Press release

19 November 2021

Strong operational performance driven by leasing success

The Directors of Great Portland Estates plc announce the results for the Group for the six months ended 30 September 2021[1]. Highlights include:

Healthy valuation and rental value growth

- Portfolio valuation of £2.5 billion, up 2.0%[2] (+2.8% offices and -0.8% retail); developments up 29.7%
- Rental values up by 1.6%[2] (2.3% offices and -1.0% retail); yield contraction of 1 bp
- Total property return of 3.7%, with capital return of 2.2% v MSCI Central London (quarterly index) of 1.3%
- Upgraded portfolio rental value guidance, now +2.0% to +5.0% for the financial year

Solid NTA growth

- IFRS NAV and EPRA[3] NTA per share of 796 pence, up 2.2% over six months
- EPRA[3] earnings of £18.7 million, down 9.2% on H1 2020. EPRA[3] EPS of 7.4 pence, down 9.8%
- IFRS profit after tax of £62.2 million (2020: loss of £154.8 million)
- Total accounting return[4] of 3.2% over six months; interim dividend per share maintained at 4.7 pence

Strong leasing and growing Flex

- £27.0 million p.a. of new annual rent across 358,800 sq ft, market lettings 9.8% above March 2021 ERV
- Flex space now c.15% of office portfolio, appraising further 217,000 sq ft. First Flex+ space at 16 Dufour's Place, W1 fully let, average rent £191 per sq ft, 10.5% ahead of ERV
- £2.4 million lettings under offer, 7.1% ahead of March 2021 ERV, further c.£16 million in negotiation
- Vacancy up to 14.0% on Newman Street completion; 5.1% excl. completed developments (Mar 2021: 6.6%)
- Rent roll up 6.2% to £101.1 million, with total potential growth of 91%
- Strongest quarterly rent collection since December 2019; 92% collected (offices 95%), no delinquencies

Continued development progress

- 1 Newman Street, W1 (122,700 sq ft) completed, 37% let (15,200 sq ft retail) strong occupier interest
- Excellent progress at major office refurbishment at 50 Finsbury Square, EC2 (129,200 sq ft); offices now 100% pre-let, forecast 38.7% profit on cost, targeting Net Zero Carbon, £43 million capex to complete
- Total programme of nine schemes (1.4 million sq ft) all targeting Net Zero Carbon, with strong momentum at four-near term schemes (916,000 sq ft, c.£830 million prospective capex) including:
  - likely January 2022 start at consented 2 Aldermanbury Square, EC2 (319,800 sq ft)
  - resolution to grant planning achieved for our proposed 67,700 sq ft redevelopment of Piccadilly
  - planning application submitted for major 139,400 sq ft refurbishment of Minerva House, SE1

Substantial financial capacity

- 160 Old Street, EC1 sold for £181.5 million, 5% premium to March 2021 valuation
- LTV of 16.7%, weighted average interest rate of 2.0% (fully drawn basis), cash and undrawn facilities of £486 million, Sustainable Finance Framework published
- Total prospective capex of £924 million (incl. refurbishments); reviewing £0.9 billion of acquisitions and £0.3 billion of sales

Embracing change and innovation supported by strong culture

- Refreshed corporate brand launched to enhance our customer appeal
- Social Impact strategy launched (see separate announcement)
- The Hickman, E1 awarded SmartScore 'Platinum' rating, the first award globally
- Strong employee engagement: 93% employees recommend GPE as 'great place to work'

Toby Courtauld, Chief Executive, said:

"We are pleased to report on a productive first half, delivering valuation gains, strong leasing at levels well ahead of rental values, exceptional development returns and profitable asset sales.

Whilst activity is not yet back to pre-COVID levels, it is clear that London's economy and its property markets are recovering with office workers and shoppers both returning to the main commercial districts of the capital. Simultaneously, we are seeing healthy growth in office jobs which is driving renewed occupier demand for City and West End offices, up by more than 50% since this time last year.

Encouragingly, we are successfully capturing this market momentum in our own spaces, leasing more in the first half than in the previous two years put together and beating rental values by 9.8% overall. With our market-leading, customer-first, approach we are addressing today's key occupier themes of flexibility, service delivery and amenity provision, in well designed, tech-enabled and sustainable spaces. So, whilst market volatility is possible in the near term, we expect these positive leasing trends to continue. As a result, and assuming no further COVID restrictions, we have raised our guidance for our rental values and now forecast that they will rise for the full year in the range of +2% to +5%.

With our portfolio that is full of opportunity, including a circa £900 million near-term development programme, our strong balance sheet with plentiful liquidity and our motivated and engaged team, we have the ability to capitalise on London's recovery. GPE is in great shape and we look to our future with confidence."

[1] All values include share of joint ventures unless otherwise stated [2] On a like-for-like basis [3] In accordance with EPRA guidance [4] We prepare our financial statements using IFRS, however we also use a number of adjusted measures in assessing and managing the performance of the business. These include like-for-like figures to aid in the comparability of the underlying business and proportionately consolidated measures, which represent the Group's gross share of joint ventures rather than the net equity accounted presentation included in the IFRS financial statements. These metrics have been disclosed as management review and monitor performance of the business on this basis. We have also included a number of measures defined by EPRA, which are designed to enhance transparency and comparability across the European Real Estate sector, see note 7 to the financial statements. Our primary NAV metric is EPRA NTA which we consider to be the most relevant measure for the Group.

Contacts:
Great Portland Estates plc +44 (0) 20 7647 3000
Toby Courtauld, Chief Executive
Nick Sanderson, Chief Financial & Operating Officer
Stephen Burrows, Director of Financial Reporting & IR

Finsbury Group +44 (0) 20 7251 3801
James Murgatroyd
Gordon Simpson

There will be a live webinar session via Zoom at 8.30am today, which will include a Q&A session with the GPE management team. Please use the following link to join the webinar:
https://us06web.zoom.us/j/86102304238
Passcode: 191121

A video presentation of the results by Toby Courtauld and Nick Sanderson is available, along with accompanying presentation materials and appendices, at:

www.gpe.co.uk/investors/latest-results

For further information see www.gpe.co.uk or follow us on Twitter at @GPE_plc

Disclaimer
This announcement contains certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

Any forward-looking statements made by or on behalf of Great Portland Estates plc (GPE) speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. GPE does not undertake to update forward-looking statements to reflect any changes in GPE's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Information contained in this announcement relating to the Company or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

Half Year Results

Our market

Introduction

The last quarter of 2020 marked the low in activity levels in London's occupational markets, as the UK returned to lock-down on the resurgence of COVID-19. The subsequent successful rollout of the vaccination programme has helped turn the tide on the impact of the pandemic, greatly improving business and consumer confidence and returned the UK economy to growth. Activity levels have also recovered from the lows of 2020 in both the central London occupational and investment markets, particularly in the West End. In our occupational markets, the quarter to 30 September 2021 saw the strongest quarterly take up since the start of the COVID-19 pandemic but remained below the long run average. In the investment market, whilst activity has picked up with the easing of domestic restrictions, activity levels remain modest given travel restrictions for many international investors. However, we continue to see strong demand for high-quality, well located assets and development opportunities with a rapid route back to market.

Global economic recovery

Economic growth across developed economies has recovered as the impact of the pandemic has been managed through mass vaccination programmes, widespread government support and the subsequent reopening of economies. Global GDP has now surpassed its pre-pandemic level and the IMF forecasts global GDP to grow by 6.0% and 4.9% in 2021 and 2022 respectively. However, the recovery remains uneven with vaccine access the principal differentiating factor between countries' relative economic performance. As the impact of the pandemic has abated, the rebound in global demand, together with depleted inventories and supply chain disruption, has increased commodity prices and transportation costs around the world.

In the UK, the economy has responded strongly as domestic COVID-19 restrictions have ended, with GDP growth of 5.5% in the quarter to June 2021 and a further 1.3% in the quarter to September. However, rising oil and gas prices, combined with the end of Government support schemes, are expected to impact household spending power and moderate the recovery from here. Accordingly, whilst many commentators anticipate price rises to be transitory, Oxford Economics has trimmed its GDP expectations to 6.9% for 2021, although the near-term forecast for the UK remains at the upper end of the G7 countries.

Stronger activity in occupational markets

As the economy has strengthened, activity levels in our occupational markets have continued to recover, with many businesses committing to new space or resuming a search that had been paused due to the pandemic. As a result, central London office take-up was 4.3 million sq ft, considerably higher than the preceding six months and closer to the ten-year average of 6.0 million sq ft. CBRE estimate that central London active demand at September has also improved, totalling 9.6 million sq ft, an increase of 2.0 million sq ft since March and back to levels last seen in 2019. We have also seen a rebound in the flexible office sector with Workthere reporting that enquiries are up 30% on pre-pandemic levels. However, improving levels of take up and demand have yet to reduce central London availability which remains elevated at 25.7 million sq ft, consistent with 31 March 2021 and ahead of the ten-year average of 15.2 million sq ft. The vacancy rate has also continued to rise reaching 9.1% at September 2021. Whilst the amount of available space remains high, the proportion that is either newly completed or under construction remains low at only 25% of total stock (6.4 million sq ft). This continued scarcity of high-quality space has provided relative support for prime rents which is demonstrated by a period of strong leasing for the Group, including our recent pre-let of all the offices at 50 Finsbury Square, EC2.

Looking forward, the future supply of new space remains limited. In central London, CBRE estimate that 12.1 million sq ft of new space is currently under construction, of which a third is already pre-let. Whilst CBRE estimate that 35.0 million sq ft of new speculative buildings could be delivered before the end of 2026, construction has yet to start on more than 75% of that space. This lack of availability, combined with a rebound in the UK economy, will in our view support the demand for high-quality spaces, further encourage pre-letting activity and support prime rents in the second half of the year.

West End occupational market

Over the six months to 30 September 2021, West End office take-up was 2.0 million sq ft, up 112% on the preceding six months and the highest quarter since September 2017. Current availability of 6.6 million sq ft has started to decline from a peak of 7.1 million at 31 December 2020. Vacancy rates also declined marginally to 5.5% at 30 September 2021, with Grade A vacancy estimated by CBRE to be only 3.6%. CBRE reported that prime office rental values increased over the last six months by £10 per sq ft to £120 per sq ft, with rent frees six and a half months lower at 22.5 months on a ten-year lease.

The UK retail environment continues to be challenged. Whilst consumer confidence rebounded in the first half of 2021, and returned to pre-COVID-19 levels, confidence fell in the quarter to September 2021 for the first time since Q4 2020. City centres have continued to suffer as consumers have been slower to return to high density locations, particularly if they are reliant on public transport. Footfall in the West End has recovered, particularly for leisure activities, to levels around 60% higher than a year ago, albeit they remain around 30% below pre-pandemic levels. According to Savills, vacancy on Oxford Street, Regent Street and New Bond Street has stabilised at 14.0%, 13.1% and 13.6% respectively, with CBRE reporting prime Zone A rents on Oxford Street, Regent Street and Bond Street unchanged at £631 per sq ft, £593 per sq ft and £1,702 per sq ft respectively.

City, Midtown and Southbank occupational markets

Over the six months to 30 September 2021, City office take up remained subdued at 1.2 million sq ft an increase of 21% on the prior six months but materially below the ten-year average of 2.4 million sq ft. Availability has also increased and now stands at 11.7 million sq ft up from 11.5 million sq ft at 31 March 2021. However, there are some early signs of improvement with the amount of space under offer up more than 150% since March to 1.6 million sq ft, 17.5% ahead of the 10-year average. The City vacancy rate remains greater than that of the West End and has continued to rise to 12.6% at September 2021, although Grade A vacancy was estimated by CBRE to be lower at 8.9%, up from 8.4% at March. CBRE also reported that City prime rental values remain unchanged from March at £70.00 per sq ft, with rent free periods on a ten-year lease marginally lower at 24-27 months (27 months at 31 March 2021).

Take-up in Midtown and Southbank was 0.9 million sq ft, significantly up from 0.2 million sq ft for the preceding six months. Prime office rental values increased by £7.50 and £2.50 per sq ft to £85.00 and £67.50 per sq ft for Midtown and Southbank respectively. Rent frees reduced to 24-27 months on average on a ten-year lease.

Our investment markets

Activity in our investment markets has followed the trajectory of the pandemic, with lockdowns and restrictions in international travel making sellers cautious and hampering the ability of buyers to inspect potential acquisitions and conduct effective due diligence. With restrictions easing, office investment deals in the six months to 30 September 2021 were £5.0 billion, down 8.5% on the prior six months an increase of nearly 200% on the equivalent period last year.

Today we estimate that there is currently £6.7 billion of stock on the market available to buy, up from £6.3 billion in May, whilst the weight of money seeking to invest remains elevated at £40.1 billion. Demand for London real estate has remained robust particularly for high quality assets and London offices remain attractively priced when compared to other major global cities. This continued demand has placed downward pressure on prime office yields over the six months, with CBRE reporting prime office yields of 3.25% for the West End (down 25 basis points) and 3.75% in the City (down 25 basis points). Given continued challenges in core retail markets, retail yields continued to soften over the period, with CBRE reporting that retail yields moved out to 4.0% for Regent Street and 4.25% for Oxford Street with Bond Street remaining stable at 2.75%.

Near-term market outlook

Given the cyclical nature of our markets, we actively monitor numerous lead indicators to help identify key trends in our marketplace. Over the last six months, given the continued economic recovery, our property capital value indicators have seen further improvement from those we reported in May. Today, we expect investment activity in the central London commercial property market to trend towards more normalised levels and prime yields to continue to come under downward pressure given the continued demand for central London real estate. In the occupational market, given a strong leasing and rental performance of the portfolio in the first half of the year, we have upgraded our rental value growth range for the financial year to 31 March 2022 to between +2% and +5%, predominantly driven by the positive performance of our office portfolio.

Our business

Our business is accompanied by graphics (see Appendix 1 and 3)

Our leasing activities

During the six months to 30 September 2021, we have seen growing momentum in our occupational markets. With a strong demand, particularly for our prime Grade A and flex office products, we have continued to let space ahead of ERV. Key highlights include:

- 35 new leases were signed during the first half (2020: 9 leases), generating annual rent of £27.0 million (our share: £21.8 million; 2020: £6.1 million), market lettings 9.8% above March 2021 ERVs (offices; 9.3%; retail 11.1%);
- three rent reviews securing £2.0 million p.a. (our share: £2.0 million; 2020: £3.7 million) of rent were settled during the half year, in line with the previous passing rent and 1.2% ahead of ERV;
- total space covered by new lettings, reviews and renewals during the first half was 387,200 sq ft (2020: 136,400 sq ft);
- 83% (by area) of the 33 leases with breaks or expiries in the twelve months to 30 September 2021 were retained, re-let, or are under offer, leaving 20,500 sq ft still to transact; and
- following the successful leasing period, the Group's rent roll has increased by 6.2% to £101.1 million.

Key leasing transactions

The table below summarises our leasing transactions in the period:

Leasing Transactions	Three months ended 30 September 2021	Six months ended 30 September 2021	Six months ended 30 September 2020
New leases and renewals completed			
Number	19	35	9
GPE share of rent p.a.	£12.8 million	£21.8 million	£6.1 million
Area (sq ft)	174,200	358,800	77,300
Rent per sq ft (including retail)	£82	£76	£78
Rent reviews settled			
Number	-	3	5
GPE share of rent p.a.	£nil	£2.0 million	£3.7 million
Area (sq ft)	-	28,400	59,100
Rent per sq ft (including retail)	£nil	£72	£62

Note: Includes joint ventures at share

Notable transactions during the six months included:

- Inmarsat Global Limited pre-let all 121,800 sq ft of office space at 50 Finsbury Square, EC2, on a 20-year lease (15-year break) paying an annual rent of £8.5m, 11.2% above March 2021 ERV;
- the leasing of the entirety of 103/113 Regent Street, W1 held in our Great Ropemaker Partnership (GRP) to Uniqlo Europe Limited (Uniqlo). The property, comprising 56,850 sq ft of mixed-use retail and office, was previously let to C-Retail Ltd (Superdry). GRP simultaneously surrendered the Superdry lease for £7.9 million and granted a new lease to Uniqlo;
- the completion of five new office leases at our completed development Hanover Square, W1, including at Medici Courtyard (15,400 sq ft) to KKR and UPL for a combined £1.85m p.a. on a 14-year (six-year break) and 15-year (ten-year break) term respectively. Taken together, 95% of the office space at the scheme is now let. We have also completed two further retail lettings totalling 6,400 sq ft; and
- our fully fitted and fully managed space at 16 Dufour's Place, W1 (16,300 sq ft) which was fully let within six months of launch with the two most recent lettings at more than £200 per sq ft. We continue the roll out of our flexible offering to other buildings, with a further three lettings recently completed.

At 30 September 2021, the Group's vacancy rate (including share of joint ventures) was 14.0% up from 13.2% at 31 March 2021 with the increase primarily due to the completion of 1 Newman Street and 70/88 Oxford Street, W1. Excluding recently completed developments, the vacancy rate was 5.1% down from 6.6% at 31 March 2021. The average passing rent across our office portfolio was £62.50 per sq ft, up from £56.70 per sq ft at 31 March 2021.

Since 30 September 2021, our leasing activity included:

- the completion of five new leases generating £1.7 million (our share: £1.7 million) of annual rent (13,300 sq ft), with market lettings 12.0% above March 2021 ERVs; and

- a further 43,500 sq ft of space is under offer which would deliver approximately £2.4 million p.a. in rent (our share: £2.3 million), with market lettings 5.9% ahead of September ERVs or 7.1% above March 2021 ERVs.

Innovating with our flexible space

Quickly evolving patterns of work are changing what many occupiers want from their office space and we are meeting this demand with our innovative flexible spaces. Today our flexible spaces total 286,000 sq ft, or around 15% of our office portfolio. We have also expanded our offering with 16 Dufour's Place, W1, which we completed in the summer. This 16,300 sq ft building will provide occupiers with fully fitted, fully managed, tech-enabled office space with flexibility of lease term. During the period, we leased the entirety of the building at an average all-in rent of £191 per sq ft, some 10.5% ahead of the valuer's March 2021 flex ERV. Given this success, we have launched a further six spaces (35,000 sq ft) and these are already 65% let or under offer. Looking forward, we have further ambitions for growth and are appraising an additional 217,000 sq ft across our existing portfolio, which if converted, would take our flex offerings to 27% of our office portfolio.

Improved rent collection

Our rental collection performance has continued to improve from the lows of summer 2020. For the six months to 30 September 2021, of the £41.6 million of rents billed (including our share of joint ventures) we have collected 88% to date and have continued to collect outstanding balances from the prior year. This performance has improved further for the September quarter, as we collected 85% of all rent billed within 7 working days. During the half year, none of our occupiers went into administration (March 2021: two). All of our office buildings remain open for business, with levels of occupier utilisation currently around 57% of full occupancy and around 94% of our retail units are open. At 30 September 2021, we held rent deposits and bank guarantees totalling £20.0 million (March 2021: £17.2 million).

Our development activities

Within our 1.4 million sq ft development pipeline we have continued to make excellent progress with both our committed and four near-term schemes. Since March 2021, we have successfully completed one development and have pre-let the entirety of the offices at 50 Finsbury Square, EC2, where we are currently on-site. Furthermore, during the period, we achieved resolution to grant planning at two of our four exciting near-term schemes, the earliest of which has a potential commencement in early 2022.

One development completion; first retail letting achieved

At 1 Newman Street & 70/88 Oxford Street, W1 we completed the 122,700 sq ft office and retail building in July, which sits directly opposite the Dean Street entrance to the Tottenham Court Road Crossrail station. In June, we agreed the letting of all of the basement space to Boom Battle Bar for a new competitive socialisation offer. Together with the 39,600 sq ft of space pre-leased to Exane, the new building is now 37% let, and we have good interest in the majority of the offices and retail interest continues to improve.

One committed scheme, office space 100% pre-let

At 50 Finsbury Square, EC2, the refurbishment of the 129,200 sq ft building, including construction of the new roof pavilion, is progressing well, and we expect completion in late 2022. Our extensive repositioning will extend the office floor plates within the existing frame of the building, create a large reception with a concierge as well as an improved retail, leisure and amenity offer. The new building will be a sustainability, wellbeing and technology exemplar delivering on all four pillars of our Sustainability Statement of Intent and is expected to be our first building certified as Net Zero Carbon. We committed to the refurbishment at the start of the year and, testament to the quality of the building, in August we pre-let all of the offices to Inmarsat Global Limited (see above). We currently expect the scheme to deliver a profit on cost of 38.7%.

At 30 September 2021, our committed development property was valued at £115.9 million and required £43.3 million of capital expenditure to complete. Beyond this, the team continues to prepare our substantial development pipeline of a further eight schemes with prospective deliveries from the mid-2020s and beyond.

Four near term schemes; resolution to grant planning achieved at 2 Aldermanbury Square and French Railways House and 50 Jermyn Street

Following being awarded resolution to grant planning permission at 2 Aldermanbury Square, EC2 in June, we signed the s106 Agreement with the City of London, appointed a contractor for the demolition, enabling and substructure works and are in discussion with a number of main contractors ahead of our potential January 2022 start date. Our proposed development will substantially increase the size of the building to 319,800 sq ft (up from 176,000 sq ft) and will incorporate our sustainability aspirations from the outset, with the aim of delivering our second net zero carbon building. The scheme also includes a number of public realm and amenity improvements that will have a positive impact on the local area and improve accessibility to the western entrance of the Liverpool Street Crossrail station. To date we have been greatly encouraged by the strong occupier interest in the scheme.

In July, we obtained resolution to grant planning permission at French Railways House and 50 Jermyn Street, SW1, part of our Piccadilly Estate. Our proposed major office-led redevelopment will provide 67,700 sq ft (up from 54,600 sq ft) of new Grade A space. The proposed highly sustainable building will be in keeping with surrounding conservation area and heritage assets, will reuse substantial elements of the existing building's substructure to reduce its carbon footprint and will include a significant amount of new amenity including a number of external spaces including a communal roof terrace. The development of the building is subject to Crown consent.

At New City Court, SE1, we have amended our proposals, lowering the height whilst maintaining area, to materially increase the size of the existing 98,000 sq ft building to 389,100 sq ft and we expect a planning determination later this year.

At Minerva House, SE1, we are finalising plans for a 139,400 sq ft major office refurbishment. We are already in discussions with Southwark and aim to submit our planning application later this month. Our proposals will reposition this building taking full advantage of its river frontage and, by adding additional storeys, we will be able to create outdoor terraces and amenity space with commanding views over central London. A planning application for the scheme was submitted in early November.

In total, with a further four schemes in the medium-term pipeline, our total development programme totals 1.4 million sq ft and covers 32% of GPE's existing portfolio and will provide the foundation of our growth over the coming decade.

Our investment activities

Following the UK moving out of lockdown during the spring, activity in our investment markets is recovering to more normalised levels. Despite activity picking up, particularly for long-let, high quality buildings, opportunities providing attractive value remain limited. We continue to monitor the market closely and have more than £900 million of potential acquisitions currently under review. Our focus remains on development and repositioning opportunities, buildings that would suit our flex products and assets that are challenged from a sustainability perspective. However, given the prospective returns presented by our development pipeline, the hurdle for new acquisitions remains high. As a result, we retained our discipline and made no acquisitions in the period.

Crystallising surpluses at 160 Old Street, EC1

In September, the Great Ropemaker Partnership (GRP), our 50:50 joint venture with BP Pension Fund, sold 160 Old Street, EC1 to a fund advised by J.P. Morgan Global Alternatives. The headline price of £181.5 million reflected a 5% premium to the March 2021 valuation. The building was comprehensively refurbished by GRP in 2018 to provide 166,300 sq ft of high-quality accommodation arranged over lower ground, ground and eight upper floors. The office space is 70% let to Turner Broadcasting to 2034. The balance of the office and retail space is let to a variety of occupiers including Robert Bosch Limited, Pusher Limited and Sensat Surveying Limited together with a small amount of vacant space and some near-term asset management opportunities. The total contracted annual rental income was £7.9 million, with a weighted average unexpired lease term of approximately 10.3 years to the earlier of breaks or expiries.

Social impact, sustainability and technology

Social impact strategy launched

Today, we announced the launch of our Social Impact Strategy, building on our Sustainability Statement of Intent 'The Time is Now' launched in May 2020 and our existing community strategy.

Our strategy sets out how we will deliver the third pillar of our Sustainability Statement of Intent, namely to create a lasting positive social impact in our communities and £10 million of social value by 2030.

Our strategy is intrinsically linked to Our Roadmap to Net Zero, recognising the need to support a just transition to a low carbon economy. We've incorporated our approach to diversity and inclusion within our social impact strategy. Our approach is underpinned by four pillars:

- Enabling healthy and inclusive communities
- Championing diverse skills and accessible employment opportunities
- Supporting the growth of local business and social enterprise
- Connecting people with urban nature

Further details of our strategy can be found on our website.

Sustainable Finance Framework

In July, we published our Sustainable Finance Framework in respect of potential future debt issuance. This follows the Group's innovative £450 million ESG-linked revolving credit facility (the first of its kind by a UK REIT) issued in January 2020.

The Framework provides a platform for us to potentially issue debt instruments to finance or refinance projects that have a positive environmental and/or social impact, while supporting the Group's sustainability strategy and wider business strategy. The Framework is aligned to internationally recognised principles issued by the International Capital Markets Association (ICMA) and the Loan Markets Association (LMA).

The Hickman achieves a SmartScore 'Platinum' rating

In July, WiredScore announced that The Hickman, E1 was the first building globally to achieve the prestigious SmartScore 'Platinum' rating. The Hickman is a comprehensive redevelopment completed in September 2020, delivering 75,300 sq ft of highly tech enabled and sustainable workspace.

SmartScore, the certification for smart buildings, was launched in April 2021 to provide a global standard to identify best-in-class smart buildings that deliver an exceptional user experience, drive cost efficiency, meet high standards of sustainability and are fully future-proof. The Platinum rating demonstrates our commitment to continuous technological innovation to enhance the occupier workplace experience. The combination of the digital twin to optimise operational energy, together with the integration of sesame® and other building technologies means that occupiers and their staff enjoy a more sustainable and productive workplace.

Valuation

Valuation is accompanied by graphics (see Appendix 2)

The valuation of the Group's properties was £2,457.0 million as at 30 September 2021, reflecting a valuation increase of 2.0% on a like-for-like basis since 31 March 2021. At 30 September 2021, the wholly-owned portfolio was valued at £1,918.5 million and the Group had three active joint ventures which owned properties valued at £538.5 million (our share) by CBRE.

Development gains supporting value increase

The key drivers behind the Group's valuation movement for the six-month period were:

- development gains – the valuation of our committed development properties increased by 29.7% on a like-for-like basis to £115.9 million during the period. Our development returns were supported by securing a major pre-letting, which was ahead of the valuer's assumptions;
- portfolio management – a very strong six months, 38 new leases, rent reviews and renewals were completed, securing £23.8 million (our share) of annual income, supporting the valuation. At 30 September 2021, the portfolio was 6.5% reversionary;
- rental value increase – since the start of the financial year, rental values increased by 1.6% on a like-for-like basis, with our office portfolio up by 2.3% and our retail portfolio reducing by 1.0%; and
- low investment yields – equivalent yields decreased marginally by 10 basis points over the period. At 30 September 2021, the portfolio true equivalent yield was 4.5%.

Including rent from pre-lets and leases currently in rent free periods, the topped up initial yield of the investment portfolio at 30 September 2021 was 3.5%, 30 basis points lower than the start of the financial year.

Whilst the overall valuation increased by 2.0% during the six months on a like-for-like basis, elements of the portfolio continued to show greater variation. We continued to see office portfolio values outperform retail with our office properties increasing by 2.8% compared to a 0.8% fall in retail values, as weaker retailer sentiment reduced ERVs. Furthermore, short leasehold properties (<100 years), which represent 11% of the portfolio, reduced in value by 1.7% compared to an increase of 2.5% in the rest of the portfolio, as investor demand for shorter leasehold assets continued to lag that of freehold properties. Our joint venture properties increased in value by 4.0% over the period, largely attributable to the strong leasing activity at our recently completed development Hanover Square, W1, while the wholly-owned portfolio increased by 1.4% on a like-for-like basis, supported by our committed developments as detailed above.

The Group delivered a total property return (TPR) for the six months to 30 September 2021 of 3.7% (2020: -5.1%), compared to the Central London MSCI quarterly benchmark of 2.9%, and a capital return of 2.2% (versus 1.3% for MSCI). This relative outperformance resulted from our office development and leasing successes in the period.

Our financial results

Our financial results are accompanied by graphics (see Appendix 3)
We prepare our financial statements using IFRS. However, we also use a number of Alternative Performance Measures (APMs) to help explain the performance of the business. These include quoting a number of measures on a proportionately consolidated basis to include joint ventures, as it best describes how we manage the portfolio, like-for-like measures and using measures prescribed by European Public Real Estate Association (EPRA). The measures defined by EPRA are designed to enhance transparency and comparability across the European real estate sector. Reconciliations of APMs are included in note 7 to the accounts.

We calculate net assets and earnings per share in accordance with EPRA's Best Practice Recommendations. The recommendations are designed to make the financial statements of public real estate companies clearer and more comparable across Europe enhancing the transparency and coherence of the sector. EPRA's Best Practice Recommendations include three NAV metrics: EPRA Net Tangible Assets (NTA), Net Reinvestment Value (NRV) and Net Disposal Value (NDV). We consider EPRA NTA to be the most relevant measure for the Group and the primary measure of net asset value and relevant reconciliations between IFRS numbers and EPRA metrics are included in note 7 to the accounts.

Valuation gains drive 2.2% increase in EPRA NTA per share
IFRS NAV per share and EPRA NTA per share at 30 September 2021 were 796 pence per share, an increase of 2.2% over the last six months, largely due to the 2.0% like-for-like increase in the value of the property portfolio. The main drivers of the 17 pence per share increase in NTA from 31 March 2021 were:

- the increase of 17 pence per share arising from the revaluation of the property portfolio;
- EPRA earnings for the period of 7 pence per share increased NTA;
- the final dividend of 8 pence per share reduced NTA; and
- other movements increased NTA by 1 pence per share.

The EPRA NTA increase of 2.2%, combined with the payment of last year's final dividend of 7.9 pence per share, delivered a total accounting return for the six months to 30 September 2021 of 3.2% (2020: -6.9%).

At 30 September 2021, the Group's net assets were £2,015.3 million, up from £1,971.6 million at 31 March 2021, with the increase largely attributable to the increase in property valuation. EPRA NDV per share was 791 pence at 30 September 2021 compared to 777 pence at 31 March 2021 (up 1.8%).

Earnings reduced, in line with guidance and our portfolio activities
Revenue from our wholly-owned properties was largely unchanged year on year at £42.2 million, down £0.2 million on the prior period. Within this, gross rental income reduced by £3.4 million primarily due to achieving vacant possession in June last year from Bloomberg, ahead of our development start at 50 Finsbury Square, EC2 and increased portfolio vacancy. The reduction in rental income was largely offset by an increase in joint venture fees, up £3.5 million on last year to £4.3 million, including the disposal fee for 160 Old Street, EC1 as well as an increase in portfolio management transactions.

Adjusting for acquisitions, disposals and transfers to and from the development programme, like-for-like rental income (including from joint venture properties) decreased 6.2% on the prior period after estimated credit loss provisions.

Cost of sales increased from £10.1 million to £13.7 million for the for the period to 30 September 2021, with the increase primarily due to an increase in vacancy expenses and higher costs associated with our portfolio initiatives in joint ventures, including the sale of 160 Old Street, EC1.

As the central London economy continues to reopen, we have seen a continued improvement in collection rates for both the June and September 2021 quarters. As a result, of the £4.8 million rent outstanding at 30 September 2021, we provided £3.1 million as an expected credit loss in the period, £0.6 million lower than last year and representing around 65% of outstanding balances. The majority of the provision relates to balances with occupiers from the retail, hospitality and leisure sectors.

Administration costs were £16.2 million, an increase of £3.3 million, primarily as a result of increased headcount to support our enhanced operational capabilities and an increase in provisions for performance related pay.

EPRA earnings from joint ventures (excluding fair value movements) were £9.8 million, an increase of £5.2 million from the prior year, largely driven by the Superdry surrender premium of £7.9 million (our share: £3.9 million) at 103/113 Regent Street, W1, coupled with our letting successes at our recently completed Hanover Square development. In total, our joint ventures delivered a profit before tax of £26.8 million (2020: £56.5 million loss).

Gross interest on our debt facilities was £7.2 million, up £1.8 million on the prior period. This increase was primarily due to drawing on the Group's new £150 million 2.77% private placement notes in November last year. We capitalised interest of £4.0 million (2020: £2.8 million). As a result, the Group had net finance costs (including interest receivable) of £0.1 million (2020: income of £0.4 million).

EPRA earnings were £18.7 million, 9.2% lower than for the same period last year. Revaluation gains together with EPRA earnings resulted in an IFRS profit after tax of £62.2 million (2020: £154.8 million loss). The basic and diluted earnings per share for the period was 24.6 pence, compared to 61.2 pence loss per share for 2020. Diluted EPRA earnings per share was 7.4 pence (2020: 8.2 pence), a decrease of 9.8%, and cash earnings per share was 5.1 pence (2020: 6.4 pence).

Results of joint ventures

The Group's net investment in joint ventures was £563.0 million, a decrease from £626.4 million at 31 March 2021, largely due a partner distribution after the profitable disposal of 160 Old Street, EC1 partially offset by a 4.0% like-for-like increase in value of the property portfolio. Our share of joint venture net rental income was £14.8 million, up from £7.2 million last year primarily as a result of receiving a one-off surrender premium of £3.9 million (our share), as well as increased leasing activity at our recently completed Hanover Square development. The underlying joint venture profits are stated after charging £4.3 million of GPE management fees (2020: £0.8 million) with the increase attributable to an increase in leasing transactions as well as a disposal fee for the sale of 160 Old Street, EC1.

Overall, our three active joint ventures represent an important proportion of the Group's business. At 30 September 2021, joint ventures represented 21.9% of the portfolio valuation, 27.9% of net assets and 23.1% of rent roll (31 March 2021: 24.6%, 31.8% and 25.2% respectively).

Strong financial position; LTV low at 16.7%

The Group's consolidated net debt decreased to £438.6 million at 30 September 2021, compared to £477.5 million at 31 March 2021. The decrease was largely due to the repayment of our revolving credit facility (RCF) following the disposal of 160 Old Street, EC1, partly offset by on-going development capital expenditure across the Group of £38.2 million in the six months. Group gearing decreased to 22.0% at 30 September 2021 (31 March 2021: 24.6%). Including cash balances in the joint ventures, total net debt was £409.5 million (31 March 2021: £451.0 million) equivalent to a loan to property value of 16.7% (31 March 2021: 18.4%). The Group is operating with substantial headroom over its debt covenants. At 30 September 2021, property values would have to fall by around 61% before covenant breach. Through the cycle, the Group aims to maintain a target LTV range between 10% and 35%, consistent with our low leverage levels over the last 10 years. Due in part to both our very low levels of low-cost debt, and the treatment of capitalised interest under our Group covenants, our interest cover ratio for the period was once again not measurable. Excluding the benefit of capitalised interest, our interest cover was 7.0 times.

The Group's weighted average cost of debt, including fees and joint venture debt, for the period was 2.8%, 10 basis points higher than at 31 March 2021 as we reduced amounts drawn on the RCF towards the end of the period, our lowest rate debt financing. The weighted average interest rate (excluding fees) at the period end was 2.7%, up from 2.5% at 31 March 2021 as a result of drawing on our new £150 million 2.77% US private placement notes at the end of 2020. At 30 September 2021, 100% of the Group's total debt was at fixed or hedged rates (31 March 2021: 91%). Our weighted average drawn debt maturity was 7.9 years at 30 September 2021 (31 March 2021: 8.1 years).

Taxation

The tax charge in the income statement for the half year was £0.1 million (2020: £nil million) and the effective tax rate on EPRA earnings was 0% (2020: 0%). The majority of the Group's income is tax-free as a result of its REIT status. Other allowances were available to set against non-REIT profits.

As a REIT, the majority of rental profits and chargeable gains from our property rental business are exempt from UK corporation tax, provided we meet a number of conditions including distributing at least 90% of the rental income profits of this business (known as Property Income Distributions (PIDs)) on an annual basis. These PIDs are then typically treated as taxable income in the hands of shareholders. During the six months ended 30 September 2021, the Group paid a PID of £20.0 million.

The Group's REIT exemption does not extend to either profits arising from the sale of trading properties or gains arising from the sale of investment properties in respect of which a major redevelopment has completed within the preceding three years.

Dividends

The Board has declared an interim ordinary dividend of 4.7 pence per share (2020: 4.7 pence) which will be paid on 5 January 2022. 2.4 pence per share of this dividend will be a REIT Property Income Distribution (PID) in respect of the Group's tax-exempt property rental business.

Principal risks and uncertainties

The Group recognises that the successful management of risk is critical to enable delivery of the Group's strategic priorities. Ultimate responsibility for risk rests with the Board but the effective day-to-day management of risk is integral to the way the Group does business and its culture. The Board undertakes a robust assessment of the principal risks facing the Group on a regular basis.

The principal risks and uncertainties facing the Group for the remaining six months of the financial year remain those detailed on pages 84 to 97 of the 2021 Annual Report with no material changes:

Structural retail changes	Challenging planning environment
Climate change and decarbonisation	People
Pandemic	Meeting customer needs
London attractiveness	Poor capital allocation decisions
Failure to maximise returns from prevailing market conditions	Health and safety
Failure to profitably develop the development programme	Cyber security and infrastructure failure
Impact of property market dislocation on financial leverage and banking covenants	

The Board and Executive Committee continue to regularly review the potential risks and impacts presented by the COVID-19 pandemic and the Group's response, including in relation to both short-term impacts and potential longer-term structural changes in working and retail practices and the level and nature of demand for space in central London. We continue to take steps to mitigate the threat and disruption caused by the pandemic, working collaboratively with our stakeholders, and we maintain our belief that London's appeal as a global business capital will persist for the long term.

The Board also continues to closely monitor the UK government's progress in resolving its international trading relationships after it's exit from the EU, with the outcomes of many negotiations remaining uncertain.

As a result of both the COVID-19 pandemic and Brexit, the Group's forecasts and business plans continue to be prepared under a variety of market scenarios to reflect a number of potential outcomes.

Condensed group income statement

For the six months ended 30 September 2021

Year to 31 March 2021 Audited £m		Notes	Six months to 30 September 2021 Unaudited £m	Six months to 30 September 2020* Unaudited £m
88.5	Revenue	2	42.2	42.4
(24.7)	Cost of sales	3	(13.7)	(10.1)
63.8			28.5	32.3
(25.2)	Administrative expenses		(16.2)	(12.9)
(7.7)	Expected credit losses	12	(3.1)	(3.7)
(0.1)	Development management losses		(0.2)	(0.1)
30.8	Operating profit before surplus/(deficit) from investment property and results of joint ventures		9.0	15.6
(156.8)	Surplus/(deficit) from investment property	8	26.6	(114.3)
(76.2)	Share of results of joint ventures	9	26.8	(56.5)
(202.2)	Operating profit/(loss)		62.4	(155.2)
8.0	Finance income	4	4.1	4.0
(7.8)	Finance costs	5	(4.2)	(3.6)
(202.0)	Profit/(loss) before tax		62.3	(154.8)
0.1	Tax	6	(0.1)	–
(201.9)	Profit/(loss) for the period		62.2	(154.8)
(79.8p)	Basic earnings/(loss) per share	7	24.6p	(61.2p)
(79.8p)	Diluted earnings/(loss) per share	7	24.6p	(61.2p)
15.9p	Basic EPRA earnings per share	7	7.4p	8.2p
15.8p	Diluted EPRA earnings per share	7	7.4p	8.2p

All results are derived from continuing operations in the United Kingdom and are attributable to ordinary equity holders.

*As explained further in note 1, the directors have changed the way in which the Group's performance is presented on the face of the income statement. The underlying results have not been amended and this modified presentation has had no effect on operating profit or profit for the period.

Condensed group statement of comprehensive income

For the six months ended 30 September 2021

Year ended 31 March 2021 Audited £m		Six months to 30 September 2021 Unaudited £m	Six months to 30 September 2020 Unaudited £m
(201.9)	Profit/(loss) for the period	62.2	(154.8)
	Items that will not be reclassified subsequently to profit and loss:		
0.8	Actuarial (loss)/gain on defined benefit scheme	(0.7)	(2.5)
(0.1)	Deferred tax on actuarial loss on defined benefit scheme	0.1	–
(201.2)	Total comprehensive income/(expense) for the period	61.6	(157.3)

Condensed group balance sheet

At 30 September 2021

As at 31 March 2021 Audited £m		Notes	As at 30 September 2021 Unaudited £m	As at 30 September 2020 Unaudited £m
	Non-current assets			
1,894.5	Investment property	8	1,959.2	1,904.6
626.4	Investment in joint ventures	9	563.0	595.1
6.3	Property, plant and equipment	10	5.7	7.0
0.7	Pension asset		0.1	–
1.0	Other investments	11	1.5	0.5
2,528.9			2,529.5	2,507.2
	Current assets			
19.5	Trade and other receivables	12	21.8	23.1
0.4	Corporation tax		–	0.5
11.1	Cash and cash equivalents		6.8	7.2
31.0			28.6	30.8
2,559.9	Total assets		2,558.1	2,538.0
	Current liabilities			
(55.1)	Trade and other payables	13	(53.3)	(54.0)
(55.1)			(53.3)	(54.0)
	Non-current liabilities			
(488.6)	Interest-bearing loans and borrowings	14	(445.4)	(409.5)
(40.7)	Obligations under head leases	16	(40.7)	(40.7)
(3.9)	Obligations under occupational leases	17	(3.4)	(4.3)
–	Pension liability		–	(2.8)
(533.2)			(489.5)	(457.3)
(588.3)	Total liabilities		(542.8)	(511.3)
1,971.6	Net assets		2,015.3	2,026.7
	Equity			
38.7	Share capital	15	38.7	38.7
46.0	Share premium account		46.0	46.0
326.7	Capital redemption reserve		326.7	326.7
1,560.0	Retained earnings		1,602.2	1,615.7
0.2	Investment in own shares	18	1.7	(0.4)
1,971.6	Total equity		2,015.3	2,026.7
779p	Diluted net assets per share	7	796p	800p
779p	Diluted EPRA NTA per share	7	796p	800p

Condensed group statement of cash flows

For the six months ended 30 September 2021

Year to 31 March 2021 Audited £m		Notes	Six months to 30 September 2021 Unaudited £m	Six months to 30 September 2020 Unaudited £m
	Operating activities			
(202.2)	Operating profit / (loss)		62.4	(155.2)
238.5	Adjustments for non-cash items	19	(51.0)	173.3
(3.4)	Increase in receivables		(0.8)	(6.9)
(6.3)	Decrease in payables		(1.9)	(6.2)
26.6	Cash generated by operations		8.7	5.0
(10.3)	Interest paid		(7.1)	(5.3)
0.2	Interest received		–	0.1
0.1	Tax refunded		0.4	–
16.6	Cash flow from operating activities		2.0	(0.2)
	Investing activities			
8.3	Distributions from joint ventures		4.8	4.3
(45.3)	Funds from / (to) joint ventures		89.5	(2.0)
(10.8)	Investment in joint ventures		–	(3.0)
(60.8)	Purchase and development of property		(34.3)	(30.8)
(0.4)	Purchase of plant and equipment		(0.1)	(0.2)
(0.8)	Purchase of other investments		(0.5)	(0.3)
(0.2)	Sale of properties		(0.4)	(0.2)
(110.0)	Cash flow from investing activities		59.0	(32.2)
	Financing activities			
(202.0)	Revolving credit facility repaid	14	(116.0)	(35.0)
97.0	Revolving credit facility drawn	14	71.0	–
(2.8)	Payment of lease obligations		(1.5)	(1.4)
149.1	Issue of private placement notes	14	–	–
(31.7)	Dividends paid	21	(18.8)	(18.9)
9.6	Cash flow (used in) / from financing activities		(65.3)	(55.3)
(83.8)	Net decrease in cash and cash equivalents		(4.3)	(87.7)
94.9	Cash and cash equivalents at 1 April		11.1	94.9
11.1	Cash and cash equivalents at balance sheet date		6.8	7.2

Condensed group statement of changes in equity

For the six months ended 30 September 2021 (unaudited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2021	38.7	46.0	326.7	1,560.0	0.2	1,971.6
Profit for the period	–	–	–	62.2	–	62.2
Actuarial loss on defined benefit scheme	–	–	–	(0.7)	–	(0.7)
Deferred tax on defined benefit scheme	–	–	–	0.1	–	0.1
Total comprehensive income for the period	–	–	–	61.6	–	61.6
Employee Long-Term Incentive Plan charge	–	–	–	–	2.0	2.0
Transfer to retained earnings	–	–	–	0.5	(0.5)	–
Dividends to shareholders	–	–	–	(19.9)	–	(19.9)
Total equity at 30 September 2021	38.7	46.0	326.7	1,602.2	1.7	2,015.3

Condensed group statement of changes in equity

For the six months ended 30 September 2020 (unaudited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2020	38.7	46.0	326.7	1,792.3	(0.6)	2,203.1
Loss for the period	–	–	–	(154.8)	–	(154.8)
Actuarial loss on defined benefit scheme	–	–	–	(2.5)	–	(2.5)
Total comprehensive income for the period	–	–	–	(157.3)	–	(157.3)
Employee Long-Term Incentive Plan charge	–	–	–	–	0.9	0.9
Transfer to retained earnings	–	–	–	0.7	(0.7)	–
Dividends to shareholders	–	–	–	(20.0)	–	(20.0)
Total equity at 30 September 2020	38.7	46.0	326.7	1,615.7	(0.4)	2,026.7

Condensed group statement of changes in equity

For the year ended 31 March 2021 (audited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2020	38.7	46.0	326.7	1,792.3	(0.6)	2,203.1
Loss for the period	–	–	–	(201.9)	–	(201.9)
Actuarial gain on defined benefit scheme	–	–	–	0.8	–	0.8
Deferred tax on defined benefit scheme	–	–	–	(0.1)	–	(0.1)
Total comprehensive expense for the year	–	–	–	(201.2)	–	(201.2)
Employee Long-Term Incentive Plan charge	–	–	–	–	1.5	1.5
Transfer to retained earnings	–	–	–	0.7	(0.7)	–
Dividends to shareholders	–	–	–	(31.8)	–	(31.8)
Total equity at 31 March 2021	38.7	46.0	326.7	1,560.0	0.2	1,971.6

Condensed notes forming part of the half year results

1 Basis of preparation

The information for the year ended 31 March 2021 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The annual financial statements of Great Portland Estates plc will be prepared in accordance with the requirements of the Companies Act 2006 and in accordance with United Kingdom adopted International Financial Reporting Standards (IFRSs). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 Interim Financial Reporting and in accordance with the Disclosure, Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. The accounting policies and methods of computation applied are consistent with those applied in the Group's latest annual audited financial statements. The nature of the Critical Judgements and Key Sources of Estimation Uncertainty applied in the condensed financial statements have remained consistent with those applied in the Group's latest annual audited financial statements. The key sources of estimation uncertainty are the valuation of the property portfolio and the expected credit loss provision. There were no critical judgements made in the preparation of the condensed financial statements.

The income statement has been re-presented and this modified presentation has had no effect on operating profit or profit for the period. For further information on this modified presentation please refer to note 1 of the 2021 annual report. The Group's performance is not subject to seasonal fluctuations.

New standards, amendments and interpretations are in issue and effective for the Group's financial year ended 31 March 2022, but they do not have a material impact on the interim financial report. There were no new or revised IFRSs, amendments or interpretations in issue but not yet effective that are potentially material for the Group and which have not yet been applied.

Going concern

The directors have considered the appropriateness of adopting the going concern basis in preparing the financial statements for the period ended 30 September 2021, with particular focus on the significant impact COVID-19 is having on the macro-economic conditions in which the Group is operating. This assessment is based on the next 12 months of the Group's financial forecasts, including a going concern scenario which included the following key assumptions:

- a 31% decline in the valuation of the property portfolio; and
- a 2.7% fall in rental income; and
- an overall decline of around 35% in EPRA earnings.

The going concern scenario demonstrates that the Group over the next 12 months:

- has significant liquidity to fund its ongoing operations;
- is operating with significant headroom above its Group debt financing covenants;
- property values would have to fall by a further 34% before breach (or 61% from 30 September 2021 values);
- due to the measurement of its income related bank covenants, in particular the treatment of capitalised interest, for the period ended 30 September 2021, the Group did not have a net interest charge. As a result, its interest cover covenant was not measurable. Absent the benefit of capitalised interest, as assumed in the going concern assessment, earnings before interest and tax would need to fall by a further 72% before breach (or 81% from 30 September 2021 levels); and
- has no debt maturities.

Based on these considerations, together with extensive stress testing, available market information and the directors' knowledge and experience of the Group's property portfolio and markets, the directors have adopted the going concern basis in preparing the accounts for the period ended 30 September 2021.

2 Revenue

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
73.8	Gross rental income	32.7	36.1
(2.7)	Spreading of lease incentives	0.2	(1.0)
13.7	Service charge income	5.0	6.5
3.7	Joint venture fee income	4.3	0.8
88.5		42.2	42.4

The table below sets out the Group's net rental income, please see note 7 for the Group's alternative performance measures:

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
73.8	Gross rental income	32.7	36.1
(7.7)	Expected credit losses	(3.1)	(3.7)
66.1	Rental income	29.6	32.4
(2.7)	Spreading of lease incentives	0.2	(1.0)
(1.3)	Ground rent	(0.9)	(0.8)
62.1		28.9	30.6

3 Cost of sales

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
15.2	Service charge expenses	6.9	7.6
8.2	Other property expenses	5.9	1.7
1.3	Ground rent	0.9	0.8
24.7		13.7	10.1

The table below sets out the Group's property costs, please see note 7 for the Group's alternative performance measures:

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
(13.7)	Service charge income	(5.0)	(6.5)
15.2	Service charge expenses	6.9	7.6
8.2	Other property expenses	5.9	1.7
9.7		7.8	2.8

4 Finance income

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
7.8	Interest income on joint venture balances	4.1	3.9
0.2	Interest on cash deposits	–	0.1
8.0		4.1	4.0

5 Finance costs

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
2.5	Interest on revolving credit facilities	1.1	1.4
8.4	Interest on private placement notes	5.5	3.4
1.2	Interest on debenture stock	0.6	0.6
1.9	Interest on obligations under head leases	0.9	0.9
0.1	Interest on obligations under occupational leases	0.1	0.1
14.1	Gross finance costs	8.2	6.4
(6.3)	Less: capitalised interest at an average interest cost of 2.8% (2020: 2.4%)	(4.0)	(2.8)
7.8		4.2	3.6

6 Tax

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
	Current tax		
–	UK corporation tax – current period	–	–
–	UK corporation tax – prior periods	–	–
–	Total current tax	–	–
(0.1)	Deferred tax	0.1	–
(0.1)	Tax charge / (credit) for the period	0.1	–

The difference between the standard rate of tax and the effective rate of tax arises from the items set out below:

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
(202.0)	Profit / (loss) before tax	62.3	(154.8)
(38.4)	Tax charge / (credit) on profit / (loss) at standard rate of 19% (2020: 19%)	11.8	(29.4)
46.0	Changes in the fair value of properties not subject to tax	(7.7)	33.3
(8.6)	REIT tax-exempt rental profits and gains	(4.9)	(4.5)
0.9	Other	0.9	0.6
(0.1)	Tax charge / (credit) for the period	0.1	–

6 Tax (continued)

During the period, £0.1 million (2020: £nil) of deferred tax was credited directly to equity. The Group recognised a net deferred tax asset at 30 September 2021 of £nil (2020: £nil). This consists of deferred tax assets of £0.1 million (2020: £0.1 million) and deferred tax liabilities of £0.1 million (2020: £0.1 million).

Movement in deferred tax:

	At 1 April 2021 £m	Recognised in the income statement £m	Recognised in equity £m	At 30 September 2021 £m
Net deferred tax asset / (liability) in respect of other temporary differences	–	(0.1)	0.1	–

A deferred tax asset of £4.5 million (2020: £3.6 million), mainly relating to revenue losses and contingent share awards, was not recognised because it is uncertain whether future taxable profit will arise against which this asset can be utilised.

As a REIT, the majority of rental profits and chargeable gains from the Group's property rental business are exempt from UK corporation tax. The Group is otherwise subject to corporation tax. In particular, the Group's REIT exemption does not extend to either profits arising from the sale of trading properties or gains arising from the sale of investment properties in respect of which a major redevelopment has completed within the preceding three years.

In order to ensure that the Group is able to both retain its status as a REIT and to avoid financial charges being imposed, a number of tests (including a minimum distribution test) must be met by both Great Portland Estates plc and by the Group as a whole on an ongoing basis. These conditions are detailed in the Corporation Tax Act 2010.

7 Alternative performance measures and EPRA metrics

Adjusted earnings and net assets per share are calculated in accordance with the Best Practice Recommendations issued by the European Public Real Estate Association (EPRA). The recommendations are designed to make the financial statements of public real estate companies clearer and more comparable across Europe enhancing the transparency and coherence of the sector. The directors consider these standard metrics to be the most appropriate method of reporting the value and performance of the business the reconciliations between these measures and the equivalent IFRS figures are shown in the tables below.

Earnings per share:

Weighted average number of ordinary shares

Year to 31 March 2021 No. of shares		Six months to 30 September 2021 No. of shares	Six months to 30 September 2020 No. of shares
253,867,911	Issued ordinary share capital at 1 April	253,867,911	253,867,911
(939,617)	Investment in own shares	(877,335)	(1,000,966)
252,928,294	Weighted average number of ordinary shares - basic	252,990,576	252,866,945

Basic and diluted earnings per share

Year to 31 March 2021 Earnings per share pence		Six months to 30 September 2021 Profit after tax £m	Six months to 30 September 2021 No. of shares million	Six months to 30 September 2021 Earnings per share pence	Six months to 30 September 2020 Loss after tax £m	Six months to 30 September 2020 No. of shares million	Six months to 30 September 2020 Loss per share pence
(79.8)	Basic	62.2	253.0	24.6	(154.8)	252.9	(61.2)
–	Dilutive effect of LTIP shares	–	0.1	–	–	–	–
(79.8)	Diluted	62.2	253.1	24.6	(154.8)	252.9	(61.2)

EPRA Earnings per share

Year to 31 March 2021 Earnings per share pence		Six months to 30 September 2021 Profit / (loss) after tax £m	Six months to 30 September 2021 No. of shares million	Six months to 30 September 2021 Earnings / (expense) per share pence	Six months to 30 September 2020 Profit / (loss) after tax £m	Six months to 30 September 2020 No. of shares million	Six months to 30 September 2020 Earnings / (expense) per share pence
(79.8)	Basic	62.2	253.0	24.6	(154.8)	252.9	(61.2)
62.0	(Surplus) / deficit from investment property (note 8)	(26.6)	–	(10.5)	114.3	–	45.2
33.0	(Surplus) / deficit from joint venture investment property (note 9)	(17.0)	–	(6.7)	61.1	–	24.2
0.7	Debt redemption costs from joint ventures (note 9)	–	–	–	–	–	–
–	Deferred tax	0.1	–	–	–	–	–
15.9	Basic EPRA earnings	18.7	253.0	7.4	20.6	252.9	8.2
(0.1)	Dilutive effect of LTIP shares	–	0.1	–	–	0.2	–
15.8	Diluted EPRA earnings	18.7	253.1	7.4	20.6	253.1	8.2

7 Alternative performance measures and EPRA metrics (continued)

Net assets per share:

In October 2019, EPRA issued new Best Practice Recommendations for Net Asset Value (NAV) metrics, these recommendations are effective for accounting periods starting on 1 January 2020 and have been adopted by the Group. The recommendations include three NAV metrics: EPRA Net Tangible Assets (NTA), Net Reinvestment Value (NRV) and Net Disposal Value (NDV). We consider EPRA NTA to be the most relevant measure for the Group and the primary measure of net asset value.

Number of ordinary shares

31 March 2021 No. of shares		30 September 2021 No. of shares	30 September 2020 No. of shares
253,867,911	Issued ordinary share capital	253,867,911	253,867,911
(877,335)	Investment in own shares	(877,335)	(877,335)
252,990,576	Number of shares - basic	252,990,576	252,990,576
203,596	Dilutive effect of LTIP shares	122,571	322,465
253,194,172	Number of shares - diluted	253,113,147	253,313,041

EPRA net assets per share

31 March 2021 EPRA NTA £m		30 September 2021 IFRS £m	30 September 2021 EPRA NTA £m	30 September 2021 EPRA NDV £m	30 September 2021 EPRA NRV £m	30 September 2020 EPRA NTA £m
1,971.6	IFRS basic and diluted net assets	2,015.3	2,015.3	2,015.3	2,015.3	2,026.7
–	Fair value of financial liabilities	–	–	(12.8)	–	–
–	Real estate transfer tax	–	–	–	179.3	–
1,971.6	Net assets used in per share calculations	2,015.3	2,015.3	2,002.5	2,194.6	2,026.7

31 March 2021 EPRA NTA pence		30 September 2021 IFRS pence	30 September 2021 EPRA NTA pence	30 September 2021 EPRA NDV pence	30 September 2021 EPRA NRV pence	30 September 2020 EPRA NTA pence
779	Net assets per share	797	797	792	867	801
779	Diluted net assets per share	796	796	791	867	800

Total Accounting return

31 March 2021 per share pence		30 September 2021 per share pence	30 September 2020 per share pence
868.0	Opening EPRA NTA (A)	779.0	868.0
779.0	Closing EPRA NTA	796.0	800.0
(89.0)	Increase / (decrease) in EPRA NTA	17.0	(68.0)
12.6	Ordinary dividend paid in period	7.9	7.9
(76.4)	Total return (B)	24.9	(60.1)
(8.8%)	Total accounting return (B/A)	3.2%	(6.9%)

7 Alternative performance measures and EPRA metrics (continued)

Cash earnings per share

Year to 31 March 2021 Earnings per share pence		Six months to 30 September 2021 Profit after tax £m	Six months to 30 September 2021 No. of shares million	Six months to 30 September 2021 Earnings per share pence	Six months to 30 September 2020 Profit after tax £m	Six months to 30 September 2020 No. of shares million	Six months to 30 September 2020 Earnings per share pence
15.8	Diluted EPRA earnings	18.7	253.1	7.4	20.6	253.1	8.2
(2.5)	Capitalised interest	(4.0)	–	(1.6)	(2.8)	–	(1.1)
(1.1)	Capitalised interest in joint ventures	–	–	–	(2.4)	–	(1.0)
1.0	Spreading of tenant lease incentives	(0.2)	–	(0.1)	1.0	–	0.4
(1.6)	Spreading of tenant lease incentives in joint ventures	(3.7)	–	(1.4)	(1.1)	–	(0.4)
0.6	Employee Long Term Incentive Plan charge	2.0	–	0.8	0.9	–	0.3
12.2	Cash earnings per share	12.8	253.1	5.1	16.2	253.1	6.4

Net debt and loan-to-property value

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
22.0	£142.9 million 5.625% debenture stock 2029	22.0	22.0
43.3	£450.0 million revolving credit facility	–	113.3
423.3	Private placement notes	423.4	274.2
(11.1)	Less: cash and cash equivalents	(6.8)	(7.2)
477.5	Net debt excluding joint ventures	438.6	402.3
–	Joint venture interest bearing loans and borrowings (at share)	–	39.9
(26.5)	Joint venture cash and cash equivalents (at share)	(29.1)	(14.7)
451.0	Net debt including joint ventures (A)	409.5	427.5
1,853.8	Group properties at market value	1,918.5	1,863.9
603.3	Joint venture properties at market value (at share)	538.5	626.6
2,457.1	Property portfolio at market value including joint ventures (B)	2,457.0	2,490.5
18.4%	Loan-to-property value (A/B)	16.7%	17.2%

Net gearing

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
492.1	Nominal value of interest-bearing loans and borrowings	446.9	411.9
3.9	Obligations under occupational leases	3.4	4.3
(11.1)	Less: cash balances	(6.8)	(7.2)
484.9	Adjusted net debt (A)	443.5	409.0
1,971.6	Net assets	2,015.3	2,026.7
(0.7)	Pension scheme (assets)/liabilities	(0.1)	2.8
1,970.9	Adjusted net equity (B)	2,015.2	2,029.5
24.6%	Net gearing (A/B)	22.0%	20.2%

8 Investment property

Investment property

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2021	615.9	964.7	1,580.6
Costs capitalised	11.3	4.2	15.5
Transfer from investment property under development	246.8	–	246.8
Net valuation surplus/(deficit)	6.6	(6.2)	0.4
Book value at 30 September 2021	880.6	962.7	1,843.3

Investment property under development

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2021	313.9	–	313.9
Costs capitalised	18.2	–	18.2
Interest capitalised	4.0	–	4.0
Transfer to investment property	(246.8)	–	(246.8)
Net valuation surplus	26.6	–	26.6
Book value at 30 September 2021	115.9	–	115.9
Book value of total investment property at 30 September 2021	996.5	962.7	1,959.2

Surplus/(deficit) from investment property

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
(157.4)	Net valuation surplus/(deficit) on investment property	27.0	(114.1)
0.6	(Loss)/profit on sale of investment properties	(0.4)	(0.2)
(156.8)	Surplus/(deficit) from investment property	26.6	(114.3)

The Group's investment properties, including those held in joint ventures (note 9), were valued on the basis of Fair Value by CBRE Limited (CBRE), external valuers, as at 30 September 2021. The valuations have been prepared in accordance with the current version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement 2020 (the Red Book) and have been primarily derived using comparable recent market transactions on arm's length terms.

Real estate valuations are complex and derived using comparable market transactions, which are not publicly available and involve an element of judgement and estimation. Therefore, in line with EPRA guidance, we have classified the valuation of the property portfolio as Level 3 as defined by IFRS 13. There were no transfers between levels during the period. Inputs to the valuation, including capitalisation yields (typically the true equivalent yield) and rental values, are defined as 'unobservable' as defined by IFRS 13.

Everything else being equal, there is a positive relationship between rental values and the property valuation, such that an increase in rental values will increase the valuation of a property and a decrease in rental values will reduce the valuation of the property. Any percentage movement in rental values will translate into approximately the same percentage movement in the property valuation. However, due to the long-term nature of leases, where the passing rent is fixed and often subject to upwards only rent reviews, the impact will not be immediate and will be recognised over a number of years. The relationship between capitalisation yields and the property valuation is negative and more immediate; therefore an increase in capitalisation yields will reduce the valuation of a property and a reduction will increase its valuation. A decrease in the capitalisation yield by 25 basis points would result in an increase in the fair value of the Group's investment property by £144.5 million, whilst a 25 basis point increase would reduce the fair value by £129.3 million. There are interrelationships between these inputs as they are determined by market conditions, and the valuation movement in any one period depends on the balance between them. If these inputs move in opposite directions (i.e. rental values increase and yields decrease) valuation movements can be amplified, whereas if they move in the same direction they may offset, reducing the overall net valuation movement. Additionally, investment property under development is sensitive to income, cost and developer's profit assumptions included in the valuations.

8 Investment property (continued)

Key inputs to the valuation (by building) at 30 September 2021

		ERV		True equivalent yield	
		Average £ per sq ft	Range £ per sq ft	Average %	Range %
North of Oxford Street	Office	78	43 – 95	4.4	4.0 – 6.8
	Retail	66	33 – 122	4.4	4.3 – 7.0
Rest of West End	Office	84	57 – 105	4.8	3.3 – 6.2
	Retail	93	15 – 255	4.5	3.4 – 6.2
City, Midtown and Southwark	Office	58	46 – 71	4.9	3.9 – 5.6
	Retail	28	25 – 67	5.2	4.9 – 5.2

Key inputs to the valuation (by building) at 30 September 2020

		ERV		True equivalent yield	
		Average £ per sq ft	Range £ per sq ft	Average %	Range %
North of Oxford Street	Office	75	45 – 95	4.5	4.1 – 6.8
	Retail	69	30 – 132	4.3	3.9 – 6.7
Rest of West End	Office	80	60 – 93	4.8	3.6 – 6.2
	Retail	103	14 – 289	4.2	2.8 – 6.2
City, Midtown and Southwark	Office	56	46 – 64	5.1	4.4 – 5.6
	Retail	60	28 – 100	4.7	4.4 – 4.9

The book value of investment properties includes £40.7 million (2020: £40.7 million) in respect of the present value of future ground rents. Net of these amounts, the market value of the investment properties was £1,918.5 million. During the period, the Group capitalised £0.3 million (2020: £0.5 million) of employee costs in respect of its development team into investment properties under development. At 30 September 2021, the Group had capital commitments of £48.9 million (2020: £29.1 million).

9 Investment in joint ventures

	Equity £m	Balances with partners £m	Total £m
At 1 April 2021	326.7	299.7	626.4
Movement on joint venture balances	–	(85.4)	(85.4)
Additions	–	–	–
Share of profit of joint ventures	9.8	–	9.8
Share of revaluation surplus of joint ventures	13.7	–	13.7
Profit on sale of investment property	3.3	–	3.3
Share of results of joint ventures	26.8	–	26.8
Distributions	(4.8)	–	(4.8)
At 30 September 2021	348.7	214.3	563.0

The investments in joint ventures comprise the following:

Ownership 31 March 2021		Country of Incorporation/registration	Ownership 30 September 2021	Ownership 30 September 2020
50%	The GHS Limited Partnership	Jersey	50%	50%
50%	The Great Capital Partnership (dormant)	United Kingdom	50%	50%
50%	The Great Ropemaker Partnership	United Kingdom	50%	50%
50%	The Great Victoria Partnerships	United Kingdom	50%	50%

9 Investment in joint ventures (continued)

The investment properties include £5.2 million (2020: £5.2 million) in respect of the present value of future ground rents, net of these amounts the market value of our share of the total joint venture properties is £538.5 million. At 30 September 2021, the Group's share of joint venture capital commitments was £2.4 million (2020: £7.6 million).

Transactions during the period between the Group and its joint ventures, who are related parties, are set out below:

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
(53.1)	Movement on joint venture balances during the period	85.4	(5.9)
(299.7)	Balances receivable at the period end from joint ventures	(214.3)	(252.5)
7.8	Interest on balances with partners	4.1	3.9
8.3	Distributions	4.8	4.3
3.7	Joint venture fees paid	4.3	0.8

The joint venture balances bear interest as follows: the GHS Limited Partnership at 5.3% p.a. on balances at inception and 4.0% on any subsequent balances and the Great Ropemaker Partnership at 2.0% p.a. After the sale of 160 Old Street, EC1, the Great Ropemaker Partnership made a repayment of partner loans of £89.5 million per partner in the period. The Group earns fee income from its joint ventures for the provision of management services. All of the above transactions are made on terms equivalent to those that prevail in arm's length transactions.

Summarised balance sheets

31 March 2021 At share £m		The GHS Limited Partnership £m	The Great Ropemaker Partnership £m	The Great Victoria Partnerships £m	Other £m	30 September 2021 Total £m	30 September 2021 At share £m	30 September 2020 At share £m
608.5	Investment property	661.6	329.2	96.6	–	1,087.4	543.7	631.8
4.9	Current assets	0.7	6.5	1.6	–	8.8	4.4	4.6
26.5	Cash and cash equivalents	29.4	13.6	15.2	–	58.2	29.1	14.7
(299.7)	Balances (from) / to partners	(229.9)	(125.5)	(73.1)	–	(428.5)	(214.3)	(252.5)
–	Interest bearing loans and borrowings	–	–	–	–	–	–	(39.9)
(8.3)	Current liabilities	(3.8)	(11.2)	(3.1)	–	(18.1)	(9.0)	(10.9)
(5.2)	Obligations under head leases	–	(10.3)	–	–	(10.3)	(5.2)	(5.2)
326.7	Net assets	458.0	202.3	37.2	–	697.5	348.7	342.6

Summarised income statements

31 March 2021 At share £m		The GHS Limited Partnership £m	The Great Ropemaker Partnership £m	The Great Victoria Partnerships £m	Other £m	30 September 2021 Total £m	30 September 2021 At share £m	30 September 2020 At share £m
17.4	Net rental income	7.4	12.5	1.9	–	21.8	10.9	7.2
–	Surrender premium	–	7.9	–	–	7.9	3.9	–
(2.1)	Property and administration costs	(1.6)	0.6	(0.6)	–	(1.6)	(0.8)	(0.2)
(6.2)	Net finance costs	(5.1)	(3.3)	–	–	(8.4)	(4.2)	(2.4)
(1.9)	Debt redemption costs	–	–	–	–	–	–	–
7.2	Share of profit of joint ventures	0.7	17.7	1.3	–	19.7	9.8	4.6
(84.7)	Revaluation of investment property	41.6	(7.4)	(6.8)	–	27.4	13.7	(61.1)
1.3	Profit on sale of investment property	–	6.5	–	–	6.5	3.3	–
(76.2)	Share of results of joint ventures	42.3	16.8	(5.5)	–	53.6	26.8	(56.5)

10 Property, plant and equipment

	Right of use asset for occupational leases £m	Leasehold improvements £m	Fixtures and fittings/other £m	Total £m
Cost or valuation				
At 1 April 2021	4.9	5.6	1.6	12.1
Additions	–	–	0.1	0.1
At 30 September 2021	4.9	5.6	1.7	12.2
Depreciation				
At 1 April 2021	1.6	2.9	1.3	5.8
Charge for the period	0.4	0.2	0.1	0.7
At 30 September 2021	2.0	3.1	1.4	6.5
Carrying amount at 30 September 2021	2.9	2.5	0.3	5.7
Carrying amount at 31 March 2021	3.3	2.7	0.3	6.3

11 Other investments

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
0.2	At 1 April	1.0	0.2
0.8	Acquisitions	0.5	0.3
1.0		1.5	0.5

In January 2020, the Group entered into a commitment of up to £5 million to invest in Pi Labs European PropTech venture capital fund. At 30 September 2021, the Group had made investments of £1.5 million. Launched in 2014, Pi Labs is Europe's longest standing PropTech VC and this third fund has a primary focus to invest in early stage PropTech start-ups across Europe and the UK that use technology solutions to enhance any stage of the real estate value chain. Key areas of focus for the fund include sustainability, the future of work, the future of retail, commercial real estate technologies, construction technology and smart cities.

12 Trade and other receivables

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
23.4	Trade receivables	19.3	24.7
(7.9)	Expected credit loss allowance	(6.6)	(6.8)
15.5		12.7	17.9
0.8	Prepayments and accrued income	1.2	1.2
0.1	Amounts due on development management contracts	–	–
3.1	Other trade receivables	7.9	4.0
19.5		21.8	23.1

Trade receivables consist of rent and service charge monies, which are due on the quarter day with no credit period. Interest is charged on trade receivables in accordance with the terms of the occupier's lease. Trade receivables are provided for based on the expected credit loss, which uses a lifetime expected loss allowance for all trade receivables based on an assessment of each individual occupier's circumstance. This assessment reviews the outstanding balances of each individual occupier and makes an assessment of the likelihood of recovery, based on an evaluation of their financial situation. Where the expected credit loss relates to revenue already recognised this has been recognised immediately in the income statement. For the portion of the expected credit loss that relates to future revenue which is no longer considered fully recoverable, the relevant amount of rent received in advance has been released.

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
	Movements in expected credit loss allowance		
(2.2)	Balance at 1 April	(7.9)	(2.2)
(9.2)	Expected credit loss allowance during the period (see below)	(3.7)	(4.5)
0.1	Expected credit loss allowance in respect of future periods	0.3	(0.7)
3.4	Amounts written-off as uncollectable	4.7	0.6
(7.9)		(6.6)	(6.8)

The expected credit loss for the period comprises:

	Expected credit loss for period £m	Reassessment of prior year expected credit loss £m	Total 2021 £m	Total Including VAT 2021 £m
Expected credit loss				
Group	3.1	–	3.1	3.7
Joint ventures (at share)	0.1	(0.5)	(0.4)	(0.4)
Total	3.2	(0.5)	2.7	3.3

The expected credit loss for the period of £3.2 million (including our share of joint ventures) represents 69% of rental balances outstanding for the period. If the expected credit loss increased or decreased by 5% of the outstanding balance it would change the allowance by £0.2 million.

13 Trade and other payables

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
15.1	Rents received in advance	16.0	19.5
–	Deposits received on sale of residential units	–	0.3
18.8	Accrued capital expenditure	18.0	17.4
14.7	Other accruals	17.7	8.7
6.5	Other payables	1.6	8.1
55.1		53.3	54.0

14 Interest-bearing loans and borrowings

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
	Non-current liabilities at amortised cost		
	Secured		
22.0	£21.9 million 5.625% debenture stock 2029	22.0	22.0
	Unsecured		
43.3	£450.0 million revolving credit facility	–	113.3
174.6	£175.0 million 2.15% private placement notes 2024	174.7	174.5
39.9	£40.0 million 2.70% private placement notes 2028	39.9	39.9
29.9	£30.0 million 2.79% private placement notes 2030	29.9	29.9
29.9	£30.0 million 2.93% private placement notes 2033	29.9	29.9
24.8	£25.0 million 2.75% private placement notes 2032	24.8	–
124.2	£125.0 million 2.77% private placement notes 2035	124.2	–
488.6		445.4	409.5

At 30 September 2021, the Group had a floating rate £450.0 million revolving credit facility. The facility is unsecured, attracts a floating rate based on a headline margin which was reduced to 90.0 basis points over LIBOR (plus or minus 2.5 basis points subject to a number of ESG linked targets) and matures in January 2026 which can potentially be extended further to January 2027, subject to bank consent. At 30 September 2021, the Group had £450.0 million (2020: £335.0 million) of undrawn committed credit facilities.

At 30 September 2021, properties with a carrying value of £115.0 million (2020: £111.8 million) were secured under the Group's debenture stock.

Fair value of financial liabilities

31 March 2021 Book value £m	31 March 2021 Fair value £m	Items not carried at fair value	30 September 2021 Book value £m	30 September 2021 Fair value £m	30 September 2020 Book value £m	30 September 2020 Fair value £m
22.0	27.0	£21.9 million 5.625% debenture stock 2029	22.0	26.7	22.0	28.3
423.3	421.3	Private placement notes	423.4	431.5	274.2	272.0
43.3	43.3	£450.0 million revolving credit facility	–	–	113.3	113.3
488.6	491.6		445.4	458.2	409.5	413.6

The fair values of the Group's cash and cash equivalents and trade payables and receivables are not materially different from those at which they are carried in the financial statements. The fair values of the Group's private placement notes and debenture stock were determined by comparing the discounted future cash flows using the contracted yields with those of the reference gilts plus the implied margins.

15 Share capital

Year to 31 March 2021 Number	Year to 31 March 2021 £m		Six months to 30 September 2021 Number	Six months to 30 September 2021 £m	Six months to 30 September 2020 Number	Six months to 30 September 2020 £m
		Allotted, called up and fully paid				
253,867,911	38.7	At the beginning and end of the period	253,867,911	38.7	253,867,911	38.7

At 30 September 2021, the Company had 253,867,911 ordinary shares with a nominal value of $15\frac{5}{19}$ pence each.

16 Head lease obligations

Head lease obligations in respect of the Group's leasehold properties are payable as follows:

	Minimum lease payments 30 September 2021 £m	Impact of discounting 30 September 2021 £m	Present value of minimum lease payments 30 September 2021 £m	Minimum lease payments 30 September 2020 £m	Impact of discounting 30 September 2020 £m	Present value of minimum lease payments 30 September 2020 £m
Less than one year	1.9	(1.9)	–	1.9	(1.9)	–
Between two and five years	9.5	(9.4)	0.1	9.5	(9.4)	0.1
More than five years	191.1	(150.5)	40.6	193.0	(152.4)	40.6
	202.5	(161.8)	40.7	204.4	(163.7)	40.7

17 Occupational leases obligations

Obligations in respect of the Group's occupational leases for its head office are payable as follows:

	Minimum lease payments 30 September 2021 £m	Impact of discounting 30 September 2021 £m	Present value of minimum lease payments 30 September 2021 £m	Minimum lease payments 30 September 2020 £m	Impact of discounting 30 September 2020 £m	Present value of minimum lease payments 30 September 2020 £m
Less than one year	1.0	(0.1)	0.9	1.0	(0.1)	0.9
Between two and five years	2.6	(0.1)	2.5	3.6	(0.2)	3.4
More than five years	–	–	–	–	–	–
	3.6	(0.2)	3.4	4.6	(0.3)	4.3

18 Investment in own shares

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
0.6	At the beginning of the period	(0.2)	0.6
(1.5)	Employee Long-Term Incentive Plan charge	(2.0)	(0.9)
0.7	Transfer to retained earnings	0.5	0.7
(0.2)	At the end of the period	(1.7)	0.4

The investment in the Company's own shares is held at cost and comprises 877,335 shares (31 March 2021: 877,335 shares) held by the Great Portland Estates plc LTIP Employee Share Trust which will vest for certain senior employees of the Group if performance conditions are met.

During the period, no shares (2020: 231,968 shares) were awarded to directors and senior employees in respect of the 2018 LTIP award. The fair value of shares awarded and outstanding at 30 September 2021 was £12.2 million (2020: £7.3 million).

19 Notes to the group statement of cash flow

Adjustment for non-cash items

Year to 31 March 2021 £m		Six months to 30 September 2021 £m	Six months to 30 September 2020 £m
156.8	(Surplus) / deficit from investment property	(26.6)	114.3
1.5	Employee Long-Term Incentive charge	2.0	0.9
2.7	Spreading of tenant lease incentives	(0.2)	1.0
76.2	Share of results from joint ventures	(26.8)	56.5
1.6	Depreciation	0.7	0.7
(0.3)	Other	(0.1)	(0.1)
238.5	Adjustments for non-cash items	(51.0)	173.3

20 Rent receivable under non-cancellable leases

Future aggregate minimum rents receivable under non-cancellable leases are:

31 March 2021 £m		30 September 2021 £m	30 September 2020 £m
	The Group as a lessor		
62.7	Less than one year	57.3	70.4
121.6	Between one and five years	111.7	134.6
51.7	More than five years	67.3	56.0
236.0		236.3	261.0

The Group leases its investment properties. The weighted average length of lease at 30 September 2021 was 3.2 years (2020: 3.3 years). All investment properties, except those under development or being prepared for development, generated rental income and no contingent rents were recognised in the period (2020: £nil).

21 Dividends

The declared interim dividend of 4.7 pence per share (2020: 4.7 pence per share) was approved by the Board on 19 November 2021 and is payable on 5 January 2022 to shareholders on the register on 3 December 2021. The dividend is not recognised as a liability in the Half Year Results.

22 Reserves

The following describes the nature and purpose of each reserve within equity:

Share capital

The nominal value of the Company's issued share capital, comprising $15\frac{5}{19}$ pence ordinary shares.

Share premium

Amount subscribed for share capital in excess of nominal value less directly attributable issue costs.

Capital redemption reserve

Amount equivalent to the nominal value of the Company's own shares acquired as a result of share buy-back programmes.

Retained earnings

Cumulative net gains and losses recognised in the Group income statement together with other items such as dividends.

Investment in own shares

Amount paid to acquire the Company's own shares for its Employee Long-Term Incentive Plan less accounting charges.

Directors' responsibility statement

The Directors confirm that the condensed interim financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting", and that the Interim Results includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

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

By the order of the Board

Toby Courtauld	Nick Sanderson
Chief Executive	Chief Financial & Operating Officer
19 November 2021	19 November 2021

Independent review report to Great Portland Estates plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 which comprises the condensed group income statement, the condensed group statement of comprehensive income, the condensed group balance sheet, the condensed group statement of changes in equity, the condensed group cash flow statement and related notes 1 to 22. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with the United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 "Interim Financial Reporting".

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
19 November 2021

Directors and shareholders' information

Directors

Richard Mully
Chairman, Non-Executive

Toby Courtauld
Chief Executive

Nick Sanderson
Chief Financial & Operating Officer

Dan Nicholson
Executive Director

Mark Anderson
Non-Executive Director

Wendy Becker
Non-Executive Director

Nick Hampton
Non-Executive Director

Vicky Jarman
Non-Executive Director

Charles Philipps
Non-Executive Director

Alison Rose
Non-Executive Director

Shareholders' information

Financial calendar	2021
Ex-dividend date for interim dividend	2 December
Registration qualifying date for interim dividend	3 December
	2022
Interim dividend payable	5 January
Announcement of full year results	18 May*
Annual General Meeting	7 July*
Final dividend payable	11 July*

*Provisional.

Shareholder enquiries
All enquiries relating to holdings of shares, bonds or debentures in Great Portland Estates, including notification of change of address, queries regarding dividend/interest payments or the loss of a certificate, should be addressed to the Company's Registrars:

Link Asset Services
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0871 664 0300
E-mail: shareholder.services@linkgroup.co.uk
(Calls cost 12 pence per minute plus network extras; lines are open 9.00am – 5.30pm Monday to Friday).

If you are calling from overseas, please dial +44 371 664 0300.

Website: www.gpe.co.uk
The Company's corporate website holds, amongst other information, a copy of our latest annual report and accounts, a list of properties held by the Group and press announcements released over the last twelve months.

Dividend payments
As a REIT, dividend payments must be split between PIDs and non-PIDs. Information in respect of the tax consequences for shareholders of receiving dividends can be found on the Company's website at www.gpe.co.uk/investors/shareholder-information/reits

Share dealing service
An online and telephone dealing service is available for UK shareholders through Link Share Deal. For further information on this service, or to buy and sell shares, please contact:

Online dealing – www.linksharedeal.com

Telephone dealing – 0371 664 0445

(Calls are charged at the standard geographical rate and will vary by provider; lines are open 8.00am – 4.30pm Monday to Friday).

Company Secretary
Darren Lennark
Registered office:
33 Cavendish Square
London W1G 0PW
Tel: 020 7647 3000
Fax: 020 7016 5500
Registered Number: 596137

Glossary

Building Research Establishment Environmental Assessment Methodology (BREEAM)

Building Research Establishment method of assessing, rating and certifying the sustainability of buildings.

Cash EPS

EPRA EPS adjusted for non-cash items: tenant incentives, capitalised interest and charges for share-based payments.

Core West End

Areas of London with W1 and SW1 postcodes.

Development profit on cost

The value of the development at completion, less the value of the land at the point of development commencement and costs to construct (including finance charges, letting fees, void costs and marketing expenses).

Development profit on cost %

The development profit on cost divided by the land value at the point of development commencement together with the costs to construct.

Earnings per Share (EPS)

Profit after tax divided by the weighted average number of ordinary shares in issue.

EPRA metrics

Standard calculation methods for adjusted EPS and NAV as set out by the European Public Real Estate Association (EPRA) in their Best Practice and Policy Recommendations.

EPRA net disposal value (NDV)

Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Diluted net assets per share adjusted to remove the impact of goodwill arising as a result of deferred tax and fixed interest rate debt.

EPRA Net Reinstatement Value (NRV)

Represents the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives, real estate transfer taxes and deferred taxes on property valuation surpluses are therefore excluded.

EPRA net tangible assets (NTA)

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Diluted net assets per share adjusted to remove the cumulative fair value movements on interest-rate swaps and similar instruments, the carrying value of goodwill arising as a result of deferred tax and other intangible assets.

Estimated Rental Value (ERV)

The market rental value of lettable space as estimated by the Company's valuers at each balance sheet date.

Fair value – investment property

The amount as estimated by the Company's valuers for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In line with market practice, values are stated net of purchasers' costs.

Flex

Individual fitted out, ready to occupy floors, let on flexible terms.

Flex+

Flex with added levels of service and shared amenity.

Glossary (continued)

Flexible space partnerships

Revenue share agreements with flexible space operators.

Internal Rate of Return (IRR)

The rate of return that if used as a discount rate and applied to the projected cash flows that would result in a net present value of zero.

MSCI

Morgan Stanley Capital International (MSCI) is a company that produces an independent benchmark of property returns.

MSCI central London

An index, compiled by MSCI, of the central and inner London properties in their monthly and quarterly valued universes.

Like-for-like portfolio

The element of the portfolio that has been held for the whole of the period of account.

Loan to Value (LTV)

Total bank loans, private placement notes, convertible bonds at nominal value and debenture stock, net of cash (including our share of joint ventures balances), expressed as a percentage of the market value of the property portfolio (including our share of joint ventures).

Net assets per share or Net Asset Value (NAV)

Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date presented on a diluted and undiluted basis.

Net debt

The book value of the Group's bank and loan facilities, private placement notes and debenture loans plus the nominal value of the convertible bond less cash and cash equivalents.

Net gearing

Total Group borrowings (including the convertible bonds at nominal value) less short-term deposits and cash as a percentage of equity shareholders' funds, calculated in accordance with our bank covenants.

Net initial yield

Annual net rents on investment properties as a percentage of the investment property valuation having added notional purchaser's costs.

Non-PIDs

Dividends from profits of the Group's taxable residual business.

PMI

Purchasing Managers Index.

Property Income Distributions (PIDs)

Dividends from profits of the Group's tax-exempt property rental business.

REIT

UK Real Estate Investment Trust.

Rent roll

The annual contracted rental income.

Return on shareholders' equity

The growth in the EPRA diluted net assets per share plus dividends per share for the period expressed as a percentage of the EPRA net assets per share at the beginning of the period.

Reversionary or under-rented

The percentage by which ERV exceeds rent roll on let space.

Reversionary potential

The percentage by which ERV exceeds rent roll on let space.

Glossary (continued)

Topped up initial yield

Annual net rents on investment properties as a percentage of the investment property valuation having added notional purchaser's costs and contracted uplifts from tenant incentives.

Total Accounting Return (TAR)

The growth in EPRA NTA per share plus ordinary dividends paid, expressed as a percentage of EPRA NTA per share at the beginning of the period.

Total potential future growth

Portfolio rent roll plus the ERV of void space, space under refurbishment and the committed development schemes, expressed as a percentage uplift on the rent roll at the end of the period.

Total Property Return (TPR)

Capital growth in the portfolio plus net rental income derived from holding these properties plus profit on sale of disposals expressed as a percentage return on the period's opening value as calculated by MSCI.

Total Shareholder Return (TSR)

The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.

Triple net asset value (NNNAV)

NAV adjusted to include the fair value of the Group's financial liabilities and deferred tax on a diluted basis.

True equivalent yield

The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value having taken into account notional purchaser's costs. Assumes rent is received quarterly in advance.

Ungeared IRR

The ungeared internal rate of return (IRR) is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero, without the benefit of financing. The internal rate of return is used to evaluate the attractiveness of a project or investment.

Vacancy rate

The element of a property which is unoccupied but available for letting, expressed as the ERV of the vacant space divided by the ERV of the total portfolio.

Weighted Average Unexpired Lease Term (WAULT)

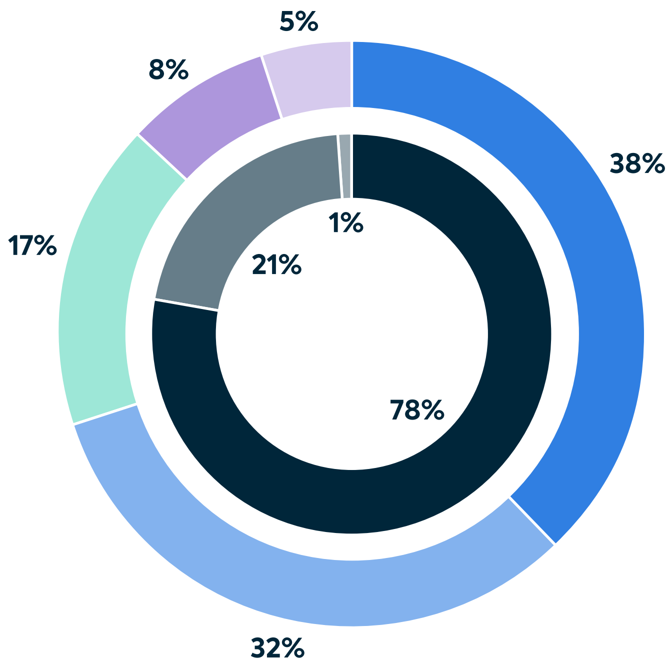
The Weighted Average Unexpired Lease Term expressed in years.

Whole life surplus

The value of the development at completion, less the value of the land at the point of acquisition and costs to construct (including finance charges, letting fees, void costs and marketing expenses) plus any income earned over the period.

Appendix 1

Portfolio characteristics



Business mix

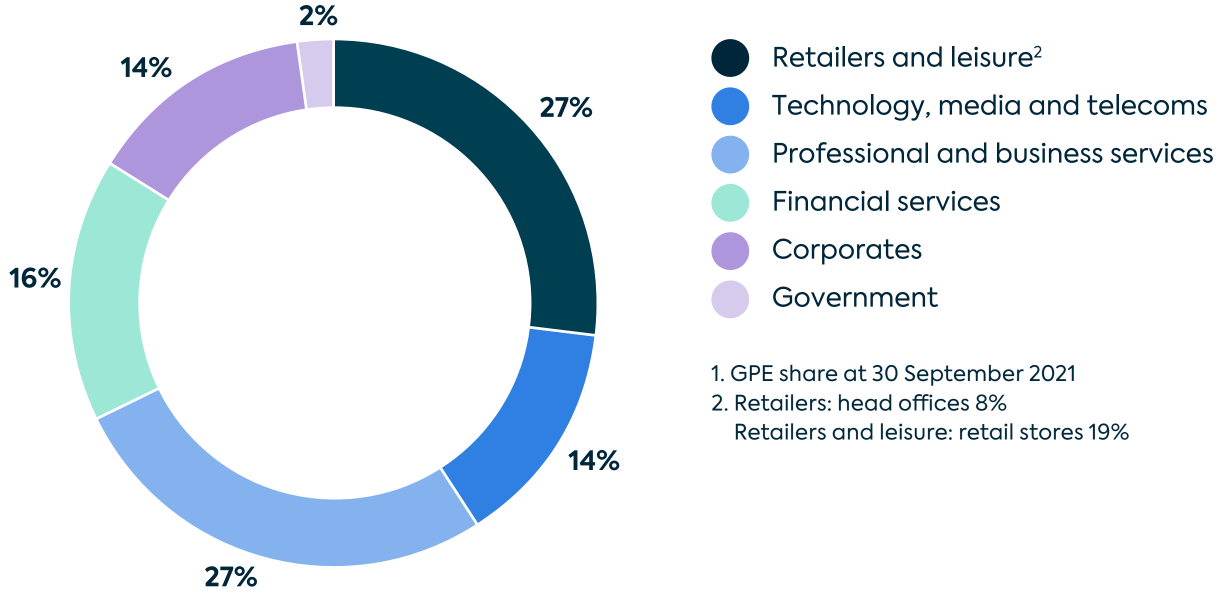
Office	£1,916.0m
Retail	£528.0m
Residential	£13.0m

Locations

North of Oxford Street	£931.7m
Rest of West End	£781.2m
City	£422.5m
Southwark	£189.2m
Midtown	£132.4m

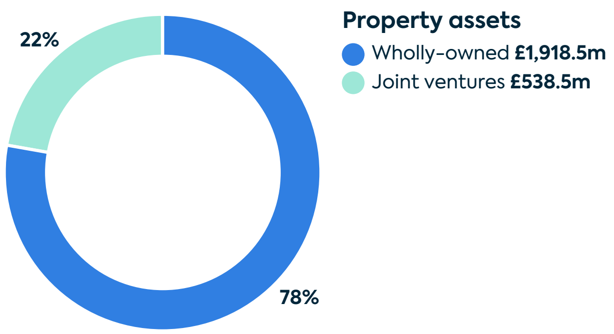
Appendix 1 continued

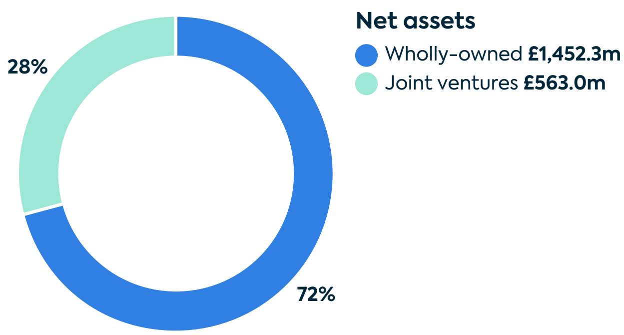
GPE occupier mix[1]



1. GPE share at 30 September 2021
2. Retailers: head offices 8%
   Retailers and leisure: retail stores 19%

Joint venture business – contribution to the Group





Appendix 1 continued

Selected lead indicators

Drivers of rents	May 2021 Outlook	**Today Outlook**
GDP/GVA growth	🟢	🟢
Business investment	🟠	🟢
Confidence	🟢	🟢
Employment growth	🟠	🟢
Active demand/take-up	🟠	🟢
Vacancy rates	🔴	🔴
Development completions	🟢	🟢

Drivers of yields	May 2021 Outlook	**Today Outlook**
Rental growth	🟠	🟢
Weight of money	🟢	🟢
Gilts	🟢	🟠
BBB Bonds	🟢	🟢
Exchange rates	🟠	🟠
Political risk	🟠	🟠

Appendix 1 continued

Rental income

			Wholly-owned			Share of joint ventures			
			Rent roll £m	Reversionary potential £m	Rental values £m	Rent roll £m	Reversionary potential £m	Rental values £m	Total rental values £m
London	North of Oxford Street	Office	27.7	0.6	28.3	–	–	–	28.3
		Retail	5.6	(0.8)	4.8	3.3	–	3.3	8.1
	Rest of West End	Office	15.2	(0.6)	14.6	9.2	0.2	9.4	24.0
		Retail	8.1	(0.3)	7.8	3.6	(0.3)	3.3	11.1
	Total West End		**56.6**	**(1.1)**	**55.5**	**16.1**	**(0.1)**	**16.0**	**71.5**
	City, Midtown and Southwark	Office	19.7	6.7	26.4	7.2	0.9	8.1	34.5
		Retail	1.5	0.2	1.7	–	–	–	1.7
	Total City, Midtown and Southwark		**21.2**	**6.9**	**28.1**	**7.2**	**0.9**	**8.1**	**36.2**
Total let portfolio			**77.8**	**5.8**	**83.6**	**23.3**	**0.8**	**24.1**	**107.7**
Voids					16.7			3.4	20.1
Premises under refurbishment					15.4			–	15.4
Total portfolio					**115.7**			**27.5**	**143.2**

Rent roll security, lease lengths and voids

			Wholly-owned			Joint ventures		
			Rent roll secure for five years %	Weighted average lease length Years	Voids %	Rent roll secure for five years %	Weighted average lease length Years	Voids %
London	North of Oxford Street	Office	36.8	5.1	11.5	–	–	–
		Retail	42.5	4.8	43.3	37.0	3.2	20.0
	Rest of West End	Office	1.5	1.4	10.9	100.0	14.2	5.2
		Retail	28.1	2.9	6.7	99.3	7.7	34.6
	Total West End		**26.7**	**3.8**	**15.7**	**86.8**	**10.5**	**16.4**
	City, Midtown and Southwark	Office	4.8	1.7	13.0	3.5	2.7	2.9
		Retail	100.0	0.7	–	–	–	–
	Total City, Midtown and Southwark		**11.7**	**1.6**	**12.5**	**3.5**	**2.7**	**2.9**
Total portfolio			**22.6**	**3.2**	**14.4**	**61.1**	**8.1**	**12.3**

Rental values and yields

			Wholly-owned		Joint ventures		Wholly-owned		Joint ventures	
			Average rent £psf	Average ERV £psf	Average rent £psf	Average ERV £psf	Initial yield %	True equivalent yield %	Initial yield %	True equivalent yield %
London	North of Oxford Street	Office	74.7	78.0	–	–	3.1	4.4	–	–
		Retail	59.4	65.8	85.4	89.8	2.1	4.4	3.6	5.1
	Rest of West End	Office	87.4	83.8	115.8	117.8	4.4	4.8	–	3.7
		Retail	96.6	92.6	94.3	104.8	3.9	4.5	(0.5)	3.6
	Total West End		**78.3**	**75.1**	**103.0**	**103.3**	**3.3**	**4.5**	**0.3**	**3.9**
	City, Midtown and Southwark	Office	41.5	58.2	43.7	49.6	3.1	4.9	4.7	4.9
		Retail	21.8	28.2	–	–	1.9	5.2	–	–
	Total City, Midtown and Southwark		**39.0**	**54.0**	**43.7**	**49.6**	**3.1**	**4.9**	**4.7**	**4.9**
Total portfolio			**61.4**	**65.5**	**72.6**	**77.7**	**3.2**	**4.6**	**1.4**	**4.1**

Appendix 2

Portfolio performance

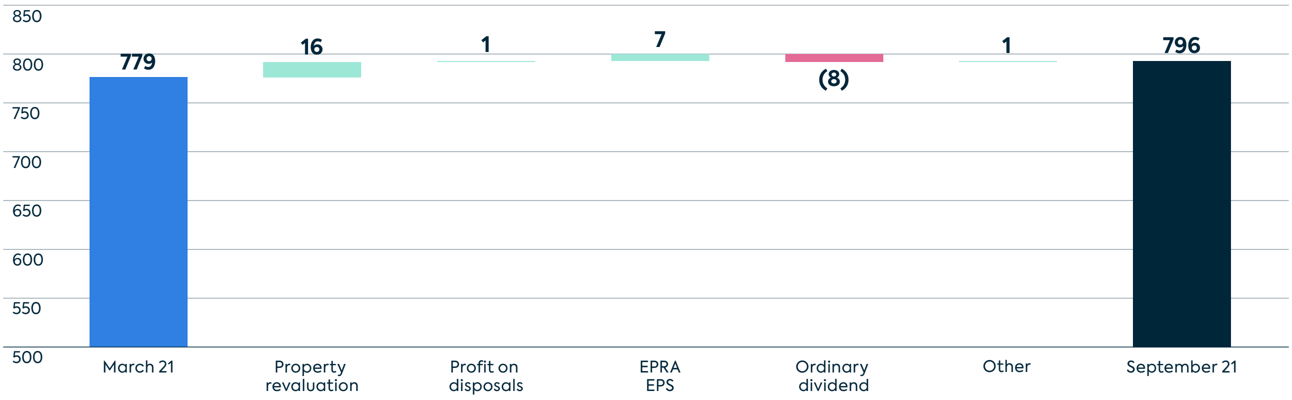
		Wholly owned £m	Joint ventures £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	692.3	–	692.3	28.2%	0.5%
	Retail	187.2	48.3	235.5	9.6%	(1.2%)
	Residential	3.9	–	3.9	0.2%	(4.2%)
Rest of West End	Office	254.9	239.4	494.3	20.1%	5.8%
	Retail	163.2	118.5	281.7	11.4%	(0.6%)
	Residential	5.2	–	5.2	0.2%	(2.0%)
Total West End		1,306.7	406.2	1,712.9	69.7%	1.6%
City, Midtown and Southwark	Office	486.5	132.3	618.8	25.2%	(0.8%)
	Retail	5.5	–	5.5	0.2%	1.2%
	Residential	3.9	–	3.9	0.2%	1.7%
Total City, Midtown and Southwark		495.9	132.3	628.2	25.6%	(0.7%)
Investment property portfolio		**1,802.6**	**538.5**	**2,341.1**	**95.3%**	**0.9%**
Development property		115.9	–	115.9	4.7%	29.7%
Total properties held throughout the period		**1,918.5**	**538.5**	**2,457.0**	**100%**	**2.0%**
Acquisitions		–	–	–	–	–
Total property portfolio		**1,918.5**	**538.5**	**2,457.0**	**100%**	**2.0%**

Portfolio characteristics

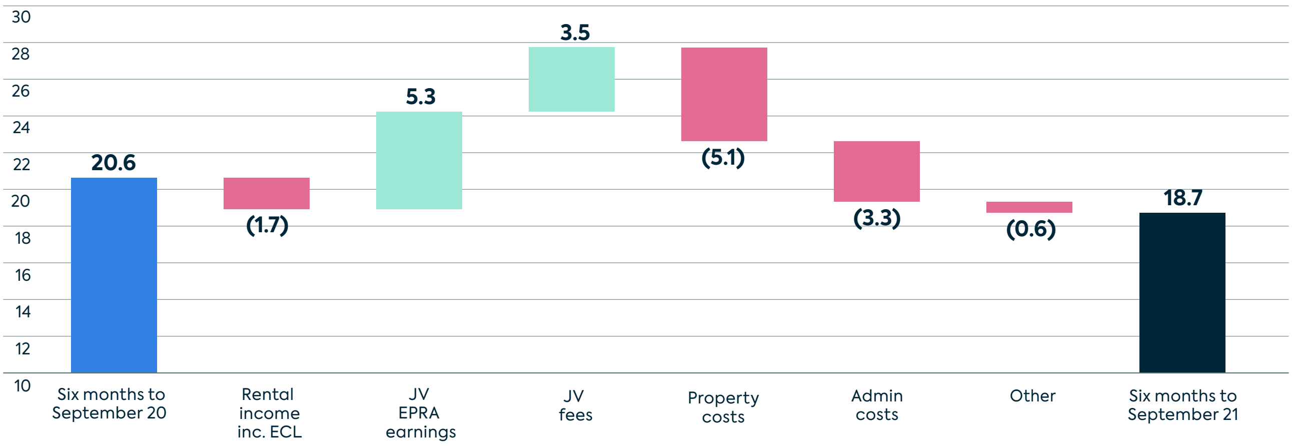
		Investment properties £m	Development properties £m	Total property portfolio £m	Office £m	Retail £m	Residential £m	Total £m	Net internal area sq ft 000's
North of Oxford Street		931.7	–	931.7	692.3	235.5	3.9	931.7	737
Rest of West End		781.2	–	781.2	494.3	281.7	5.2	781.2	570
Total West End		**1,712.9**	**–**	**1,712.9**	**1,186.6**	**517.2**	**9.1**	**1,712.9**	**1,307**
City, Midtown and Southwark		628.2	115.9	744.1	729.4	10.8	3.9	744.1	1,167
Total		**2,341.1**	**115.9**	**2,457.0**	**1,916.0**	**528.0**	**13.0**	**2,457.0**	**2,474**
By use:	Office	1,805.5	110.5	1,916.0					
	Retail	522.6	5.4	528.0					
	Residential	13.0	–	13.0					
Total		**2,341.1**	**115.9**	**2,457.0**					
Net internal area sq ft 000's		2,346	128	2,474					

Appendix 3

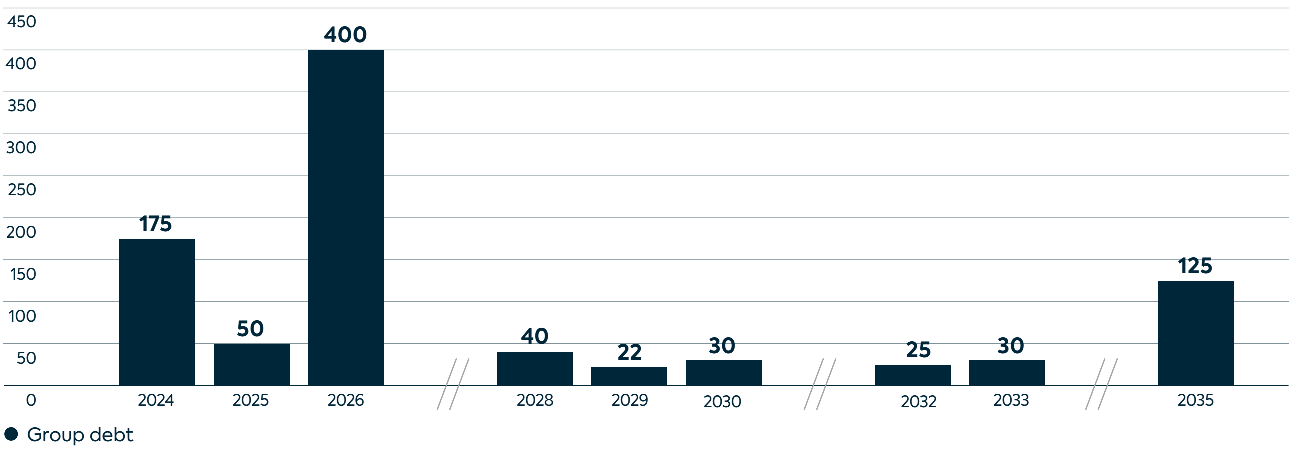
EPRA NTA pence per share



EPRA earnings £m



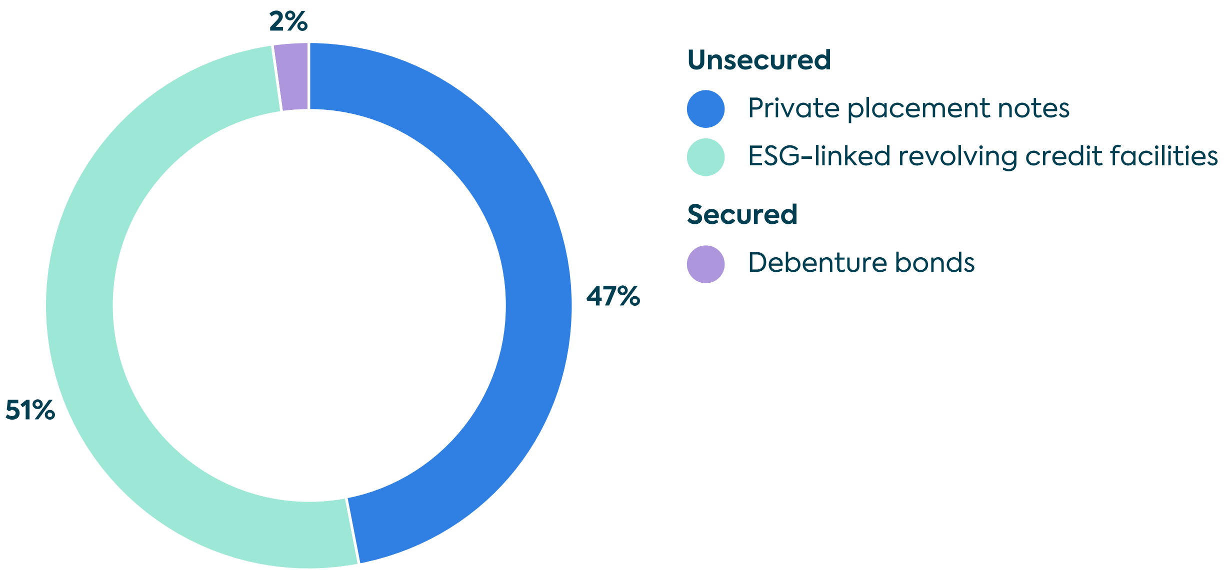
Debt maturity profile[1] £m



1. Based on committed facilities at 30 September 2021

Appendix 3 continued

Diversified sources of debt funding



Appendix 3 continued

EPRA performance measures

Measure	Definition of Measure	**Sept 2021**	Sept 2020
EPRA earnings	Recurring earnings from core operational activities	**£18.7m**	£20.6m
EPRA earnings per share	EPRA earnings divided by the weighted average number of shares	**7.4p**	8.2p
Diluted EPRA earnings per share	EPRA earnings divided by the diluted weighted average number of shares	**7.4p**	8.2p
EPRA costs (by portfolio value)	EPRA cost (including direct vacancy costs) divided by market value of the portfolio	**1.7%**	1.2%
		Sept 2021	March 2021
EPRA NTA assets	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Diluted net assets per share adjusted to remove the cumulative fair value movements on interest-rate swaps and similar instruments, the carrying value of goodwill arising as a result of deferred tax and other intangible assets.	**£2,015.3m**	£1,971.6m
EPRA NTA per share	EPRA NTA assets divided by the number of shares at the balance sheet date on a diluted basis.	**796p**	779p
EPRA NDV assets	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Diluted net assets per share adjusted to remove the impact of goodwill arising as a result of deferred tax and fixed interest rate debt.	**£2,002.5m**	£1,968.6m
EPRA NDV per share	EPRA NDV assets divided by the number of shares at the balance sheet date on a diluted basis.	**791p**	777p
EPRA NRV assets	Represents the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives, real estate transfer taxes, and deferred taxes on property valuation surpluses are therefore excluded.	**£2,194.6m**	£2,150.9m
EPRA NRV per share	EPRA NRV assets divided by the number of shares at the balance sheet date on a diluted basis.	**867p**	849p
EPRA NIY	Annualised rental income based on cash rents passing at the balance sheet date less non-recoverable property operating expenses, divided by the market value of the property increased by estimated purchasers' costs.	**2.2%**	3.0%
EPRA "topped up" NIY	EPRA NIY adjusted to include rental income in rent-free periods (or other unexpired lease incentives).	**2.9%**	3.3%
EPRA vacancy	ERV of non-development vacant space as a percentage of ERV of the whole portfolio.	**18.5%**	15.3%

Appendix 3 continued

Debt analysis

	Sept 2021	March 2021
Net debt excluding JVs (£m)	**438.6**	477.5
Net gearing	**22.0%**	24.6%
Total net debt including 50% JV cash balances (£m)	**409.5**	451.0
Loan to property value	**16.7%**	18.4%
Interest cover	**n/a**	n/a
Weighted average interest rate	**2.7%**	2.5%
Weighted average cost of debt	**2.8%**	2.7%
% of debt fixed/hedged	**100%**	91%
Cash and undrawn facilities (£m)	**486**	443