NewRiver REIT PLC

Preliminary unaudited results for the year ended 31 March 2022

7 June 2022

Balance sheet strengthened, operations resilient and strategy progressing well

Allan Lockhart, Chief Executive commented: "The decisive actions that we took last year have delivered a significant improvement in our financial and operating metrics, with LTV down from 51% to 34%, Underlying Funds From Operations up by 146% to £28.3 million, portfolio valuation returning to capital growth, high occupancy maintained, leasing volumes and pricing improved and finally, total dividend more than doubled to 7.4 pence per share, fully covered by UFFO. All of this was achieved despite the disruption from COVID-19.

There can be no doubt that today we are in a far stronger financial and operational position than when we outlined our strategy to create the most resilient retail portfolio in the UK a year ago. As such we are optimistic about our future prospects and our strategic aim to deliver consistent 10% total accounting returns, even though it is clear that UK economic growth is slowing due to high inflation and monetary and fiscal tightening. Uncertainty does create opportunities and we have put ourselves into a strong position where we have genuine optionality."

Improved financial results and return to capital growth in H2

- Underlying Funds From Operations increased to £28.3m (FY21: £11.5m)
- UFFO per share increased to 9.2p (FY21: 3.8 pence)
- Final dividend of 3.3p per share, bringing total FY22 dividend to 7.4p per share, fully covered by UFFO (FY21: 3.0p)
- Retail Net Property Income up 9.7% to £51.8m (FY21: £47.2m)
- Retail portfolio valued at £649m; Portfolio delivered +7.5% Total Return in FY22 and returned to capital growth in H2 with valuations +2.6%
- Retail IFRS profit after tax of £7.0m (FY21: loss of -£122.1m)
- Pub IFRS loss after tax (discontinued operations) of -£33.6m including loss on Hawthorn disposal (FY21: loss of -£28.4m)
- EPRA NTA per share down 11% to 134p due to Hawthorn disposal, but increased from 131p at 30 September 2021 due to return to capital growth in H2
- Total Accounting Return of -6.6% (FY21: -24.9%), improved from H1 with +5.4% return delivered in H2

Achieved target to dispose of non-core assets

- Completed the disposal of pub business, Hawthorn, in August 2021 for gross proceeds of £224.0m
- Completed £77.1m of retail disposals at 2.1% discount to latest valuation; on track to exit Work Out by end FY23
- Largest retail transaction was the disposal of a Regeneration shopping centre in Cowley, Oxford, for gross proceeds of £38.8m

Materially strengthened financial position gives maximum optionality

- LTV reduced from 50.6% at 31 March 2021 to 34.1% at 31 March 2022; well within guidance
- Fully unsecured balance sheet with drawn Group debt reduced by £335m
- Significant cash and available liquidity of £213.2m, including £88.2m of cash
- Net debt reduced by 55% to £221.5m (31 March 2021: £493.3m)
- No maturity on drawn debt until 2028 and no exposure to interest rate rises on drawn debt

Resilient operational performance and continued progress on ESG objectives

- Rent collection for FY22 of 96% - significantly ahead of 86% last year - and Q1 tracking at over 90% cash collection
- 1,039,800 sq ft of new lettings and renewals completed across the portfolio; long-term transactions at average 7.4% premium to ERV
- High, stable retail occupancy of 95.6% (31 March 2021: 95.8%)
- Pathway to Net-Zero published in March 2022 with target aligned with a 1.5°C scenario and signatory of the Better Building Partnership Climate Commitment
- 13% uplift in 2021 GRESB score to 68, CDP score increased to a "B" from a "C" and achieved Gold Level compliance with EPRA Sustainability Best Practice Recommendations

Results summary

Performance	**Note**	**FY22 Unaudited**	**HY22 Unaudited**	**FY21 Audited**
Underlying Funds From Operations ('UFFO')	(1)	£28.3m	£15.5m	£11.5m
UFFO per share	(1)	9.2p	5.1p	3.8p
Ordinary dividend		7.4p	4.1p	3.0p
Ordinary dividend cover	(2)	125%	125%	127%
Interest cover	(3)	3.5x	2.7x	2.3x
Net Property Income		£59.0m	£32.4m	£48.2m
IFRS Loss after taxation		-£26.6m	-£49.9m	-£150.5m
IFRS Basic EPS		-8.6p	-16.3p	-49.1p
Total Accounting Return	(4)	-6.6%	-11.3%	-24.9%
GRESB Score (unaudited)	(5)	68	68	60

Balance Sheet	**Note**	**March 2022**	**Sep 2021**	**March 2021**
IFRS Net Assets		£414.1m	£402.1m	£460.4m
EPRA NTA per share	(6)	134p	131p	151p
Balance Sheet (proportionally consolidated)	(7)	**March 2022**	**Sep 2021**	**March 2021**
Net debt		£221.5m	£276.4m	£493.3m
Principal value of gross debt	(8)	£314.0m	£318.1m	£653.1m
Cash		£88.2m	£37.3m	£154.3m
Weighted average cost of debt	(9)	3.4%	3.4%	3.2%
Weighted average debt maturity – drawn only	(10)	5.7 years	6.2 years	4.5 years
Weighted average debt maturity	(11)	4.8 years	5.2 years	4.3 years
Loan to value	(12)	34.1%	39.4%	50.6%

Notes:

(1) Underlying Funds From Operations ('UFFO') is a Company measure of underlying operational profits which excludes one off or non-cash adjustments as set out in Note 12 to the Financial Statements and in the Finance Review. UFFO, which includes the contribution from Hawthorn up to its disposal on 20 August 2021, is used by the Company as the basis for ordinary dividend policy and cover.
(2) Ordinary dividend cover is calculated with reference to UFFO
(3) Interest cover is tested at corporate level and is calculated by comparing actual net property income received versus cash interest payable on a 12 month look-back basis
(4) Total Accounting Return is the EPRA NTA per share movement during the half, plus dividends paid in the period, divided by EPRA NTA per share at the start of the period
(5) GRESB is the leading sustainability benchmark for the global real estate sector, and its annual assessment scores participating companies out of 100
(6) EPRA Net Tangible Assets ('NTA') is based on IFRS net assets excluding the mark to market on derivatives and debt instruments, deferred taxation on revaluations, goodwill, and diluting for the effect of those shares potentially issuable under employee share schemes
(7) Proportionally consolidated means Group and share of JVs & associates
(8) Principal value of gross debt being £300.0 million of Group and £14.0 million share of JVs & associates (March 2021: £635.0 million of Group and £18.1 million share of JVs & associates)
(9) Cost of debt assuming £125 million revolving credit facility is fully drawn
(10) Contracted weighted average debt maturity on drawn debt only. September 2021 position includes impact of one-year RCF extension agreed in October 2021
(11) Contracted weighted average debt maturity. September 2021 position includes impact of one-year RCF extension agreed in October 2021
(12) Is the ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments

For further information

NewRiver REIT plc +44 (0)20 3328 5800
Allan Lockhart (Chief Executive)
Will Hobman (Chief Financial Officer)
Lucy Mitchell (Communications & Investor Relations)

Finsbury Glover Hering +44 (0)20 7251 3801
Gordon Simpson
James Thompson

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation. This announcement has been authorised for release by the Board of Directors.

Results presentation

A pre-recorded presentation will be streamed at 10:30am today on our website (www.nrr.co.uk) and at the following link: https://secure.emincote.com/client/newriver/fullyearresults2022. This will be followed immediately by a live Q&A session for investors and analysts.

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

Forward-looking statements

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

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

Chief Executive's review

Overview

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

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

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

Operationally, we had an excellent year both in terms of leasing volume and pricing. Rent collection, car park and commercialisation cashflows all improved during the year with rent collection in particular close to pre COVID-19 levels. Our retail disposal programme set at the start of the financial year was achieved in-line with our expectations and at pricing supportive of latest valuation. As a result of the completion of our planned disposals and the capital growth delivered in the second half of the year, our Loan To Value ('LTV') has materially reduced from 51% to 34%.

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

Financial Performance and Dividend

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

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

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

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

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

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

Resilient Retail Strategy Update

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

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

Capital Recycling

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

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

Capital Partnerships

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

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

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

Regeneration

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

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

Operational Performance

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

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

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

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

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

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

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

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

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

ESG

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

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

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

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

Market Backdrop and Outlook

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

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

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

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

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

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

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

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

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

Allan Lockhart
Chief Executive Officer

Portfolio Review

Highlights

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

Resilient Retail Operational Update

Overview

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

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

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

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

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

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

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

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

Valuation: A Return to Capital Growth

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

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

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

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

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

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

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

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

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

Capital Partnerships

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

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

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

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

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

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

Leasing activity

Overview

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

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

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

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

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

Asset Management and Development

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

Retail Parks

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

Disposals

- Poole: In December 2021 we disposed of Poole Retail Park in Dorset for £58.0 million (NRR share: £5.8 million), held in our BRAVO capital partnership, The price reflects a net initial yield of 6.6%, a 7.4% premium to its last valuation. The price achieved was 30% higher than when NewRiver and BRAVO acquired the asset in October 2019 and this asset has generated an IRR of 21.6% (excluding the promote fee) for NewRiver. In the two years since acquisition we have completed several successful initiatives including securing a 10-year lease extension and over 60% rental uplift with Homebase.

- Newport: We also sold a retail park in Newport on the Isle of Wight for £9.1 million (NewRiver share: £4.6 million) reflecting a net initial yield of 5.8%. This followed our successful asset management implementation programme including regearing leases with Curry's and Pets at Home, and a new letting to Food Warehouse. The IRR excluding promote generated on the completion of the sale was 15.2%.

Asset Management – Selected Highlights Include:

- Aberdeen: At Kittybrewster, a high performing city-centre retail park, we further enhanced the retail profile during the year with a new 10 year lease with JD Sports for a 10,000 sq ft unit which once open, will bring the park to 100% occupancy.

- Barrow: Our introduction of discount food operator, Aldi, to our retail park in Barrow, has been well received by the local community and has helped further drive the performance of this retail park. We are now under offer on a final unit following strong demand for space and on completion the park will be 100% let.

- Bradford: A major achievement for the year was the letting of a former Wickes unit to leading DIY operator Homebase in August 2021 on a 10 year lease. The new store opened in November 2021 and has had a positive impact to the retail park which already performs well given its location adjacent to a highly successful Morrisons.

- Cardiff, Valegate: At our retail park in Cardiff we are under offer to two new occupiers, the first for a 27,000 sq ft store to a leading discount operator and the second, a 10,000 sq ft store to a leisure operator. On completion of these transactions, the park will be fully let.

- Dewsbury: We signed a lease with Aldi to take 19,000 sq ft at our retail park in Dewsbury and handed the new unit over in May 2022 for the store to open at the end of the summer, and we are under offer on the final vacant unit on the park which will make the park 100% let, further strengthening this excellent and well-located retail park.

- Dumfries: We introduced a Next Click & Collect pod to our retail park in Dumfries in December 2020 which has performed well and helped to generate new footfall to this popular retail park. We have subsequently introduced Bensons for Beds who have taken the former Dreams unit after we served notice, further improving the rental terms and agreeing a 10 year lease. During the year we have also submitted a planning application to create a new Food Warehouse which will benefit from trading adjacent to a successful Tesco superstore.

- Inverness: An important new operator to open within the Inverness community was our letting to The Department for Work and Pensions during the year who took a 10,000 sq ft unit on a 5-year lease paying £112,500 pa. This is in addition to other asset management initiatives underway at the Glendoe & Telford Retail Park in Inverness which will materialise in FY23 including a 12,000 sq ft unit under offer to a food retailer.

- Sprucefield: is a retail park located in Northern Ireland anchored by Sainsbury's and B&Q and owned in our Capital Partnership with BRAVO. We have made good progress with our proposals to deliver two new drive-thru units and a restaurant unit. We have received offers for both and are also in discussions with occupiers to sell surplus land that would facilitate a 24,000 sq ft unit for a discount food operator.

Shopping Centres

Our Core Shopping Centres are located in the heart of their local communities, playing a key role to the local social and economic prosperity of their conurbations providing a range of essential goods and services to local people. Typically our centres are easily accessible with short travel times supporting the wider climate and well-being agenda.
As at 31 March 2022 our Core Shopping Centre portfolio represented 34% of our total portfolio value and comprises 14 core community shopping centres with an occupancy of 96.5%. Selected highlights include:

- Fareham: We received a resolution to grant planning consent in December 2021 for a highway re-adjustment which will not only improve the local shopping experience but will also enable the release of two possible sites for residential development, creating up to 65 potential new homes.

- Leith: Our asset in Leith, located in close proximity to Edinburgh City Centre, is a solid performing asset providing essential goods and services to its local community. We were pleased to introduce Costa, the first branded coffee offer to the centre. We are currently working up proposals to deliver new residential homes in this increasingly popular area of Edinburgh.

- Hastings: NewRiver and Hastings Borough Council worked closely together to prepare and submit a bid to the Government's Towns Fund and in July the Ministry of Housing, Communities & Local Government confirmed that £24.3 million grant funding has been allocated to Hastings of which £2 million has been allocated to NewRiver's shopping centre, subject to approval of the Business Case. Part of the funds have already been deployed to convert a former New Look unit to create a gym and to provide an office for the Department of Work and Pensions. The remaining funds will be applied to our proposals to deliver up to circa 90 new homes.

- Market Deeping: Terms have been agreed to provide a 20,000 sq ft store for a discount food operator and a planning application is under preparation.

- Newtownabbey: We have seen strong recovery post COVID-19 in Newtownabbey, Belfast including the relocating and upsizing of various retailers including DV8, River Island, Superdrug, Bonmarche and Specsavers with further discussions ongoing. This has resulted in strong ERV and capital growth for this asset.

- Newton Mearns: We are exploring options to sell a parcel of land adjacent to our shopping centre and have an offer from a leading house developer. We are also progressing various lettings and initiatives to bring in alternative uses to this centre which is anchored by Asda and Marks & Spencer.

Regeneration

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

- Grays: We acquired Grays Shopping Centre in June 2018, recognising a significant opportunity for a high-density residential-led redevelopment of the site, which is located just 35 minutes from central London by train. Following Design Review Panel sessions with the local authority earlier this year we are making good progress preparing for our planning application which we expect to submit in the Q3 2022. Our proposals will create up to 900 new homes, reduce the excess retail provision and improve the public realm and interconnectivity of the town as a whole. Meanwhile we are making steady progress with our vacant possession strategy to ensure lease flexibility whilst protecting rental cashflows.

- Bexleyheath: Our strategic masterplan that combines asset management and residential development initiatives to provide over 700 new homes is making progress and we are preparing to commence pre planning discussions with the Council and other major stakeholders.

- Burgess Hill: During the period, the planning Decision Notice was issued by Mid Sussex District Council in July 2021 following completion of the Section 106. Preparations are at an advanced stage to sell part of our asset where we have detailed planning consent for 172 residential units. The capital receipt from this disposal will be used to partially fund the retail refurbishment and the construction of the food store, car park and hotel.

Work-Out

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

- Cardiff: We continue our exciting plans to regenerate The Capitol Shopping Centre in Cardiff. The shopping centre site is built upon what was formerly known as the Capitol Theatre and played host to a number of famous musicians in its heyday, including the Beatles. Our repositioning plans are sympathetic to this heritage and intend to reincarnate some of this cultural significance and make The Capitol the culture hub of Cardiff again. In November, we signed an agreement for lease with Kommune, a new all-day dining and retail experiential operator, who are due to open in the Autumn. Public realm works have also begun to reinstate the historic canal feeder adjacent to our asset which will enhance the environment and introduce new market kiosks, outdoor seating and an open-air event space.

- Wallsend: At the end of FY21 we achieved planning consent for the development of a new medical centre adjacent to our shopping centre, in Wallsend outside Newcastle. Working closely with North Tyneside Council, we completed on the sale of the site to Assura, who are now on-site with a target opening date for the new medical centre in the Autumn. This will provide an important new community service for the local community and will also improve footfall to our shopping centre.

- Wisbech: At our shopping centre, in Wisbech, an attractive market town in the Fenlands, we are working up options to provide a 20,000 sq ft new food store which will transform this asset and the town centre.

Commercialisation & Car Parking

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

Rent collection

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

Rent cash collection rate by quarter

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

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

Resilient Retailers Profile

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

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

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

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

Top occupiers

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

Finance review

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

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

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

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

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

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

Balance sheet repositioned and restructured to support future growth

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

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

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

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

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

Debt restructuring

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

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

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

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

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

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

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

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

Key performance measures

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

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

The APM on which management places most focus, reflecting the Company's commitment to driving income returns, is UFFO. UFFO measures the Company's underlying operational profits, excluding one-off or non-cash adjustments such as portfolio valuation movements and profits or losses on the disposal of investment properties. We consider this metric to be the most appropriate for measuring the underlying performance of the business as it is familiar to non-property investors, and better reflects the Company's generation of profits. It is for this reason that UFFO, which includes the contribution from Hawthorn up to its disposal on 20 August 2021, is used to measure dividend cover.

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

Hawthorn disposal

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

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

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

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

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

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

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

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

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

Analysis of contribution from Hawthorn (£m)

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

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

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

Reconciliation of loss after taxation to UFFO

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

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

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

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

1. Adjustments to Group figures to remove non-cash and non-recurring items, principally forward looking element of IFRS 9 £0.2 million, share-based payment charge £(0.9) million, restructuring costs £(0.9) million, changes in fair value of financial instruments and associated close out costs £0.1 million. Adjustments to Contribution from Hawthorn include £(39.7) million of loss on disposal, profit on disposal of investment properties £0.8 million, depreciation on public houses £(0.4) million, abortive fees and acquisition costs £(0.2) million and Deferred tax £(1.9) million
2. Pub operating performance from 1 April 2021 to 20 August 2021 when disposal of Hawthorn business was completed. Disclosed as "discontinued operations" in consolidated statement of comprehensive income. See "Hawthorn disposal" section of this review for performance commentary

Net property income

Analysis of retail net property income (£m)

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

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

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

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

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

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

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

Administrative expenses

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

Other income

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

Net finance costs

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

Taxation

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

Dividends

At the FY21 results in June 2021, NewRiver announced a new dividend policy under which dividends equivalent to 80% of UFFO would be declared twice annually at the Company's half and full year results, calculated with reference to the most recently completed six-month period.

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

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

The final dividend of 3.3 pence per share in respect of the year ended 31 March 2022 will, subject to shareholder approval at the 2022 AGM, be paid on 2nd September 2022 to shareholders on the register as at 29 July 2022. The dividend will be payable as a REIT Property Income Distribution (PID).

Balance sheet

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

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

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

Net assets

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

EPRA NTA is calculated by adjusting net assets to reflect the potential impact of dilutive ordinary shares, and to remove the fair value of any derivatives, deferred tax and goodwill held on the balance sheet. These adjustments are made with the aim of improving comparability with other European real estate companies. EPRA NTA decreased by 11% to £414.4 million, from £463.2 million at 31 March 2021, and EPRA NTA per share decreased similarly to 134 pence per share at 31 March 2022 from 151 pence per share at 31 March 2021. The decrease in EPRA NTA and EPRA NTA per share is primarily due to the Hawthorn disposal which completed on 20 August 2021. As noted above when discussing IFRS net assets, both the EPRA NTA and EPRA NTA per share positions improved in the second half of the financial year, from £402.1 million and 131 pence per share at 30 September 2021, as the portfolio returned to capital growth in the second half.

Properties at valuation

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

Debt & financing

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

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

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

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

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

Share premium account

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

Financial policies

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

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

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

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

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

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

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

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

The Board has declared a final dividend of 3.3 pence in respect of the year ended 31 March 2022, taking the total dividend declared up to 7.4 pence, up 147% on last year and in-line with the dividend policy we launched at the full year last year which links dividends directly to UFFO and means that the dividend is fully covered, in-line with our financial policy.

Additional guidelines

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

	Guideline	**31 March 2022**
Single retailer concentration	<5% of gross income	2.9% (B&M)
Development expenditure	<10% of GAV	<1%
Risk-controlled development	>70% pre-let or pre-sold on committed	100%
Pub weighting (excluding c-stores)	<30% of GAV	N/A following Hawthorn disposal

Conclusion

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

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

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

Will Hobman
Chief Financial Officer

Notes to Editors

About NewRiver

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

Our £0.6 billion portfolio covers 8 million sq ft and comprises 28 community shopping centres and 15 conveniently located retail parks. We have hand-picked our portfolio to focus on occupiers providing essential goods and services and to support the development of thriving communities across the UK, while deliberately avoiding structurally challenged sub-sectors such as department stores and mid-market fashion. Our objective is to own and manage the most resilient retail portfolio in the UK, focused on retail parks, core shopping centres, and regeneration opportunities in order to deliver stable income and capital growth to our investors.

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

Principal risks and uncertainties

Our approach to risk management

Risk is inherent in all businesses and effective risk management is a key element in the delivery of our strategy and operation of our business model. The COVID-19 pandemic continued to bring economic and social disruption during FY22, however our culture and strong governance systems and risk mitigation have continued to support the business during the year.

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

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

Risk appetite

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

Significant factors which contribute to the low risk of our business include:

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

Risk monitoring and assessment including emerging risks

The identification of risks is a continual process. This has been highlighted more so over the last couple of years with a global pandemic creating uncertainty across all sectors both economically and socially and other geopolitical events impacting supply chains and sentiment. The Company maintains a risk register in which a range of categories are considered. These risks are linked to the business model and strategic priorities of the Company.

The risk register assesses the impact and probability of each identified risk. By identifying all risks on a register and continuously updating this register principal risks can be identified as those that might threaten the Company's business model, future performance, solvency or liquidity and reputation. Their potential impact and probability will also be a factor in whether they are classed as principal. The risk register also records actions that can be taken to further mitigate the risk and each action is assigned to an individual or group. Mitigation factors and actions are assigned to all risks whether they are principal, non-principal or emerging. The continuous updating of this risk register assists in identifying emerging risks as they develop and ensures that their impact is continually assessed as they emerge and progress. All risks on the register are 'scored' in terms of impact and probability. A risk heat map can be a useful visual aid to understand the potential impact and probability of each significant risk on a gross basis prior to mitigation.

Principal risk areas are:

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

Risk assessment during the year

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

External Risks

Risk and impact	Monitoring and management	Change in risk assessment during the period
1. Macroeconomic Economic conditions in the UK and changes to fiscal and monetary policy may impact market activity, demand for investment assets, the operations of our occupiers or the spending habits of the UK population.	• The Board regularly assesses the Company's strategy in the context of the wider macroeconomic environment. This continued review of strategy focuses on positioning our portfolio for the evolving economic situation. • The Board and management team consider updates from external advisers, reviewing key indicators such as forecast GDP growth, employment rates, interest rates and Bank of England guidance and consumer confidence indices. • Our portfolio is focused on resilient market sub-sectors such as essential retailers. • Through regular stress testing of our portfolio we ensure our financial position is sufficiently resilient. • Closely monitoring rent collection and cash flow.	• Macroeconomic risk has increased during the year and is considered a **medium to high impact** risk with a **medium to high probability**. • Retail sales rebounded after each lockdown however sentiment has been impacted by cost of living and energy cost worries and inflation fears. • Valuations have increased in the second half and the disposal of the Hawthorn business and subsequent debt repayment means our covenant and policy headroom has also improved. • Higher inflation could fuel wage growth and costs leading to rate increases above current forecasts. • The Bank of England is expecting inflation to rise further this year and the economy to slow. However with interest rate adjustments the Bank of England expects inflation to fall next year and be close to its 2% target in around two years' time.

2. Political and regulatory Changes in UK Government policy, the adverse effects of Brexit on our tenants, or the impact of political uncertainty on consumers' retail and leisure spend.	• The Board regularly considers political and regulatory developments and the impact they could have on the Company's strategy and operating environment. • External advisers, including legal advisers, provide updates on emerging regulatory changes to ensure the business is prepared and is compliant. • We regularly assess market research to gauge the impact of regulatory change on consumer habits. • We carry out stress testing on our portfolio in relation to regulatory changes which may impact our operations or financial position. • Where appropriate, we participate in industry and other representative bodies to contribute to policy and regulatory debate. Individual ExCo constituents are members of the BPF and the High Street Task Force.	• Political and regulatory risk has decreased slightly during the year and is considered a **medium to high impact** risk with a **medium to high probability**. • Political uncertainty surrounding COVID-19 has improved with the roll out of vaccinations and opening up of all restrictions. • There still remain uncertainties around the longer-term impacts of Brexit and also uncertainties relating to the possibility of Scottish Devolution. • The Coronavirus Act imposed a moratorium on landlords' ability to forfeit leases of commercial property for non-payment of rent in England and Wales and Northern Ireland. This moratorium expired on 31 March 2022. • There are further uncertainties around the Government review of the Landlord and Tenant Act 1954. • There are now also uncertainties around the impact of the Levelling Up and Regeneration Bill. • The impact on the property market of the Register of Overseas Entities owning UK property is currently unclear.
3. Catastrophic external event An external event such as civil unrest, a civil emergency including a large-scale terrorist attack or pandemic, could severely disrupt global markets and cause damage and disruption to our assets.	• The Board has developed a comprehensive crisis response plan which details actions to be taken at a head office and asset-level. • The Board regularly monitors the Home Office terrorism threat level and other security guidance. • The Board regularly monitors advice from the UK Government regarding pandemic responses and emergency procedures at our assets are regularly tested and enhanced in-line with the latest UK Government guidance. • We have robust IT security systems which cover data security, disaster recovery and business continuity plans. • The business has comprehensive insurance in place to minimise the cost of damage and disruption to assets.	• Catastrophic external event risk has been decreased during the year and is considered a **high impact** risk with a **medium to high probability**. • The impact of COVID-19 caused unprecedented economic and operational disruption. We mitigated the impact through our portfolio positioning focusing on essential goods and services, our cash position and liquidity and our active approach to asset management. • COVID-19 has also demonstrated the effectiveness of home working for the business, which has ensured preparedness for any future lockdowns or restrictions. • The successful roll out of vaccinations and the opening up of restrictions was positive and our operational performance has proved the resilience of our portfolio. • The National Terrorism Threat Level is substantial and the impact from the war in Ukraine is unclear.
4a. Climate change strategy A failure to implement appropriate climate risk management measures, comply with evolving regulations and meeting our ESG targets could impact the operation and value of our assets, leading to a risk of asset obsolescence, reputational damage and erosion of investor value.	• We have a comprehensive ESG programme which is regularly reviewed by the Board and Executive Committee. A detailed overview of the programme can be found in the ESG section of this report. • One of the key objectives of the programme is to minimise our impact on the environment through reducing energy consumption, sourcing from renewable sources and increased recycling. • We have developed our Pathway to Net Zero Carbon and set new medium and long-term targets in line with the latest science-based targets. • ESG performance is independently reviewed by our external environmental consultants and is measured against applicable targets and benchmarks. • We continue to report in line with TCFD requirements.	• The climate change risk has been separated into two risks to focus on its constituent parts (Climate change strategy and Climate change impacts on our assets). • Climate change risk remained the same during the period and is considered a **medium to high impact** risk with a **medium to high probability**. • ESG has risen up the agenda of many stakeholders and expectations of compliance with best practice have increased. • Regulatory requirements have also increased during the period, in addition to the scoring criteria for certain ESG benchmarks such as GRESB. • Our ESG Committee pre-empted these changes and our initiatives and disclosure continue to evolve in-line with best practice. • ESG is embedded into capital allocations and is considered for all future acquisitions.

4b. Climate change impacts on our assets Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets**.**	• We regularly assess assets for environmental risk and ensure sufficient insurance is in place to minimise the impact of environmental incidents. • In conjunction with insurers flood risk assessments have been carried out at all of our assets and considered low.	• The climate change risk has been separated into two risks to focus on its constituent parts (Climate change strategy and Climate change impacts on our assets). • Climate change impacts on our assets risk remained the same during the period and is considered a **medium to high impact** risk with a **medium to low probability.** • Although exposure to extreme weather events is a near-term risk, other climate impacts such as heat stress and sea level rises are medium-term or long-term time horizons. Whilst their impact is high, their probability imminently is low. Climate impacts are embedded into capital allocation decisions and considered for all future acquisitions of both equipment installed at the assets and for the assets themselves.
5. Changes in technology and consumer habits and deomographics Changes in the way consumers live, work, shop and use technology could have an adverse impact on demand for our assets.	• The Board and Executive Committee regularly assess our overall corporate strategy and acquisition, asset management and disposal decisions in the context of current and future consumer demand. Our strategy is designed to focus on resilient assets that take into account these future changes. • We closely assess the latest trends reported by CACI, our research provider, to ensure we are aligned with evolving consumer trends. • Our retail portfolio is focused on essential spending on goods and services which are resilient to the growth of online retail. • Our retail parks are ideally positioned to help retailers with their multi-channel retail strategies.	• Changes in technology and consumer habits risk has increased during the year and is considered a **low-medium impact** risk with a **high probability**. • Although COVID-19 lockdown restrictions significantly increased home working and online shopping, we expect some of this to unwind in the short term but consumer habits will evolve over the medium term. • Our portfolio is focused on providing essential retail to local communities, which continues to mitigate the impact of online retail on our portfolio. • While COVID-19 may have accelerated the trend to online shopping this provides opportunities for our portfolio, particularly retail parks and local community shopping centres. • Our strategy is to reshape our portfolio to ensure over the longer term we have the most resilient retail portfolio in the UK.
6. Cyber security A cyber attack could result in the Group being unable to use its IT systems and/or losing data. This could delay reporting and divert management time. This risk could be increased due to many employees working from home during the pandemic.	• There are limited IT servers on sites. • Multiple third-party supplier programmes are used which have their own security systems and are independently audited by Deloitte and ISO2000 accredited. • ExCo receives quarterly reporting on IT matters. • Security protocols are in place to ensure swift changes to data access following staff changes and authority limit access. • We have reviewed our IT systems and have enhanced a number of areas during the year. • Cyber insurance cover is in place. • We have recently carried out an external review of the Group's IT security and systems as part of our internal audit process.	• This was a new Principal Risk in 2021 and has remained unchanged during the year. Whilst this risk has always been recorded and monitored on our risk register its prominence was elevated in 2021 because one of our third-party suppliers experienced a cyber security incident. No data breaches were found but our normal reporting systems were slower while the incident was being investigated. • This risk could also be increased due to employees working from home during the pandemic. Staff continue to work from home on a flexible basis.

Operational Risks

Risk and impact	Monitoring and management	Change in risk assessment during the period
7. People The inability to attract, retain and develop our people and ensure we have the right skills in place could prevent us from implementing our strategy.	• Attracting, retaining and developing talent is core to our HR strategy, which is regularly reviewed by the Board and Executive Committee. • We undertake an extensive Employee Engagement Survey once a year to gauge employee views on leadership, company culture, health and wellbeing, personal growth and benefits and recognition. This informs any changes to HR policy. • We regularly benchmark our pay and benefits against those of peers and the wider market. • Succession planning is in place for all key positions and is reviewed regularly by the Nomination Committee. • Longer notice periods are in place for key employees. • Our recruitment policies consider the needs of the business today and our aspirations for the future, whilst ensuring our unique corporate culture is maintained.	• People risk has increased during the year and is considered a **medium impact** risk with a **medium probability**. • It remains a challenging operating environment for the Company, which could present some issues in attracting and retaining talent. Inflation will also put pressure on salary costs and demands. This impact is mitigated by an active employee engagement programme and the alignment of reward with both individual and Company-level performance. • We continue to focus on staff wellbeing and actively seek regular feedback from staff. • We also offer many forms of flexible working including job share, annualised hours, variation of hours and working from home. Since the pandemic we have implemented a policy of working enabling staff to work from home a number of days a week should they choose to do so.
8. Financing If gearing levels become higher than our risk appetite or lead to breaches in bank covenants this would impact our ability to implement our strategy. The business could also struggle to obtain funding or face increased interest rates as a result of macroeconomic factors.	• The Board regularly assesses Company financial performance and scenario testing, covering levels of gearing and headroom to financial covenants and assessments by external rating agencies. • The Company has a programme of active engagement with key lenders and shareholders. • The Company has a wholly unsecured balance sheet, which mitigates the risk of a covenant breach caused by fluctuations in individual property valuations. • The Company has long-dated maturity on its debt, providing sufficient flexibility for refinancing. • Working capital and cashflow analysis and detailed forward assessments of cashflows are regularly reviewed by the Executive Committee. • Our credit rating is independently assessed by Fitch Ratings at least annually	• Financing risk has reduced during the year and is considered a **low to medium impact** risk with a **low to medium probability**. • Although macroeconomic developments, particularly in the wake of COVID-19 and an increase in inflation have impacted financial markets, the strength of the Company's unsecured balance sheet means we have significantly mitigated the risk of not being able to secure sufficient financing. • The strength of the Company Balance sheet improved further with the sale of the Hawthorn Pub business in August 2021. • The Company has also extended the maturity on its undrawn Revolving Credit Facility to August 2024. • There is no exposure to interest rate rises on drawn debt. • Through its asset disposal programme strategy the Company has managed to mitigate the impact COVID-19 might otherwise have had on its cash and liquidity position and LTV.

9. Asset management The performance of our assets may not meet with the expectations outlined in their business plans, impacting financial performance and the ability to implement our strategies.	• Asset-level business plans are regularly reviewed by the asset management team and the Executive Committee and detailed forecasts are updated frequently. • The Executive Committee reviews whole portfolio performance on a quarterly basis to identify any trends that require action. • Our asset managers are in contact with centre managers and occupiers on a daily basis to identify potential risks and improvement areas. • Revenue collection is reviewed regularly by the Executive Committee. • Retailer concentration risk is monitored, with a guideline that no retailer will account for more than 5% of gross income (currently largest retailer is B&M accounting for 2.9% of gross income)	• Asset management risk has decreased during the year and is considered a **medium to high impact** risk with a **medium probability**. • The COVID-19 pandemic placed restrictions on the operations of our occupiers and impacted performance and rent collection at our assets. • These have improved greatly and are now close to pre-pandemic levels. • There have, however, been a number of high-profile retail failures since the beginning of the pandemic, including amongst our occupier base. • Our COVID-19 response was focused on supporting occupiers and ensuring businesses could emerge from the crisis in robust financial shape. • The successful roll out of vaccinations and the opening up of restrictions was positive and our operational performance has proved the resilience of our assets.
10. Development Delays, increased costs and other challenges could impact our ability to pursue our development pipeline and therefore our ability to profitably recycle development sites and achieve returns on development.	• We apply a risk-controlled development strategy through negotiating long-dated pre-lets for the majority of assets. • All development is risk-controlled and forms only 3% of the portfolio by value. • Capital deployed is actively monitored by the Executive Committee, following detailed due diligence modelling and research. • An experienced development team monitors on-site development and cost controls. • On large scale developments where construction is more than 12 months we look to carry out the project in partnership and/or forward sell.	• Development risk has remained unchanged through the period and is considered a low to **medium impact** risk with a **low to medium probability**. • Supply issues and increases in costs of building supplies will impact developments, as they remain a small part of portfolio the overall impact is low. • A number of our regeneration assets have been sold which decreases the proportion of assets focused on development which inherently reduces risk exposure.
11. Acquisition The performance of asset and corporate acquisitions might not meet with our expectations and assumptions, impacting our revenue and profitability.	• We carry out thorough due diligence on all new acquisitions, using data from external advisers and our own rigorous in-house modelling before committing to any transaction. Probability-weighted analysis takes account of these risks. • Acquisitions are subject to approval by the Board and Executive Committee, who are highly experienced in the retail sector. • We have the ability to acquire in joint ventures, thereby sharing risk.	• Acquisition risk has increased through the year and is considered a **low to medium impact** risk with a **medium probability**. • The lack of supply and relative price of some assets may reduce opportunities for acquisition. • Having sold the Hawthorn pub business and completed planned retails disposals, we are now in the position to deploy capital in line with our returns-focussed approach to capital allocation and subject to our LTV guidance.
12. Disposal We may face difficulty in disposing of assets or realising their fair value, thereby impacting profitability and our ability to reduce debt levels or make further acquisitions.	• Our portfolio is focused on high-quality assets with low lot sizes, making them attractive to a wide pool of buyers. • Assets are valued every six months by external valuers, enabling informed disposal pricing decisions. • Disposals are subject to approval by the Board and Executive Committee, who are highly experienced in the retail sector. • Our portfolio is large and our average asset lot size is small, meaning that each asset represents only a small proportion of revenues and profits, thereby mitigating the impact of a sale not proceeding.	• Disposal risk has remained unchanged during the year and is considered a **low to medium impact** risk with a **medium probability**. • National and geopolitical uncertainty and COVID-19 increased market uncertainty are causing some purchasers to reconsider or delay acquisition decisions. • We have an active and successful disposal programme, with the volume of transactions being completed naturally increasing disposal risk. The average lot size however is lower than most in the market so tends to be more liquid.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

		Year ended 31 March 2022			Year ended 31 March 2021 (Re-presented)*		
Continuing Operations	Notes	**Operating and financing 2022 £m**	**Fair value adjustments 2022 £m**	**Total 2022 £m**	Operating and financing 2021 £m	Fair value adjustments 2021 £m	Total 2021 £m
Revenue	4	**73.7**	**–**	**73.7**	73.1	–	73.1
Property operating expenses**	5	**(25.5)**	**–**	**(25.5)**	(30.1)	–	(30.1)
Net property income		**48.2**	**–**	**48.2**	43.0	–	43.0
Administrative expenses	6	**(13.4)**	**–**	**(13.4)**	(12.7)	–	(12.7)
Other income	7	**–**	**–**	**–**	2.7	–	2.7
Share of income from joint ventures	15	**1.1**	**2.9**	**4.0**	2.3	1.2	3.5
Share of income from associates	16	**0.2**	**2.9**	**3.1**	0.1	0.6	0.7
Net property valuation movement	14	**–**	**(12.3)**	**(12.3)**	–	(131.5)	(131.5)
Loss on disposal of subsidiary	8	**–**	**–**	**–**	(2.2)	–	(2.2)
Loss on disposal of investment properties	9	**(4.2)**	**–**	**(4.2)**	(4.1)	–	(4.1)
Operating profit / (loss)		**31.9**	**(6.5)**	**25.4**	29.1	(129.7)	(100.6)
Finance income	10	**1.4**	**–**	**1.4**	0.3	–	0.3
Finance costs	10	**(19.8)**	**–**	**(19.8)**	(23.1)	–	(23.1)
Profit / (loss) for the year before taxation		**13.5**	**(6.5)**	**7.0**	6.3	(129.7)	(123.4)
Taxation	11	**–**	**–**	**–**	1.3	–	1.3
Profit / (loss) for the year after taxation from continuing operations		**13.5**	**(6.5)**	**7.0**	7.6	(129.7)	(122.1)
Loss for the year after taxation from discontinued operations	3	**(31.7)**	**(1.9)**	**(33.6)**	(6.6)	(21.8)	(28.4)
(Loss) / profit for the year		**(18.2)**	**(8.4)**	**(26.6)**	1.0	(151.5)	(150.5)
Other comprehensive loss							
Revaluation of property, plant and equipment - discontinued operations				**–**			(0.5)
Other movement- discontinued operations				**–**			0.2
Total comprehensive loss for the year				**(26.6)**			(150.8)
Comprehensive loss for the year – discontinued operations				**(33.6)**			(28.7)
Comprehensive profit / (loss) for the year – continuing operations				**7.0**			(122.1)
Total comprehensive loss for the year				**(26.6)**			(150.8)
Earnings / (loss) per share – continuing operations							
Basic (pence)	12			**2.3**			(39.8)
Diluted (pence)	12			**2.3**			(39.8)
Loss per share							
Basic (pence)	12			**(8.6)**			(49.1)
Diluted (pence)	12			**(8.6)**			(49.1)

*Re-presentation relates to the sale of Hawthorn which was completed on 20 August 2021 and has been presented as a discontinued operation above, please see note 3. All other activities derive from continuing operations of the Group.

**Included in property operating expenses is a loss allowance reversal of £0.3 million (2021: £7.0 million charge (re-presented)) of expected credit loss relating to debtors for continuing operations.

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £m	2021 £m
Non-current assets			
Investment properties	14	**684.6**	934.9
Right of use asset	24	**0.2**	3.5
Investments in joint ventures	15	**24.0**	25.6
Investments in associates	16	**7.9**	5.3
Property, plant and equipment	17	**0.7**	54.1
Goodwill		**–**	0.5
Total non-current assets		**717.4**	1,023.9
Current assets			
Trade and other receivables	18	**18.9**	26.0
Cash and cash equivalents	21	**82.8**	150.5
Total current assets		**101.7**	176.5
Assets held for sale	19	**–**	25.5
Total assets		**819.1**	1,225.9
Equity and liabilities			
Current liabilities			
Trade and other payables	22	**33.5**	46.9
Lease liability	24	**0.7**	0.7
Total current liabilities		**34.2**	47.6
Non-current liabilities			
Derivative financial instruments	20	**–**	2.6
Deferred tax liability	11	**–**	0.7
Lease liability	24	**75.0**	84.9
Borrowings	23	**295.8**	629.7
Total non-current liabilities		**370.8**	717.9
Net assets		**414.1**	460.4
Equity			
Share capital	25	**3.1**	3.1
Share premium	25	**1.1**	227.4
Merger reserve	25	**(2.3)**	(2.3)
Retained earnings and other reserves	25	**412.2**	232.2
Total equity		**414.1**	460.4
Net Asset Value (NTA) per share (pence)			
Basic	12	**135p**	150p
Diluted	12	**134p**	150p
EPRA NTA	12	**134p**	151p

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £m	2021 £m
Cash flows from operating activities		
Profit / (loss) for the year before taxation – continuing operations	7.0	(123.4)
Loss for the year before taxation – discontinued operations	(31.7)	(29.8)
Loss for the year before taxation	(24.7)	(153.2)
Adjustments for:		
Loss on disposal of investment property	3.4	5.5
Loss on disposal of Hawthorn	39.7	–
Loss on disposal of subsidiary	–	2.2
Net valuation movement	12.3	154.7
Net valuation movement in joint ventures	(2.9)	(1.2)
Net valuation movement in associates	(2.9)	(0.6)
Share of income from joint ventures	(1.1)	(2.3)
Share of income from associates	(0.2)	(0.1)
Net interest expense	18.4	22.8
Rent free lease incentives	(1.4)	(2.6)
Movement in expected credit loss	(0.3)	7.1
Amortisation of legal and letting fees	0.1	0.2
Depreciation on property plant and equipment	1.2	1.9
Share based-payment expense	0.9	0.6
Cash generated from operations before changes in working capital	42.5	35.0
Changes in working capital		
Decrease / (increase) in trade and other receivables	9.7	(8.2)
Increase in payables and other financial liabilities	7.6	2.2
Cash generated from operations	59.8	29.0
Interest paid	(20.3)	(22.1)
Corporation tax received	–	1.7
Dividends received from joint ventures	5.6	–
Dividends received from associates	2.0	–
Net cash generated from operating activities	47.1	8.6
Cash flows from investing activities		
Cash proceeds net of cash disposed and transaction costs from disposal of subsidiaries	196.0	38.5
Interest income	0.4	0.3
Investment in associate investments	(4.0)	(2.4)
Disposal of associate investments	2.5	–
Purchase of investment properties	(7.3)	–
Disposal of investment properties	65.2	40.1
Development and other capital expenditure	(9.6)	(10.0)
Purchase of plant and equipment	(3.0)	(3.3)
Net cash generated from investing activities	240.2	63.2
Cash flows from financing activities		
Repayment of bank loans	(335.0)	–
Repayment of principal portion of lease liability	(0.7)	(0.7)
Dividends paid – ordinary	(19.3)	(1.4)
Net cash generated used in financing activities	(355.0)	(2.1)
Cash and cash equivalents at beginning of the year	150.5	80.8
Net (decrease) / increase in cash and cash equivalents	(67.7)	69.7
Cash and cash equivalents at 31 March	82.8	150.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings and other reserves £m	Total £m
As at 1 April 2020		3.1	227.4	(2.3)	382.4	610.6
Loss for the year after taxation						
- continuing operations		–	–	–	(122.1)	(122.1)
- discontinued operations		–	–	–	(28.4)	(28.4)
Loss for the year after taxation		–	–	–	(150.5)	(150.5)
Other movements		–	–	–	0.2	0.2
Revaluation of property, plant and equipment	17	–	–	–	(0.5)	(0.5)
Total comprehensive loss for the year		–	–	–	(150.8)	(150.8)
Transactions with equity holders						
Share-based payments		–	–	–	0.6	0.6
As at 31 March 2021		**3.1**	**227.4**	**(2.3)**	**232.2**	**460.4**
Profit / (loss) for the year after taxation						
- continuing operations		**–**	**–**	**–**	**7.0**	**7.0**
- discontinued operations		**–**	**–**	**–**	**(33.6)**	**(33.6)**
Loss for the year after taxation		**–**	**–**	**–**	**(26.6)**	**(26.6)**
Transactions with equity holders						
Transfer from share premium	25	**–**	**(227.4)**	**–**	**227.4**	**–**
Issue of new shares		**–**	**1.1**	**–**	**–**	**1.1**
Share-based payments		**–**	**–**	**–**	**0.9**	**0.9**
Dividends paid		**–**	**–**	**–**	**(21.7)**	**(21.7)**
As at 31 March 2022		**3.1**	**1.1**	**(2.3)**	**412.2**	**414.1**

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

General information
NewRiver REIT plc (the 'Company') and its subsidiaries (together the 'Group') is a property investment group specialising in commercial real estate in the UK. The Company is registered and domiciled in the UK and the registered office of the Company is 16 New Burlington Place, London, W1S 2HX.

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

Basis of preparation
These consolidated financial statements have been prepared on the going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006.

Discontinued operations
On 20 August 2021, the Group sold its pub segment, Hawthorn, which constituted a major line of business. As such the comparative information has been re-presented to show the results of Hawthorn as a discontinued operation. Further details can be found in notes 3 and 8.

Going concern
The Group's going concern assessment considers the Group's principal risks, and is dependent on a number of factors, including cashflow and liquidity, continued access to borrowing facilities and the ability to continue to operate the Group's unsecured debt structure within its financial covenants. The Group's balance sheet is unsecured, which means that none of its debt is secured against any of its property assets. This type of financing affords significant operational flexibility, and consists of a £125 million (plus £50 million accordion, at lenders' consent) of undrawn revolving credit facility ('RCF') and a £300 million unsecured corporate bond. The undrawn RCF matures in August 2024, and the bond in March 2028. The debt has financial covenants that the Group is required to comply with including an LTV covenant of less than 60% on the RCF (65% on the bond), and a 12 month historical interest cover ratio of more than 1.75x on the RCF (1.50x on the bond), and both sources of unsecured financing have cure provisions in the event of a breach.

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

- Capital values to remain flat throughout the forecast horizon, in contrast to the growth noted in 2H22 of +2.6% across the portfolio and the upward trend noted in the Core and Retail park assets across FY22;
- A 15% reduction in net income. This reflects a significant downside to rental agreements re-geared or re-negotiated throughout the pandemic given that 94% of rents relating to FY21 were collected or alternative payments agreed at the time of reporting despite the multiple national lockdowns in place throughout the year; FY22 rent collection or alternative payments agreed is 96%, whilst 1Q23 rent collection or alternative payments agreed is 91% at the time of reporting demonstrating continued high rent collection rates during the Covid recovery period;
- No disposal proceeds are assumed throughout the forecast period which have not yet completed at the time of reporting, despite the completion of £77 million of disposals during FY22, and £20 million of retail disposals now under offer or exchanged and a further £17m in active discussions at the date of approval of these financial statements. Similarly, no assumption is made for the deployment any surplus capital available as at 31 March 2022 and the growth and returns that would otherwise generate.

Under this scenario, the Group is forecast to maintain sufficient cash and liquidity resources and remain compliant with its financial covenants over the going concern period. Further stress testing was performed on this scenario which demonstrated that the Group's drawn debt covenants could absorb a further valuation decline of 38% and a further 39% reduction in annual net rental income before breaching covenant levels. The Group maintains sufficient cash and liquidity reserves to continue in operation and pay its liabilities as they fall due throughout the going concern assessment period and as such the Directors conclude a going concern basis of preparation is appropriate.

Cash flow statement
The Group has reported the cash flows from operating activities using the indirect method. Interest received is presented within investing cash flows; interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

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

The consolidated financial statements account for interest in joint ventures and associates using the equity method of accounting per IFRS 11 and IAS 28 respectively. The financial statements for the year ended 31 March 2022 have been prepared on the historical cost basis, except for the revaluation of investment properties, the revaluation of property, plant and equipment and derivatives which are held at fair value through profit and loss.

New accounting polices

The Group has adopted the following amendments for the first time in the year ended 31 March 2022:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Covid-19-Related Concessions beyond 30 June 2021 (Amendment to IFRS 16)

Adopting these amendments has not impacted amounts recognised in prior periods or are expected to have a material impact on the current period or future periods based on the Group's current strategy. The accounting policies used are otherwise consistent with those contained in the Group's previous Annual Report and Accounts for the year ended 31 March 2021.

Standards and amendments issued but not yet effective

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

Effective for the year ended 31 March 2023

- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

Effective for the year ended 31 March 2024

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax – Related to assets and liabilities arising from a single transactions (Amendments to IAS12)
- Disclosure of Accounting Policies (Amendments to IAS 1)

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

Revenue recognition

Rental income

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

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

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

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

Service charge income

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

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

Managed pub income

Managed pub income relates to income received in the pub business relating to food, drinks and machine income. The revenue from drink and food is recognised at the point at which the goods are provided. The revenue earned from machines is recognised in the period in which it relates.

In the Group's pub business, revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. This forms part of discontinued operations.

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

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

Pub turnover related rent
Pub turnover related rent relates to the margin earnt on the sale of wet products and is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business. This forms part of discontinued operations in the current and prior year.

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

Government grants
Monetary resources transferred to the Group by the government, government agencies or similar bodies are recognised at fair value, when the Group is reasonably certain that the grant will be received. Grants are recognised in the profit and loss account within other income, on a systematic basis, over the same period during which the expenses, for which the grant was intended to compensate, are recognised.

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

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

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

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

Taxation

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

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

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

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised over the useful lives of the equipment, using the straight-line method at a rate of between 10% to 25% depending on the useful life.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

Joint ventures

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

Associates

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

Leases

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

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

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

Each lease payment is allocated between the liability and finance cost. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined or if not, the incremental borrowing rate is used at 3.2%. The finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period.

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

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

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

Financial instruments

Financial assets

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

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

Cash and cash equivalents

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

Financial liabilities

Financial liabilities are classified at fair value through profit or loss or as other liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

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

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

The fair values of derivative financial liabilities are determined as follows:

Interest rate swaps and caps are measured using the midpoint of the yield curve prevailing on the reporting date. The valuations do not include accrued interest from the previous settlement date to the reporting date. The fair value represents the net present value of the difference between the contracted rate and the valuation rate when applied to the projected balances for the period from the reporting date to the contracted expiry dates.

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

Value added tax

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

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

Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

Share capital

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

Share-based payments

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

Employee Benefit Trust

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

Dividends

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

Business combinations

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

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

2. Critical accounting judgements and estimates

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

Significant judgements

REIT Status

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

Sources of estimation uncertainty

Investment property

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

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

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

3. Segmental reporting and discontinued operations

The Group's operations were organised into two operating segments, being investment in retail property and in pubs. The retail investments comprise shopping centres, retail parks and high street stores. On 20 August 2021, the Group disposed of its pub segment. This has therefore been classified as discontinued operations. The pub investments consisted of community public houses. All of the Group's operations are in the UK and therefore no geographical segments have been identified.

The relevant gross revenue, net rental income and property and other assets, being the measures of segment revenue, segment result and segment assets used by the management of the business, are set out below. The results include the Group's share of assets and results from properties held in joint ventures and associates.

The segmental information is presented for the period the Group owned the pubs up to 20 August 2021. Since this date, the Group is a single segment business focused on retail.

For ease of presentation, the breakdown of the pubs results presented as a single line on the face of the Consolidated Statement of Comprehensive Income are set out in the table below.

	2022			2021		
Segment revenues and result	**Retail £m**	**Pubs £m**	**Group £m**	Retail £m	Pubs £m	Group £m
Property rental and related income	**57.7**	**2.3**	**60.0**	61.1	4.4	65.5
Managed pub income	**–**	**15.8**	**15.8**	–	9.1	9.1
Turnover related rent	**–**	**–**	**–**	–	4.5	4.5
Service charge income	**14.6**	**–**	**14.6**	11.6	–	11.6
Amortisation of tenant incentives and letting costs	**(1.3)**	**–**	**(1.3)**	(1.8)	–	(1.8)
Asset management fees	**1.9**	**–**	**1.9**	1.2	–	1.2
Surrender premiums and commissions	**0.8**	**–**	**0.8**	1.0	–	1.0
Segment revenue	**73.7**	**18.1**	**91.8**	73.1	18.0	91.1
Service charge expense	**(20.3)**	**–**	**(20.3)**	(17.5)	–	(17.5)
Rates	**(1.8)**	**(0.1)**	**(1.9)**	(2.2)	(0.3)	(2.5)
Other property operating expenses	**(3.4)**	**(10.8)**	**(14.2)**	(10.4)	(16.7)	(27.1)
Property operating expenses	**(25.5)**	**(10.9)**	**(36.4)**	(30.1)	(17.0)	(47.1)
Administrative expenses	**(13.4)**	**(4.8)**	**(18.2)**	(12.7)	(10.7)	(23.4)
Other income	**–**	**4.8**	**4.8**	2.7	4.5	7.2
Segment result	**34.8**	**7.2**	**42.0**	33.0	(5.2)	27.8
Share of joint ventures' and associates' profit after tax	**7.1**	**–**	**7.1**	4.2	–	4.2
(Loss) / profit on disposal of investment properties	**(4.2)**	**0.8**	**(3.4)**	(4.1)	(1.4)	(5.5)
Loss on disposal of subsidiaries	**–**	**(39.7)**	**(39.7)**	(2.2)	–	(2.2)
Finance income	**0.4**	**–**	**0.4**	0.3	–	0.3
Finance costs	**(18.9)**	**–**	**(18.9)**	(23.2)	–	(23.2)
Net valuation movement	**(12.3)**	**–**	**(12.3)**	(131.5)	(23.2)	(154.7)
Changes in fair value of financial instruments and associated close out costs	**0.1**	**–**	**0.1**	0.1	–	0.1
Taxation	**–**	**(1.9)**	**(1.9)**	1.3	1.4	2.7
Profit / (loss) for the year after taxation	**7.0**	**(33.6)**	**(26.6)**	(122.1)	(28.4)	(150.5)

Segment assets	2022				2021			
	Retail £m	**Pubs £m**	**Unallocated £m**	**Group £m**	Retail £m	Pubs £m	Unallocated £m	Group £m
Non-current assets								
Investment properties	**684.6**	**–**	**–**	**684.6**	739.3	195.6	–	934.9
Investments in joint ventures	**24.0**	**–**	**–**	**24.0**	25.6	–	–	25.6
Investment in associates	**7.9**	**–**	**–**	**7.9**	5.3	–	–	5.3
Public houses	**–**	**–**	**–**	**–**	–	52.7	–	52.7
Property, plant and equipment	**0.7**	**–**	**–**	**0.7**	–	–	1.4	1.4
Other non-current assets	**0.2**	**–**	**–**	**0.2**	–	–	4.0	4.0
Total non-current assets				**717.4**				1,023.9
Current assets								
Trade and other receivables	**18.9**	**–**	**–**	**18.9**	25.1	0.9	–	26.0
Cash and cash equivalents	**82.8**	**–**	**–**	**82.8**	–	–	150.5	150.5
Assets held for sale	**–**	**–**	**–**	**–**	25.5	–	–	25.5
Total current assets including assets held for sale				**101.7**				202.0
Segment assets	**819.1**	**–**	**–**	**819.1**	820.8	249.2	155.9	1,225.9

4. Revenue

	2022 £m	2021 £m
Property rental and related income*	**57.7**	61.1
Amortisation of tenant incentives and letting costs	**(1.3)**	(1.8)
Surrender premiums and commissions	**0.8**	1.0
Rental related income	**57.2**	60.3
Asset management fees	**1.9**	1.2
Service charge income	**14.6**	11.6
Revenue	**73.7**	73.1

*Included within property rental and related income is car park income of £4.9 million (2021: £2.7 million) which falls under the scope of IFRS 15. The remainder of the income is covered by IFRS 16.

Asset management fees, managed pub income (now within discontinued operations) and service charge income which represents the flow through costs of the day-to-day maintenance of shopping centres falls under the scope of IFRS 15. Refer to accounting policies in Note 1.

5. Property operating expenses

	2022 £m	2021 £m
Service charge expense	**20.3**	17.5
Rates on vacant units	**1.8**	2.2
Expected credit loss (reversal) / charge	**(0.3)**	7.0
Other property operating expenses	**3.7**	3.4
Property operating expenses	**25.5**	30.1

6. Administrative expenses

	2022 £m	2021 £m
Wages and salaries	**5.1**	4.8
Social security costs	**0.7**	0.8
Other pension costs	**0.1**	0.2
Staff costs	**5.9**	5.8
Depreciation	**0.1**	0.4
Share-based payments	**0.9**	0.6
Other administrative expenses	**5.6**	5.6
Abortive costs	**–**	0.3
Restructuring costs*	**0.9**	–
Administrative expenses	**13.4**	12.7

*During the year the Group incurred restructuring costs totalling £0.9 million (2021: £nil) in relation to employee related matters following the sale of Hawthorn.

Net administrative expenses ratio is calculated as follows:

	2022 £m	2021 £m
Administrative expenses	**13.4**	12.7
Adjust for:		
Asset management fees	**(1.9)**	(1.2)
Share of joint ventures' and associates administrative expenses	**0.2**	0.2
Share based payments	**(0.9)**	(0.6)
Restructuring costs	**(0.9)**	(0.3)
Group's share of net administrative expenses – continuing operations	**9.9**	10.8
Group's share of net administrative expenses – discontinued operations	**4.2**	9.5
Group's share of net administrative expenses – Reported Group	**14.1**	20.3
Property rental and related income*	**58.0**	55.9
Share of joint ventures' and associates' property income	**3.9**	3.9
Property rental, other income and related income – continuing operations	**61.9**	59.8
Property rental, other income and related income – discontinued operations	**21.4**	21.7
Property rental, other income and related income – Reported Group	**83.3**	81.5
Net administrative expenses as a % of property income (including share of joint ventures and associates) – continuing operations	**16.0%**	18.1%
Net administrative expenses as a % of property income (including share of joint ventures and associates) – Reported Group	**16.9%**	24.9%

*This balance includes an expected credit reversal/(loss) of £0.3 million (2021: £(5.0) million), which excludes the £0.2 million reversal (2021: £(0.6) million charge) forward looking element of the calculation and includes the expected credit loss held in joint ventures and associates of £(0.2) million (2021: £(0.3) million).

Average monthly number of staff - continuing

	2022	2021
Directors	**7**	7
Operations and asset managers	**17**	17
Support functions	**32**	31
Total	**56**	55

On disposal of Hawthorn 101 employees were employed by subsidiaries that were sold on 20 August 2021.

Auditors' remuneration

	2022 £'000	2021 £'000
Audit of the Company and consolidated financial statements	**310**	315
Audit of subsidiaries, pursuant to legislation	**200**	235
	510	550
Non-audit fees – interim review	**95**	100
Total fees	**605**	650

In addition to this the joint ventures and associates paid £103k (2021: £82k) in audit fees.

7. Other income

	2022 £m	2021 £m
Insurance proceeds	**–**	2.7
Other income	**–**	2.7

8. Loss on disposal of subsidiary

Year ended 31 March 2022

Hawthorn

On 20 August 2021 NewRiver REIT plc ('NRR') completed the sale of the entire issued share capital of Hawthorn Leisure REIT Limited ('Hawthorn'), the entity that held, either directly or indirectly through its wholly-owned subsidiaries, NewRiver's entire community pub business to AT Brady Bidco Limited. Financial performance for the period to 20 August 2021 is included in Note 3 – Segmental reporting and discontinued operations.

Subsidiaries disposed

- Hawthorn Leisure REIT Limited
- Hawthorn Leisure (Bravo Inns) Limited
- Bravo Inns Limited
- Bravo Inns II Limited
- Hawthorn Leisure Community Pubs Limited
- Hawthorn Leisure (Mantle) Limited
- Hawthorn Leisure Public Houses Limited
- Hawthorn Leisure Holdings Limited
- Hawthorn Leisure Limited
- Hawthorn Leisure Acquisitions Limited
- Hawthorn Leisure Honey Limited
- Hawthorn Leisure Management Limited
- Hawthorn Leisure Scotco Limited
- NewRiver Retail Holdings No 4 Limited
- NewRiver Retail Holdings No 7 Limited
- NewRiver Retail Property Unit Trust No 4

	2022 £m
Gross disposal proceeds	**224.0**
Net assets disposed of:	
Investment property	**(202.3)**
Managed houses	**(53.8)**
Property, plant and equipment	**(1.2)**
Cash	**(16.6)**
Other net liabilities	**19.9**
Carrying value	**(254.0)**
Loss on disposal of subsidiary before transaction costs	**(30.0)**
Transaction costs	**(9.7)**
Loss on disposal of subsidiary (discontinued operations – Note 3)	**(39.7)**

Cash flows from discontinued operations	Year ended	
	31 March 2022 £m	**31 March 2021 £m**
Cash flows from operating activities	**13.8**	12.1
Cash flows from investing activities	**187.9**	(10.4)
Total cash flows from discontinued operations	**201.7**	1.7

Year ended 31 March 2021

On 30 September 2020, the Group disposed of a subsidiary which owned Sprucefield Retail Park for gross disposal proceeds of £38.5 million with a carrying value of £40.7 million, resulting in a loss of £2.2 million. The Group then acquired a 10% interest, see note 16.

9. Loss on disposal of investment properties

	2022 £m	2021 £m
Gross disposal proceeds	**66.3**	27.8
Carrying value	**(68.9)**	(31.3)
Cost of disposal	**(1.6)**	(0.6)
Loss on disposal of investment properties	**(4.2)**	(4.1)

10. Finance income and finance costs

	2022 £m	2021 £m
Finance income		
Income from loans with joint ventures and associates	**(0.4)**	(0.3)
Write off of derivatives	**(1.0)**	–
Finance expense		
Interest on borrowings	**17.1**	20.2
Finance cost on lease liabilities	**2.7**	3.0
Revaluation of derivatives	**–**	(0.1)
Net finance expense	**18.4**	22.8

11. Taxation

	2022 £m	2021 £m
Current tax - prior year adjustment	–	(1.3)
Taxation (credit) – continuing	–	(1.3)
Taxation charge / (credit) – discontinued	**1.9**	(1.4)
Taxation charge / (credit) – Reported Group	**1.9**	(2.7)

	2022 £m	2021 £m
Loss before tax from continuing operations	**7.0**	(123.4)
Loss before tax from discontinuing operations	**(31.7)**	(29.8)
Loss before tax	**(24.7)**	(153.2)
Tax at the current rate of 19% (2021: 19%)	**(4.7)**	(29.1)
Revaluation of property	**2.3**	29.3
Movement in unrecognised deferred tax	**2.1**	2.2
Non-taxable loss on disposal of subsidiary	**7.6**	–
Non-taxable profit due to REIT regime	**(5.4)**	(6.7)
Non-deductible expenditure	–	2.9
Non-taxable income	**(0.8)**	–
Transfer pricing adjustment	**0.8**	–
Prior year adjustment	–	(1.3)
Taxation charge / (credit)	**1.9**	(2.7)

Real Estate Investment Trust regime (REIT regime)

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

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

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

Deferred tax

	31 March 2021 £m	Charge £m	Disposals £m	31 March 2022 £m
Deferred tax asset	–	–	–	–
Deferred tax liabilities	(0.7)	(1.9)	2.6	–
Net deferred tax	(0.7)	(1.9)	2.6	–

	31 March 2020 £m	Credit / (Charge) £m	Disposals £m	31 March 2021 £m
Deferred tax asset	1.2	(1.2)	–	–
Deferred tax liabilities	(3.3)	2.6	–	**(0.7)**
Net deferred tax	(2.1)	1.4	–	**(0.7)**

The deferred tax assets and liabilities have been calculated at the tax rate effective in the period that the tax is expected to crystallise. The Group has not recognised a deferred tax liability or deferred tax asset. As at 31 March 2022 the Group has unrecognised tax losses of £12.5 million (2021: £46.0 million). The losses have not been recognised as an asset due to uncertainty over the availability of taxable income to utilise the losses. The losses do not expire but are reliant on continuity of ownership and source of trade.

The Finance Act 2021, which was substantively enacted on 24 May 2021 and received Royal Assent on 10 June 2021, provided for an increase in the main rate of corporation tax from 19% to 25% for companies with profits in excess of £250,000 with effect from 1 April 2023. These changes have been taken into account in calculating the current year deferred tax charge. Deferred taxes at the balance sheet date have been measured using the expected enacted tax rate and this is reflected in these financial statements.

12. Performance measures

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

	Year ended 31 March 2022			Year ended 31 March 2021		
	Continuing* £m	Discontinued £m	Total £m	Continuing* £m	Discontinued £m	Total £m
Profit / (Loss) for the year after taxation	7.0	(33.6)	(26.6)	(122.1)	(28.4)	(150.5)
Adjustments						
Net valuation movement	12.3	–	12.3	131.5	23.2	154.7
Loss on disposal of investment properties	4.2	(0.8)	3.4	4.1	1.4	5.5
Changes in fair value of financial instruments and associated close out costs	(0.1)	–	(0.1)	(0.1)	–	(0.1)
Acquisition costs	–	–	–	–	0.1	0.1
Deferred tax	–	1.9	1.9	–	(1.4)	(1.4)
Loss on disposal of subsidiary	–	39.7	39.7	2.2	–	2.2
Group's share of joint ventures' and associates' adjustments						
Revaluation of investment properties	(5.8)	–	(5.8)	(1.8)	–	(1.8)
Revaluation of derivatives	(0.5)	–	(0.5)	0.2	–	0.2
Deferred tax	0.6	–	0.6	–	–	–
Loss on disposal of investment properties	1.2	–	1.2	–	–	–
EPRA earnings	18.9	7.2	26.1	14.0	(5.1)	8.9
Share-based payment charge	0.9	–	0.9	0.6	–	0.6
Forward looking element of IFRS 9**	(0.2)	–	(0.2)	0.6	–	0.6
Depreciation on public houses	–	0.4	0.4	–	1.1	1.1
Abortive costs	–	0.2	0.2	0.3	–	0.3
Restructuring costs***	0.9	–	0.9	–	–	–
Underlying Funds From Operations (UFFO)	20.5	7.8	28.3	15.5	(4.0)	11.5

* The continuing column reflects the full impact of the finance costs of £18.4 million (31 March 2021: £22.8 million).
** Forward looking element of IFRS 9 relates to a provision against debtor balances in relation to invoices in advance for future rental income. These balances are not due in the current year and therefore no income has yet been recognised in relation to these debtors
*** During the year the Group incurred restructuring costs totalling £0.9 million (2021: £nil) in relation to employee related matters following the sale of Hawthorn.

Number of shares

Number of shares	2022 No. M	2021 No. M
Weighted average number of ordinary shares for the purposes of Basic EPS, UFFO and EPRA	307.2	306.4
Effect of dilutive potential ordinary shares:		
Deferred bonus shares	1.8	0.8
Weighted average number of ordinary shares for the purposes of diluted EPS, UFFO and EPRA	309.0	307.2

	2022			2021		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
IFRS Basic EPS	2.3	(10.9)	(8.6)	(39.8)	(9.3)	(49.1)
EPRA Basic EPS	6.2	2.3	8.5	4.6	(1.7)	2.9
UFFO Basic EPS	6.7	2.5	9.2	5.1	(1.3)	3.8
IFRS Diluted EPS	2.3	(10.9)	(8.6)	(39.8)	(9.3)	(49.1)
EPRA Diluted EPS	6.1	2.3	8.4	4.6	(1.7)	2.9
UFFO Diluted EPS	6.7	2.5	9.2	5.0	(1.3)	3.7

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

EPRA NTA per share and basic NTA per share:

	2022			2021		
	£m	Shares m	Pence per share	£m	Shares m	Pence per share
Net assets	**414.1**	**307.2**	**135p**	460.4	306.5	150p
Unexercised employee awards	**–**	**1.8**		–	0.8	
Diluted net assets	**414.1**	**309.0**	**134p**	460.4	307.3	150p
Deferred tax liability	**0.6**	**–**		0.7	–	
Goodwill	**–**	**–**		(0.5)	–	
Fair value derivatives	**(0.3)**	**–**		2.6	–	
EPRA net tangible assets	**414.4**	**309.0**	**134p**	463.2	307.3	151p

13. Dividends

There were no dividends paid in the prior year; the dividends paid in the year are set out below:

Payment date	PID	Non-PID	Pence per share	£m
Year to March 2022				
Ordinary dividends				
3 September 2021	3.0	–	3.0	9.1
14 January 2022	4.1	–	4.1	12.6
				21.7

The final dividend of 3.3 pence per share in respect of the year ended 31 March 2022 will, subject to shareholder approval at the 2022 AGM, be paid on 2nd September 2022 to shareholders on the register as at 29 July 2022. The dividend will be payable as a REIT Property Income Distribution (PID).

Property Income Distribution (PID) dividends

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

Non-PID dividends

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

14. Investment properties

	2022 £m	2021 £m
Fair value brought forward	**851.9**	1,102.3
Acquisitions	**7.3**	–
Capital expenditure	**9.6**	10.0
Lease incentives, letting and legal costs	**1.3**	2.4
Reclassification to plant property and equipment	**–**	(4.1)
Transfer from / (to) assets held for sale (Note 19)	**25.5**	(25.5)
Disposals	**(72.9)**	(44.7)
Disposal of subsidiaries	**(202.3)**	(40.7)
Net valuation movement	**(11.3)**	(147.8)
Fair value carried forward	**609.1**	851.9
Right of use asset (investment property)	**75.5**	83.0
Fair value carried forward	**684.6**	934.9

Retail – continuing operations

The Group's investment properties have been valued at fair value on 31 March 2022 by independent valuers, Colliers International Valuation UK LLP and Knight Frank LLP, on the basis of fair value in accordance with the Current Practice Statements contained in The Royal Institution of Chartered Surveyors Valuation – Professional Standards, (the 'Red Book'). The valuations are performed by appropriately qualified valuers who have relevant and recent experience in the sector.

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

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

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

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

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

As at 31 March 2022

		Property ERV			Property rent				
	Fair value (£m)	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Property equivalent yield Average %	EPRA topped up net initial yield Average %
Shopping Centres - Core	**216.2**	**8.5**	**30.1**	**14.2**	**8.2**	**30.7**	**12.8**	**9.3%**	**9.5%**
Shopping Centres - Regeneration	**162.6**	**7.4**	**15.3**	**9.8**	**2.6**	**8.4**	**5.1**	**6.5%**	**5.8%**
Shopping Centres – Work Out	**89.7**	**5.3**	**19.4**	**16.0**	**4.6**	**14.0**	**11.1**	**15.7%**	**11.1%**
Retail parks	**132.5**	**9.1**	**14.0**	**11.1**	**0.6**	**14.7**	**9.7**	**6.6%**	**6.0%**
High street and other	**8.1**	**5.4**	**15.0**	**8.0**	**3.8**	**8.6**	**3.0**	**8.4%**	**4.7%**
	609.1								

As at 31 March 2021

		Property ERV			Property rent				
	Fair value (£m)	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Min £ per sq ft	Max £ per sq ft	Average £ per sq ft	Property equivalent yield Average %	EPRA topped up net initial yield Average %
Shopping Centres - Core	209.5	9.1	25.4	13.8	8.4	26.9	12.6	9.3%	9.5%
Shopping Centres - Regeneration	210.5	5.3	19.7	14.7	5.1	13.5	10.5	6.4%	5.7%
Shopping Centres – Work Out	127.5	6.4	17.1	10.1	3.3	9.1	5.8	13.1%	9.3%
Retail parks	117.1	9.5	14.1	11.6	2.3	14.7	9.4	7.7%	6.9%
High street and other	17.3	5.7	14.2	8.1	2.2	17.0	6.7	4.6%	5.4%
	681.9								

Sensitivities of measurement of significant inputs

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

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

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

The inputs to the valuation include:

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

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

2022: Sensitivity impact on valuations of a 10% change in estimated rental value and absolute yield of 100 bps.

Asset Type Retail asset valuation	£m	Impact on valuations of a 10% change in ERV £m Increase 10%	 £m Decrease 10%	Impact on valuations of 100 bps change in yield £m Increase 1.0%	 £m Decrease 1.0%
Shopping Centres - Core	**216.2**	**19.9**	**(18.7)**	**(22.6)**	**28.5**
Shopping Centres - Regeneration	**162.6**	**14.3**	**(13.6)**	**(21.1)**	**29.2**
Shopping Centres – Work Out	**89.7**	**7.5**	**(7.4)**	**(7.2)**	**8.3**
Retail parks	**132.5**	**9.5**	**(11.2)**	**(15.7)**	**19.4**
High street and other	**8.1**	**0.7**	**(1.1)**	**(0.9)**	**0.7**
	609.1	**51.9**	**(52.0)**	**(67.5)**	**86.1**

2021: Sensitivity impact on valuations of a 10% change in estimated rental value and absolute yield of 100 bps.

Asset Type Retail asset valuation	£m	Impact on valuations of a 10% change in ERV £m Increase 10%	 £m Decrease 10%	Impact on valuations of 100 bps change in yield £m Increase 1.0%	 £m Decrease 1.0%
Shopping Centres - Core	209.5	18.5	(16.9)	(22.1)	27.8
Shopping Centres - Regeneration	210.5	17.6	(18.2)	(26.2)	35.6
Shopping Centres – Work Out	127.5	10.8	(11.2)	(11.2)	13.4
Retail parks	117.1	8.9	(9.3)	(14.4)	18.9
High street and other	17.3	0.7	(0.7)	(0.4)	0.5
	681.9*	56.5	(56.3)	(74.3)	96.2

*This number includes assets held for sale of £25.5m.

Pubs – discontinued operations

At 31 March 2021, the valuations across the leisure and hospitality sector, including pubs were reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – was attached to the valuations provided than would normally be the case. The external valuers confirmed that the inclusion of the "material valuation uncertainty" declaration did not mean that the valuations for NewRiver's pub portfolio could not be relied upon. Rather, the phrase was used in order to be clear and transparent with all parties, in a professional manner that – in the extraordinary circumstances at 31 March 2021 – less certainty could be attached to valuations than would otherwise have been the case. Due to the pubs disposal in the year, there were no investment properties subject to material uncertainty (2021: £195.6 million).

For the purposes of the Circular for the sale of Hawthorn, Colliers performed a valuation at 30 June 2021 for the Hawthorn assets which identified no material valuation movements from 31 March 2021. The Directors are satisfied that there was no material valuation movement between 30 June 2021 and the date of disposal on 20 August 2021.

Sensitivities of measurement of significant inputs

Given the disposal of Hawthorn on 20 August 2021 no sensitivity analysis has been presented. Any change in valuation of the pub investment property assets at the date of disposal would have no net impact on the total loss for the period from discontinued operations in the consolidated statement of comprehensive income.

Reconciliation to net valuation movement in consolidated statement of comprehensive income

Net valuation movement in investment properties	**2022 £m**	2021 £m
Net valuation movement in investment properties	**(11.3)**	(131.2)
Net valuation movement in right of use asset	**(1.0)**	(0.3)
Net valuation movement in consolidated statement of comprehensive income – continuing operations	**(12.3)**	(131.5)

The reduction net valuation movement attributable to discontinued operations in the consolidated statement of comprehensive income was £nil (2021: £23.2 million).

Reconciliation to properties at valuation in the portfolio

	Note	**2022 £m**	2021 £m
Investment property	14	**609.1**	851.9
Property, plant and equipment	17	**–**	52.7
Assets held for sale	19	**–**	25.5
Properties held in joint ventures	15	**30.6**	35.2
Properties held in associates	16	**9.7**	8.9
Properties at valuation		**649.4**	974.2

15. Investments in joint ventures

As at 31 March 2022 the Group has two joint ventures.

	2022 £m	2021 £m
Opening balance	**25.6**	22.1
Group's share of profit after taxation excluding valuation movement	**1.1**	2.3
Net valuation movement	**2.9**	1.2
Distributions and dividends	**(5.6)**	–
Investment in joint venture	**24.0**	25.6

Name	Country of incorporation	2022 % Holding	2021 % Holding
NewRiver Retail Investments LP (NRI LP)	Guernsey	**50**	50
NewRiver Retail (Napier) Limited (Napier)	UK	**50**	50

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

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

	2022				2021			
Consolidated balance sheet	Napier £m	NRI LP £m	Total £m	Group's share £m	Napier £m	NRI LP £m	Total £m	Group's share £m
Non-current assets	**61.2**	**–**	**61.2**	**30.6**	62.6	8.0	70.6	35.3
Current assets	**9.1**	**0.3**	**9.4**	**4.7**	7.0	1.6	8.6	4.3
Current liabilities	**(1.8)**	**–**	**(1.8)**	**(0.9)**	(2.6)	(1.0)	(3.6)	(1.8)
Liabilities due in more than one year	**(26.8)**	**–**	**(26.8)**	**(13.4)**	(30.4)	–	(30.4)	(15.2)
Net assets	**41.7**	**0.3**	**42.0**	**21.0**	36.6	8.6	45.2	22.6
Loan to joint venture	**–**	**–**	**–**	**3.0**	–	–	–	3.0
Net assets adjusted for loan to joint venture	**41.7**	**0.3**	**42.0**	**24.0**	36.6	8.6	45.2	25.6

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

	2022				2021			
Consolidated statement of comprehensive income	Napier £m	NRI LP £m	Total £m	Group's share £m	Napier £m	NRI LP £m	Total £m	Group's share £m
Revenue	**5.6**	**0.1**	**5.7**	**2.8**	6.6	1.3	7.9	4.0
Property operating expenses	**(0.1)**	**–**	**(0.1)**	**–**	(0.9)	(0.8)	(1.7)	(0.8)
Net property income	**5.5**	**0.1**	**5.6**	**2.8**	5.7	0.5	6.2	3.2
Administration expenses	**(0.2)**	**(0.1)**	**(0.3)**	**(0.1)**	(0.2)	(0.1)	(0.3)	(0.2)
Net finance costs	**(0.1)**	**–**	**(0.1)**	**(0.1)**	(1.3)	–	(1.3)	(0.7)
Group's share of joint ventures' profit before valuation movements	**5.2**	**–**	**5.2**	**2.6**	4.2	0.4	4.6	2.3
Net valuation movement	**5.8**	**–**	**5.8**	**2.9**	5.0	(2.6)	2.4	1.2
Profit / (loss) on disposal of investment property	**1.5**	**(4.5)**	**(3.0)**	**(1.5)**	–	–	–	–
Profit / (loss) after taxation	**12.5**	**(4.5)**	**8.0**	**4.0**	9.2	(2.2)	7.0	3.5
Add back net valuation movement	**(5.8)**	**–**	**(5.8)**	**(2.9)**	(5.0)	2.6	(2.4)	(1.2)
Group's share of joint ventures' profit / (loss) before valuation movements	**6.7**	**(4.5)**	**2.2**	**1.1**	4.2	0.4	4.6	2.3

The Group's share of contingent liabilities in the joint ventures is £nil (2021: £nil).

16. Investments in associates

The Group has one direct investment in an associate entity in which it has a 10% stake, Sealand S.à.r.l, which owns 100% of NewRiver Retail (Hamilton) Limited and NewRiver (Sprucefield) Limited at 31 March 2022.

	2022 £m	2021 £m
Opening balance	**5.3**	0.9
Additions to Investment in associates	**4.0**	3.7
Disposals from Investment in associates	**(2.5)**	–
Distributions and dividends	**(2.0)**	–
Group's share of profit after taxation excluding valuation movement	**0.2**	0.1
Net valuation movement	**2.9**	0.6
Investment in associates	**7.9**	5.3

On 1 April 2021, Sealand S.à.r.l, completed the acquisition of The Moor shopping centre in Sheffield, via NewRiver Retail (Hamilton) Limited, in which the Group holds an indirect 10% interest. The gross asset value at the date of the transaction was £41.0 million.

On 20 December 2021 the Group sold its interest in NewRiver Retail (Nelson) Limited.

Name	Country of incorporation	2022 % Holding	2021 % Holding
NewRiver Retail (Nelson) Limited (Nelson)	UK	**–**	10
NewRiver Retail (Hamilton) Limited (Hamilton)	UK	**10**	10
NewRiver (Sprucefield) Limited (Sprucefield)	UK	**10**	10

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

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

	31 March 2022		31 March 2021	
Consolidated balance sheet	Total £m	Group's share £m	Total £m	Group's share £m
Non-current assets	**97.3**	**9.7**	89.5	8.9
Current assets	**14.7**	**1.5**	6.7	0.7
Current liabilities	**(17.5)**	**(1.8)**	(37.5)	(3.8)
Liabilities due in more than one year	**(62.7)**	**(6.3)**	(42.1)	(4.2)
Net assets	**31.8**	**3.1**	16.6	1.6
Loans to associates	**–**	**4.8**	–	3.7
Net assets adjusted for loans to associates	**31.8**	**7.9**	16.6	5.3

Consolidated statement of comprehensive income	2022 Total £m	2022 Group's share £m	2021 Total £m	2021 Group's share £m
Revenue	**12.6**	**1.2**	6.4	0.6
Property operating expenses	**(2.4)**	**(0.2)**	(1.6)	(0.2)
Net property income	**10.2**	**1.0**	4.8	0.4
Administration expenses	**(0.7)**	**–**	(0.2)	–
Net finance costs	**(3.6)**	**(0.4)**	(2.8)	(0.3)
	5.9	**0.6**	1.8	0.1
Net valuation movement	**29.1**	**2.9**	6.2	0.6
Profit on disposal of investment property	**2.7**	**0.3**	–	–
Taxation	**(7.2)**	**(0.7)**	–	–
Profit after taxation	**30.5**	**3.1**	8.0	0.7
Add back net valuation movement	**(29.1)**	**(2.9)**	(6.2)	(0.6)
Group's share of associates' profit before valuation movements	**1.4**	**0.2**	1.8	0.1

17. Property plant and equipment

Cost or valuation	Office equipment £m	Fixtures and fittings £m	Public houses £m	Total £m
At 1 April 2021	**2.4**	**0.6**	**55.4**	**58.4**
Additions	**0.6**	**0.1**	**2.3**	**3.0**
Disposals	**–**	**–**	**(0.8)**	**(0.8)**
Disposal of subsidiaries	**(2.1)**	**–**	**(56.9)**	**(59.0)**
At 31 March 2022	**0.9**	**0.7**	**–**	**1.6**
Accumulated depreciation				
At 1 April 2021	**1.1**	**0.5**	**2.7**	**4.3**
Charge for the year	**0.1**	**–**	**0.4**	**0.5**
Disposal of subsidiaries	**(0.8)**	**–**	**(3.1)**	**(3.9)**
At 31 March 2022	**0.4**	**0.5**	**–**	**0.9**
Net book value at 31 March 2022	**0.5**	**0.2**	**–**	**0.7**
Net book value at 31 March 2021	**1.3**	**0.1**	**52.7**	**54.1**

Cost or valuation	Office equipment £m	Fixtures and fittings £m	Public houses £m	Total £m
At 1 April 2020	1.8	0.6	56.6	59.0
Additions	0.6	–	2.7	3.3
Revaluation:				
Recognised in the consolidated statement of comprehensive income	–	–	(0.5)	(0.5)
Recognised in the income statement	–	–	(6.6)	(6.6)
Net transfers from investment property	–	–	4.1	4.1
Disposals	–	–	(0.9)	(0.9)
At 31 March 2021	2.4	0.6	55.4	58.4
Accumulated depreciation				
At 1 April 2020	0.7	0.5	1.6	2.8
Charge for the year	0.4	–	1.1	1.5
At 31 March 2021	1.1	0.5	2.7	4.3
Net book value at 31 March 2021	1.3	0.1	52.7	54.1
Net book value at 31 March 2020	1.1	0.1	55.0	56.2

The Group's public houses were disposed of in the period. As at 31 March 2021 they were valued at fair value by independent valuers, Colliers International Valuation UK LLP, on the basis of fair value in accordance with the Current Practice Statements contained in The Royal Institution of Chartered Surveyors Valuation – Professional Standards, (the 'Red Book'). The valuations were performed by appropriately qualified valuers who have relevant and recent experience in the sector. As mentioned in note 14, there was a material uncertainty clause relating to the public house valuations included in the note above as at 31 March 2021.

18. Trade and other receivables

	2022 £m	2021 £m
Trade receivables	**3.7**	9.6
Restricted monetary asset	**5.6**	5.6
Service charge receivables*	**1.7**	2.6
Other receivables	**6.2**	4.9
Prepayments	**0.7**	1.9
Accrued income	**1.0**	1.4
	18.9	26.0

*Included in service charge receivables is £1.4 million of Value Added Taxation (2021: £0.4 million) and £0.3 million of service charge debtors (2021: £2.2 million).

Trade receivables are shown after deducting a loss allowance of £5.2m (2021: £9.3m). The provision for doubtful debts is calculated as an expected credit loss on trade receivables in accordance with IFRS 9. The charge to the consolidated statement of comprehensive income in relation to doubtful debts made against tenant debtors was £0.3 million (2021: £5.6 million charge). The Group has calculated the expected credit loss by applying a forward-looking outlook, impacted by the Covid-19 pandemic, to historical default rates.

The Group monitors rent collection in order to anticipate and minimise the impact of default by tenants, which may be impacted by Covid-19 and the ability of tenants to pay rent receivables. All outstanding rent receivables are regularly monitored. In order to measure the expected credit losses, trade receivables from tenants have been grouped on a basis on shared credit risk characteristics and an assumption around the tenants ability to pay their receivable, based on conversations held and our knowledge of their credit history. The expected loss rates are based on historical payment profiles of tenant debtors and corresponding historical credit losses. These historical loss rates are then adjusted to reflect the current pandemic.

	2022 £m	2021 £m
Opening loss allowance at 1 April	**9.3**	4.2
Increase in loss allowance recognised in the consolidated statement of comprehensive income during the year	**0.3**	5.6
Disposal of subsidiary	**(2.5)**	–
Loss allowance write off	**(1.9)**	(0.5)
Closing loss allowance at 31 March	**5.2**	9.3

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

19. Assets held for sale

	2022 £m	2021 £m
Assets held for sale at 1 April	**25.5**	–
Transfer (to) / from investment properties	**(25.5)**	25.5
Assets held for sale at 31 March	**–**	25.5

In the year ended 31 March 2022 the Group made a number of strategic disposals. As at 31 March 2022 no investment properties meet the definition of assets held for sale under IFRS.

During the year the £25.5 million of properties held for sale as at 31 March 2021 were not sold and are no longer available for sale as the Group decided to retain them, therefore they have been transferred back to investment property.

20. Derivative financial instruments

The Group enters into derivative financial instruments to provide an economic hedge to its interest rate risks. These financial instruments are classified as Level 2 fair value measurements, being those derived from inputs other than quoted prices. There were no transfers between levels in the current year.

	2022 £m	2021 £m
Interest rate swaps		
Non-current liabilities	**–**	(2.6)
	–	(2.6)

	Average contract interest rate		Notional principal amount		Fair value	
	2022 %	2021 %	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Interest rate swaps – receive floating pay fixed						
In more than one year but less than two	**–**	0.8%	**–**	137.2	**–**	–
In more than two years but less than five	**–**	1.5%	**–**	137.2	**–**	(2.6)
Interest rate caps						
In less than one year	**–**	1.5%	**–**	70.0	**–**	–
	–	–	**–**	344.4	**–**	(2.6)

In September 2021 the Company repaid and cancelled its £165m term loan, see note 23. Following the cancellation of the term loan the related derivatives were terminated. The Group has no derivatives in issue in controlled entities.

21. Cash and cash equivalents

There are no restrictions on cash in place (2021: nil). As at 31 March 2022 and 31 March 2021 cash and cash equivalents comprised of cash held in bank accounts.

22. Trade and other payables

	2022 £m	2021 £m
Trade payables	**3.0**	4.4
Service charge liabilities*	**9.2**	10.9
Other payables	**3.5**	7.0
Accruals	**8.7**	15.0
Value Added Taxation	**3.4**	2.2
Rent received in advance	**5.7**	7.4
	33.5	46.9

* Service charge liabilities includes accruals of £1.7 million (31 March 2021: £0.3 million), service charge creditors and other creditors of £5.3 million (31 March 2021: £2.8 million), deferred income of £2.2 million (31 March 2021: £7.8 million) and £nil of Value Added Taxation (2021: £nil).

23. Borrowings

Maturity of drawn bank borrowings:	2022 £m	2021 £m
Between two and three years	**–**	335.0
After five years	**300.0**	300.0
	300.0	635.0
Less unamortised fees / discount	**(4.2)**	(5.3)
	295.8	629.7

Unsecured borrowings:	Carrying amount 2022 £m	Fair value 2022 £m	Carrying amount 2021 £m	Fair value 2021 £m
Term loan	**–**	**–**	165.0	165.0
Revolving credit facility	**–**	**–**	170.0	170.0
Corporate bond	**300.0**	**285.9**	300.0	283.7
	300.0	**285.9**	635.0	618.7

The fair value of the Group's corporate bond has been estimated on the basis of quoted market prices, representing Level 1 fair value measurement as defined by IFRS 13 Fair Value Measurement. The fair value of the Group's bank loans in the prior year was approximately the same as their carrying amount, after adjusting for the unamortised arrangement fees, and also represented Level 2 fair value measurement.

Unsecured borrowings:	Maturity date	Facility £m	Facility drawn £m	Unamortised facility fees / discount £m	£m
Revolving credit facility	August 2024	125.0	–	(1.0)	(1.0)
Corporate bond	March 2028	300.0	300.0	(3.2)	296.8
		425.0	300.0	(4.2)	295.8

On 21 October 2021 the Group extended the maturity of its revolving credit facility to August 2024 and at the same time cancelled £90 million of the facility, reducing it from £215 million to £125 million with a £50 million accordion (subject to lenders consent). The revolving credit facility also references Sterling Over Night Indexed Average ('SONIA') as its floating rate.

In the year the Group drew down £nil (31 March 2021: £nil) and repaid £170 million (31 March 2021: £nil) of the revolving credit facility. In addition, on 29 September 2021 the Group fully repaid and cancelled its £165 million Term loan.

24. Lease commitment arrangements

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

The Group holds two types of leases.

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

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

	2022 £m	2021 £m
Right of use asset (Investment property)	**75.5**	83.0
Right of use asset (Property, plant and equipment)	**0.2**	3.5
Current lease liability	**0.7**	0.7
Non-current lease liability	**75.0**	84.9

The expense relating to low value assets which have not been recognised under IFRS 16 was £nil million (March 2021: £0.1 million) and the expense relating to variable lease payments not included in the measurement of lease liabilities was £nil million (March 2021: £nil million). The total cash outflow in relation to lease commitments for the year was £2.7 million (March 2021: £3.5 million).

Lease liability maturity table

	2022 £m	2021 £m
Within one year	**0.7**	0.7
Between one and two years	**0.7**	0.7
In the second to fifth year inclusive	**2.1**	2.1
After five years	**72.2**	82.1
	75.7	85.6

Lease commitments payable by the Group are as follows:

	2022 £m	2021 £m
Within one year	**3.2**	3.3
One to two years	**3.0**	3.3
Two to five years	**9.0**	10.0
After five years	**253.8**	253.9
	269.0	270.5
Effect of discounting	**(193.3)**	(184.9)
Lease liability	**75.7**	85.6

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

	2022 £m	2021 £m
Within one year	**50.0**	64.7
Between one and two years	**42.7**	55.9
In the second to fifth year inclusive	**89.4**	114.9
After five years	**133.7**	161.1
	315.8	396.6

The Group's weighted average lease length of lease commitments at 31 March 2022 was 5.3 years (March 2021: 5.2 years).

Operating lease obligations exist over the Group's offices, head leases on the Group's retail portfolio and ground rent leases. Investment properties are leased to tenants under operating leases with rentals payable monthly and quarterly. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. The Group also grants lease incentives in order to encourage high quality tenants to remain in properties for longer lease terms. The expense for the year was £1.6 million (March 2021: £3.1 million).

25. Share capital and reserves

Share capital

Ordinary shares	Number of shares issued m's	Price per share pence	Total m's	Held by EBT m's	Shares in issue m's
1 April 2020			309.0	2.8	306.2
Shares issued under employee share schemes	0.1	–	309.0	2.7	306.3
31 March 2021			309.0	2.7	306.3
Scrip dividends issued	0.5	0.82	309.5	2.7	306.8
Shares issued under employee share schemes	0.6	–	309.5	2.1	307.4
Scrip dividends issued	0.8	0.86	310.3	2.1	308.2
31 March 2022			**310.3**	**2.1**	**308.2**

	Share capital £'000	Share premium £'000	Total £'000
1 April 2020 and 31 March 2021	3,062	227,349	230,411
Shares issued under employee share schemes	6	–	6
Transfer of share premium	–	(227,349)	(227,349)
Scrip dividends issued	14	1,147	1,161
31 March 2022	3,082	1,147	4,229

All issued shares are fully paid up.

Merger reserve

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

Share premium

Following the passing of the special resolution at the Company's Annual General Meeting on 27 July 2021 relating to the cancellation of the Company's share premium account and the order made by the Court on 24 August 2021 confirming the cancellation of the Company's share premium account (the 'Order'), the Order and the statement of capital in respect of the cancellation have been registered by the Registrar of Companies. The share premium account balance of £227.4 million has been transferred to retained earnings, following the cancellation of the share premium account effective from 31 August 2021.

Scrip dividend shares

Shares issued in respect of elections to participate in the Scrip Dividend Scheme in respect of dividends declared in the year.

Retained earnings

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

Shares held in Employee Benefit Trust (EBT)

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

There are currently 2,116,979 ordinary shares held by EBT.

26. Share-based payments

The Group has three share schemes for employees:

- Share option scheme
- Performance Share Scheme
- Deferred bonus scheme

Share option scheme

Options were granted between 2009 and 2012. The options were priced at the share price at date of issue. No options were granted in 2021 or 2022. The charge for the year recognised in the consolidated statement of comprehensive income was nil (2021: nil).

Year issued	Average exercise price	Outstanding at start of year	Granted	Number Exercised	Lapsed	Outstanding at end of year	Number exercisable	Average remaining life (years)
2009-2011	2.54	–	–	–	–	–	–	–
2012	2.35	338,000	–	–	(338,000)	–	–	–
		338,000	–	–	(338,000)	–	–	

Performance Share Scheme

Zero priced share options have been issued to senior management and executive directors under the Performance Share Scheme since 2013. The options vest to the extent that performance conditions are met over a three or four-year period. At the end of the period there may be a further vesting condition that the employee or director remains an employee of the Group. Further details on the scheme and the performance conditions are provided in the Remuneration Report. The credit for the year recognised in the consolidated statement of comprehensive income was £0.5 million (March 2021: £0.3 million charge).

Year issued	Average exercise price	Outstanding at start of year	Granted	Number Exercised	Lapsed	Outstanding at end of year	Number exercisable	Average remaining life (years)
2017	–	278,506	–	–	(278,506)	–	–	–
2018	–	–	–	–	–	–	–	–
2019	–	1,366,652	–	–	(1,366,652)	–	–	–
2020	–	1,818,153	143,127	–	(46,809)	1,914,471	–	7.2
2021	–	3,104,871	248,610	(123,952)	(414,259)	2,815,270	–	8.4
2022	–	–	2,960,526	–	(19,946)	2,940,580	–	9.4
		6,568,182	3,352,263	(123,952)	(2,126,172)	7,670,321	–	

Deferred Bonus Scheme

Zero priced share options have been issued to senior management and executive directors under the Deferred Bonus Scheme since 2016. The options vest based on the employee or director remaining in the employment of the Group for a defined period (usually two years). The charge for the year recognised in the consolidated statement of comprehensive income for this scheme was £0.4 million (March 2021: £0.3 million).

Year issued	Average exercise price	Outstanding at start of year	Granted	Exercised	Lapsed	Outstanding at end of year	Number exercisable	Average remaining life (years)
2018	–	63,554	–	(9,665)	–	53,889	–	–
2019	–	154,692	–	(30,415)	–	124,277	–	–
2020	–	323,012	–	(200,568)	(4,394)	118,050	–	0.2
2021	–	526,640	35,520	(165,687)	(29,771)	366,702	–	1.4
2022	–	–	313,619	–	–	313,619	–	2.5
		1,067,898	349,139	(406,335)	(34,165)	976,537	–	

Fair value

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

	2022	2021
Share price	**0.78**	0.63
Exercise price	**Nil**	Nil
Expected volatility	**25%**	21%
Risk free rate	**0.252%**	-0.048 - -0.009%
Expected dividends*	**0%**	0%

*based on quoted property sector average.

27. Financial instruments and risk management

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

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

Financial instruments

	Valuation level	2022 £m	2021 £m
Financial assets			
Financial assets at amortised cost			
Trade and other receivables		**15.9**	22.4
Cash and cash equivalents		**82.8**	150.5
Total financial assets and maximum exposure to credit risk		**98.7**	172.9
Financial liabilities			
Fair value through profit or loss			
Interest rate swaps and caps	2	**–**	(2.6)
At amortised cost			
Borrowings		**(295.8)**	(629.7)
Lease liabilities		**(75.7)**	(85.6)
Payables and accruals		**(22.2)**	(29.4)
		(393.7)	(747.3)
		(295.0)	(574.4)

The fair value of the financial assets and liabilities at amortised cost are considered to be the same as their carrying value, with the exception of certain fixed rate borrowings, see note 23 for further details.

Market risk

Currency risk

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

Interest rate risk

The Group's interest rate risk arises from borrowings issued at floating interest rates (see note 23). The Group's interest rate risk is reviewed quarterly by the Board. The Group manages its exposure to interest rate risk on borrowings through the use of interest rate derivatives (see note 20). Interest rate caps and interest rate swaps are used to both mitigate the risk of an increase in interest rates but also to allow the Group to benefit from a fall in interest rates. The Group has employed an external adviser when contracting hedging to advise on the structure of the hedging. At 31 March 2022 the Group has no drawn debt that is subject to variable interest rates and no open derivatives in controlled entities.

There would be no impact on finance costs to the Group if interest rates increase or decrease as we have no drawn variable rate debt. In the prior year, the impact of a 200 bps increase in interest rates for the year would increase net interest payable in the consolidated statement of comprehensive income by £4.0 million and the impact of a 200 bps decrease in interest rates for the prior year would reduce the net interest payable in the consolidated statement of comprehensive income by £4.0 million. The directors considered this to be a reasonable sensitivity in the prior year given historical interest rates and the possibility for short term swings in rates.

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

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

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

	2022 Gross amount £m	**2022 Loss allowance £m**	**2022 % applied**	**2022 Carrying amount £m**	2021 Gross amount £m	2021 Loss allowance £m	2021 % applied	2021 Carrying amount £m
0-30 days	**3.3**	**0.8**	**24%**	**2.5**	5.0	1.0	20%	4.0
30-60 days	**0.4**	**0.1**	**25%**	**0.3**	0.9	0.2	22%	0.7
60-90 days	**0.1**	**0.1**	**100%**	**–**	0.5	0.2	40%	0.3
90-120 days	**0.5**	**0.2**	**40%**	**0.3**	1.6	0.5	31%	1.1
Over 120 days	**4.6**	**4.0**	**87%**	**0.6**	10.9	7.4	68%	3.5
	8.9	**5.2**		**3.7**	18.9	9.3		9.6

The Group recognises an expected credit loss allowance on trade debtors, as noted in the above table. The Group also recognises an expected credit loss allowance of £0.6 million (2021: £1.4 million) on service charge debtors and £nil (2021: £0.1 million) on insurance debtors.

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

	2022 £m	2021 £m
Risk level		
Very high	**4.6**	3.9
High	**0.5**	2.4
Medium	**0.5**	4.4
Low	**3.3**	8.2
Gross carrying amount before loss allowance	**8.9**	18.9
Loss allowance	**(5.2)**	(9.3)
Carrying amount	**3.7**	9.6

	2022 £m	2021 £m
Opening loss allowance at 1 April	**9.3**	4.2
Increase in loss allowance recognised in the consolidated statement of comprehensive income during the year	**0.3**	5.6
Disposal of subsidiary	**(2.5)**	–
Loss allowance write off	**(1.9)**	(0.5)
Closing loss allowance at 31 March	**5.2**	9.3

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

Liquidity risk

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

2022 £m	Less than one year	One to two years	Two to five years	More than five years	Total
Borrowings	**–**	**–**	**–**	**(300.0)**	**(300.0)**
Interest on borrowings	**(10.5)**	**(10.5)**	**(31.5)**	**(9.7)**	**(62.2)**
Lease liabilities	**(3.2)**	**(3.0)**	**(9.0)**	**(253.8)**	**(269.0)**
Payables and accruals	**(22.2)**	**–**	**–**	**–**	**(22.2)**
	(35.9)	**(13.5)**	**(40.5)**	**(563.5)**	**(653.4)**
2021 £m					
Borrowings	–	–	(335.0)	(300.0)	(635.0)
Interest on borrowings	(19.1)	(19.1)	(34.4)	(20.2)	(92.8)
Interest rate swaps	(0.7)	(1.3)	(0.6)	–	(2.6)
Lease liabilities	(3.3)	(3.3)	(10.0)	(253.9)	(270.5)
Payables and accruals	(29.4)	–	–	–	(29.4)
	(52.5)	(23.7)	(380.0)	(574.1)	(1,030.3)

Reconciliation of movement in the Group's share of net debt in the year	2022 £m	2021 £m
Group's share of net debt at beginning of year	**493.3**	563.6
Cash flow		
Net decrease / (increase) in cash and cash equivalents	**67.7**	(69.7)
Bank loans repaid	**(335.0)**	–
Change in bank loan fees to be amortised	**1.1**	1.1
Group's share of joint ventures' and associates' cash flow		
Net increase in cash and cash equivalents	**(1.6)**	(2.5)
Bank loans repaid	**(4.0)**	(1.2)
New bank loans	**–**	2.0
Group's share of net debt	**221.5**	493.3
Being:		
Group borrowings	**295.8**	629.7
Group's share of joint ventures' and associates' borrowings	**13.9**	17.9
Group cash	**(82.8)**	(150.5)
Group's share of joint venture and associate cash	**(5.4)**	(3.8)
Group's share of net debt	**221.5**	493.3

Capital risk management

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

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets. Consistent with others in the industry, the Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings, less cash and cash equivalents.
Between 31 March 2021 and 31 March 2022, the Group's proportionally consolidated LTV decreased by 17% from 51% to 34% and the gearing ratio from 104% to 51% mainly as a result of the sale of Hawthorn, retail disposals and stabilisation in retail valuations. The Group continually monitors LTV and will continue to monitor LTV closely, factoring in disposal activity and further valuation declines as disclosed in Note 1. The Group has remained compliant with all of its banking covenants during the year as discussed in Note 1.

Net debt to equity ratio	2022 £m	2021 £m
Borrowings	**295.8**	629.7
Cash and cash equivalents	**(82.8)**	(150.5)
Net debt	**213.0**	479.2
Equity attributable to equity holders of the parent	**414.1**	460.4
Net debt to equity ratio ('Balance sheet gearing')	**51%**	104%
Share of joint ventures' and associates' borrowings	**13.9**	17.9
Share of joint ventures' and associates' cash and cash equivalents	**(5.4)**	(3.8)
Group's share of net debt	**221.5**	493.3
Carrying value of investment property and public houses	**609.1**	851.9
Carrying value of managed houses	**–**	52.7
Carrying value of assets held for sale	**–**	25.5
Share of joint ventures' and associates carrying value of investment properties	**40.3**	44.1
Group's share of carrying value of investment properties	**649.4**	974.2
Net debt to property value ratio ('Loan to value')	**34%**	51%

Reconciliation of financial liabilities

Reconciliation of financial liabilities	**Lease liabilities £m**	**Borrowings £m**	**Derivatives £m**	**Total £m**
As at 1 April 2021	**85.6**	**629.7**	**(2.6)**	**712.7**
(Decrease)/Increase through financing cash flows				
Repayment of bank loans	**–**	**(335.0)**	**–**	**(335.0)**
Repayment of principal portion of lease liability	**(0.7)**	**–**	**–**	**(0.7)**
Other changes				
Lease modification	**(5.2)**	**–**	**–**	**(5.2)**
Disposals	**(1.7)**	**–**	**–**	**(1.7)**
Disposal of subsidiary	**(2.3)**	**–**	**–**	**(2.3)**
Termination of derivative	**–**	**–**	**2.6**	**2.6**
Change in capitalised loan fees to be amortised	**–**	**1.1**	**–**	**1.1**
As at 31 March 2022	**75.7**	**295.8**	**–**	**371.5**

Reconciliation of financial liabilities	Lease liabilities £m	Borrowings £m	Derivatives £m	Total £m
As at 1 April 2020	86.3	628.6	(2.7)	712.2
(Decrease)/Increase through financing cash flows				
Repayment of principal portion of lease liability	(0.7)	–	–	(0.7)
Change in fair value of derivative	–	–	0.1	0.1
Other changes				
Change in capitalised loan fees to be amortised	–	1.1	–	1.1
As at 31 March 2021	85.6	629.7	(2.6)	712.7

28. Contingencies and commitments

The Group has no material contingent liabilities (2021: None). The Group was contractually committed to £1.3 million of capital expenditure to construct or develop investment property as at 31 March 2022 (31 March 2021: £4.0 million). The Group also committed to a 5 year lease which has commenced on 1 April 2022 with rent per annum of £0.3 million

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

29. Related party transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.
During the year the Company paid £2.8 million (2021: £1.9 million) in professional legal fees to CMS Cameron McKenna Nabarro Olswang LLP for property services at commercial market rates. Allan Lockhart, CEO of NewRiver, has a personal relationship with one of the Partners at CMS who along with other Partners provides these legal services.

The Group has loans with a joint venture of £3.0 million (2021: £3.0 million) and loans with associates of £4.8 million (March 2021: £3.7 million). Management fees are charged to joint ventures and associates for asset management, investment advisory, project management and accounting services. Total fees charged were:

	2022 £m	2021 £m
NewRiver Retail (Nelson) Limited	**0.1**	0.1
NewRiver Retail (Napier) Limited	**0.2**	0.2
NewRiver Retail (Hamilton) Limited	**0.2**	–
NewRiver (Sprucefield) Limited	**0.2**	0.1

As at 31 March 2022, an amount of £0.2 million (2021: £0.1 million) was due to the Group relating to management fees.

During the year, the Group recognised £0.4 million of interest from joint ventures and associates (2021: £0.3 million) and as at 31 March 2022 the amount owing to the Group was £0.2 million (2021: £0.2 million).

Key management personnel

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

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

30. Post balance sheet events

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

EPRA PERFORMANCE MEASURES

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

Introduction

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

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

	FY22	FY21
EPRA Earnings Per Share (EPS)	**8.5p**	2.9p
EPRA Cost Ratio (including direct vacancy costs)	**41.1%**	61.3%
EPRA Cost Ratio (excluding direct vacancy costs)	**38.7%**	58.6%

	March 2022	March 2021
EPRA NRV per share	**148p**	170p
EPRA NTA per share	**134p**	151p
EPRA NDV per share	**139p**	155p
EPRA NIY	**7.5%**	8.4%
EPRA 'topped-up' NIY	**8.0%**	8.9%
EPRA Vacancy Rate	**4.4%**	4.2%

EPRA Earnings Per Share: 8.5p

Definition

Earnings from operational activities

Purpose

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

	FY22 (£m)	FY21 (£m)
Earnings per IFRS income statement	**(26.6)**	(150.5)
*Adjustments to calculate EPRA Earnings, **exclude**:*		
Changes in value of investment properties, development properties held for investment and other interests	**12.3**	154.7
Profits or losses on disposal of investment properties, development properties held for investment and other interests	**43.1**	7.7
Changes in fair value of financial instruments and associated close-out costs	**(0.1)**	(0.1)
Acquisition costs on share deals and non-controlling joint venture interests	**–**	0.1
Deferred tax in respect of EPRA adjustments	**1.9**	(1.4)
Adjustments to above in respect of joint ventures (unless already included under proportional consolidation)	**(4.5)**	(1.6)
EPRA Earnings	**26.1**	8.9
Basic number of shares	**307.2m**	306.4m
EPRA Earnings per Share (EPS)	**8.5p**	2.9p
EPRA Earnings – continuing operations	**18.9**	14.0
EPRA Earnings per Share (EPS) – continuing operations	**6.2p**	4.6p

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

	FY22 (£m)	FY21 (£m)
EPRA Earnings	**26.1**	8.9
Share-based payment charge	**0.9**	0.6
Depreciation on property	**0.4**	1.1
Forward-looking element of IFRS 9	**(0.2)**	0.6
Restructuring and abortive costs	**1.1**	0.3
Underlying Funds From Operations (UFFO)	**28.3**	11.5
Basic number of shares	**307.2m**	306.4m
UFFO per share	**9.2p**	3.8p
Underlying Funds From Operations (UFFO) – continuing operations	**20.5**	15.5
UFFO per share – continuing operations	**6.7p**	5.1p

EPRA NRV per share: 148p; EPRA NTA per share: 134p; EPRA NDV per share: 139p

Definition

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

Purpose

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

31 March 2022	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	**414.1**	**414.1**	**414.1**
Fair value of financial instruments	**(0.3)**	**(0.3)**	–
Deferred tax in relation to fair value gains of Investment Property/ PPE	**0.6**	**0.6**	–
Fair value of debt	–	–	**14.1**
Purchasers' costs	**43.8**	–	–
EPRA NRV / NTA / NDV	**458.2**	**414.4**	**428.2**
Fully diluted number of shares	**309.0**	**309.0**	**309.0**
EPRA NRV / NTA / NDV per share	**148p**	**134p**	**139p**

31 March 2021	EPRA NRV (£m)	EPRA NTA (£m)	EPRA NDV (£m)
IFRS Equity attributable to shareholders	460.4	460.4	460.4
Fair value of financial instruments	2.6	2.6	–
Deferred tax in relation to fair value gains of Investment Property/ PPE	0.7	0.7	–
Goodwill as per the IFRS balance sheet	–	(0.5)	(0.5)
Fair value of debt	–	–	16.3
Purchasers' costs	60.1	–	–
EPRA NRV / NTA / NDV	523.8	463.2	476.2
Fully diluted number of shares	307.3m	307.3m	307.3m
EPRA NRV / NTA / NDV per share	170p	151p	155p

EPRA NIY: 7.5%, EPRA 'topped-up' NIY: 8.0%

Definition

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

Purpose

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

		March 2022 (£m)	March 2021 (£m)
Properties at valuation – wholly owned		**609.1**	904.6
Properties at valuation – share of Joint Ventures & Associates		**40.3**	44.1
Trading property (including share of Joint Ventures & Associates)		**–**	25.5
Less: Developments		**(22.3)**	(32.0)*
Completed property portfolio		**627.1**	942.2
Allowance for estimated purchasers' costs and capital expenditure		**40.4**	47.3
Grossed up completed property portfolio valuation	B	**667.5**	989.5
Annualised cash passing rental income		**62.9**	96.4
Property outgoings		**(13.1)**	(13.7)
Annualised net rents	A	**49.8**	82.7
Add: Notional rent expiration of rent free periods or other lease incentives		**3.3**	5.4
Topped-up net annualised rent	C	**53.1**	88.1
EPRA NIY	A/B	**7.5%**	8.4%
EPRA 'topped-up' NIY	C/B	**8.0%**	8.9%

*Residual development value retrospectively applied to Grays as at March 2021. Previously stated 8.2% EPRA NIY and 8.8% EPRA 'topped-up' NIY
Continuing operations as at March 2021 calculated as 7.4% EPRA NIY and 8.2% EPRA 'topped-up' NIY.

EPRA Vacancy rate: 4.4%

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

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

		March 2022 (£m)	March 2021 (£m)
Calculation of EPRA Vacancy Rate		**£m**	£m
Estimated Rental Value of vacant retail space	A	**2.6**	2.8
Estimated rental value of the retail portfolio	B	**58.6**	66.0
EPRA Vacancy Rate	A/B	**4.4%**	4.2%

EPRA Cost Ratio (including direct vacancy costs): 41.1%;

EPRA Cost Ratio (excluding direct vacancy costs): 38.7%

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

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

		FY22 (£m)	FY21 (£m)
Administrative/operating expenses per IFRS		**33.4**	52.0
Net service charge costs/fees		**5.6**	5.9
Management fees less actual/estimated profit element		**(1.9)**	(1.2)
Other operating income/recharges intended to cover overhead expenses less any related profits		**(4.8)**	(7.2)
Share of Joint Ventures and associates expenses (net of other income)		**0.4**	1.3
Exclude (if part of the above):			
Investment property depreciation		**–**	–
Ground rent costs		**0.7**	0.3
Service charge costs recovered through rents but not separately invoiced		**–**	–
EPRA Costs (including direct vacancy costs)	A	**33.4**	51.1
Direct vacancy costs		**(2.0)**	(2.2)
EPRA Costs (excluding direct vacancy costs)	B	**31.4**	48.9
Gross Rental Income less ground rents – per IFRS		**77.3**	79.5
Less: service fee and service charge costs components of Gross Rental Income (if relevant)		**–**	–
Add: share of Joint Ventures and associates (Gross Rental Income less ground rents)		**3.9**	3.9
Gross Rental Income	C	**81.2**	83.4
EPRA Cost Ratio (including direct vacancy costs)	A/C	**41.1%**	61.3%
EPRA Cost Ratio (excluding direct vacancy costs)	B/C	**38.7%**	58.6%
EPRA Cost Ratio (including direct vacancy costs) – continuing operations		**36.8%**	44.4%
EPRA Cost Ratio (excluding direct vacancy costs) – continuing operations		**33.8%**	41.5%

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

		FY22 (£m)	FY21 (£m)
EPRA Costs (including direct vacancy costs)	A	**33.4**	51.1
Exclude			
Ground rent costs		**(0.7)**	(0.3)
Share of Joint Ventures and associates property expenses (net of other income)		**(0.2)**	(1.1)
Other operating income/recharges intended to cover overhead expenses less any related profits		**4.8**	7.2
Net service charge costs/fees		**(5.6)**	(5.9)
Operating expenses (excluding service charge cost)		**(16.2)**	(28.9)
Tenant incentives (included within income)		**(0.2)**	(0.2)
Letting & legal costs (included within income)		**(1.2)**	(1.6)
Group's share of net administrative expenses as per IFRS	D	**14.1**	20.3
EPRA Gross Rental Income	C	**81.2**	83.4
Ground rent costs		**(0.7)**	(0.3)
Expected credit reversal / (loss)		**0.3**	(5.3)
Other income		**2.5**	3.7
Gross Rental Income	E	**83.3**	81.5
Administrative cost ratio as per IFRS	D/E	**16.9%**	24.9%
Administrative cost ratio as per IFRS – continuing operations		**16.0%**	18.1%

ALTERNATIVE PERFORMANCE MEASURES (APMS)

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

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

APM	Nearest IFRS measure	Explanation and reconciliation
Underlying Funds From Operations ('UFFO') and UFFO per share	(Loss) / Profit for the period after taxation	'Underlying Funds From Operations' section of the 'Finance Review'
EPRA Net Tangible Assets ('NTA') and EPRA NTA per share	Net Assets	'Balance sheet' section of the 'Finance Review'
Dividend cover	N/A	'Financial Policies' section of the 'Finance Review'
Admin cost ratio	N/A	Note 6 of the Financial Statements
Interest cover	N/A	Note 3 of the 'Financial Statistics' table
EPRA EPS	IFRS Basic EPS	Note 12 of the Financial Statements
EPRA NIY	N/A	'EPRA performance measures' section of this document
EPRA 'topped-up' NIY	N/A	'EPRA performance measures' section of this document
EPRA Vacancy Rate	N/A	'EPRA performance measures' section of this document
Total Accounting Return	N/A	Note 4 of the 'Financial Statistics' table
Weighted average cost of debt	N/A	Note 9 of the 'Financial Statistics' table
Weighted average debt maturity	N/A	Note 10 & 11 of the 'Financial Statistics' table
Loan to Value	N/A	Note 12 of the 'Financial Statistics' table

Glossary

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

Average debt maturity: Is measured in years, when each tranche of Group debt is multiplied by the remaining period to its maturity and the result is divided by total Group debt in issue at the period end.

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

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

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

Cost of debt: Is the Group loan interest and derivative costs at the period end, divided by total Group debt in issue at the period end.

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

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

EPRA: Is the European Public Real Estate Association.

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

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

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

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

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

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

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

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

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

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

IFRS: UK-adopted International Accounting Standards

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

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

Interest-rate swap: Is a financial instrument where two parties agree to exchange an interest rate obligation for a predetermined amount of time. These are used by the Group to convert floating-rate debt obligation or investments to fixed rates.

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

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

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

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

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

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

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

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

MSCI-IPD: MSCI Real Estate Investment Property Databank Ltd or 'IPD' produces independent benchmarks of property returns and NewRiver portfolio returns.

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

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

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

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

Passing rent: Is the gross rent, less any ground rent payable under head leases.

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

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

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

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

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

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

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

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

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

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

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

Underlying Funds From Operations (UFFO): is a measure of cash profits which includes recurring cash profits and excludes other one off or non-cash adjustments. UFFO measures the Company's underlying operational profits, excluding one-off or non-cash adjustments such as portfolio valuation movements and profits or losses on the disposal of investment properties.

Unsecured balance sheet: The Company's balance sheet is unsecured, which means that none of its debt is secured against any of its property assets.

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

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

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