.7m deficit).

29. Notes to cash flow

Changes in liabilities arising from financing activities

Reconciliation of movements of liabilities arising from financing activities:

	31 March 2022 €m	Cash flows €m	New leases €m	Acquisition of a subsidiary €m	Changes in fair values €m	Other[1] €m	**31 March 2023 €m**
Interest-bearing loans and borrowings	981.5	(20.4)	–	–	–	3.3	**964.4**
Lease liabilities	38.7	(2.3)	2.8	–	–	0.4	**39.6**
Derivative financial instruments	(0.3)	–	–	–	(0.9)	(0.1)	**(1.3)**
Total	1,019.9	(22.7)	2.8	–	(0.9)	3.60	**1,002.7**

	31 March 2021 €m	Cash flows €m	New leases €m	Acquisition of a subsidiary €m	Changes in fair values €m	Other[1] €m	31 March 2022 €m
Interest-bearing loans and borrowings	468.1	523.5[2]	–	–	–	(10.1)	981.5
Lease liabilities	15.0	(6.4)	18.4	12.2	–	(0.5)	38.7
Derivative financial instruments	1.2	(0.5)	–	–	(1.0)	–	(0.3)
Total	484.3	516.6	18.4	12.2	(1.0)	(10.6)	1,019.9

(1) Changes in the capitalised finance charges on all loans, foreign exchange differences and accretion of interest on lease liabilities.

(2) The cash flows relating to the interest-bearing loans and borrowings of €523.5m in the year ended 31 March 2022 includes the €153.1m repayment of the AgFe external loan facility as part of the acquisition of Helix Investments Limited on 15 November 2021.

30. Dividends

On 7 June 2021, the Company announced a dividend of 1.98c per share, with a record date of 9 July 2021 for the UK and South African ("SA") shareholders and payable on 19 August 2021. On the record date, 1,054,755,527 shares were in issue. Since there were no shares held in treasury, 1,054,755,527 shares (including shares held by the Employee Benefit Trust) were entitled to participate in the dividend. Holders of 476,206,726 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €9.3m (€9.2m as at settlement date) while holders of 578,548,801 shares opted for a cash dividend with a value of €11.5m. The Company's Employee Benefit Trust waived its rights to the dividend, reducing the cash payable to €11.4m (€11.4m as at settlement date). The total dividend was €20.8m (€20.6m as at settlement date).

On 8 November 2021, the Company announced a dividend of 2.04c per share, with a record date of 17 December 2021 for the UK and SA shareholders and payable on 20 January 2022. On the record date, 1,169,465,925 shares were in issue. Since there were no shares held in treasury, 1,169,465,925 shares (including shares held by the Employee Benefit Trust) were entitled to participate in the dividend. Holders of 216,062,440 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €4.4m (€4.5m as at settlement date) while holders of 953,403,485 shares opted for a cash dividend with a value of €19.4m. The Company's Employee Benefit Trust waived its rights to the dividend, reducing the cash payable to €19.4m (€19.4m as at settlement date). The total dividend was €23.8m (€23.9m as at settlement date).

On 13 June 2022, the Company announced a dividend of 2.37c per share, with a record date of 8 July 2022 for the UK and SA shareholders and payable on 18 August 2022. On the record date, 1,172,160,992 shares were in issue. Since there were no shares held in treasury, 1,172,160,992 shares (including shares held by the Employee Benefit Trust) were entitled to participate in the dividend. Holders of 61,453,275 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €1.4m (€1.4m as at settlement date) while holders of 1,110,707,717 shares opted for a cash dividend with a value of €26.3m. The Company's Employee Benefit Trust waived its rights to the dividend, reducing the cash payable to €26.2m (€26.3m as at settlement date). The total dividend was €27.7m (€27.7m as at settlement date).

On 21 November 2022, the Company announced a dividend of 2.70c per share, with a record date of 9 December 2022 for the UK and SA shareholders and payable on 19 January 2023. On the record date, 1,175,863,985 shares were in issue. Since there were no shares held in treasury, 1,175,863,985 shares (including shares held by the Employee Benefit Trust) were entitled to participate in the dividend. The Company's Employee Benefit Trust waived its rights to the dividend, reducing the total dividend (payable in cash) from €31.7m to €31.5m (€31.5m as at settlement date).

The Group's profit attributable to the equity holders of the Company for the year was €77.2m (2022: €147.9m). The Board has authorised a dividend in respect of the second half of the financial year ended 31 March 2023 of 2.98c per share representing 65% of FFO, an increase of 25.7% on the equivalent dividend last year, which represented 65% of FFO(1). The total dividend for the year is 5.68c, an increase of 28.8% on the 4.41c total dividend for the year ended 31 March 2022.

It is expected that, for the dividend authorised relating to the six month period ended 31 March 2023, the ex-dividend date will be 12 July 2023 for shareholders on the SA register and 13 July 2023 for shareholders on the UK register. It is further expected that for shareholders on both registers the record date will be 14 July 2023 and the dividend will be paid on 17 August 2023. A detailed dividend announcement was made on 5 June 2023.

The dividend paid per the statement of changes in equity is the value of the cash dividend.

(1) Adjusted profit before tax adjusted for foreign exchange effects, depreciation and amortisation (excluding depreciation relating to IFRS 16), amortisation of financing fees, adjustments in respect of IFRS 16 and current tax receivable/incurred.

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for the year ended 31 March 2023

30. Dividends continued

The dividend per share was calculated as follows:

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Reported profit before tax	**87.0**	168.9
Adjustments for:		
Loss/(gain) on revaluation of investment properties	**9.8**	(140.9)
Deficit on revaluation relating to leased investment properties	**(1.5)**	(5.6)
(Gain)/loss of disposals of properties	**(4.7)**	0.6
Recoveries from prior disposals of subsidiaries	**–**	(0.1)
Loss/(gain) on revaluation of investment property from associates and related tax	**0.1**	(4.8)
Other adjusting items(1)	**6.2**	19.1
Goodwill impairment	**–**	40.9
Change in fair value of financial derivatives	**(0.9)**	(1.0)
Adjusted profit before tax	**96.0**	77.1
Adjustments for:		
Foreign exchange effects(2)	**0.2**	(1.9)
Depreciation and amortisation (excluding depreciation relating to IFRS 16)	**3.4**	2.4
Amortisation of financing fees	**3.3**	2.6
Adjustment in respect of IFRS 16	**2.2**	0.5
Current taxes incurred (see note 11)	**(3.0)**	(6.1)
Funds from operations, year ended 31 March	**102.1**	74.6
Funds from operations, six months ended 30 September	**48.5**	33.0
Funds from operations, six months ended 31 March	**53.6**	41.6
Dividend pool, six months ended 30 September	**31.5**	21.6
Dividend pool, six months ended 31 March(3)	**34.8**	27.6
Dividend per share, six months ended 30 September	**2.70c**	2.04c
Dividend per share, six months ended 31 March	**2.98c**	2.37c

(1) Includes the effect of exceptional items, refinancing activity and share awards. See note 12 for details.

(2) Management decided to exclude foreign exchange effects from the funds from operations calculation of €(0.2)m (2022: €1.9m).

(3) Calculated as 65% of FFO of 4.59c per share (2022: 3.64c per share using 65% of FFO) based on average number of shares outstanding of 1,168,134,871 (2022: 1,141,807,790).

For more information on adjusted profit before tax and funds from operations, refer to Annex 1.

Calculations contained in this table are subject to rounding differences.

31. Related parties

Related parties are defined as those persons and companies that control the Group, or that are controlled, jointly controlled or subject to significant influence by the Group.

Key management personnel

Fees paid to people considered to be key management personnel (the Senior Management Team) of the Group during the year include:

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Directors' fees	**0.5**	0.5
Salary and employee benefits	**5.0**	4.4
Share-based payments	**3.0**	2.6
Total	**8.5**	7.5

Included within salary and employee benefits are pension contributions amounting to €0.2m (2022: €0.2m).

Directors' emoluments have been disclosed in the Annual report in the Remuneration report under the 'Single figure table' and in the additional disclosures in respect of the single figure table section on pages 122 and 123.

31. Related parties continued

Associates

The following balances and transactions with associates exist as at the reporting date:

Consolidated statement of financial position	31 March 2023 €m	31 March 2022 €m
Loans to associates	**44.3**	44.2
Trade and other receivables	**4.0**	2.6
Total	**48.3**	46.8

Trade and other receivables relate to amounts owed from the services supplied to the associates and are due to be settled in the normal course of business.

As a result of unchanged credit quality, no material expected credit losses have been recognised in the year.

Consolidated income statement	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Services supplied	**15.1**	13.1
Interest income	**2.2**	2.9
Total	**17.3**	16.0

Services provided to associates primarily relate to the provision of property and asset management services. A performance fee arrangement is in place between the associates and the Group. The performance fee was €nil during the year (2022: €nil).

32. Capital and other commitments

As at year end, the Group had contracted capital expenditure for development and enhancements on existing properties of €14.9m (2022: €7.8m) and capital commitments amounting to €nil (2022: in relation to the notarised asset in Düsseldorf of €35.3m).

The above noted were committed but not yet provided for in the financial statements.

33. Operating lease arrangements

Group as lessor

All properties leased by the Group are under operating leases and the future minimum lease payments receivable under non-cancellable leases are as follows:

	31 March 2023 €m	31 March 2022 €m
Less than 1 year	**125.3**	118.1
1–2 years	**98.2**	96.1
2–3 years	**76.6**	75.7
3–4 years	**58.7**	57.7
4–5 years	**36.7**	35.6
More than 5 years	**68.1**	68.6
Total	**463.6**	451.8

The Group leases out its investment properties under operating leases. Most operating leases are for terms of one to ten years.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

34. List of subsidiary undertakings and investments in associates

The Group consists of 122 subsidiary companies (2022: 122 subsidiary companies). All subsidiaries are consolidated in full in accordance with IFRS. The principal activity of the subsidiaries is the investment in, and development of, commercial property to provide conventional and flexible workspace in Germany and the UK.

Company name	Country of incorporation	Ownership at 31 March 2023 %	Ownership at 31 March 2022 %
BizSpace Acquisitions Ltd	Jersey	**100.00**	100.00
BizSpace Developments Ltd	UK	**100.00**	100.00
BizSpace Green Holdings Ltd	UK	**100.00**	100.00
BizSpace Green Operations Ltd	UK	**100.00**	100.00
BizSpace Holdings Ltd	UK	**100.00**	100.00
BizSpace II Ltd	UK	**100.00**	100.00
BizSpace Ltd	UK	**100.00**	100.00
BizSpace Property 100 Ltd	Jersey	**100.00**	100.00
BizSpace Property I Ltd	UK	**100.00**	100.00
BizSpace Property SSP Ltd	UK	**100.00**	100.00
Curris Facilities & Utilities Management GmbH	Germany	**100.00**	100.00
DDS Aspen B.V.	Netherlands	**100.00**	100.00
DDS Bagnut B.V.	Netherlands	**100.00**	100.00
DDS Business Centres B.V.	Netherlands	**100.00**	100.00
DDS Coconut B.V.	Netherlands	**100.00**	100.00
DDS Conferencing & Catering GmbH	Germany	**100.00**	100.00
DDS Elm B.V.	Netherlands	**100.00**	100.00
DDS Fir B.V.	Netherlands	**100.00**	100.00
DDS Hawthorn B.V.	Netherlands	**100.00**	100.00
DDS Hazel B.V.	Netherlands	**100.00**	100.00
DDS Hyacinth B.V.	Netherlands	**100.00**	100.00
DDS Lark B.V.	Netherlands	**100.00**	100.00
DDS Mulberry B.V.	Netherlands	**100.00**	100.00
DDS Rose B.V.	Netherlands	**100.00**	100.00
DDS Walnut B.V.	Netherlands	**100.00**	100.00
DDS Yew B.V.	Netherlands	**100.00**	100.00
Helix FinCo Ltd	Jersey	**100.00**	100.00
Helix Investments Ltd(1)	Jersey	**100.00**	100.00
Helix Property Ltd	Jersey	**100.00**	100.00
LB² Catering and Services GmbH	Germany	**100.00**	100.00
M25 Business Centres Ltd	UK	**100.00**	100.00
Marba Apple B.V.	Netherlands	**100.00**	100.00
Marba Bamboo B.V.	Netherlands	**100.00**	100.00
Marba Cherry B.V.	Netherlands	**100.00**	100.00
Marba Daffodil B.V.	Netherlands	**100.00**	100.00
Marba Holland B.V.(1)	Netherlands	**100.00**	100.00
Marba Lavender B.V.	Netherlands	**100.00**	100.00
Marba Mango B.V.	Netherlands	**100.00**	100.00
Marba Olive B.V.	Netherlands	**100.00**	100.00
Marba Sunflower B.V.	Netherlands	**100.00**	100.00
Marba Violin B.V.	Netherlands	**100.00**	100.00
Marba Willstätt B.V.	Netherlands	**100.00**	100.00
SFG NOVA Construction and Services GmbH	Germany	**100.00**	100.00
Sirius Alder B.V.	Netherlands	**100.00**	100.00
Sirius Aloe GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Ash B.V.	Netherlands	**100.00**	100.00
Sirius Aster GmbH & Co. KG	Germany	**100.00**	100.00

34. List of subsidiary undertakings and investments in associates continued

Company name	Country of incorporation	Ownership at 31 March 2023 %	Ownership at 31 March 2022 %
Sirius Beech B.V.	Netherlands	**100.00**	100.00
Sirius Birch GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Coöperatief B.A.[1]	Netherlands	**100.00**	100.00
Sirius Dahlia GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Facilities (UK) Ltd[1]	UK	**100.00**	100.00
Sirius Facilities GmbH	Germany	**100.00**	100.00
Sirius Finance (Cyprus) Ltd.[1]	Cyprus	**100.00**	100.00
Sirius Four B.V.	Netherlands	**100.00**	100.00
Sirius Frankfurt Erste GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Frankfurt Zweite GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Gum B.V.	Netherlands	**100.00**	100.00
Sirius Ivy B.V.	Netherlands	**100.00**	100.00
Sirius Jasmine GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Juniper B.V.	Netherlands	**100.00**	100.00
Sirius Kale GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Krefeld Erste GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Lily B.V.	Netherlands	**100.00**	100.00
Sirius Lotus GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Management One GmbH	Germany	**100.00**	100.00
Sirius Management Two GmbH	Germany	**100.00**	100.00
Sirius Management Three GmbH	Germany	**100.00**	100.00
Sirius Management Four GmbH	Germany	**100.00**	100.00
Sirius Management Five GmbH	Germany	**100.00**	100.00
Sirius Management Six GmbH	Germany	**100.00**	100.00
Sirius Management Seven GmbH	Germany	**100.00**	100.00
Sirius Management Eight GmbH	Germany	**100.00**	100.00
Sirius Management Nine GmbH	Germany	**100.00**	100.00
Sirius Management Ten GmbH	Germany	**100.00**	100.00
Sirius Mannheim B.V.	Netherlands	**100.00**	100.00
Sirius Narcissus GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Oak B.V.	Netherlands	**100.00**	100.00
Sirius One B.V.	Netherlands	**100.00**	100.00
Sirius Orange B.V.	Netherlands	**100.00**	100.00
Sirius Palm B.V.	Netherlands	**100.00**	100.00
Sirius Pepper GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Pine B.V.	Netherlands	**100.00**	100.00
Sirius Renewable Energy GmbH[2]	Germany	**100.00**	n/a
Sirius Tamarack B.V.	Netherlands	**100.00**	100.00
Sirius Three B.V.	Netherlands	**100.00**	100.00
Sirius Thyme B.V.	Netherlands	**100.00**	100.00
Sirius Tulip B.V.	Netherlands	**100.00**	100.00
Sirius Two B.V.	Netherlands	**100.00**	100.00
Sirius UK1 Ltd[1]	UK	**100.00**	100.00
Sirius UK2 Ltd[1]	UK	**100.00**	100.00
Sirius Willow B.V.	Netherlands	**100.00**	100.00
Marba Bonn B.V.	Netherlands	**99.73**	99.73
Marba Bremen B.V.	Netherlands	**99.73**	99.73
Marba Brinkmann B.V.	Netherlands	**99.73**	99.73
Marba Catalpa B.V.	Netherlands	**99.73**	99.73

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2023

34. List of subsidiary undertakings and investments in associates continued

Company name	Country of incorporation	Ownership at 31 March 2023 %	Ownership at 31 March 2022 %
Marba Cedarwood B.V.	Netherlands	**99.73**	99.73
Marba Chestnut B.V.	Netherlands	**99.73**	99.73
Marba Dutch Holdings B.V.	Netherlands	**99.73**	99.73
Marba Foxglove B.V.	Netherlands	**99.73**	99.73
Marba HAG B.V.	Netherlands	**99.73**	99.73
Marba Hornbeam B.V.	Netherlands	**99.73**	99.73
Marba Königswinter B.V.	Netherlands	**99.73**	99.73
Marba Maintal B.V.	Netherlands	**99.73**	99.73
Marba Marigold B.V.	Netherlands	**99.73**	99.73
Marba Merseburg B.V.	Netherlands	**99.73**	99.73
Marba Mimosa B.V.	Netherlands	**99.73**	99.73
Marba Regensburg B.V.	Netherlands	**99.73**	99.73
Marba Saffron B.V.	Netherlands	**99.73**	99.73
Marba Troisdorf B.V.	Netherlands	**99.73**	99.73
Sirius Acerola GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Almond GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Bluebell GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Cypress GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Grape GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Hibiscus GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Indigo GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Mayflower GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Oyster GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Administration One GmbH & Co KG	Germany	**94.80**	94.80
Sirius Administration Two GmbH & Co KG	Germany	**94.80**	94.80
Verwaltungsgesellschaft Gewerbepark Bilderstöckchen GmbH	Germany	**94.15**	94.15

(1) Subsidiary company directly held by the parent entity, Sirius Real Estate Limited.

(2) New incorporated subsidiary company.

Investment in associates which are accounted for with the equity method:

Company name	Country of incorporation	Ownership at 31 March 2023 %	Ownership at 31 March 2022 %
DDS Daisy B.V.	Netherlands	**35.00**	35.00
DDS Edelweiss B.V.	Netherlands	**35.00**	35.00
DDS Lime B.V.	Netherlands	**35.00**	35.00
DDS Maple B.V.	Netherlands	**35.00**	35.00
Sirius Boxwood B.V.	Netherlands	**35.00**	35.00
Sirius Laburnum B.V.	Netherlands	**35.00**	35.00
Sirius Orchid B.V.	Netherlands	**35.00**	35.00
Sirius Pear B.V.	Netherlands	**35.00**	100.00

35. Post balance sheet events

On 30 December 2022, the Company notarised for the disposal of an asset in Wuppertal for a sale price of €8.8 million. The transaction completed on 1 April 2023.

In May 2023 the Company refinanced its €57.3 million Deutsche Pfandbriefbank (PBB) loan facility, seven months in advance of it falling due on 31 December 2023. The new facility amounting to €58.3 million has a term of seven years at a fixed interest rate of 4.25%.

BUSINESS ANALYSIS (UNAUDITED INFORMATION)

Non-IFRS measures

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Total profit for the year attributable to the owners of the Company	**79.6**	147.9
Add loss/(deduct gain) on revaluation of investment properties	**9.8**	(140.9)
(Deduct gain)/add loss on disposal of properties (net of related tax)	**(4.7)**	0.6
Deduct recoveries from prior disposals of subsidiaries (net of related tax)	**–**	(0.1)
Add restructuring costs, exit fees and prepayment penalties	**–**	7.8
Goodwill impairment	**–**	40.9
Acquisition costs in relation to business combinations	**–**	5.3
Change in fair value of derivative financial instruments	**(0.9)**	(1.0)
Deferred tax in respect of EPRA fair value movements on investment properties	**4.3**	14.8
NCI relating to revaluation (net of related tax)	**–**	0.2
Add loss/(deduct gain) on revaluation of investment property relating to associates	**0.5**	(6.0)
Tax in relation to the revaluation gains/losses on investment property relating to associates above	**(0.4)**	1.2
EPRA earnings	**88.2**	70.7
Deduct change in deferred tax relating to derivative financial instruments	**(0.1)**	(0.2)
Add change in fair value of derivative financial instruments	**0.9**	1.0
Deduct restructuring costs, exit fees and prepayment penalties	**–**	(7.8)
Deduct acquisition costs in relation to business combinations	**–**	(5.3)
NCI in respect of the above	**–**	–
Headline earnings after tax	**89.0**	58.4
Deduct change in fair value of derivative financial instruments (net of related tax and NCI)	**(0.8)**	(0.8)
Deduct revaluation expense relating to leased investment properties	**(1.5)**	(5.6)
Add adjusting items[1] (net of related tax and NCI)	**6.2**	19.1
Adjusted earnings after tax	**92.9**	71.1

(1) See note 12 to the financial statements.

For more information on EPRA earnings refer to Annex 1.

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
EPRA earnings	**88.2**	70.7
Weighted average number of ordinary shares	**1,167,757,975**	1,097,082,162
EPRA earnings per share (cents)	**7.55**	6.44
Headline earnings after tax	**89.0**	58.4
Weighted average number of ordinary shares	**1,167,757,975**	1,097,082,162
Headline earnings per share (cents)	**7.62**	5.32
Adjusted earnings after tax	**92.9**	71.1
Weighted average number of ordinary shares	**1,167,757,975**	1,097,082,162
Adjusted earnings per share (cents)	**7.96**	6.48

BUSINESS ANALYSIS (UNAUDITED INFORMATION) CONTINUED

Geographical property analysis – owned investment properties

Germany

March 2023	No. of owned properties	Total sqm 000	Occupancy	Rate psqm €	Annualised rent roll €m	% of portfolio by annualised rent roll	Value €m[(2)]	Gross yield	Net yield	WALE rent	WALE sqm
Frankfurt	17	376	84.5%	7.41	28.3	23%	369.9	7.6%	6.9%	2.6	2.5
Berlin	4	104	95.7%	8.57	10.2	8%	166.7	6.1%	5.9%	2.6	2.6
Stuttgart	9	330	91.5%	5.36	19.4	16%	248.5	7.8%	7.3%	3.1	3.4
Cologne	7	127	88.6%	8.58	11.6	9%	158.1	7.3%	7.0%	3.1	3.0
Munich	3	124	82.7%	8.66	10.6	9%	202.8	5.2%	4.7%	2.1	2.2
Düsseldorf	16	386	73.8%	6.27	21.4	17%	290.7	7.4%	6.0%	3.0	3.1
Hamburg	4	91	83.7%	5.43	5.0	4%	64.2	7.8%	7.2%	2.3	2.2
Other	10	255	78.5%	6.91	16.6	13%	196.7	8.4%	7.4%	2.7	2.6
Total Germany	**70**	**1,793**	**83.4%**	**6.86**	**123.1**	**100%**	**1,697.6**	**7.3%**	**6.5%**	**2.8**	**2.8**

UK

March 2023	No. of owned properties	Total sqm 000	Occupancy	Rate psqm €[(1)]	Annualised rent roll €m[(1)]	% of portfolio by annualised rent roll	Value €m[(2)]	Net yield	WALE rent	WALE sqm
Midlands	11	55	83.3%	16.02	8.7	16%	65.0	9.0%	0.8	0.8
North	13	73	83.1%	11.58	8.4	15%	65.0	9.0%	0.8	1.0
North East and North	13	91	93.7%	6.69	6.9	13%	60.8	8.0%	1.8	2.3
North West	12	84	87.8%	11.04	9.8	18%	77.9	8.9%	1.1	1.0
South East	10	25	76.5%	31.47	7.3	13%	66.0	7.9%	0.5	1.3
South West	11	62	84.8%	22.46	14.1	26%	83.0	12.0%	1.1	0.8
Total UK	**70**	**390**	**86.5%**	**13.66**	**55.2**	**100%**	**417.7**	**9.3%**	**1.0**	**1.3**

(1) The Group's UK business charges licence customers an all-inclusive rate, which includes an implicit element of service charge.

(2) Book value of owned investment properties including assets held for sale.

Usage analysis

Germany

Usage	Total sqm	% of total sqm	Occupied sqm	% of occupied sqm	Annualised rent roll €m	% of annualised rent roll	Vacant sqm	Rate psqm €
Office	604,976	33.7%	473,914	31.7%	47.5	38.6%	131,061	8.36
Storage	583,655	32.6%	498,496	33.3%	30.4	24.7%	85,158	5.09
Production	364,201	20.3%	337,942	22.6%	20.8	16.9%	26,259	5.12
Smartspace	112,896	6.3%	74,262	5.0%	8.5	6.9%	38,635	9.55
Other[(1)]	126,942	7.1%	110,114	7.4%	15.9	12.9%	16,829	12.01
Total Germany	**1,792,670**	**100.0%**	**1,494,728**	**100.0%**	**123.1**	**100.0%**	**297,942**	**6.86**

UK

Usage	Total sqm	% of total sqm	Occupied sqm	% of occupied sqm	Annualised rent roll €m[(3)]	% of annualised rent roll	Vacant sqm	Rate psqm €[(3)]
Office	122,711	31.5%	98,151	29.2%	33.7	61.1%	24,560	28.65
Workshop	251,510	64.6%	228,076	67.7%	19.8	35.9%	23,434	7.23
Storage	2,070	0.5%	1,376	0.4%	0.3	0.5%	694	17.09
Other[(2)]	13,246	3.4%	9,175	2.7%	1.4	2.5%	4,071	12.55
Total UK	**389,537**	**100.0%**	**336,778**	**100.0%**	**55.2**	**100.0%**	**52,759**	**13.66**

(1) Other includes: catering, other usage, residential and technical space, land and car parking.

(2) Other includes: aerials, car parking, retail units, yards, catering and residential.

(3) The Group's UK business charge licences customers an all-inclusive rate, which includes an implicit element of service charge.

Lease expiry profile of future minimum lease payments receivable under non-cancellable leases

Germany by income

	Office €m	Production €m	Storage €m	Smartspace €m	Other[1] €m	Adjustments in relation to lease incentives €m	Total €m
Less than 1 year	42.5	19.6	27.4	3.3	13.6	(0.3)	106.1
Between 1 and 5 years	74.5	36.5	48.7	0.8	24.1	(0.1)	184.5
More than 5 years	11.9	8.4	9.2	–	6.5	–	36.0
Total	**128.9**	**64.5**	**85.3**	**4.1**	**44.2**	**(0.4)**	**326.6**

Germany by sqm

	Office €m	Production €m	Storage €m	Smartspace €m	Other[1] €m	Total sqm
Less than 1 year	131,555	46,388	132,915	65,365	22,833	399,056
Between 1 and 5 years	287,951	241,220	305,391	8,897	71,560	915,019
More than 5 years	54,408	50,334	60,190	–	15,721	180,653
Total	**473,914**	**337,942**	**498,496**	**74,262**	**110,114**	**1,494,728**

(1) Other includes: catering, other usage, residential and technical space, land and car parking.

UK by income

	Office €m	Workshop €m	Storage €m	Other[2] €m	Adjustments in relation to lease incentives €m	Total €m
Less than 1 year	8.8	4.5	0.1	0.2	–	13.6
Between 1 and 5 years	18.6	11.4	–	0.4	–	30.4
More than 5 years	5.5	3.6	–	2.9	–	12.0
Total	**32.9**	**19.5**	**0.1**	**3.5**	**–**	**56.0**

UK by sqm

	Office €m	Workshop €m	Storage €m	Other[2] €m	Total sqm
Less than 1 year	65,641	134,958	1,367	3,543	205,509
Between 1 and 5 years	29,043	83,120	9	1,582	113,754
More than 5 years	3,467	14,047	–	1	17,515
Total	**98,151**	**232,125**	**1,376**	**5,126**	**336,778**

(2) Other includes: aerials, car parking, retail units, yards, catering and residential.

The Group's UK business provides flexible leases that represent approximately 75% of annualised rent roll and conventional leases that represent 25% of annualised rent roll.

Escalation profile per usage

Germany

The Group's German business' primary source of revenue relates to leasing contracts with tenants. The Group's German business realises escalations as a result of renewals, inflation linked indexations and contractually agreed uplifts. Approximately 33.4% of contracts in place at 31 March 2023 are subject to contractual uplifts. The average contractual uplift over the coming twelve months split by usage are detailed as follows:

Usage	Increase in %
Office	3.09%
Storage	3.42%
Production	2.82%
Smartspace	7.59%
Other[1]	3.37%
Total	**3.25%**

(1) Other includes: catering, other usage, residential and technical space, land and car parking.

BUSINESS ANALYSIS (UNAUDITED INFORMATION) CONTINUED

Escalation profile per usage continued

UK

The Group's UK business' primary source of revenue relates to leasing contracts and licence fee agreements with tenants. The Group's UK business realises escalations as a result of renewals, inflation linked indexations and contractually agreed uplifts. Of the lease contracts in place at 31 March 2023, approximately 5.1% are subject to contractual uplifts. The average contractual lease contract uplifts over the coming twelve months split by usage are detailed as follows:

Usage	Increase in %
Office	3.34%
Workshop	6.14%
Total	**5.13%**

Property profile March 2023*

Germany

Property and location	Total sqm	Office sqm	Storage sqm	Production sqm	Other[1] sqm	Rate psqm €
Aachen I	24,443	12,701	2,246	5,510	3,986	9.31
Aachen II	9,751	1,437	6,610	1,510	194	6.67
Alzenau	66,533	27,702	7,451	24,087	7,293	7.10
Bochum	55,511	12,696	35,970	3,965	2,880	4.71
Bochum II	4,249	3,502	479	12	256	11.41
Bonn	9,030	3,087	2,403	477	3,063	8.21
Bonn – Dransdorf	19,202	5,505	6,891	1,665	5,141	7.63
Buxtehude	28,238	1,120	10,831	13,420	2,867	4.25
Cölln Parc	13,480	6,512	3,386	2,867	715	10.70
Cologne	30,250	2,672	13,509	2,709	11,360	5.83
Dreieich	12,886	7,404	2,929	–	2,553	8.22
Dreieich II	5,514	546	4,543	–	425	4.24
Dresden	57,658	25,925	17,437	11,153	3,143	8.42
Düsseldorf – Süd	21,403	2,814	12,376	1,970	4,243	7.48
Düsseldorf II	9,839	4,433	4,949	–	457	8.16
Düsseldorf III	33,937	22,491	10,611	169	666	10.33
Erfurt	23,184	7,531	11,980	–	3,673	3.59
Essen	15,228	6,075	4,806	2,367	1,980	6.63
Essen II	11,899	8,538	1,829	627	905	7.91
Fellbach	26,214	1,751	16,168	340	7,955	6.05
Fellbach II	9,707	5,023	205	–	4,479	10.54
Frankfurt	4,260	2,260	484	68	1,448	11.39
Frankfurt III	10,141	5,398	1,370	–	3,373	14.16
Frankfurt Röntgenstraße	5,496	3,957	444	36	1,059	12.37
Freiburg Teningen	20,796	7,151	6,108	5,578	1,959	5.19
Frickenhausen	27,859	6,515	8,499	10,742	2,103	5.66
Friedrichsdorf	17,572	6,492	5,475	3,199	2,406	8.14
Gartenfeld	25,453	5,375	10,821	3,297	5,960	9.28
Grasbrunn	14,274	7,269	4,743	–	2,262	11.87
Hallbergmoss	18,384	11,978	3,388	–	3,018	10.59
Hamburg Lademannbogen	10,305	8,081	1,049	–	1,175	10.17
Hanover	22,884	8,030	3,547	6,423	4,884	6.80
Heidenheim	46,843	8,415	15,384	13,864	9,180	4.62
Heiligenhaus	44,485	21,999	7,453	12,467	2,566	3.90
Kassel	8,142	3,312	683	3,875	272	5.76

Property profile March 2023* continued

Germany continued

Property and location	Total sqm	Office sqm	Storage sqm	Production sqm	Other[1] sqm	Rate psqm €
Köln Porz	21,086	15,154	2,363	279	3,290	12.32
Krefeld	11,318	7,462	2,533	594	729	8.33
Krefeld II	6,101	2,893	325	2,171	712	7.96
Krefeld III	9,668	4,918	3,342	924	484	8.32
Ludwigsburg	28,351	7,393	10,158	3,585	7,215	6.75
Mahlsdorf	29,333	11,592	10,796	1,963	4,982	8.36
Mahlsdorf II	12,737	5,765	1,263	1,906	3,803	8.14
Maintal	36,509	7,586	14,362	8,289	6,272	6.44
Maintal Mitte	11,016	462	4,523	5,685	346	4.60
Mannheim	68,789	13,378	21,595	27,139	6,677	5.18
Mannheim II	14,316	6,234	4,038	586	3,458	6.61
Mannheim III	3,033	2,276	741	–	16	7.12
Markgröningen	57,312	4,532	30,853	19,921	2,006	3.62
Munich – Neuaubing	91,185	15,991	31,821	29,645	13,728	8.02
Nabern II	5,578	1,620	491	2,376	1,091	8.86
Neckartenzlingen	51,577	15,296	19,466	14,087	2,728	4.73
Neu-Isenburg	8,250	5,752	1,244	–	1,254	9.98
Neuruppin	22,959	1,404	7,629	13,133	793	5.38
Neuss	17,621	13,397	1,284	153	2,787	12.63
Neuss II	33,351	7,957	17,210	6,058	2,126	5.76
Norderstedt	12,627	3,052	7,507	172	1,896	5.47
Nürnberg	14,106	2,323	3,241	7,532	1,010	6.99
Oberhausen	82,891	47,219	26,339	1,739	7,594	5.65
Offenbach Carl Legien-Strasse	45,596	9,844	9,326	17,677	8,749	7.02
Offenbach I	15,044	3,610	2,335	2,351	6,748	6.95
Öhringen	18,761	1,969	7,448	8,772	572	5.60
Pfungstadt	32,662	6,707	12,300	9,786	3,869	6.06
Potsdam	35,863	12,490	12,720	4,956	5,697	8.40
Potsdam II	236	165	71	–	–	–
Rastatt	19,884	5,739	7,280	2,199	4,666	7.05
Rostock	18,640	8,228	1,569	6,606	2,237	6.60
Saarbrücken	46,899	28,752	9,753	2,280	6,114	9.21
Schenefeld	40,250	10,283	26,500	1,961	1,506	5.02
Solingen	13,333	2,475	4,409	4,924	1,525	2.88
Stuttgart – Kirchheim	18,260	14,335	1,261	–	2,664	6.46
Wiesbaden	14,619	855	5,608	3,613	4,543	16.99
Wuppertal	18,260	14,335	1,261	–	2,664	4.41
Total	**1,792,670**	**604,976**	**583,655**	**364,201**	**239,839**	**6.86**

BUSINESS ANALYSIS (UNAUDITED INFORMATION) CONTINUED

Property profile March 2023* continued

UK

Property and location	Total sqm	Office sqm	Workshop sqm	Storage sqm	Other[(2)] sqm	Rate psqm €[(3)]
Altrincham	4,498	1,442	2,768	–	288	18.74
Ashford	1,823	1,823	–	–	–	39.88
Barnsley	6,637	546	5,929	–	162	7.73
Basingstoke	10,313	10,138	–	–	175	31.67
Birmingham – Tyseley	12,154	805	9,576	1,233	540	9.59
Bradford – Dudley Hill	15,070	5,476	5,436	837	3,321	8.98
Bristol – Equinox	11,282	1,104	10,014	–	164	7.59
Bury	1,304	1,303	–	–	1	47.63
Camberwell – Lomond	2,015	1,243	557	–	215	35.40
Cardiff	4,106	4,105	–	–	1	32.31
Cheadle	1,628	1,600	–	–	28	36.59
Christchurch	2,663	2,058	605	–	–	29.10
Consett	3,094	–	3,094	–	–	4.56
Coventry	1,622	1,622	–	–	–	17.76
Design Works	4,803	3,402	582	–	819	15.95
Didcot	1,021	491	510	–	20	33.01
Dinnington	3,648	1,000	2,648	–	–	11.07
Doncaster	3,040	3,039	–	–	1	24.69
Dorking	2,148	1,406	715	–	27	41.72
Egham	1,001	926	–	–	75	36.83
Fareham	1,758	1,758	–	–	–	43.76
Gateshead	13,160	–	11,927	–	1,233	4.11
Gloucester	20,767	2,989	16,685	–	1,093	5.89
Gloucester – Barnwood	3,402	3,378	24	–	–	37.77
Hartlepool – Oakesway	2,585	–	2,585	–	–	2.48
Hebburn	5,463	–	5,397	–	66	7.32
Hemel Hempstead	4,389	4,387	–	–	2	33.29
Hooton	1,383	1,230	–	–	153	25.64
Hove	2,939	2,194	695	–	50	33.84
Huddersfield – Linthwaite	2,365	–	2,364	–	1	8.08
Leeds – Brooklands	2,133	2,042	–	–	91	23.32
Leeds – Wortley	3,734	–	3,733	–	1	6.86
Letchworth	3,048	2,385	661	–	2	16.49
Littlehampton	1,992	1,991	–	–	1	38.95
London – Colney	1,887	1,767	–	–	120	34.03
M25 Business Centre	3,282	2,151	1,085	–	46	36.03
Maidstone	1,644	1,643	–	–	1	40.81
Manchester – Trafford Park	8,695	–	8,676	–	19	9.51
Manchester – Newton Heath	5,660	2,273	3,353	–	34	17.50
Manchester – Old Trafford	4,578	1,513	2,996	–	69	25.32
Milton Keynes	3,654	3,593	13	–	48	31.14
New Addington – Croydon	6,540	381	6,158	–	1	14.41
Newcastle – Amber Court	4,297	4,297	–	–	–	25.21
Northampton – K2	4,688	57	4,630	–	1	12.46

Property profile March 2023* continued

UK continued

Property and location	Total sqm	Office sqm	Workshop sqm	Storage sqm	Other[2] sqm	Rate psqm €[3]
Northampton – KG	12,617	910	11,609	–	98	9.56
Nottingham – Arnold	5,547	1,337	4,009	–	201	9.43
Nottingham – Park Row	4,160	4,110	–	–	50	38.41
Nottingham – Roden	4,604	35	4,537	–	32	7.58
Oldham – Hollinwood	5,525	5,496	–	–	29	23.09
Perivale	2,148	543	1,604	–	1	31.66
Peterlee	18,306	–	18,305	–	1	4.19
Poole	6,735	6,586	–	–	149	26.51
Preston	5,341	1,741	3,577	–	23	16.67
Rochdale – Fieldhouse	23,042	527	22,329	–	186	3.98
Rochdale – Moss Mill	15,950	14	14,442	–	1,494	4.20
Rotherham	4,504	1,361	3,112	–	31	13.30
Sandy Business Park	9,261	108	9,152	–	1	8.07
Sheffield – Cricket	1,928	–	1,928	–	–	10.29
Shipley	2,238	2,238	–	–	–	13.22
Solihull	1,715	1,714	–	–	1	55.99
Stanley	3,776	–	3,776	–	–	5.54
Stoke	5,119	–	5,118	–	1	6.01
Sunderland – North Sands	2,819	2,818	–	–	1	18.84
Swindon	6,833	338	6,414	–	81	15.73
Theale	2,765	2,708	–	–	58	57.57
Wakefield	20,703	619	18,443	–	1,641	4.51
Warrington – Craven Court	3,830	–	3,830	–	–	11.08
Wimbledon	3,170	1,459	1,569	–	142	39.01
Wolverhampton – Willenhall	5,077	581	4,340	–	156	9.69
Total	**389,537**	**122,711**	**251,510**	**2,070**	**13,246**	**13.66**

* Excluding commercial leased investment properties.

(1) Other includes: Smartspace, catering, other usage, residential and technical space, land and car parking.

(2) Other includes: aerials, car parking, retail units, yards, catering and residential.

(3) The Group's UK business charges licence customers an all-inclusive rate, which includes an implicit element of service charge.

ANNEX 1 – NON-IFRS MEASURES

Basis of preparation

The Directors of Sirius Real Estate Limited have chosen to disclose additional non-IFRS measures; these include EPRA earnings, adjusted net asset value, EPRA net reinstatement value, EPRA net tangible assets, EPRA net disposal value, EPRA loan to value, adjusted profit before tax and funds from operations (collectively, "Non-IFRS Financial Information").

The Directors have chosen to disclose:

» EPRA earnings in order to assist in comparisons with similar businesses in the real estate sector. EPRA earnings is a definition of earnings as set out by the European Public Real Estate Association. EPRA earnings represents earnings after adjusting for gains/losses on revaluation of investment properties, gains/losses on disposal of properties (net of related tax), recoveries from prior disposals of subsidiaries (net of related tax), refinancing costs, exit fees and prepayment penalties, goodwill impairment, acquisition costs in relation to business combinations, changes in fair value of derivative financial instruments (collectively, the "EPRA earnings adjustments"), deferred tax in respect of the EPRA earnings adjustments, NCI relating to revaluation (net of related tax), gains/losses on revaluation of investment property relating to associates and the related tax thereon. The reconciliation between basic and diluted earnings and EPRA earnings is detailed in table A below.

» Adjusted net asset value in order to assist in comparisons with similar businesses. Adjusted net asset value represents net asset value after adjusting for derivative financial instruments at fair value and net deferred tax liability. The reconciliation for adjusted net asset value is detailed in table B below.

» EPRA net reinstatement value ("EPRA NRV") in order to assist in comparisons with similar businesses in the real estate sector. EPRA NRV is a definition of net asset value as set out by the European Public Real Estate Association. EPRA NRV represents net asset value after adjusting for derivative financial instruments at fair value, deferred tax relating to valuation movements and derivative financial instruments and real estate transfer tax presented in the Valuation Certificate (for the entire consolidated Group including wholly owned entities and investment in associates). The reconciliation for EPRA NRV is detailed in table C below.

» EPRA net tangible assets ("EPRA NTA") in order to assist in comparisons with similar businesses in the real estate sector. EPRA NTA is a definition of net asset value as set out by the European Public Real Estate Association. EPRA NTA represents net asset value after adjusting for derivative financial instruments at fair value, deferred tax relating to valuation movements (excluding that relating to assets held for sale) and derivative financial instruments and intangible assets as per the note reference in the audited consolidated statement of financial position (for the entire consolidated Group including wholly owned entities and investment in associates). The reconciliation for EPRA NTA is detailed in table C below.

» EPRA net disposal value ("EPRA NDV") in order to assist in comparisons with similar businesses in the real estate sector. EPRA NDV is a definition of net asset value as set out by the European Public Real Estate Association. EPRA NDV represents net asset value after adjusting for the fair value of fixed interest rate debt (for the entire consolidated Group including wholly owned entities and investment in associates). The reconciliation for EPRA NDV is detailed in table C below.

» EPRA loan to value ("EPRA LTV") in order to assist in comparisons with similar businesses in the real estate sector. EPRA LTV is a definition of loan to value ratio as set out by the European Public Real Estate Association. EPRA LTV represents net debt to total property value as defined in note 24. It includes all capital which is not equity as debt, irrespective of its IFRS classification, and is based upon proportional consolidation, therefore including the Group's share in the net debt and net assets of associates. Assets are included at fair value, net debt at nominal value. The reconciliation for EPRA LTV is detailed in table D below.

» Adjusted profit before tax in order to provide an alternative indication of Sirius Real Estate Limited and it's subsidiaries' (the "Group") underlying business performance. Accordingly, it adjusts for the effect of the gains/losses on revaluation of investment properties, deficit on revaluation relating to leased investment properties, gains/losses on disposal of properties, recoveries from prior disposals of subsidiaries, gains/losses on revaluation of investment property from associates and related tax, other adjusting items, goodwill impairment and change in fair value of derivative financial instruments. The reconciliation for adjusted profit before tax is detailed in table E below.

» Funds from operations in order to assist in comparisons with similar businesses and to facilitate the Group's dividend policy which is derived from is adjusted profit before tax. Accordingly, funds from operations exclude depreciation and amortisation (excluding depreciation relating to IFRS 16), net foreign exchange differences, amortisation of financing fees, adjustment in respect of IFRS 16 and current tax excluding tax on disposals. The reconciliation for funds from operations is detailed in table E below.

The Non-IFRS Financial Information is presented in accordance with the JSE Listings Requirements and The Guide on Pro forma Financial Information, issued by SAICA. The Non-IFRS Financial Information is the responsibility of the Directors. The Non-IFRS Financial Information has been presented for illustrative purposes and, due to its nature, may not fairly present the Group's financial position or result of operations. The Non-IFRS Financial Information required by the JSE Listings Requirements solely relates to Headline Earnings Per Share and not EPRA.

Ernst & Young Inc have issued a reporting accountant's report on the Non-IFRS Financial Information for the year ended 31 March 2023 which is available for inspection at the Group's registered office. The starting point for all the Non-IFRS Financial Information has been extracted, without adjustment, from the audited Group's consolidated financial statements for the year ended 31 March 2023 (the "consolidated financial statements").

Basis of preparation continued

Table A – EPRA earnings

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Basic and diluted earnings attributable to owners of the Company[(1)]	**79.6**	147.9
Add loss/(deduct gain) on revaluation of investment properties[(2)]	**9.8**	(140.9)
(Deduct gain)/add loss on disposal of properties (net of related tax)[(3)]	**(4.7)**	0.6
Deduct recoveries from prior disposals of subsidiaries (net of related tax)[(4)]	**–**	(0.1)
Refinancing costs, exit fees and prepayment penalties[(5)]	**–**	7.8
Goodwill impairment[(6)]	**–**	40.9
Acquisition costs in relation to business combinations[(7)]	**–**	5.3
Change in fair value of derivative financial instruments[(8)]	**(0.9)**	(1.0)
Deferred tax in respect of EPRA fair value movements on investment properties[(9)]	**4.3**	14.8
NCI relating to revaluation (net of related tax)[(10)]	**–**	0.2
Add loss/(deduct gain) on revaluation of investment property relating to associates[(11)]	**0.5**	(6.0)
Tax in relation to the revaluation gains/losses on investment property relating to associates[(12)]	**(0.4)**	1.2
EPRA earnings[(13)]	**88.2**	70.7

Notes:

(1) Presents the profit attributable to owners of the Company which has been extracted from the consolidated income statement within the consolidated financial statements.

(2) Presents the gain or loss on revaluation of investment properties which has been extracted from the consolidated income statement within the consolidated financial statements.

(3) Presents the gain or loss on disposal of properties (net of related tax) which has been extracted from note 12 within the consolidated financial statements.

(4) Presents the recoveries from prior disposals of subsidiaries (net of related tax) which has been extracted from the consolidated income statement within the consolidated financial statements.

(5) Presents the refinancing costs, exit fees and prepayment penalties which have been extracted from note 10 within the consolidated financial statements.

(6) Presents the goodwill impairment which has been extracted from the consolidated income statement within the consolidated financial statements.

(7) Presents the acquisition costs in relation to business combinations which have been extracted from note 4 within the consolidated financial statements.

(8) Presents the change in fair value of derivative financial instruments which has been extracted from the consolidated income statement within the consolidated financial statements.

(9) Presents deferred tax relating to origination and reversal of temporary differences of the EPRA fair value movements on investment properties which has been extracted from note 11 within the consolidated financial statements.

(10) Presents the non-controlling interest relating to revaluation (net of related tax) which has been extracted from note 12 within the consolidated financial statements.

(11) Presents the gain or loss on revaluation of investment property relating to associates which has been extracted from note 12 within the consolidated financial statements.

(12) Presents tax in relation to the revaluation gains/losses on investment property relating to associates which has been extracted from note 12 within the consolidated financial statements.

(13) Presents the EPRA earnings for the year.

ANNEX 1 – NON-IFRS MEASURES CONTINUED

Basis of preparation continued

Table B – Adjusted net asset value

	31 March 2023 €m	31 March 2022 €m
Net asset value		
Net asset value for the purpose of assets per share (total equity attributable to the owners of the company)[1]	**1,197.1**	1,190.7
Deferred tax liabilities[2]	**80.2**	75.9
Derivative financial instruments at fair value[3]	**(1.3)**	(0.3)
Adjusted net asset value attributable to owners of the Company[4]	**1,276.0**	1,266.3

Notes:

(1) Presents the net asset value for the purpose of assets per share (total equity attributable to the owners of the company) which has been extracted from the consolidated statement of financial position within the consolidated financial statements.

(2) resents the net deferred tax liabilities or assets which have been extracted from the consolidated statement of financial position within the consolidated financial statements relating to valuation movements, derivative financial instruments and LTIP valuation.

(3) Presents current derivative financial instrument assets which have been extracted from the consolidated statement of financial position within the consolidated financial statements.

(4) Presents the adjusted net asset value attributable to the owners of the Company as at year end.

Table C – EPRA net asset measures

31 March 2023	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
Net asset value as at year end (basic)[1]	**1,197.1**	**1,197.1**	**1,197.1**
Diluted EPRA net asset value at fair value	**1,197.1**	**1,197.1**	**1,197.1**
Group			
Derivative financial instruments at fair value[2]	**(1.3)**	**(1.3)**	**n/a**
Deferred tax in respect of EPRA fair value movements on investment properties[3]	**80.2**	**80.1**	**n/a**
Intangibles[4]	**n/a**	**(4.1)**	**n/a**
Fair value of fixed interest rate debt[5]	**n/a**	**n/a**	**99.2**
Real estate transfer tax[6]	**164.4**	**n/a**	**n/a**
Investment in associate			
Deferred tax in respect of EPRA fair value movements on investment properties[3]	**7.0**	**7.0**	**n/a**
Fair value of fixed interest rate debt[5]	**n/a**	**n/a**	**9.9**
Real estate transfer tax[6]	**9.3**	**n/a**	**n/a**
Total EPRA NRV, NTA and NDV[7]	**1,456.7**	**1,278.8**	**1,306.2**

31 March 2022	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
Net asset value as at year end (basic)[1]	1,190.7	1,190.7	1,190.7
Diluted EPRA net asset value at fair value	1,190.7	1,190.7	1,190.7
Group			
Derivative financial instruments at fair value[2]	(0.3)	(0.3)	n/a
Deferred tax in respect of EPRA fair value movements on investment properties[3]	75.9	75.6*	n/a
Intangibles[4]	n/a	(4.3)	n/a
Fair value of fixed interest rate debt[5]	n/a	n/a	(22.2)
Real estate transfer tax[6]	160.7	n/a	n/a
Investment in associate			
Deferred tax in respect of EPRA fair value movements on investment properties[3]	6.5	6.5*	n/a
Fair value of fixed interest rate debt[5]	n/a	n/a	2.1
Real estate transfer tax[6]	9.1	n/a	n/a
Total EPRA NRV, NTA and NDV[7]	1,442.6	1,268.2	1,170.6

* The Company intends to hold and does not intend in the long term to sell any of the investment properties and has excluded such deferred taxes for the whole portfolio as at year end except for deferred tax in relation to assets held for sale.

Basis of preparation continued

Table C – EPRA net asset measures continued

Notes:

(1) Presents the net asset value for the purpose of assets per share (total equity attributable to the owners of the company) which has been extracted from the consolidated statement of financial position within the consolidated financial statements.

(2) Presents current derivative financial instrument assets which have been extracted from the consolidated statement of financial position within the consolidated financial statements.

(3) Presents for the Group the net deferred tax liabilities or assets which have been extracted from note 11 within the consolidated financial statements and for EPRA NTA only the additional credit adjustment for the deferred tax expense relating to assets held for sale of €0.1m (2022: €0.3m). For investment in associates the deferred tax income/(expense) arising on revaluation losses/gains amounted to €0.4m (2022: €6.6m).

(4) Presents the net book value of software and licences with definite useful life which has been extracted from note 17 within the consolidated financial statements.

(5) Presents the fair value of financial liabilities and assets on the statement of financial position, net of any related deferred tax.

(6) Presents the add-back of purchasers' costs in order to reflect the value prior to any deduction of purchasers' costs, as shown in the Valuation Certificate of Cushman & Wakefield LLP.

(7) Presents the EPRA NRV, EPRA NTA and EPRA NDV, respectively, as at year end.

Table D – EPRA LTV metric

		Proportionate consolidation	
31 March 2023	Group €m	Investment in associates €m	Total €m
Interest-bearing loans and borrowings[1]	264.4	52.1	316.5
Corporate bonds[2]	700.0	—	700.0
Net payables[3]	71.0	4.5	75.5
Cash and cash equivalents[4]	(124.3)	(8.6)	(132.9)
Net debt (a)[5]	911.1	48.0	959.1
Investment properties[6]	2,123.0	124.2	2,247.2
Assets held for sale[7]	8.8	—	8.8
Plant and equipment[8]	7.2	—	7.2
Intangible assets[9]	4.1	—	4.1
Loan to associates[10]	44.3	—	44.3
Total property value (b)[11]	2,187.4	124.2	2,311.6
EPRA LTV (a/b)[12]	41.7%	38.6%	41.5%

ANNEX 1 – NON-IFRS MEASURES CONTINUED

Basis of preparation continued

Table D – EPRA LTV metric continued

31 March 2022	Group €m	Proportionate consolidation Investment in associates €m	Total €m
Interest-bearing loans and borrowings[1]	281.5	51.9	333.4
Corporate bonds[2]	700.0	–	700.0
Net payables[3]	70.7	3.1	73.8
Cash and cash equivalents[4]	(151.0)	(6.2)	(157.2)
Net debt (a)[5]	901.2	48.8	950.0
Investment properties[6]	2,100.0	122.4	2,222.4
Assets held for sale[7]	13.8	–	13.8
Plant and equipment[8]	5.5	–	5.5
Intangible assets[9]	4.3	–	4.3
Loan to associates[10]	44.2	–	44.2
Total property value (b)[11]	2,167.8	122.4	2,290.2
EPRA LTV (a/b)[12]	41.6%	39.9%	41.5%

Notes:

(1) Presents the interest-bearing loans and borrowings which have been extracted from the consolidated statement of financial position within the consolidated financial statements less the corporate bonds which have been extracted from note 24 within the consolidated financial statements.

(2) Presents the corporate bonds which have been extracted from note 24 within the consolidated financial statements.

(3) Presents the net payables, which is the sum of trade and other receivables, derivative financial instruments, trade and other payables, current tax liabilities (all of which have been extracted from the consolidated statement of financial position within the consolidated financial statements) and guarantees and deposits which have been extracted from note 19 within the consolidated financial statements.

(4) Presents the cash and cash equivalents which have been extracted from the consolidated statement of financial position within the consolidated financial statements.

(5) Presents the net debt, which is the sum of interest-bearing loans and borrowings, corporate bonds, net payables, less cash and cash equivalents which have been extracted from note 24 within the consolidated financial statements.

(6) Presents the investment properties values which have been extracted from the consolidated statement of financial position within the consolidated financial statements.

(7) Presents the assets held for sale which have been extracted from the consolidated statement of financial position within the consolidated financial statements.

(8) Presents the plant and equipment which have been extracted from the consolidated statement of financial position within the consolidated financial statements.

(9) Presents the intangible assets which have been extracted from the consolidated statement of financial position within the consolidated financial statements.

(10) Presents the loan to associates which has been extracted from note 25 within the consolidated financial statements.

(11) Presents the total property value, which is the sum of investment properties, assets held for sale, plant and equipment, intangible assets and loan to associates.

(12) Presents the EPRA LTV which is net debt divided by total property value in percentage.

Basis of preparation continued

Table E – Adjusted profit before tax and funds from operations

	Year ended 31 March 2023 €m	Year ended 31 March 2022 €m
Reported profit before tax(1)	**87.0**	168.9
Adjustments for:		
Loss/(gain) on revaluation of investment properties(2)	**9.8**	(140.9)
Deficit on revaluation relating to leased investment properties(3)	**(1.5)**	(5.6)
(Gain)/loss on disposals of properties(4)	**(4.7)**	0.6
Recoveries from prior disposals of subsidiaries(5)	**—**	(0.1)
Loss/(gain) on revaluation of investment property from associates and related tax(6)	**0.1**	(4.8)
Other adjusting items(7)	**6.2**	19.1
Goodwill impairment(8)	**—**	40.9
Change in fair value of financial derivatives(9)	**(0.9)**	(1.0)
Adjusted profit before tax(10)	**96.0**	77.1
Adjustments for:		
Foreign exchange effects(11)	**0.2**	(1.9)
Depreciation and amortisation (excluding depreciation relating to IFRS 16)(12)	**3.4**	2.4
Amortisation of financing fees(13)	**3.3**	2.6
Adjustment in respect of IFRS 16(14)	**2.2**	0.5
Current taxes incurred(15)	**(3.0)**	(6.1)
Funds from operations(16)	**102.1**	74.6

Notes:

(1) Presents profit before tax which has been extracted from the consolidated income statement within the consolidated financial statements.

(2) Presents the gain or loss on revaluation of investment properties which has been extracted from the consolidated income statement within the consolidated financial statements.

(3) Presents the deficit on revaluation relating to leased investment properties which has been extracted from note 14 within the consolidated financial statements.

(4) Presents the gain or loss on disposal of properties which has been extracted from the consolidated income statement within the consolidated financial statements.

(5) Presents the recoveries from prior disposals of subsidiaries which have been extracted from the consolidated income statement within the consolidated financial statements.

(6) Presents the gain or loss on revaluation of investment property relating to associates and related tax which has been extracted from note 12 within the consolidated financial statements.

(7) Presents the total adjusting items which have been extracted from note 12 within the consolidated financial statements.

(8) Presents the goodwill impairment which has been extracted from the consolidated income statement within the consolidated financial statements.

(9) Presents the change in fair value of derivative financial instruments which has been extracted from the consolidated income statement within the consolidated financial statements.

(10) Presents the adjusted profit before tax for the year.

(11) Presents the net foreign exchange gains or losses as included in other administration costs in note 7 within the consolidated financial statements.

(12) Presents depreciation of plant and equipment and amortisation of intangible assets which have been extracted from note 7 within the consolidated financial statements.

(13) Presents amortisation of capitalised finance costs which has been extracted from note 10 within the consolidated financial statements.

(14) Presents the differential between the expense recorded in the consolidated income statement for the year relating to head leases in accordance with IFRS 16 amounting to €4.5m (2022: €6.9m) and the actual cash expense recorded in the consolidated statement of cash flows for the year amounting to €2.3m (2022: €6.3m).

(15) Presents the total current income tax which has been extracted from note 11 within the consolidated financial statements.

(16) Presents the funds from operations for the year.

GLOSSARY OF TERMS

Adjusted earnings after tax	is the earnings attributable to the owners of the Company, adjusted for the effect of the gains/losses on revaluation of investment properties and related tax, (also to associates net of related tax), gains/losses on disposal of properties and related tax, recoveries from prior disposals of subsidiaries (net of related tax), NCI relating to revaluation (net of related tax), goodwill impairment, changes in fair value of derivative financial instruments (net of related tax and NCI), revaluation expense relating to leased investment properties, adjusting items (net of related tax and NCI)
Adjusted net asset value	is the assets attributable to the owners of the Company adjusted for derivative financial instruments at fair value and net deferred tax liabilities/assets
Adjusted profit before tax	is the reported profit before tax adjusted for the effect of gains/losses on revaluation of investment properties, deficit on revaluation relating to lease investment properties, gains/losses on disposal of properties, recoveries from prior disposals of subsidiaries, gains/losses on revaluation of investment property from associates and related tax, other adjusting items, goodwill impairment and changes in fair value of derivative financial instruments
Annualised acquisition net operating income	is the income generated by a property less directly attributable costs at the date of acquisition expressed in annual terms. Please see "annualised rent roll" definition below for further explanatory information
Annualised acquisition rent roll	is the contracted rental income of a property at the date of acquisition expressed in annual terms. Please see "annualised rent roll" definition below for further explanatory information
Annualised rent roll	is the contracted rental income of a property at a specific reporting date expressed in annual terms. Unless stated otherwise the reporting date is 31 March 2023. Annualised rent roll should not be interpreted or used as a forecast or estimate. Annualised rent roll differs from rental income described in note 5 of the Interim Report and reported within revenue in the audited consolidated income statement for reasons including: » annualised rent roll represents contracted rental income at a specific point in time expressed in annual terms; » rental income as reported within revenue represents rental income recognised in the period under review; and » rental income as reported within revenue includes accounting adjustments including those relating to lease incentives
Capital value	is the market value of a property divided by the total sqm of a property
Company	is Sirius Real Estate Limited, a company incorporated in Guernsey and resident in the United Kingdom for tax purposes, whose shares are publicly traded on the Main Market of the London Stock Exchange (primary listing) and the Main Board of the Johannesburg Stock Exchange (primary listing)
Cumulative total return	is the return calculated by combining the movement in investment property value net of capex with the total net operating income less bank interest over a specified period of time
EPRA earnings	is earnings after adjusting for gains/losses on revaluation of investment properties, gains/losses on disposal of properties (net of related tax), recoveries from prior disposals of subsidiaries (net of related tax), refinancing costs, exit fees and prepayment penalties, goodwill impairment, acquisition costs in relation to business combinations, changes in fair value of derivative financial instruments (collectively, the "EPRA earnings adjustments"), deferred tax in respect of the EPRA earnings adjustments, NCI relating to revaluation (net of related tax), gains/losses on revaluation of investment property relating to associates and the related tax thereon
EPRA loan to value	is the ratio of net debt to total property value as defined in note 24. It includes all capital which is not equity as debt, irrespective of its IFRS classification, and is based upon proportional consolidation, therefore including the Group's share in the net debt and net assets of associates. Assets are included at fair value, net debt at nominal value
EPRA net reinstatement value	is the net asset value after adjusting for derivative financial instruments at fair value, deferred tax relating to valuation movements and derivative financial instruments and real estate transfer tax presented in the Valuation Certificate, including the amounts of the above related to the investment in associates
EPRA net tangible assets	is the net asset value after adjusting for derivative financial instruments at fair value, deferred tax relating to valuation movements (just for the part of the portfolio that the Company intends to hold should be excluded) and derivative financial instruments and intangible assets as per the note reference in the audited consolidated statement of financial position, including the amounts of the above related to the investment in associates. It also takes into account the effect of the granting of shares relating to long-term incentive plans

EPRA net disposal value	is the net asset value after adjusting for the fair value of fixed interest rate debt, including the amounts of the above related to the investment in associates
EPRA net initial yield	is the annualised rent roll based on the cash rents passing at reporting date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs
EPRA net yield	is the net operating income generated by a property expressed as a percentage of its value plus purchase costs
ERV	is the estimated rental value which is the annualised rental income at 100% occupancy
Funds from operations	is adjusted profit before tax adjusted for depreciation and amortisation (excluding depreciation relating to IFRS 16), amortisation of financing fees, net foreign exchange differences, adjustment in respect of IFRS 16 and current tax excluding tax on disposals
Geared IRR	is an estimate of the rate of return taking into consideration debt
Gross loan to value ratio	is the ratio of principal value of total debt to the aggregated value of investment property
Group	comprises that of the Company and its subsidiaries
Like for like	refers to the manner in which metrics are subject to adjustment in order to make them directly comparable. Like-for-like adjustments are made in relation to annualised rent roll, rate and occupancy and eliminate the effect of asset acquisitions and disposals that occur in the reporting period
Net loan to value ratio	is the ratio of principal value of total debt less cash, excluding that which is restricted in contractual terms, to the aggregate value of investment property
Net operating income	is the rental, service charge and other income generated from investment and managed properties less directly attributable costs
Net yield	is the net operating income generated by a property expressed as a percentage of its value
Occupancy	is the percentage of total lettable space occupied as at reporting date
Operating cash flow on investment (geared)	is an estimate of the rate of return based on operating cash flows and taking into consideration debt
Operating cash flow on investment (ungeared)	is an estimate of the rate of return based on operating cash flows
Operating profit	is the net operating income adjusted for gain on revaluation of investment properties, gains/losses on disposal of properties, recoveries from prior disposals of subsidiaries, administrative expenses and share of profit of associates
Rate	for the German portfolio is rental income per sqm expressed on a monthly basis as at a specific reporting date for the UK portfolio is rental income (includes estimated service charge element) per sqm expressed on a monthly basis as at a specific reporting date in euro for the UK portfolio is rental income (includes estimated service charge element) per sq ft expressed on an annual basis as at a specific reporting date in GBP
Senior Management Team	as set out on page 88 of the Group's Annual Report and Accounts 2023
Sirius	comprises that of the Company and its subsidiaries
Total debt	is the aggregate amount of the interest-bearing loans and borrowings
Total shareholder accounting return	is the return obtained by a shareholder calculated by combining both movements in adjusted NAV per share and dividends paid
Total return	is the return for a set period of time combining valuation movement and income generated
Ungeared IRR	is an estimate of the rate of return
Weighted average cost of debt	is the weighted effective rate of interest of loan facilities expressed as a percentage
Weighted average debt expiry	is the weighted average time to repayment of loan facilities expressed in years

CORPORATE DIRECTORY

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(Incorporated in Guernsey)
Company number: 46442
JSE Share Code: SRE
LSE (GBP) Share Code: SRE
LEI: 213800NURUF5W8QSK566
ISIN Code: GG00B1W3VF54

Registered office

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Channel Islands

Registered number

Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, under number 46442

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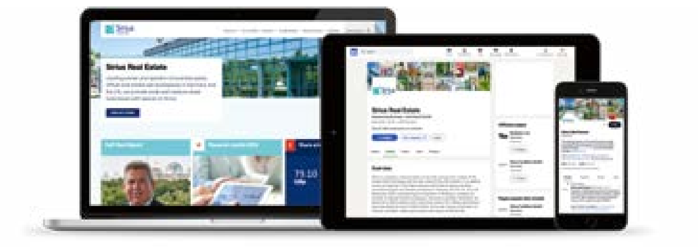

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