1 June 2020

Sirius Real Estate Limited
("Sirius Real Estate", "Sirius" or the "Company")

Condensed consolidated financial results* for the twelve months ended 31 March 2020

Strong organic rental growth and total shareholder accounting return

Sirius Real Estate, the leading operator of branded business parks providing conventional space and flexible workspace in Germany, today announces condensed consolidated financial results for the twelve months ended 31 March 2020.

HIGHLIGHTS

- Profit before tax of €110.8 million (FY 2019: €144.7 million)
- Strong like-for-like annualised rent roll increase of 6.1% to €81.2 million (FY 2019: €76.5 million)
- Like-for-like average rental rates increased by 4.1% to €6.07 per sqm (FY 2019: €5.83)
- Funds from operations ("FFO") increased by 15.1% to €55.7 million (FY 2019: €48.4 million)
- Like-for-like book value increased by 9.9% or €96.3 million to €1,069.2 million (FY 2019: €972.9 million)
- NAV per share increased by 8.9% to 77.35c (FY 2019: 71.01c), with EPRA NAV per share of 80.62c (FY 2019: 74.82c)
- Titanium venture with AXA IM - Real Assets completed – €168.0 million seed portfolio transferred from Sirius and first acquisition made in March 2020
- €190.0 million of financial resources generated from completion of Titanium and financing activity
- €120.0 million of acquisitions completed providing a mix of stable income and opportunity
- Average cost of debt reduced to 1.49% and first unsecured debt facility for €50.0 million completed
- Dividend per share of 1.80c in respect of the second half of FY 2020 authorised, giving total dividend for year of 3.57c based on 67% of FFO pay out for the first half and 65% for the second half (FY 2019: 3.36c based on 70% of FFO pay out)

COVID-19 UPDATE AND OUTLOOK

- April collections within 98.8% of normal working practice and May collections in line with April
- Enquiries continuing at normal levels of a monthly average of c.1,200
- 130 new lettings in May 2020 covering 11,282 sqm (April 2020: 119 lettings/8,166 sqm)
- Of €6.8 million of annual income (108,000 sqm) up for renewal in Apr/May 2020, 74% have renewed (April/May 2019: €7.4 million (125,000 sqm) 74%)
- Less than 10% of on-site business park employees working remotely since Monday 11 May
- Employees working at head office gradually increased to 50%
- Sirius will continue to use its platform across Germany to work with tenants throughout the current 'back to work' phae of the COVID-19 pandemic
- In light of the on-going uncertainty with regards to the impact of COVID-19 in the current financial year, the Board does not consider it prudent to provide full year financial guidance but will continue to monitor the situation and update the market in due course
- The Board remains confident that the Company is well placed to meet the challenges ahead and continue to deliver attractive and sustainable returns for shareholders in the future

Andrew Coombs, Chief Executive Officer of Sirius Real Estate, said: "It's good to be reporting another successful year, having achieved our sixth consecutive year of greater than 5 per cent annual organic growth in our rent roll and 15 per cent growth in funds from operations, our key measure of operational performance.

"While we look to the future with caution, due to the uncertainties created by COVID-19, I believe the Company is well placed to endure the economic difficulties being created by the crisis and also take advantage of opportunities with our strong balance sheet. We remain focused on delivering attractive risk-adjusted returns by way of active asset management throughout the property cycle.

With our significant cash resources available to make acquisitions, further vacancy to develop and reversion potential to capture, Sirius is well positioned to meet the challenges ahead.

"We've acquired a further €120 million of additional assets, increasing our presence in our target cities, from which we are confident of extracting significant value by playing to the strengths of our integrated business model and track record of maximising occupation and growing rental levels.

"Taking advantage of the favourable lending conditions during the year, we optimised our capital structure with a number of initiatives that have resulted in a reduction of our average cost of debt to 1.5 per cent from 2.0 per cent."

* Referred to as preliminary consolidated financial results for the purpose of the JSE Listing Requirements.

CONFERENCE CALL

A conference call for analysts/investors will be held at 09:00 (BST)/10:00 (CET/SA), today. If you wish to dial-in, the details are:

Participant access code (for all participants): 29535232#

UK Dial-In: Toll-Free: 0800 358 9473 / Toll: +44 333 300 0804

Germany Dial-In: Toll-Free: 0800 627 0729 / Toll: +49 6913803430

All other countries: http://events.arkadin.com/ev/docs/NE_W2_TF_Events_International_Access_List.pdf

The presentation will be available for participants at:
https://www.anywhereconference.com?Conference=301323391&PIN=29535232&UserAudioMode=DATA

For further information:

Sirius Real Estate
Andrew Coombs, CEO
Alistair Marks, CFO
+49 (0) 30 285010110

Tavistock (financial PR)
Jeremy Carey
James Verstringhe
+44 (0) 20 7920 3150/+44 (0) 7836 734 625
siriusrealestate@tavistock.co.uk

NOTES TO EDITORS

About Sirius Real Estate

Sirius is a property company listed on the main market and premium segment of the London Stock Exchange and the Main Board of the Johannesburg Stock Exchange. It is a leading operator of branded business parks providing conventional space and flexible workspace in Germany. The Company's core strategy is the acquisition of business parks at attractive yields, the integration of these business parks into its network of sites under the Company's own name as well as offering a range of branded products within those sites, and the reconfiguration and upgrade of existing and vacant space to appeal to the local market, through intensive asset management and investment. The Company's strategy aims to deliver attractive returns for shareholders by increasing rental income and improving cost recoveries and capital values, as well as by enhancing those returns through financing its assets on favourable terms. Once sites are mature and net income and values have been optimised, the Company may take the opportunity to refinance the sites to release capital for investment in new sites or consider the disposal of sites in order to recycle equity into assets which present greater opportunity for the asset management skills of the Company's team.

In July 2019, the Company completed the formation of its Titanium real estate investment joint venture with clients represented by AXA Investment Managers – Real Assets. Titanium was formed through the acquisition by AXA Investment Managers – Real Assets, on behalf of its clients, from Sirius, of a 65% stake in five business parks across Germany. Sirius will retain the remaining 35% and will act as operator of the assets, on a fee basis. Subject to suitable investment opportunities, AXA Investment Managers – Real Assets and Sirius may consider opportunities to grow the JV's portfolio primarily through the acquisition of larger stabilised business park assets and portfolios of assets with strong tenant profiles and occupancy. Sirius will continue to grow its wholly owned portfolio through acquisitions of more opportunistic assets, where it can capitalise on its asset management expertise to maximise utilisation of the space, grow occupancy and improve quality of the tenants. The strategies have been clearly defined so that the JV does not conflict with Sirius's existing business.

For more information, please visit: www.sirius-real-estate.com

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Chairman's statement

Overview

This is my second annual report as Chairman and I am delighted to be able to share another period of operational and strategic success for the business, with results for the period in line with market expectations.

There were two very notable milestones in the period. In September 2019 the Company entered the FTSE 250 for the first time and in July 2019 successfully completed the Titanium venture with AXA Investment Managers – Real Assets. The entry into the FTSE 250 is testament to Sirius' long-standing leadership team and the successful execution of the core strategy. Titanium further demonstrates the external recognition of the professionalism and expertise to be found at Sirius.

It is already clear that the year ahead is going to be more challenging than the previous period. We face a time of uncertainty as governments, businesses and societies across the world grapple with the challenge that Covid-19 presents and this is already having an impact on the market in which we operate. At the time of writing the German state appears to be managing the crisis more effectively than most although it remains to be seen how significant any economic downturn might be.

Nevertheless, the Company is well positioned to manage through the economic headwinds with a strong balance sheet and undrawn debt facilities available. As we enter a new financial year we are well placed to meet the challenges ahead, and remain confident that we will continue to deliver attractive and sustainable returns for shareholders in the future.

Executing the strategy

The core strategy continues to focus on the acquisition of business parks in Germany which have either attractive yields, value-add potential, or both. Sirius transforms these business parks into higher-quality assets through investment and intensive asset management. Once sites are mature and net income and values have been optimised, Sirius may then refinance the sites to release capital for investment in new sites or consider the disposal of sites in order to recycle equity into assets which present greater opportunity to deploy the Sirius team's asset management skills. The capex investment programmes upgrade and transform space that would often be considered as structural void and, in doing so, aim to deliver excellent returns by growing income and capital values.

The primary focus remains on Germany's seven largest cities: Berlin, Hamburg, Düsseldorf, Cologne, Frankfurt, Stuttgart and Munich, with a secondary focus on a selection of key border towns such as Aachen, Saarbrücken and Freiburg. Sirius seeks mixed-use properties, primarily light industrial units, business parks or office buildings outside city centres, or on the edge of towns, in neighbourhoods which have a high density of commercial and industrial activity and good transport links. The Company has over 5,000 tenants across the 57 properties that it owns and approximately a further 500 through the 6 parks owned by Titanium and managed by Sirius.

Shareholder returns

The Company's stated policy is to pay out 65% of the Group's funds from operations ("FFO") to shareholders as dividends but, as has happened previously, the Board will consider higher pay-out ratios in order to maintain the positive dividend growth that would have been achieved had it not been for the asset recycling and equity raising activities. Absent such circumstances, the Board has authorised a dividend in respect of the second half of the financial year ended 31 March 2020 of 1.80c per share representing 65% of FFO, an increase of 4.0% on the equivalent dividend last year, which represented 70% of FFO. The total dividend for the year is 3.57c, an increase of 6.3% on the 3.36c total dividend for the year ended 31 March 2019. The Group has not received any direct state financial assistance in connection with the Covid-19 crisis.

The Sirius business model continues to deliver not only progressive income returns but also attractive capital growth as measured by adjusted net asset value ("adjusted NAV") per share. Combining the growth in adjusted NAV which excludes deferred tax and derivative financial instruments, and dividends paid, the Company has delivered an annual total shareholder accounting return in excess of 13.1% for the year to 31 March 2020. While dividend distributions have typically contributed approximately 30% and adjusted NAV growth 70% of these returns, it is pleasing to note that the valuation movement of our investment properties is derived predominantly from organic increases in income rather than yield movement. This focus on growing income at property level positions the Company well for the future.

Sustainability

Creating sustainable impact and long-term social and financial value is at the heart of Sirius' Company purpose. Both the Board and Management Team know that to achieve this the Group needs to unlock the potential of its people, its properties and the communities in which it operates. We know that long-term economic success comes hand-in-hand with positively impacting social, environmental and ethical sustainability.

As a real estate company with a large physical footprint, we understand our role in the collective approach to environmental challenges. Fundamentally, our business is built on the recycling of spaces. By refurbishing and revitalising older buildings to fit modern needs and environmental standards, we generate fewer emissions and use less material than firms which create new buildings from scratch.

Our environmental sustainability strategy extends to our resource footprint too, and we are proud that the carbon emissions from across our business are lower than the national average and that we source over 85% of our own energy from renewable sources, significantly above the German average of 38%. In spite of the already high input from renewable sources, we will continue to strive for further improvements. Our Mannheim II business park is a good example of what is possible. Mannheim operates with 100% renewable energy and is a great example of what we can achieve together with our tenants when both parties focus on sustainability.

Coupled with our commitment to sustainable spaces, I am also proud that the Company truly puts people at the heart of its operations. Sirius is supporting local communities across Germany, whether through contributing to local charities, sponsoring local sports teams, or encouraging colleagues to volunteer for causes they feel strongly about. Critically, our model of refurbishing and revitalising buildings brings renewed energy to neighbourhoods and communities in towns in Germany that are typically on the outskirts of Germany's largest cities, where we can make more of a difference.

Governance and culture

We welcome Caroline Britton and Kelly Cleveland to the Board as independent Non-Executive Directors, who will join us on 1 June 2020. Both will present themselves for election by shareholders at the 2020 AGM. Justin Atkinson and Jill May will step down from the Board at the close of the 2020 AGM, enabling them to focus on their various roles and further opportunities with other organisations. The Board is very grateful for the expertise they brought to us during a time of significant change. Further information relating to these Board changes is provided in the Corporate governance report and in the Nomination Committee report in the Report and Accounts 2020.

The Board is fully committed to compliance with the UK Corporate Governance Code (the "2018 Code") as published in July 2018 by the Financial Reporting Council. Under a dispensation issued by the Johannesburg Stock Exchange, the Company is not required to apply the King IV Code on Governance™ for South Africa 2016. A detailed description of our governance and leadership arrangements, and how we have complied with the principles and provisions of the 2018 Code, is provided in the Corporate governance report in the Report and Accounts 2020. This includes a new section which explains the link between the Board's decision-making and the Group's purpose and strategy, as well how stakeholder interests and the other matters set out in section 172 of the UK Companies Act 2006 have been considered in the Board's discussions and decision making.

Thank you and outlook

On behalf of the Board I would like to thank all those connected to Sirius for their efforts and hard work that has together allowed the Company to record such an impressive year yet again.

As we enter the next period, Sirius is well placed to meet the challenges of Covid-19 which are described in more detail in the Annual Report and Accounts 2020 and will continue to focus on improving the assets that it owns and manages, as well as seeking new opportunities as we expect will arise. The Company completed the financial year with a strong balance sheet supported by total unrestricted cash balances and undrawn facilities of €129.7 million and saw positive rent and service charge income collection results for April and May. This positions the Company well into the new financial year and beyond.

Danny Kitchen

Chairman

29 May 2020

Asset management review

Introduction

The Sirius business model is based on active asset and property management and its operating platform is key to delivering attractive returns to shareholders. This platform has been developed over the last ten years and has involved major investment into systems and processes as well as the development of people. The major benefit of this investment is that Sirius can develop and let up space within industrial and office business parks in many more ways than the typical owner of this asset class and, as a result, has been able to create a high yielding, well diversified and stable portfolio. The business is broadly split equally into offices, production and storage but within each of those segments we offer many different types of product and different lease lengths catering for as wide a customer base as possible. Sirius has over 5,000 tenants, yet 43% of the rent roll comes from the top 50 tenants, amongst whom are some of the world's largest companies and 7% of the rent roll comes from German government agencies. This wide and flexible strategy, underpinned by a well-diversified tenant base, significantly enhances the returns that can be made from industrial and office assets as well as the sustainability of these returns in both strong and weak economic conditions. In uncertain times the Company continues to benefit from the specialist knowledge and skills that it has built across multiple functions including acquisitions, disposals, financing, capital investment and development, lettings, service charge recovery, supplier management, debt collection, lease management and financial reporting. The year under review has seen further improvements across these disciplines and the Company has continued to grow profits and add value to the portfolio.

Acquisitions and disposals

During the year to 31 March 2020 a total of €190.0 million was generated through the completion of the sale of five assets to the Titanium venture with AXA Investment Managers – Real Assets (approximately €70.0 million) and financing activity (approximately €120.0 million). The Company has been selective in its deployment of these resources and to date has invested €120.0 million into seven acquisitions offering an attractive mix of stable income and opportunity in locations where Sirius already has a strong presence. Additionally, it has invested €20.6 million into Titanium to fund its 35% share of the venture's first external acquisition, in Hilden near Düsseldorf, which completed in March 2020. This acquisition was funded fully from equity and the venture will look to finance the asset in due course.

A summary of the acquisitions that completed in the year is detailed in the table below:

	Total investment (incl. acquisition costs) €000	Total acquisition sqm	Acquisition occupancy %	Acquisition vacant sqm	Annualised acquisition rent roll* €000	Acquisition non-recoverable service charge costs €000	Acquisition maintenance costs €000	Annualised acquisition NOI* €	EPRA net initial yield*[1] %
Sirius									
Teningen	6,497	20,062	88	2,486	806	(244)	(20)	542	8.3
Buxtehude	8,690	28,532	—	28,532	—	(428)	(51)	(479)	(5.5)
Bochum II	6,686	4,231	100	—	428	(54)	(4)	369	5.5
Alzenau	44,458	59,925	94	3,897	4,072	(552)	(65)	3,455	7.8
Hallbergmoos	20,173	19,582	56	8,652	957	(254)	(18)	686	3.4
Neuss II	19,135	34,000	81	6,291	1,300	(231)	(31)	1,038	5.4
Neuruppin	14,337	22,362	100	—	1,333	(95)	—	1,238	8.6
Subtotal	**119,976**	**188,694**	**74**	**49,858**	**8,896**	**(1,858)**	**(189)**	**6,849**	**5.7**
Titanium									
Hilden	58,857	39,127	72	11,090	3,152	(367)	(35)	2,750	4.7
Subtotal	**58,857**	**39,127**	**72**	**11,090**	**3,152**	**(367)**	**(35)**	**2,750**	**4.7**
Total	**178,833**	**227,821**	**73**	**60,948**	**12,048**	**(2,225)**	**(224)**	**9,599**	**5.4**

1 Includes purchaser costs.
* See glossary section of the Annual Report and Accounts 2020.

Four of the acquisition assets (Teningen, Bochum II, Alzenau and Neuruppin) provide high occupancy, stable income whereas the other three assets (Buxtehude, Hallbergmoos and Neuss II) provide substantial value-add opportunity. Together the seven assets provide approximately 50,000 sqm of vacant space into which the Company will invest in order to increase income and capital values. A summary of the opportunities and characteristics of each asset acquired in the period is detailed below:

- The Teningen acquisition is located near Freiburg close to the border of Germany, France and Switzerland. This asset was acquired with a high gross yield and provides stable income with value-add potential in the vacancy and improvement in cost recovery. This is Sirius' first acquisition in the Freiburg area, which is a strong location that benefits from significant cross border business.
- The Buxtehude acquisition is a fully vacant former bottling plant with significant value-add potential. The 28,500 sqm property was acquired for around €300 per sqm (total acquisition costs), significantly below replacement cost. Because of its excellent location in a well-established industrial area near Hamburg, the Company is hopeful of realising its full potential within three years. As at 31 March 2020, around 4,500 sqm of space was either let or agreed to be let at an average rental rate of €4.50 per sqm and there were several promising enquiries relating to the other vacant space. Sirius expects to invest around €3.4 million in capex to achieve full occupancy at this site and given the rental rates being achieved, the asset is expected to generate substantial income and valuation gains over the next few years.
- The Bochum II property is a high-quality office building directly adjacent to the existing Bochum site which was purchased by Sirius in March 2019. This office building is fully occupied by two tenants of which one has expanded into 1,396 sqm of space on the original Bochum site. Owning both parts of this business park has many benefits including having control over all the space and tenants.
- The Alzenau asset is a well-located mixed-use property to the east of Frankfurt close to a number of other Sirius sites. The property was acquired with 94% occupancy with all the vacancy being within a large high-quality office building which plays into Sirius' and the area's strengths. The business park houses two long-term anchor tenants, with which one of whom Sirius is currently negotiating a long-term extension. Once secured the existing income will have been stabilised and the opportunity within the vacancy well on the way to completion.
- The Hallbergmoos asset is an office property located near Munich Airport in an area that Sirius has been closely watching for several years. Most of the existing tenants are on leases with significant under-rents and the 8,652 sqm of vacant space

provides excellent value-add opportunity which the Company will look to realise through its proven capex investment programme.

- The Neuss II asset is a multi-tenant, mixed-use property located in one of Düsseldorf's well-developed and improving suburbs and follows the acquisition of the Neuss I property that completed last year. This business park also has a combination of stable income and value-add opportunity within the 6,291 sqm of vacant space.
- The Neuruppin asset is a fully occupied single-tenant production facility providing stable income at an attractive acquisition yield. The property is let to a well covenanted tenant with 5.5 years remaining on their lease and is in a location between Berlin and Hamburg which will benefit from the A10/A24 motorway widening project that is currently underway.

In addition to the five assets sold to the Titanium venture with AXA IM – Real Assets, the Company notarised for sale its property located in Weilimdorf for €10.1 million, which completed on 1 April 2020. Sirius successfully re-let the entire property to a well-known German sports car manufacturer after the existing tenant vacated in August 2019. The sale represents a 6.5% EPRA net initial yield and 11% premium to book value at date of notarisation.

A summary of the disposal activity in the year to 31 March 2020 is included in the table below:

Notarised for sale

Site	Total proceeds €000	Sqm	Annualised rent roll* €000	Annualised NOI €000	EPRA net initial yield*[1] %	Occupancy %*
Weilimdorf	10,100	6,766	700	690	6.3	100
Subtotal	**10,100**	**6,766**	**700**	**690**	**6.3**	**100**

Completed sales – Titanium

Site	Total proceeds €000	Sqm	Annualised rent roll*[2] €000	Annualised NOI[2] €000	Gross yield %	Occupancy[2] %*
Bayreuth	**22,584**	**22,871**	**1,385**	**1,370**	**6.1**	**99**
Berlin Borsig	**49,481**	**79,058**	**3,337**	**3,208**	**6.7**	**89**
Berlin Tempelhof	**32,239**	**25,003**	**1,472**	**1,461**	**4.6**	**93**
Mainz	**36,074**	**27,874**	**2,563**	**2,491**	**7.1**	**89**
Nuremburg	**27,621**	**36,343**	**1,692**	**1,646**	**6.1**	**85**
Sub total	**168,000**	**191,149**	**10,449**	**10,177**	**6.2**	**90**
Total	**178,100**	**197,915**	**11,149**	**10,867**	**—**	**—**

1 Includes estimated purchaser costs.
2 As at date of notarisation.
* See glossary section of the Annual Report and Accounts 2020.

The Company continues to plan on using its available resources to acquire another €70.0 million of property once the picture following the Covid-19 crisis becomes clearer and expects to be able to source attractive opportunities, especially if the previously very strong market softens.

Lettings and rental growth

The Company recorded a like-for-like increase in annualised rent roll of 6.1% to €81.2 million (31 March 2019: €76.5 million) in the period despite the impact of the large expected move-outs on recently acquired sites amounting to more than 30,000 sqm of space in the first half of the year. This is the sixth successive year that Sirius has recorded in excess of 5% like-for-like annualised rent roll growth and, when considering that this has occurred in a low inflationary environment, is a pleasing achievement and evidence of the success of our operational efforts and targeted investment.

Encouragingly a large part of the like-for-like rental growth came more from price, where average rental rates increased by 4.1% to €6.07 from €5.83, than occupancy, which increased to 87% from 85%. On a total portfolio basis the average rental rate increased by 3.5% to €5.98 from €5.78 with occupancy decreasing from 86% to 85% due to the net effect of the sale of highly occupied sites into Titanium and higher vacancy rates within sites acquired in the period.

The year under review saw like-for-like total move-outs of 154,258 sqm that were generating €10.8 million of annualised rent roll at an average rate of €5.85 per sqm compared to like-for-like total move-ins of 174,028 sqm generating €13.8 million of annualised rent roll at an average rate of €6.62 per sqm. Additionally, contracted rental increases and uplifts on renewals added €1.7 million to the ending annualised rent roll. Acquisitions contributed €9.0 million, which offset the majority of the €11.2 million of annualised rent roll sold into Titanium. The movement in annualised rent roll is illustrated in the table below:

	€'m
Annualised rent roll 31 March 2019	**87.8**
Sale of assets to Titanium	(11.2)
Move-outs	(10.8)
Move-ins	13.8
Contracted uplifts	1.7
Acquisitions	9.0
Annualised rent roll 31 March 2020	**90.3**

The high number of new lettings achieved by the Company in the period reflects continued strong occupier demand combined with the deal sourcing capabilities of Sirius' operating platform. This performance is highlighted by a new lettings conversion rate of 14% on the 14,795 enquiries received (2019: 14% on 14,338 enquiries). The consistency in performance illustrates how demand in the period continued despite some negative economic indicators on the German economy being reported, albeit Sirius has limited exposure to the car manufacturing businesses that have been a key factor in those indicators.

Capex investment programmes

The Group's capex investment programmes continue to be one of the main drivers of rental income and valuation growth. As at 31 March 2020, the space that was subject to the original capex investment programme, which commenced in 2015, was generating €12.7 million of annualised rent roll at 83% occupancy on an investment of €24.3 million representing a return on cost in excess of 50%, ignoring any impact on valuations. The original capex investment programme has also generated significant improvements to service charge cost recovery through higher occupancy and the conversion and upgrade of sub-optimal space into a variety of quality workspaces has also significantly benefited valuations.

More detail on the original capex investment programme to date is provided in the following table:

Original capex investment programme progress	Sqm	Investment budgeted €m	Actual spend €m	Annualised rent roll* increase budgeted €m	**Annualised rent roll* increase achieved to March 2020 €m**	Occupancy budgeted %	**Occupancy achieved to March 2020 %**	Rate per sqm budgeted €	**Rate per sqm achieved to March 2020 €**
Completed	200,564	26.0	24.2	10.5	**12.7**	81	**83**	5.38	**6.35**
In progress	1,332	0.4	0.1	0.1	**—**	80	**—**	4.60	**—**
To commence in next financial year	1,889	0.8	—	0.1	**—**	86	**—**	6.50	**—**
Total	203,785	27.2	24.3	10.7	**12.7**	81	**—**	5.38	**—**

* See glossary section of the Annual Report and Accounts 2020.

Whilst the original capex investment programme was based on all assets acquired prior to April 2016 and is now substantially complete the acquisition capex investment programme applies to assets acquired since April 2016. The programme now includes 26 sites and a total of 169,664 sqm of sub-optimal vacant space. The programme is expected to generate €12.0 million of annualised rent roll on a budgeted investment of €41.7 million. Whilst the income returns associated with the acquisition capex investment programme are expected to be less than those of the original programme, the extent of transformative work involved may have a more pronounced impact on valuations.

As at 31 March 2020, a total of 102,353 sqm of space had been fully converted under the acquisition capex investment programme with an investment of €18.5 million and was generating annualised rent roll of €6.6 million on occupancy of 69%.

In addition to the space that has been completed and let or currently being marketed, a total of 67,311 sqm of space within the acquisition capex investment programme is either in progress or awaiting approval to commence. A further €15.6 million is expected to be invested into this space, on top of the €2.7 million already spent, and, based on achieving budgeted occupancy, incremental annualised rent roll in the region of €4.7 million is expected to be generated.

Further details on the new acquisitions capex investment programme are set out in the table below:

New acquisitions capex investment programme progress	Sqm	Investment budgeted €m	Actual spend €m	Annualised rent roll* increase budgeted €m	**Annualised rent roll* increase achieved to March 2020 €m**	Occupancy budgeted %	**Occupancy achieved to March 2020 %**	Rate per sqm budgeted €	**Rate per sqm achieved to March 2020 €**
Completed	102,353	23.5	18.5	7.3	**6.6**	89	**69**	6.70	**7.80**
In progress	18,313	7.8	2.7	1.7	**0.4**	90	**—**	8.80	**—**
To commence in next financial year	48,998	10.4	—	3.0	**—**	82	**—**	6.21	**—**
Total	169,664	41.7	21.2	12.0	**7.0**	87	**—**	6.80	**—**

* See glossary section of the Annual Report and Accounts 2020.

The tables above show that the capex investment programmes have been one of the key income and valuation growth drivers over the last few years. Sirius has continued to acquire assets with sub-optimal vacancy to refuel these highly accretive programmes in order to help sustain the returns that the Company has been achieving. In the year to 31 March 2020 a total of 48,124 sqm of space within sites acquired was added to this capex investment programme. Much of this space was acquired for a very low cost because of the difficulty to unlock income and value from it. However, through the transformation of this sub-optimal space into both higher-quality conventional space and flexible workspace and utilising Sirius’ operating platform including experienced marketing, sales and development professionals to unlock this value, the Company has far greater options in terms of developing this space than others.

In addition to the original and acquisition capex investment programmes Sirius also looks for opportunities to upgrade space that is returned each year as a result of move-outs. Within the existing vacancy as at 31 March 2020, the Company has identified approximately 32,000 sqm of poor quality space that was recently vacated, which it believes it can upgrade with an investment of around €9.1 million in order to generate income of around €2.2 million whilst significantly enhancing the value of the space. Furthermore, the Company expects to receive an estimated 28,000 sqm of space back in the new financial year, which is currently generating €2.1 million of annualised rent roll and which Sirius intends to upgrade with an investment of around €6.8 million in order to increase the annualised rent roll to around €3.0 million whilst also significantly increasing the value of the space. These investments are also expected to contribute substantially to the Company's growth over the next few years.

The Company's headline 85% occupancy rate means that in total 217,521 sqm of space is vacant as at the financial year end. When excluding the vacancy, which is subject to capex investment programmes (7% of total space), and the structural vacancy, which is not economically viable to develop (2% of total space), the Company's occupancy rate based on space that is readily lettable is around 94%.

The analysis below details the sub-optimal space and vacancy at 31 March 2020 and highlights the opportunity from developing this space.

Vacancy analysis – March 2020	
Total space (sqm)	1,475,715
Occupied space (sqm)	1,258,194
Vacant space (sqm)	217,521
Occupancy	85%

	% of total space	Sqm	Capex Investment €m	ERV* (post investment)
Subject to original capex investment programme	0%	3,221	(1.0)	0.2
Subject to acquisition capex investment programme	5%	67,311	(18.3)	5.0
Subject to other vacancy capex investment programme	2%	31,814	(9.1)	2.2
Total space subject to investment	7%	102,346	(28.4)	7.4
Structural vacancy	2%	30,748		
Lettable vacancy				
Smartspace vacancy	1%	20,323		1.5
Other vacancy	5%	64,103		5.1
Total lettable space	6%	84,426		6.6
Total vacancy	15%	217,521	(28.4)	14.0

* See glossary section of the Annual Report and Accounts 2020.

The opportunity within the vacant space as at 31 March 2020 can be summarised as follows:

- 102,346 sqm of sub-optimal space, which requires €28.4 million of capex and will have an ERV of €7.4 million when completed; and
- 84,426 sqm of lettable space with an ERV of €6.6 million that is ready to let.

Considering the Group is operating at around 94% occupancy on readily lettable space, once all investment programmes are completed, a further 96,000 sqm of space could be let adding approximately €7.0 million to the Company's annualised rent roll and potentially close to €100.0 million to the value of the portfolio.

It is worth noting that Sirius' strategy extends beyond filling up vacant space. The strategy will continue to focus on acquiring assets with vacancy as well as investing into and upgrading space vacated through tenant churn. Combined these initiatives will allow the Company to re-fuel its capex investment programmes. The Company continually reviews its mature assets for potential disposal or refinancing in order to generate funds for investment whilst maintaining a balance of core assets to secure attractive financing terms. Based on current market and wider economic conditions this strategy remains the most accretive way of growing the business and improving shareholder returns.

Well-diversified income and tenant base

As the number of assets the Company owns has increased, the well-diversified characteristic of the Company's rental income has strategically remained consistent. A total of 43% of annualised rent roll comes from the top 50 anchor tenants who are predominantly multi-national companies occupying production, storage and related office spaces. A total of 51% of annualised rent roll comes from 2,498 SME[1] tenants operating across a wide range of industries and the remaining 6% of annualised rent roll comes from the flexible Smartspace tenants, which are discussed in more detail in the next section of this report. SME tenants remain a key target group which the Group's internal operating platform has demonstrated an ability to attract in significant volumes. The Company's largest single tenant contributes 2.6% of total annualised rent roll and 7% of its annualised rent roll comes from government tenants.

The wide range of tenants that the Sirius lettings and marketing team is able to attract is a key competitive advantage for the Company and results in a significantly de-risked real estate portfolio than would typically be associated with the asset class and the headline 2.9 year weighted average lease expiry.

[1] SMEs in Germany are called the Mittelstand and typically is defined as companies with revenues of up to €50 million and up to 500 employees.

The table below illustrates the tenant mix across the Sirius portfolio at the end of the reporting period:

	No. of tenants as at 31 March 2020	Occupied sqm	Annualised rent roll* €m	% of total annualised rent roll* %	Rate per sqm €
Top 50 anchor tenants(1)	**50**	572,415	38.3	43	5.58
Smartspace SME tenants(2)	**2,498**	60,601	5.7	6	7.89
Other SME tenants(3)	**2,483**	625,178	46.2	51	6.16
Total	**5,031**	1,258,194	90.3	100	5.98

(1) Mainly large national/international private and public tenants.
(2) Mainly small and medium-sized private and public tenants.
(3) Mainly small and medium-sized private and retail tenants.
* See glossary section of the Annual Report and Accounts 2020.

Smartspace and First Choice

Sirius' Smartspace products are designed with flexibility in mind and tenants also benefit from a fixed cost which has proven to be desirable in all market conditions. Rather than leaving the cheaply acquired sub-optimal space vacant like most other operators running a multi-tenant strategy on industrial business parks, where appropriate Sirius converts it into quality Smartspace products which are typically let at significantly higher rents than the rest of the business park and, as a result, are highly accretive to value.

During the period 8,332 sqm of Smartspace product was created through the capex investment programmes and 9,059 sqm of Smartspace was sold into Titanium. The total amount of Smartspace in the portfolio (excluding Titanium) at the year end stood at 80,041 sqm (31 March 2019: 80,953 sqm), generating €5.7 million (31 March 2019: €5.5 million) of annualised rent roll at 76% occupancy (31 March 2019: 74%), which equates to 6.3% of the Company's total annualised rent roll. Like-for-like average rate per sqm increased by 2.5% to €7.89 (31 March 2019: €7.70) and reflects the popularity of the product and the Company's ability to achieve positive rate movement organically.

It is particularly pleasing to report that within the first five-star premium First Choice Business Centre ("FCBC") located in Wiesbaden, the occupancy rate reached 100% by the year end. Following this success, a second FCBC has now been added to the recently acquired Neuss property. Totalling 1,278 sqm, this business centre has reached 40% occupancy in the 18 months since opening. The reported blended occupancy of the two FCBCs at 31 March 2020 is 71%.

Smartspace product type	Total sqm	Occupied sqm	Occupancy %	Annualised rent roll* (excl. service charge) €000	% of total Smartspace annualised rent roll* %	Rate* per sqm (excl. service charge) €
First Choice office	2,677	1,912	71	463	8	20.16
SMSP office	28,828	23,535	82	2,474	43	8.76
SMSP workbox	5,872	5,727	98	372	6	5.42
SMSP storage	35,636	26,609	75	2,207	38	6.91
SMSP subtotal	**73,014**	**57,782**	**79**	5,516	**96**	**7.96**
SMSP FlexiLager	7,027	2,819	40	222	4	6.57
SMSP total	**80,041**	**60,601**	**76**	**5,738**	**100**	**7.89**

Financial review

Further organic growth, successful capital recycling and a strong balance sheet

The Company delivered another strong financial performance in the year ended 31 March 2020 with the initial reduction in income through capital recycling (mainly through the sale of assets to Titanium) being offset by reinvestment into new acquisitions and capex investment combined with another excellent year for like-for-like annualised rent roll growth.

As described in the asset management review section of this report, the year under review was characterised by high transactional volume with seven asset acquisitions, six asset disposals (five to Titanium and one completed on 1 April 2020) and three new loan facilities agreed including the Company's first unsecured loan facility, and a major facility extension at a record low interest rate for Sirius, of 0.9%. The Company had €96.6 million of free cash on the balance sheet as at 31 March 2020 along with €33.1 million of undrawn facilities which, whilst allowing for the continuation of our capex investment programmes and normal cash headroom, would ordinarily provide the financial capability to acquire €70.0 million of new unencumbered assets. Further asset acquisition activity is being held back whilst the full extent of the Covid-19 situation becomes clear. The Company also had 12 unencumbered assets as at the year end, with a combined value of €118.5 million.

Trading performance and earnings

The Company reported a profit before tax in the year ended 31 March 2020 of €110.8 million (31 March 2019: €144.7 million), including €59.7 million (31 March 2019: €99.9 million) of gains from property revaluations (excluding movements relating to leased investment properties in accordance with IFRS 16) net of capex and adjustments in respect of lease incentives and broker fees, the prior year having seen some particularly strong valuation gains.

Funds from operations[1] ("FFO"), which is our key measure of operational performance, increased by 15.1% to €55.7 million (31 March 2019: €48.4 million) the majority of which came from strong organic growth within the existing portfolio with the remainder relating to the net impact of acquisitions over disposals. The organic growth came predominantly from another strong improvement in the Group's like-for-like annualised rent roll amounting to 6.1% which was partly supported by the capex investment programmes but was also derived from contracted escalations, uplifts on renewals and other asset management initiatives. When combined with the acquisitions in the period the Company starts the new financial year with annualised rent roll of €90.3 million, a Company record.

1 Refer to note 28 in the Annual Report.

On a per share basis, basic EPS showed a 25.3% decrease to 9.55c per share, reflecting the strong valuation gains recorded in the prior year whilst adjusted EPS increased by 14.4% to 5.24c per share reflecting the positive operational performance in the year.

	Earnings €000	No. of shares	31 March 2020 cents per share	Earnings €000	No. of shares	31 March 2019 cents per share	Change %
Basic EPS	98,136	1,027,881,515	9.55	128,657	1,006,966,788	12.78	-25.3
Diluted EPS	98,136	1,039,816,265	9.44	128,657	1,011,666,788	12.72	-25.8
Adjusted EPS*	53,911	1,027,881,515	5.24	46,096	1,006,966,788	4.58	+14.4
Basic EPRA EPS	55,882	1,027,881,515	5.44	44,995	1,006,966,788	4.47	+21.7
Diluted EPRA EPS	55,882	1,039,816,265	5.37	44,995	1,011,666,788	4.45	+20.7

* See note 11 and business analysis sections of the Annual Report and Accounts 2020.

Total revenue, which comprises rent, fee income relating to Titanium, other income from investment properties, and service charge income, increased from €140.1 million to €150.0 million in the period. Total annualised rent roll at the end of the period increased by 2.8% from €87.8 million to €90.3 million despite €11.2 million of annualised rent roll being sold into Titanium. The movement in annualised rent roll is described in more detail in the asset management review within this report.

Looking forward, notwithstanding the potential impact of Covid-19, with a starting rent roll for the new year of €90.3 million, financial resources to acquire more assets once the Covid-19 picture becomes clearer, the continuation of the Company's capex investment programmes and the potential to grow revenue streams through Titanium, the Company is well positioned to grow annualised rent roll and FFO through the new financial year.

Portfolio valuation and net asset value

The portfolio of owned assets, including assets held for sale, was independently valued at €1,189.5 million by Cushman & Wakefield LLP at 31 March 2020 (31 March 2019: €1,136.2 million), which converts to a book value of €1,186.2 million after the provision for tenant incentives. Including investment property relating to leased assets the total investment property book value at 31 March 2020 was €1,204.0 million. The increase in the investment property book value of the portfolio of €71.5 million in the period is illustrated in the following table.

	Investment property – owned €000	**Investment property – leased €000**	**Investment property – total €000**
Investment properties at book value as at 31 March 2019(1)	**1,132,488**	**—**	**1,132,488**
Additions	**120,434**	**—**	**120,434**
Additions relating to leased investment properties	**—**	**21,748**	**21,748**
Capex investment and capitalised broker fees	**33,176**	**—**	**33,176**
Disposals relating to Titanium venture	**(159,620)**	**—**	**(159,620)**
Surplus on revaluation above capex investment and broker fees	**59,939**	**—**	**59,939**
Deficit on revaluation relating to leased investment properties	**—**	**(3,916)**	**(3,916)**
Adjustment in respect of lease incentives	**(234)**	**—**	**(234)**
Investment properties at book value as at 31 March 2020(1)	**1,186,183**	**17,832**	**1,204,015**

(1) Includes assets held for sale.

Movement in investment property relating to owned assets of €53.7 million was made up of €120.4 million of acquisitions, €159.6 million of disposals, a €93.1 million valuation uplift and a €0.2 million adjustment in respect of lease incentives.

On adoption of IFRS 16, the Group has recognised lease liabilities of €21.7 million relating to ground leases on assets meeting the definition of investment property. Accordingly, an expense of €3.9 million representing the fair value adjustment in the year was recorded in the statement of comprehensive income. The valuation gain recorded in the consolidated statement of comprehensive income of €55.8 million includes movements relating to both owned and leased investment property and is stated net of capex investment, broker fees and adjustments in respect of lease incentives.

Focusing on the like-for-like portfolio that was owned for the full period, the book value of these assets increased by €96.3 million or 9.9% from €972.9 million to €1,069.2 million. The increase in book value for the period was driven by approximately 26 bps of yield compression and rent roll growth of €4.7 million. The increase in book value in the first half of the financial year was predominantly driven by yield movement with the second half relating primarily to increases in income. The assets that were acquired during the period were revalued at an increase of €4.6 million over the net purchase prices paid which covered most of the related acquisition costs incurred. This increase in value is indicative that the Company continues to be disciplined in its investment decisions despite the market having become increasingly competitive in the period.

The portfolio of owned properties, which excludes managed properties including those within Titanium, comprised 57 assets at 31 March 2020 and the reconciliation of book value to the independent Cushman & Wakefield LLP valuation is as follows:

	31 March 2020 €m	31 March 2019 €m
Investment properties at market value[1]	**1,189.5**	1,136.2
Uplift in respect of assets held for sale	**—**	—
Adjustment in respect of lease incentives	**(3.3)**	(3.7)
Book value as at 31 March 2020[(1)]	**1,186.2**	1,132.5

(1) Includes assets held for sale.

The development of Sirius' portfolio valuations over the last five years can be seen in the table below:

	March 2015	March 2016	March 2017	March 2018	March 2019	**March 2020**
Portfolio book valuation (€m)	545.6	687.4	823.3	967.3[(1)]	1,132.5	**1,186.2**
Annualised rent roll* (€m)	50.0	60.5	71.0	79.5	87.8	**90.3**
Gross yield* (%)	9.2	8.8	8.6	8.2	7.8	**7.6**
Like-for-like annualised rent roll increase* (%)	5.2	5.9	5.1	6.2	7.1	**6.1**
Like-for-like valuation increase (%)	6.4	10.9	8.5	11.6	13.3	**9.9**
Occupancy* (%)	79.0	80.0	80.5	79.2	86.1	**85.3**
Rate* (€sqm)	4.8	5.1	5.3	5.5	5.8	**6.0**

(1) Including two acquisitions that completed 1 April 2018..
* See glossary section of the Annual Report and Accounts 2020.

The 31 March 2020 book value of owned properties of €1,186.2 million represents an average gross yield of 7.6% (31 March 2019: 7.8%), which translates to a net yield of 6.8% (31 March 2019: 6.8%) and an EPRA net yield (including purchaser costs) of 6.3% (31 March 2019: 6.3%).

Despite yields on these assets tightening slightly in the period, the average gross yield of the portfolio of 7.6% still appears conservative when compared to transactions that have completed over the last year in our sector. This is a key point to consider when reviewing the strength of the Company's balance sheet and its ability to withstand the potentially substantial economic impact of Covid-19.

As can be seen from the table below the percentage of value-add assets within the total portfolio is 57% and with average occupancy of 80.1% and valued at a gross yield of 8.0%, providing plenty of opportunity for further earnings and value enhancement. The average occupancy of the mature assets has now increased to 95.3% and, at a gross yield of 7.0%, are valued at a yield that is 100bps lower than the value-add assets.

	Annualised rent roll €m	Book value €m	NOI €m	Capital Value €m/sqm	Gross yield	Net yield	Vacant space sqm	Rate psqm €	Occupancy %
Value-add assets	54.7	680.0	47.8	674	8.0%	7.0%	193,891	5.83	80.1%
Mature assets	35.6	506.2	34.4	969	7.0%	6.8%	23,630	6.22	95.3%
Other	—	—	(1.2)	—	—	—	—	—	—
Total	90.3	1,186.2	81.1	775	7.6%	6.8%	217,521	5.98	85.3%

The average capital value per sqm of the entire portfolio of €775 (31 March 2019: €731) remains well below replacement cost and further illustrates the excellent opportunity to upgrade vacant space through the Company's capex investment programmes and crystallise earnings and valuation increases when the space is let. This remains a major competitive advantage for Sirius, especially if the economy and market were to turn, and is one of the main reasons that its business model is able to produce higher returns with lower risk than the typical operator of light industrial and office business parks in Germany. The full details of the capex programmes are detailed in the asset management section of this report.

The valuation increases along with profit retention resulted in an increase in net asset value per share to 77.35c at 31 March 2020, an uplift of 8.9% from 71.01c as at 31 March 2019. Similarly, the adjusted net asset value[(1)] per share increased to 81.54c at 31 March 2020, an uplift of 8.5% from 75.17c as at 31 March 2019. In addition, the Company has paid out 3.50c per share of dividends during the financial year, which equates to around 65% of FFO, giving a total shareholder accounting return (adjusted NAV growth plus dividends paid) of 13.1% (31 March 2019: 19.3%). The movement in NAV per share is explained in the following table:

(1) Excludes the provisions for deferred tax and derivative financial instruments.

	Cents per share
NAV per share as at 31 March 2019	71.01
Recurring profit after tax	5.20
Surplus on revaluation	5.76
Deferred tax charge	(1.13)
Scrip and cash dividend paid	(3.32)
Share awards and adjusting items	(0.17)
NAV per share at 31 March 2020	77.35
Deferred tax and derivatives	4.19
Adjusted NAV per share at 31 March 2020(1)	81.54
EPRA adjustments(1)	(0.92)
EPRA NAV per share at 31 March 2020(1)	80.62

(1) See appendix for further details.

The EPRA NAV per share, which, like adjusted NAV per share, excludes the provisions for deferred tax and derivative financial instruments but also includes the potential impact of shares issued in relation to the Company's long-term incentive programmes, was 80.62c (31 March 2019: 74.82c).

Financing

The Company is always seeking to optimise its financing structure and it continued to take advantage of the favourable lending conditions that were available in the market over the last year. During the period under review the Group agreed three new debt facilities amounting to €171.9 million which included two extensions with existing lenders and a Schuldschein loan, the first unsecured debt instrument the Group has issued. Whilst this had the effect of increasing the Group's debt in the period, net LTV remains well below the stated 40% threshold.

Details of the three new debt facilities agreed in the period are as follows:

- €115.4 million increase to an existing facility with Berlin Hyp, which matures in October 2023. The extension incurs an all-in fixed interest rate of 0.9% (a record low rate for Sirius) and requires amortisation payments of 1.25% per annum;
- €6.5 million extension of the existing facility with Deutsche Pfandbriefbank which matures in December 2023 with a floating interest rate of 1.20% above three month EURIBOR (floored at zero), which requires 2.0% amortisation per annum; and
- €50.0 million* unsecured Schuldschein debt facility at a blended interest rate of 1.60%, with an average maturity of 3.7 years and no amortisation.

* €20 million to be drawn down in July 2020.

The terms and conditions of these new debt facilities reflect the quality of the relationships that Sirius has with its financiers and the confidence that they have in its management capabilities. Furthermore, the issuance of the Company's first unsecured corporate debt facility to a number of German and international investors is a landmark which the Group has been pursuing in recent years.

Consequently, total debt increased by €99.6 million in the period to €485.8 million (2019: €386.1 million) representing the net effect of €187.8 million of drawdowns offset by €77.8 million of repayments, relating to the completion of Titanium, and scheduled amortisation of €10.3 million. A summary of the movements in debt during in the year to 31 March 2020 is detailed below:

	€000
Total debt as at 31 March 2019	386,096
Drawdown of Deutsche Pfandbriefbank AG facility	40,402
Drawdown of SEB 2 capex facility	2,000
Drawdown of Berlin Hyp extension	115,365
Drawdown of Schuldschein	30,000
Repayment of K-Bonds facility	(47,000)
Repayment of Deutsche Genossenschafts-Hypothekenbank AG facility	(14,040)
Partial repayment of Berlin Hyp AG/Deutsche Pfandbriefbank AG facility	(16,749)
Scheduled amortisation	(10,319)
Total debt as at 31 March 2020	485,755

The result of these initiatives is that the Company has reduced its weighted average cost of debt to 1.49% (2019: 2.0%) as at year end and despite the increase in total debt the Group's annual interest charge has reduced. Additionally, the number of unencumbered properties has increased from seven to twelve with a book value of €118.5 million.

As at 31 March 2020, Sirius has a net LTV of 32.8%, which remains comfortably within its stated target of 40%. This calculation includes the unrestricted cash balances held by the Group of €96.6 million. The uplift in net operating income seen in the period, driven by the annualised rent roll growth and further improvements to service charge recovery, has increased the Group's interest cover from 10.1x to 11.0x in the period.

With a weighted average debt expiry of 3.6 years (2019: 4.3 years), only one facility reaching maturity in the next 24 months (€23.1 million Bayern LB facility in October 2020) and €129.7 million of cash resources (including €33.1 million of undrawn debt facilities), the Company believes it has a strong enough balance sheet to be able to deal with any challenges that it may face as well as take advantage of opportunities as they arise. It is the intention of the Company to continue to pursue more flexible unsecured debt where appropriate.

Dividend

The Board communicated in the Annual Report three years ago that it would consider temporarily increasing the Company's dividend pay-out ratio above the 65% of FFO policy when material asset recycling or equity raise activity occurs in order to offset the impact from the time lag to invest or reinvest. In the financial year to 31 March 2018 the Board decided to increase the pay-out ratio to 75% of FFO due to the asset recycling relating to the disposal of €103.0 million of assets early in the period. For the year ending 31 March 2019 the Board decided to pay out 70% of FFO in order to offset the timing impact of investing funds from a capital raise and further disposals in the period. For the year to 31 March 2020, the Board has decided to move over the course of the year back to its stated pay-out policy of 65% of FFO as the Company has managed the time lag between the completion of the disposal of assets to Titanium and successful redeployment of €120.0 million of funds into new acquisitions. The Board will continue to consider the Company's dividend pay-out ratio going forward, with the aim of continuing the dividend progression of recent years, provided it is supported by the overall business performance.

The Board has authorised a dividend in respect of the second half of the financial year ended 31 March 2020 of 1.80c per share representing 65% of FFO, an increase of 4.0% on the equivalent dividend last year, which represented 70% of FFO. The total dividend for the year is 3.57c, an increase of 6.3% on the 3.36c total dividend for the year ended 31 March 2019. The Group has not received any direct state financial assistance in connection with the Covid-19 crisis.

The table below shows the dividends paid and full year pay-out ratios over the last five years.

	First half dividend per share (cents)	Second half dividend per share (cents)	Total dividend per share (cents)	Blended pay-out ratio (% of FFO)
Year ending March 2016	0.92	1.30	2.22	65%
Year ending March 2017	1.39	1.53	2.92	65%
Year ending March 2018	1.56	1.60	3.16	75%
Year ending March 2019	1.63	1.73	3.36	70%
Year ending March 2020*	1.77	1.80	3.57	66%

* First half 67%, second half 65% of FFO

It is expected that, for the dividend authorised in respect of the six month period ended 31 March 2020, the ex-dividend date will be 8 July 2020 for shareholders on the South African register and 9 July 2020 for shareholders on the UK register. It is further expected that for shareholders on both registers the record date will be 10 July 2020 and the dividend will be paid on 20 August 2020. A detailed dividend announcement will be made in due course, including details of a scrip dividend alternative.

Outlook

The year to 31 March 2020 was another successful one boosted once more by excellent organic growth and progress on asset acquisitions despite a challenging market in which to find assets that met the Company's return expectations. The 6.1% like-for-like annualised rent roll increase was supported by the continued upgrading of space as a result of the capex investment programmes, which have led to valuation gains being recorded across the portfolio. The agreement of Titanium with AXA Investment Managers – Real Assets realised significant value for Sirius with the Hilden asset acquired in March resulting in Titanium owning in excess of €225.0 million of property as well as the establishment of a further income stream for Sirius from its ongoing management of the assets.

Looking forward the focus is understandably on the impact of Covid-19. The economic and fiscal responses in Germany have, thus far, included significant state support in the form of grants and loans, the availability of subsidies aimed at maintaining employment and a range of additional allowances including flexibility on the timing of tax payments. Whilst significant uncertainty still exists, businesses in Germany have reacted positively to the raft of support measures made available to them as evidenced in statistics that show large numbers of businesses successfully accessing various modes of state support.

The impact of Covid-19 to date on the Company has, thus far, been manageable and related mainly to a small number of requests for rent deferrals. The Company has not sought to access any form of state support and, through its team of over 250 employees throughout Germany, is in close contact with its tenants and approaching any such requests for assistance on an individual basis. Whilst there remains significant uncertainty in terms of how the virus might impact German business in the future, Sirius can be considered well placed to endure the economic difficulties through its wide range of products and well-diversified tenant base but also to take advantage of opportunities with its strong balance sheet and cash resources.

The Company's focus remains on delivering attractive risk-adjusted returns by way of active asset management throughout the property cycle. With acquisition firepower available, further vacancy to develop and reversion potential to capture the Company is well positioned to meet the challenges ahead and continue to deliver attractive and sustainable returns for shareholders in the future.

Alistair Marks
Chief Financial Officer
29 May 2020

Consolidated statement of comprehensive income
for the year ended 31 March 2020

	Notes	**Year ended 31 March 2020 €000**	Year ended 31 March 2019 €000
Revenue	5	**150,014**	140,063
Direct costs	6	**(64,672)**	(64,299)
Net operating income		**85,342**	75,764
Gain on revaluation of investment properties	13	**55,789**	99,887
Gain on disposal of properties	6	**86**	611
Gain on loss of control of subsidiaries	6	**6,323**	—
Administrative expenses	6	**(21,175)**	(20,931)
Share of profit of associates	17	**2,129**	—
Operating profit		**128,494**	155,331
Finance income	9	**1,031**	75
Finance expense	9	**(18,383)**	(9,199)
Change in fair value of derivative financial instruments	9	**(377)**	(1,495)
Net finance costs		**(17,729)**	(10,619)
Profit before tax		**110,765**	144,712
Taxation	10	**(12,620)**	(15,990)
Profit and total comprehensive income for the year after tax		**98,145**	128,722
Profit and total comprehensive income attributable to:			
Owners of the Company		**98,136**	128,657
Non-controlling interest		**9**	65
Total comprehensive income for the year after tax		**98,145**	128,722
Earnings per share			
Basic earnings per share	11	**9.55c**	12.78c
Diluted earnings per share	11	**9.44c**	12.72c

All operations of the Group have been classified as continuing.

Consolidated statement of financial position

as at 31 March 2020

	Notes	**31 March 2020 €000**	31 March 2019 €000
Non-current assets			
Investment properties	13	**1,193,915**	972,868
Plant and equipment	15	**2,374**	3,438
Intangible assets	19	**5,724**	3,738
Right of use assets	16	**2,440**	—
Other non-current assets	18	**39,013**	1,813
Investment in associates	17	**12,306**	—
Total non-current assets		**1,255,772**	981,857
Current assets			
Trade and other receivables	20	**15,048**	10,828
Derivative financial instruments		**89**	250
Cash and cash equivalents	21	**121,263**	36,342
Total current assets		**136,400**	47,420
Assets held for sale	14	**10,100**	164,635
Total assets		**1,402,272**	1,193,912
Current liabilities			
Trade and other payables	22	**(56,780)**	(40,755)
Interest-bearing loans and borrowings	23	**(32,026)**	(7,408)
Lease liabilities	16	**(5,562)**	—
Current tax liabilities		**(779)**	(579)
Derivative financial instruments		**(412)**	(346)
Total current liabilities		**(95,559)**	(49,088)
Non-current liabilities			
Interest-bearing loans and borrowings	23	**(448,202)**	(324,053)
Lease liabilities	16	**(13,588)**	—
Derivative financial instruments		**(956)**	(806)
Deferred tax liabilities	10	**(42,151)**	(30,878)
Total non-current liabilities		**(504,897)**	(355,737)
Liabilities directly associated with assets held for sale	14	**—**	(63,042)
Total liabilities		**(600,456)**	(467,867)
Net assets		**801,816**	726,045
Equity			
Issued share capital	26	**—**	—
Other distributable reserve	27	**470,151**	491,010
Own shares held	26	**(1,515)**	—
Retained earnings		**332,934**	234,798
Total equity attributable to the owners of the Company		**801,570**	725,808
Non-controlling interest		**246**	237
Total equity		**801,816**	726,045

The financial statements were approved by the Board of Directors on 29 May 2020 and were signed on its behalf by:

Danny Kitchen
Chairman

Company number: 46442

Consolidated statement of changes in equity

for the year ended 31 March 2020

	Notes	Issued share capital €000	Other distributable reserve €000	Own shares held €000	Retained earnings €000	Total equity attributable to the owners of the Company €000	Non-controlling interest €000	Total equity €000
As at 31 March 2018		—	519,320	—	106,141	625,461	172	625,633
Shares issued		—	—	—	—	—	—	—
Transaction costs relating to share issues		—	(30)	—	—	(30)	—	(30)
Share-based payment transactions	8	—	(4,516)	—	—	(4,516)	—	(4,516)
Dividends paid		—	(23,764)	—	—	(23,764)	—	(23,764)
Total comprehensive income for the year		—	—	—	128,657	128,657	65	128,722
As at 31 March 2019		—	**491,010**	—	**234,798**	**725,808**	**237**	**726,045**
Share-based payment transactions	8	—	1,985	—	—	1,985	—	1,985
Own shares consolidated		—	—	(1,690)	—	(1,690)	—	(1,690)
Own shares allocated		—	—	175	—	175	—	175
Dividends paid	28	—	(22,844)	—	—	(22,844)	—	(22,844)
Total comprehensive income for the year		—	—	—	98,136	98,136	9	98,145
As at 31 March 2020		—	**470,151**	**(1,515)**	**332,934**	**801,570**	**246**	**801,816**

Ordinary shares of 16,228,946 with a value of €13,110,000 were issued pursuant to scrip dividend offerings on 22 August 2019, 8 January 2020 and 17 January 2020 (refer to note 26). The value of €13,110,000 has been subsequently transferred to other distributable reserves in accordance with Companies (Guernsey) Law, 2008.

Consolidated statement of cash flows

for the year ended 31 March 2020

	Notes	**Year ended 31 March 2020 €000**	Year ended 31 March 2019 €000
Operating activities			
Profit for the year after tax		**98,145**	128,722
Taxation	10	**12,620**	15,990
Gain on disposal of properties	6	**(86)**	(611)
Gain on loss of control of subsidiaries	6	**(6,323)**	—
Share-based payments	8	**1,985**	232
Gain on revaluation of investment properties		**(55,789)**	(99,887)
Change in fair value of derivative financial instruments	9	**377**	1,495
Depreciation and impairment of property, plant and equipment	15	**662**	874
Amortisation of intangible assets	19	**914**	499
Depreciation and impairment of right of use assets	6	**522**	—
Share of profit of associates	17	**(2,129)**	—
Finance income	9	**(1,031)**	(75)
Finance expense	9	**9,276**	9,199
Exit fees/prepayment of financing penalties	9	**9,107**	—
Changes in working capital			
Increase in trade and other receivables		**(5,530)**	(3,791)
Increase in trade and other payables		**10,080**	2,260
Taxation paid		**(1,460)**	(1,806)
Cash flows from operating activities		**71,340**	53,101
Investing activities			
Purchase of investment properties		**(120,434)**	(67,078)
Prepayments relating to new property acquisitions	20	**—**	(410)
Proceeds from loss on control of subsidiaries (net of cash disposed)		**14,348**	—
Proceeds from sale of loans to associates		**29,280**	—
Capital expenditure		**(31,620)**	(26,130)
Purchase of plant and equipment and intangible assets		**(2,684)**	(1,690)
Proceeds on disposal of properties (including held for sale)	22	**9,090**	27,425
Proceeds on disposal of plant and equipment		**185**	—
Increase in loans receivable		**(21,438)**	—
Interest received	9	**1,031**	75
Cash flows used in investing activities		**(122,242)**	(67,808)
Financing activities			
Issue of shares net of costs		**—**	(30)
Payment relating to exercise of share options		**—**	(4,748)
Shares purchased		**(406)**	—
Dividends paid	28	**(22,844)**	(23,764)
Payment of principal portion of lease liabilities		**(5,559)**	—
Proceeds from loans		**187,451**	22,114
Repayment of loans		**(15,050)**	(9,062)
Exit fees/prepayment of financing penalties		**(525)**	—
Finance charges paid		**(11,184)**	(9,126)
Cash flows from/(used in) financing activities		**131,883**	(24,616)
Increase/(decrease) in cash and cash equivalents		**80,981**	(39,323)
Cash and cash equivalents at the beginning of the year		**40,282**	79,605
Cash and cash equivalents at the end of the year	21	**121,263**	40,282

Notes to the financial statements

for the year ended 31 March 2020

1. General information

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

The consolidated financial information of the Company comprises that of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2020.

The principal activity of the Group is the investment in, and development of, commercial property to provide conventional and flexible workspace in Germany.

2. Significant accounting policies

(a) Basis of preparation

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

The Company has chosen to prepare its annual consolidated financial statements in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS") as a result of the primary listing on the JSE.

As at 31 March 2020 the Group's consolidated financial statements reflect consistent accounting policies and methods of computation as used in the previous financial year, except for the changes in the application of accounting policies as described in note 2(b).

(b) Changes in accounting policies

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2019. Other than IFRS 16, none of the other new or amended standards had a material impact to the annual consolidated financial statements of the Group.

IFRS 16 "Leases"

The Group has used the modified retrospective approach. Comparative figures for prior periods have not been adjusted. At date of initial application (i.e. 1 April 2019), lease liabilities for leases previously classified as an operating lease applying IAS 17 were recognised and measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019. Corresponding right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019. The first-time application resulted in the recognition of right of use assets of €24,010,112 and lease liabilities of €24,010,112 using the weighted average incremental borrowing rate of 1.9%. The right of use assets are presented separately in statement of financial position except for right of use assets that meet the definition of investment properties (IAS 40) which are classified as investment property and subsequently measured at fair value in line with the measurement rules set out in IAS 40. The Group utilises the recognition exemptions provided by IFRS 16 and does not apply IFRS 16 to leases with a contractual term of twelve months or less and to leases in which the underlying asset is of low value (on a case-by-case basis). The Group also applied the available practical expedients wherein it used a single discount rate to a portfolio of leases with reasonably similar characteristics, relied on its assessment of whether leases are onerous immediately before 1 April 2019, applied the short-term leases exemptions to leases with lease term that ends within twelve months of the date of initial application, excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application, and used hindsight in determining the lease term where the contract contained options to extend or terminate the lease. Please refer to notes 2(l) and 16 for more details.

In accordance with IAS 12.15 and IAS 12.24 the Group applied the initial recognition exception on the Group`s lease liabilities and right of use assets. As a result, corresponding deferred tax assets and deferred tax liabilities have not been recorded. The treatment of deferred taxes in relation to IFRS 16 is currently under discussion by the IASB. The Group will reassess its policy when further guidance has been issued.

(c) Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority, IAS 34 - Interim Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the listing requirements of the JSE Limited, IFRS and Companies (Guernsey) Law. The consolidated financial statements have been prepared on the same basis as the accounting policies set out in the Group's annual financial statements for the year ended 31 March 2019, except for the changes in accounting policies as shown in note 2(b). All forward-looking information is the responsibility of the Board of Directors and has not been reviewed or reported on by the Group's auditors.

These condensed consolidated financial results for the twelve months ended 31 March 2020 are themselves not audited but are extracted from audited information. The audited Group annual financial statements were audited by Ernst & Young LLP, who expressed an unmodified opinion thereon. The audited Group annual financial statements and the auditor's report thereon are available for inspection on the Company's website and at the Company's registered office. The directors take full responsibility for the preparation of the condensed consolidated financial results and that the financial information has been correctly extracted from the underlying audit Group annual financial statements.

(d) Going concern

Given the impact of Covid-19 on the economic conditions in which the Group is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 March 2020. The Directors have performed an assessment of going concern based on cashflow and covenant projections over the period of 12 months from approval of these financial statements (the review period). The Group's going concern assessment considers the Group's Principal Risks and Uncertainties, set out on page X, and is dependent on a number of factors including financial performance, continued access to lending facilities and the ability to continue to operate the Group's secured debt structure within its financial covenants. The Group's secured debt typically contains soft covenants that result in operational restrictions and hard covenants that, if breached, represent default events. The cashflow projections also made assumptions on future trading performance, capital expenditure, refinancing requirements, and potential valuation movements in order to estimate the level of headroom on facilities and covenants for loan to value and interest cover ratios.

In considering the going concern and viability statements, the Directors reviewed detailed stress tests and sensitivity analyses provided by Management which modelled the effects of extreme and more realistic scenarios, taking into account the potential impact of Covid-19 on the Group's financial position and prospects.

Whilst currently we are not anticipating a material deterioration in the Group's income streams or material falls in asset values, the Directors considered it prudent to test the going concern assessment on what the Directors consider to be an extreme stress scenario that results from a major Covid-19 impact. The assumptions included in the extreme stress case were:

- occupancy reducing to 75%, 65% and 60% for the periods to March 2021, 2022 and 2023 respectively;
- service charge recovery reducing to 78%, 68%, and 63% for the periods to March 2021, 2022 and 2023 respectively;
- no new acquisitions;
- continuation of forecasted capex investment; and
- continuation of forecasted dividend payments.

It was also assumed that there would be the drawing down the remainder of the available Schuldschein facility in July 2020 (€20.0 million) and refinancing, on existing terms, of one loan facility maturing in October 2020 amounting to €17.8 million. There are no conditions that the Group needs to satisfy to be able to draw down the available Schuldschein facility.

Even in this extreme scenario, the Group was able to operate within its facilities and covenants in the review period, without applying additional mitigations such as the reduction of capex and dividend payments that remain available. The Group has sufficient cash reserves for a period of at least twelve months from the date of authorisation of these financial statements.

The Group assessed its loan covenant position resulting from a 20% reduction in income and asset valuation. Based on this extreme scenario no income related covenants were breached whilst the breach of two hard LTV covenants would require a repayment amounting to €14.3 million in order to remedy.

Based on unrestricted cash at 31 March 2020 amounting to €96.6 million, fully committed but as yet undrawn facilities amounting to €33.1 million and the exclusion of the impact of any mitigating actions, the Group considers itself to have sufficient cash resources to remedy any breaches of its loan covenants in this scenario. In addition, the Group has 12 unencumbered assets with a book value of €118.5 million as of 31 March 2020.

Thus, the Directors have not identified any material uncertainties which would cast significant doubt on the Group's ability to continue as a going concern for a period of not less than twelve months from the date of the approval of the financial statements. After due consideration, the Board believes it is appropriate to adopt the going concern basis in preparing the financial statements.

The viability statement can be found on page in the Report and Accounts 2020, and information on how the Audit Committee considered the effects of the Covid-19 crisis during their review of the going concern and viability statements can be found in the Report and Accounts 2020.

(e) Basis of consolidation

The consolidated financial information comprises the financial information of the Group as at 31 March 2020. The financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies.

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

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

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

(f) Acquisitions

Investment property acquisitions that are not accounted for as business combinations under IFRS 3 "Business Combinations" are treated as acquisitions of investment property assets. Every transaction is assessed as either an asset acquisition or a business combination. During the period it was assessed that all investment properties purchased in the period should be accounted for as asset acquisitions due to the fact that the Group implements its own internal process and the key elements of the infrastructure of the business were not purchased.

(g) Foreign currency translation

The consolidated financial information is presented in euros, which is the functional and presentational currency of all members of the Group.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rate ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

(h) Revenue recognition

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Fixed or determinable rental increases, which can take the form of actual amounts or agreed percentages, are recognised on a straight-line basis over the term of material leases. If the increases are related to a price index to cover inflationary cost increases then the policy is not to spread the amount but to recognise them when the increase takes place.

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

Revenue from contracts with customers

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

The Group mainly generates revenue from contracts with customers for services rendered to tenants including management charges and other expenses recoverable from tenants ("service charge income"). These services are specified in the lease agreements and separately invoiced. Service charge income is recognised as revenue when the performance obligations of the services specified in the lease agreements are met.

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

Transaction prices are regularly updated and are estimated at the beginning of each year based on previous costs and estimated spend. Service charge budgets are prepared carefully to make sure that they are realistic and reasonable. Variable consideration is only included in the transaction price to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The variable consideration is allocated to each distinct period of service (i.e. each day) as it meets the variable consideration allocation exception criteria.

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

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

Rental and other income from managed properties

As the Group derives income and incurs expenses relating to properties it manages but does not own, such income and expense is disclosed separately within revenue and direct costs. Income relating to managed properties is accounted for according to revenue recognition accounting polices set out above.

Interest income

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

(i) Leases

Group as lessor

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

Group as lessee

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

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

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

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

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

Lease payments associated with short-term leases, with leases of low-value assets and with lease contracts that do not constitute leases within the meaning of IFRS 16 (out of scope of IFRS 16) are recognized as expenses on a straight-line basis over the lease term.

(j) Income tax

Current income tax

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

Certain subsidiaries may be subject to foreign taxes in respect of foreign sources of income. Sirius Real Estate Limited is a UK resident for tax purposes.

Deferred income tax

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

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are only recognised to the extent that it is foreseeable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

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

(k) Sales tax

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

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

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

(l) Investment properties

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

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

The fair value of the Group's owned investment properties at 31 March 2020 is based on a valuation carried out at that date by Cushman & Wakefield LLP (2019: Cushman & Wakefield LLP), an independent valuer on the basis of highest and best use. The valuations are in accordance with standards complying with the Royal Institute of Chartered Surveyors' ("RICS's") approval and the conceptual framework that has been set by the International Valuation Standards Committee.

The valuation is based upon assumptions including future rental income, anticipated non-recoverable and maintenance costs, expected capital expenditure and an appropriate discount rate. The properties are valued on the basis of a discounted cash flow model using a range of ten to fourteen years supported by comparable evidence. The discounted cash flow calculation is a valuation of rental income considering non-recoverable costs and applying a discount rate for the current income risk over the measurement period. At the end of the period in which the cash flow is modelled, a determining residual value (exit scenario) is calculated. A capitalisation rate is applied to the more uncertain future income, discounted to present value. Each property is visited by the external valuer at least once every two years.

Due to the Novel Coronavirus ("COVID-19") the valuations of Cushman & Wakefield LLP are reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case.

Investment properties relating to leased assets were initially recognised on 1 April 2019 in accordance with IFRS 16 (see note 16). Subsequent to initial recognition, investment properties relating to leased assets are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the statement of comprehensive income in the period in which they arise.

The fair value of investment properties relating to leased assets at 31 March 2020 has been arrived at on the basis of a valuation carried out at that date by the Group. The valuation is based upon assumptions including future rental income and expenditure in accordance with the conditions of the related lease agreements. The properties are valued on the basis of a discounted cash flow model with the measurement period equal to the term of the lease agreements.

(m) Disposals of investment property

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

(n) Assets held for sale and disposal groups

(i) Investment properties held for sale

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

- the asset must be available for immediate sale in its present condition and location;
- the asset is being actively marketed;
- the asset's sale is expected to be completed within twelve months of classification as held for sale;
- there must be no expectation that the plan for selling the asset will be withdrawn or changed significantly; and
- the successful sale of the asset must be highly probable.

(ii) Disposal groups

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

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

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

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

Additional disclosures are provided in note 14.

(o) Plant and equipment

Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

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

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

Plant and equipment	three to thirteen years
Fixtures and fittings	four years

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

(p) Intangible assets

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

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

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

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

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment, or more frequently when there is an indication that the business to which the goodwill applies may be impaired.

(q) Trade and other receivables

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

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

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

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

(s) Share-based payments

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

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

(t) Cash and cash equivalents

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

(u) Bank borrowings

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

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

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

(v) Trade payables

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

(w) Equity instruments

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

(x) Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the consolidated financial information in the period in which the dividends are approved by the shareholders in line with Guernsey law. The final dividend relating to the year ended 31 March 2020 will be approved and recognised in the financial year ending 31 March 2021.

(y) Impairment excluding investment properties

(i) Financial assets

A financial asset (excluding financial assets at fair value through profit and loss) is assessed at each reporting date to determine whether there is any impairment. The Group recognises an allowance for expected credit losses (ECLs) for all receivables and contract assets held by the Group. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

Impairment losses are recognised in profit or loss of the statement of comprehensive income. Trade and other receivables are written off once all avenues to recover the balances are exhausted and the lease has ended.

(ii) Non-financial assets

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

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

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

(z) Current versus non-current classification

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

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

(aa) Standards and interpretations in issue and not yet effective

The IASB has published new standards, amendments to standards and interpretations which will be applicable to financial years after 1 January 2020. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Amendments to IFRS 3:

Definition of a Business: The amendments help entities to determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business and remove the assessment of whether market participants are capable of replacing any missing elements. The Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8:

Definition of Material: The amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" were issued to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

(ab) Non-IFRS measures

The Directors have chosen to disclose EPRA earnings, which are widely used alternative metrics to their IFRS equivalents (further details on EPRA best practice recommendations can be found at www.epra.com). During the year, EPRA issued new best practice reporting guidelines effective for periods starting 1 January 2020. The Directors have chosen not to adopt such changes early. Note 11 to the financial statements includes a reconciliation of basic and diluted earnings to EPRA earnings.

The Directors are required, as part of the JSE Listing Requirements, to disclose headline earnings; accordingly, headline earnings are calculated using basic earnings adjusted for revaluation gain net of related tax and gain/loss on sale of properties net of related tax. Note 11 to the financial statements includes a reconciliation between IFRS and headline earnings.

The Directors have chosen to disclose adjusted earnings in order to provide an alternative indication of the Group's underlying business performance; accordingly, it excludes the effect of adjusting items net of related tax. Note 11 to the financial statements includes a reconciliation of adjusting items included within adjusted earnings, with those adjusting items stated within administrative expenses in note 6.

The Directors have chosen to disclose adjusted profit before tax and funds from operations in order to provide an alternative indication of the Group's underlying business performance and to facilitate the calculation of its dividend pool; a reconciliation between profit before tax and funds from operations is included within note 28 to the financial statements. Within adjusted profit before tax are adjusting items as described above gross of related tax.

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

3. Significant accounting judgements, estimates and assumptions

Judgements

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

Acquisition and disposal of properties

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

Estimates and assumptions

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

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

The fair value of the Group's owned investment properties was determined by Cushman & Wakefield LLP (2019: Cushman & Wakefield LLP), an independent valuer. After adjusting investment properties for lease incentive accounting, the book value of investment properties excluding assets held for sale is shown as €1,176.1 million (31 March 2019: €972.9 million) as disclosed in note 13.

The Cushman & Wakefield LLP valuation is based upon assumptions including future rental income, anticipated maintenance costs and an appropriate discount rate. The properties are valued on the basis of a ten to fourteen year discounted cash flow model supported by comparable evidence. The discounted cash flow calculation is a valuation of rental income considering non-recoverable costs and applying a discount rate for the current income risk over a ten to fourteen year period. After ten to fourteen years, a determining residual value (exit scenario) is calculated.

Due to the Novel Coronavirus ("COVID-19") the valuations of Cushman & Wakefield LLP are reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case. As a result of this increased uncertainty, sensitives for more extensive changes in assumptions have been disclosed in note 13.

The fair value of the Group's leased investment properties was determined by the Group. The book value of leased investment properties is shown as €17.8 million (31 March 2019: €nil) as disclosed in note 13.

As a result of the level of judgement used in arriving at the market valuations, the amounts which may ultimately be realised in respect of any given property may differ from the valuations shown on the statement of financial position.

Assessment of uncertain tax positions

In the ordinary course of business, management makes judgements and estimates in relation to the tax treatment of certain transactions in advance of the ultimate tax determination being certain. Where the amount of tax payable or recoverable is uncertain management uses judgement in recording a corresponding payable or receivable.

Service charge

Service charge expenses are based on actual costs incurred and invoiced together with an estimate of costs to be invoiced in future periods. The estimates are based on expected consumption rates, historical trends and take into account market conditions at the time of recording.

Service charge income is based on service charge expense and takes into account recovery rates which are largely derived from estimated occupancy levels.

4. Operating segments

The Directors are of the opinion that the Group is engaged in a single segment of business, being property investment, and in one geographical area, Germany. All rental income is derived from operations in Germany. The majority of the Group's investment properties are multi-tenanted and mixed use and accordingly cannot be evaluated according to separate segments. There is no one tenant that represents more than 10% of Group revenues. The chief operating decision maker is considered to be the Senior Management Team, which is provided with consolidated IFRS information on a monthly basis.

5. Revenue

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Rental and other income from investment properties	**89,132**	84,414
Service charge income from investment properties	**48,069**	44,216
Rental and other income from managed properties	**7,846**	6,218
Service charge income from managed properties	**4,967**	5,215
Total revenue	**150,014**	140,063

Other income relates primarily to income associated with conferencing and catering of €1,961,000 (2019: €1,730,000) and fee income from managed properties of €1,521,000 (2019: nil).

6. Operating profit

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

Direct costs

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Service charge costs	**55,557**	51,250
Costs relating to managed properties*	**6,539**	10,779
Non-recoverable maintenance	**2,576**	2,270
Direct costs	**64,672**	64,299

* Included in costs relating to managed properties for the year ended 31 March 2019 was an amount of €5.2 million relating to head lease expenses. As a result of the adoption of IFRS 16 a right of use asset within investment property and corresponding lease liability were recognised on 1 April 2019. See notes 2(b) and 16 for further details.

Gain on disposal of properties

The gain on disposal of properties of €86,000 relates to the release of an accrual from disposal of the Bremen HAG site which completed in November 2018 (2019: gain of €611,000 resulting from total proceeds of €27,425,000 and property and professional costs of €26,814,000).

Gain on loss of control of subsidiaries

On 31 July 2019 the Company completed the Titanium Venture with AXA Investment Managers – Real Assets which included the sale of 65% of the Company's interest in five subsidiary companies holding business park assets located in Berlin, Nurnberg, Mainz and Bayreuth. As a result, a gain on loss of control of subsidiaries amounting to €6,323,000 was recognised in the statement of comprehensive income for the year ended 31 March 2020.

	Total €000
Total consideration	**18,291**
Recognition of investment in associates	**10,177**
Derecognition of net assets as of 31 July 2019*	**(21,969)**
Allocated costs	**(176)**
Total gain on loss of control of subsidiaries	**6,323**

* Included in the derecognized net assets were cash and cash equivalents in amount of €3,578,000 (see note 14).

Administrative expenses

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Audit and non-audit fees to audit firm	**560**	389
Legal and professional fees	**2,467**	3,373
Other administration costs	**1,136**	1,881
LTIP and SIP	**1,985**	232
Employee costs	**10,701**	11,167
Director fees and expenses	**379**	447
Depreciation of plant and equipment	**662**	1,373
Amortisation of intangible assets	**914**	—
Depreciation of right of use assets (see note 16)	**522**	—
Marketing	**1,889**	1,860
Selling costs relating to assets held for sale	**65**	—
Exceptional items	**(105)**	209
Administrative expenses	**21,175**	20,931

Exceptional items relate to a legal claim accrual release (2019: legal claim accrual). Employee costs as stated above relate to costs which are not recovered through service charge.

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

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Audit fees to audit firm:		
Audit of consolidated financial statements	**410**	273
Audit of subsidiary undertakings	**87**	58
Non-audit fees to audit firm:		
Other assurance services	**63**	58
Total fees	**560**	389

7. Employee costs and numbers

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Wages and salaries	**15,977**	13,986
Social security costs	**2,671**	2,543
Pension	**212**	234
Other employment costs	**64**	51
	18,924	16,814

Included in the costs related to wages and salaries for the year ended 31 March 2020 are expenses of €1,985,000 (31 March 2019: €232,000) relating to the granting or award of shares under LTIPs and SIPs (see note 8). The costs for all periods include those relating to Executive Directors.

All employees are employed directly by one of the following Group subsidiary companies: Sirius Facilities GmbH, Sirius Facilities (UK) Limited, Curris Facilities & Utilities Management GmbH, SFG NOVA GmbH, Sirius Finance (Guernsey) Limited and Sirius Corporate Services B.V. The average number of people employed by the Group during the year was 244 (31 March 2019: 241), expressed in full-time equivalents. In addition, the Board of Directors consists of five Non-executive Directors (31 March 2019: four) and two Executive Directors as at 31 March 2020 (31 March 2019: two).

8. Employee schemes

Equity-settled share-based payments

2018 LTIP

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

June 2019 grant

3,760,000 ordinary share awards and 690,000 outperformance share awards were granted under the scheme on 16 June 2019 with a total charge for the awards of €2,145,511 over three years. Charges for the awards are based on fair values calculated at the grant date and expensed on a straight-line basis over the period that individuals are providing service to the Company in respect of the awards. For the 16 June 2019 LTIP grant an expense of €613,000 was recognised in the consolidated statement of comprehensive income to 31 March 2020.

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

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

The weighted average fair value of a share granted under the ordinary award in the year is €0.54.

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

January 2019 grant

In addition, as disclosed in the 2019 Annual Report, 4,000,000 ordinary share awards and 700,000 outperformance share awards were previously granted under the scheme on 15 January 2019. The portion of the accounting charge recognised in the consolidated statement of comprehensive income to 31 March 2020 is based on the following adjustments to the fair value of the awards linked to the TNR performance condition:

1) the fair value was discounted at the rate of the dividend yield over the projection period in order to ensure consistent treatment for the awards linked to TSR and TNR performance condition; and

2) the level of expected vesting of the TNR outperformance award has been adjusted in accordance with the Company's best estimate.

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

	TNR	TSR
Valuation methodology	Black-Scholes	Monte-Carlo
Calculation for	2/3 ordinary award/ outperformance award	1/3 ordinary award
Share price at grant date – €	0.66	0.66
Exercise price – €	nil	nil
Expected volatility – %	23.3	23.3
Performance projection period – years	2.21	2.08
Expected dividend yield – %	4.86	4.86
Risk-free rate based on European treasury bonds rate of return – %	(0.63) p.a.	(0.63) p.a.
Expected outcome of performance conditions – %	100/23.9	44.7
Fair value per share – €	0.593	0.295

The weighted average fair value of a share granted under the ordinary award in the year is €0.49.

As a result, the adjusted total charge for the awards granted on 15 January 2019 is €2,111,000. For the year ended 31 March 2020 the proportion of charge recognised in the statement of comprehensive income for the January 2019 LTIP award was €957,000.

2019 SIP

A share incentive plan ("SIP") for the benefit of senior employees of the Company was approved in August 2019. The fair value was based on the Company's estimate of the shares that will eventually vest. Under the SIP, the awards were granted in the form of whole shares at no cost to the participants. Shares will vest after a three year performance period followed by a holding period of twelve months. The performance conditions used to determine the vesting of the award were based on the adjusted net asset value including dividends paid. As at 31 March 2020 a total of 2,784,750 shares were granted, subject to performance criteria, and an expense including related costs of €415,000 was recognised in the consolidated statement of comprehensive income to 31 March 2020.

Movements in the number of awards outstanding are as follows:

	Year ended 31 March 2020		Year ended 31 March 2019	
	Number of share awards	**Weighted average exercise price €000**	Number of share awards	Weighted average exercise price €000
Balance outstanding as at the beginning of the period (nil exercisable)	**4,700,000**	**—**	—	—
Maximum granted during the period	**7,235,000**	**—**	4,700,000	—
Forfeited during the period	**—**	**—**	—	—
Exercised during the period	**—**	**—**	—	—
Balance outstanding as at the end of the period (nil exercisable)	**11,935,000**	**—**	4,700,000	—

Employee benefit schemes

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

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Charge relating to 2018 LTIP – January 2019 grant	**957**	232
Charge relating to 2019 LTIP – June 2019 grant	**613**	—
Charge relating to SIP – August 2019 grant	**415**	—
Value of shares withheld to settle employee tax obligations*	**—**	(4,748)
Share-based payment transactions as per consolidated statement of changes in equity	**1,985**	(4,516)

* Share-based payment transactions relating to the 2015 LTIP scheme.

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

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Bank interest income	**54**	75
Finance income from associates	**977**	—
Finance income	**1,031**	75
Bank loan interest expense	**(7,234)**	(7,643)
Interest expense related to lease liabilities (see note 16)	**(423)**	—
Bank charges	**(182)**	(185)
Amortisation of capitalised finance costs	**(1,437)**	(1,371)
Refinancing costs, exit fees and prepayment penalties	**(9,107)**	—
Finance expense	**(18,383)**	(9,199)
Change in fair value of derivative financial instruments	**(377)**	(1,495)
Net finance expense	**(17,729)**	(10,619)

Included within refinancing costs, exit fees and early prepayment penalties of €9,107,000 are costs amounting to €6,025,000 that directly relate to the repayment of loan facilities secured by assets included within the Titanium Venture with AXA Investment Managers – Real Assets that completed on 31 July 2019. The residual amount of €3,082,000 are costs relating to the repayment of loan facilities secured by assets not included within the Titanium Venture.

The change in fair value of derivative financial instruments in amount of €377,000 (2019: €1,495,000) reflects the change in the mark to market valuation of these financial instruments.

10. Taxation

Consolidated statement of comprehensive income

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Current income tax		
Current income tax charge	**(1,030)**	(523)
Current income tax charge relating to disposals of investment properties	**—**	(170)
Accrual relating to tax treatment of swap break	**—**	151
Adjustments in respect of prior periods	**97**	501
Total current income tax	**(933)**	(41)
Deferred tax		
Relating to origination and reversal of temporary differences	**(11,687)**	(15,138)
Relating to LTIP charge for the year	**—**	(811)
Total deferred tax	**(11,687)**	(15,949)
Income tax charge reported in the statement of comprehensive income	**(12,620)**	(15,990)

The effective income tax rate for the period differs from the standard rate of corporation tax in Germany of 15.825% (2019: 15.825%). The differences are explained below:

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Profit before tax	**110,765**	144,712
Profit before tax multiplied by the rate of corporation tax in Germany of 15.825% (2019: 15.825%)	**17,529**	22,901
Effects of:		
Deductible interest on internal financing	**(6,891)**	(6,197)
Tax exempt gain from selling of investments and dividends	**(1,338)**	—
Non-deductible expenses	**68**	(1,728)
Tax losses utilised	**(1,611)**	(882)
Property valuation movements due to differences in accounting treatments	**4,847**	1,796
Adjustments in respect of prior periods	**(97)**	(652)
Other	**113**	752
Total income tax charge in the statement of comprehensive income	**12,620**	15,990

Non-deductible expenses primarily relate to differences in the accounting and taxation treatment of share awards.

Deferred income tax liability

	31 March 2020 €000	31 March 2019 €000
Opening balance	**(30,878)**	(26,485)
Release due to disposals	**414**	261
Taxes on the revaluation of investment properties	**(11,687)**	(15,399)
Transferred to liabilities directly associated with assets held for sale	**—**	10,745
Balance as at year end	**(42,151)**	(30,878)

Deferred income tax asset

	31 March 2020 €000	31 March 2019 €000
Opening balance	**—**	811
Relating to LTIP charge for the year	**—**	(811)
Balance as at year end	**—**	—

The Group is mainly subject to taxation in Germany with the income from the Germany-located rental business with a tax rate of 15.825%. It has tax losses of €351,265,000 (31 March 2019: €333,078,000) that are available for offset against future profits of its subsidiaries in which the losses arose under the restrictions of the minimum taxation rule. Deferred tax assets have not been recognised in respect of the revaluation losses on investment properties, the valuation of the Company LTIP, interest rate swaps and in regard to IFRS 16 “Lease Contracts” as they may not be used to offset taxable profits elsewhere in the Group as realisation is not assured. Referring to the adoption of IFRS 16 as of 1 April 2019 the Company did not recognise any deferred tax with reference to the initial recognition exception.

11. Earnings per share

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

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Earnings attributable to the owners of the Company		
Basic earnings	**98,136**	128,657
Diluted earnings	**98,136**	128,657
EPRA earnings	**55,882**	44,995
Diluted EPRA earnings	**55,882**	44,995
Headline earnings	**46,398**	43,554
Diluted headline earnings	**46,398**	43,554
Adjusted		
Basic earnings	**98,136**	128,657
Deduct revaluation surplus	**(55,789)**	(99,887)
Add loss/deduct gain on sale of properties	**(86)**	(611)
Deduct gain on loss of control of subsidiaries	**(6,323)**	—
Tax in relation to the revaluation surplus above	**11,687**	15,362
NCI relating to revaluation, net of related tax	**29**	32
NCI relating to gain on sale of properties, net of related tax	**—**	1
Deduct revaluation gain on investment property relating to associates	**(1,687)**	—
Tax in relation to the revaluation gain on investment property relating to associates above	**431**	—
Headline earnings after tax	**46,398**	43,554
Add change in fair value of derivative financial instruments, net of related tax and NCI	**377**	1,441
Add back revaluation expense relating to leased investment properties	**(3,916)**	—
Add adjusting items, net of related tax and NCI(1)	**11,052**	1,101
Adjusted earnings after tax	**53,911**	46,096
Number of shares		
Weighted average number of ordinary shares for the purpose of basic, headline, adjusted and basic EPRA earnings per share	**1,027,881,515**	1,006,966,788
Weighted average number of ordinary shares for the purpose of diluted earnings, diluted headline earnings, diluted adjusted earnings and diluted EPRA earnings per share	**1,039,816,265**	1,011,666,788
Basic earnings per share	**9.55c**	12.78c
Diluted earnings per share	**9.44c**	12.72c
Basic EPRA earnings per share	**5.44c**	4.47c
Diluted EPRA earnings per share	**5.37c**	4.45c
Headline earnings per share	**4.51c**	4.33c
Diluted headline earnings per share	**4.46c**	4.31c
Adjusted earnings per share	**5.24c**	4.58c
Adjusted diluted earnings per share	**5.18c**	4.56c

(1) See reconciliation between adjusting items as stated within earnings per share and those stated within administrative expenses in note 6 below.

	Notes	**Year ended 31 March 2020 €000**	Year ended 31 March 2019 €000
Exceptional items	6	**(105)**	209
Finance restructuring costs	9	**9,107**	—
Selling costs relating to assets held for sale	6	**65**	—
LTIP and SIP	6	**1,985**	232
Change in deferred tax assets	10	**—**	811
Accrual relating to tax treatment of swap break	10	**—**	(151)
Adjusting items as per note 11		**11,052**	1,101

EPRA earnings

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Basic and diluted earnings attributable to owners of the Company	**98,136**	128,657
Gain on revaluation of investment properties	**(55,789)**	(99,887)
Gain on disposal of properties (including tax)	**(86)**	(441)
Deduct gain on loss of control of subsidiaries	**(6,323)**	—
Refinancing costs, exit fees and early prepayment penalties	**9,107**	—
Change in fair value of derivative financial instruments	**377**	1,495
Deferred tax in respect of EPRA adjustments	**11,687**	15,138
NCI in respect of the above	**29**	33
Deduct revaluation gain on investment property relating to associates	**(1,687)**	—
Tax in relation to the revaluation gain on investment property relating to associates	**431**	—
EPRA earnings	**55,882**	44,995

For more information on EPRA earnings refer to Annex 1.

For the calculation of basic, headline, adjusted and diluted earnings per share, the number of shares has been reduced by nil shares (2019: nil shares), which are held by the Company as Treasury Shares at 31 March 2020 and by 2,112,720 own shares held (31 March 2019: nil), which are held by an Employee Benefit Trust on behalf of the Group.

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

	2020	2019
Weighted average number of ordinary shares for the purpose of basic, basic EPRA, headline and adjusted earnings per share	**1,027,881,515**	1,006,966,788
Effect of grant of SIP shares	**2,784,750**	—
Effect of grant of LTIP shares	**9,150,000**	4,700,000
Weighted average number of ordinary shares for the purpose of diluted, diluted EPRA, diluted headline and adjusted diluted earnings per share	**1,039,816,265**	1,011,666,788

The Company has chosen to report EPRA earnings per share ("EPRA EPS"). EPRA EPS is a definition of earnings as set out by the European Public Real Estate Association. EPRA earnings represents earnings after adjusting for property revaluation, changes in fair value of derivative financial instruments, profits and losses on disposals and deferred tax in respect of EPRA adjustments.

12. Net asset value per share

	2020 €000	2019 €000
Net asset value		
Net asset value for the purpose of assets per share (assets attributable to the owners of the Company)	**801,570**	725,808
Deferred tax arising on revaluation gain, derivative financial instruments and LTIP valuation	**42,151**	41,623
Derivative financial instruments	**1,279**	902
Adjusted net asset value attributable to owners of the Company	**845,000**	768,333
Number of shares		
Number of ordinary shares for the purpose of net asset value per share	**1,036,257,101**	1,022,140,875
Number of ordinary shares for the purpose of EPRA net asset value per share	**1,048,191,851**	1,026,840,875
Net asset value per share	**77.35c**	71.01c
Adjusted net asset value per share	**81.54c**	75.17c
EPRA net asset value per share	**80.62c**	74.82c
Net asset value at the end of the year (basic)	**801,570**	725,808
Derivative financial instruments at fair value	**1,279**	902
Deferred tax in respect of EPRA adjustments	**42,151**	41,623
EPRA net asset value	**845,000**	768,333

For more information on adjusted net asset value and EPRA net asset value refer to Annex 1.

The number of ordinary shares for the purpose of EPRA net asset value per share is calculated as follows:

	2020	2019
Number of ordinary shares for the purpose of net asset value per share	**1,036,257,101**	1,022,140,875
Effect of grant of SIP shares	**2,784,750**	—
Effect of grant of LTIP shares	**9,150,000**	4,700,000
Number of ordinary shares for the purpose of EPRA net asset value per share	**1,048,191,851**	1,026,840,875

The number of shares has been reduced by 2,120,720 own shares held (2019: nil shares), which are held by an Employee Benefit Trust on behalf of the Group.

13. Investment properties

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

	2020 €000	2019 €000
Total owned investment properties at book value as at 1 April – reported	**972,868**	913,843
Leased investment properties – initial recognition(see note 16)	**21,048**	—
Total investment properties at book value as at 1 April – as restated	**993,916**	913,843
Additions – owned investment properties	**120,434**	101,663
Additions – leased investment properties	**699**	—
Capital expenditure and broker fees	**33,177**	27,127
Disposals	**—**	(10,032)
Reclassified as investment properties held for sale (note 14)	**(10,100)**	(159,620)
Gain on revaluation above capex and broker fees	**59,939**	100,092
Adjustment in respect of lease incentives	**(235)**	(205)
Deficit on revaluation relating to leased investment properties	**(3,915)**	—
Total investment properties at book value as at 31 March(1)	**1,193,915**	972,868

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

	2020 €000	2019 €000
Owned investment properties at market value per valuer's report(1)	**1,179,440**	975,991
Adjustment in respect of lease incentives	**(3,357)**	(3,122)
Leased investment property market value	**17,832**	—
Total investment properties at book value as at 31 March 2020(1)	**1,193,915**	972,868

(1) Excluding assets held for sale.

The fair value of the Group's owned investment properties at 31 March 2020 has been arrived at on the basis of a valuation carried out at that date by Cushman & Wakefield LLP (2019: Cushman & Wakefield LLP), an independent valuer accredited in terms of the RICS. The fee arrangement with Cushman & Wakefield LLP for the valuation of the Group's properties is fixed, subject to an adjustment for acquisitions and disposals.

The valuation of the Group's owned investment properties at 31 March 2020 carried out by Cushman & Wakefield is subject to a material uncertainty clause due to COVID-19. See note 2(l) for further details.

The weighted average lease expiry remaining across the owned portfolio at 31 March 2020 was 2.9 years (2019: 2.8 years).

The fair value (market value) of the Group's leased investment properties at 31 March 2020 has been arrived at on the basis of a valuation carried out by the Group. See note 2(l) for further details.

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

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Gain on revaluation above capex and broker fees	**59,939**	100,092
Adjustment in respect of lease incentives	**(235)**	(205)
Deficit on revaluation relating to leased investment properties	**(3,915)**	—
Gain on revaluation of investment properties reported in the statement of comprehensive income	**55,789**	99,887

Included in the gain on revaluation of investment properties reported in the statement of comprehensive income (excluding the revaluation effects in respect of leased investment properties) are gross gains of €78.2 million and gross losses of €22.4 million (31 March 2019: gross gains of €105.0 million and gross losses of €5.1 million).

Other than the capital commitments disclosed in note 27, the Group is under no contractual obligation to purchase, construct or develop any investment property. The Group is responsible for routine maintenance to the investment properties.

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

As at 31 March 2020

Sector	Market value (€)	Technique	Significant assumption	Range
Traditional business park	668,940,000	Discounted cash flow	Current rental income	€260k–€6,573k
			Market rental income	€424k–€7,186k
			Gross initial yield	2.6%–11.1%
			Discount factor	5.3%–8.1%
			Void period (months)	12–24
			Estimated capital value per sqm	€299–€1,257
Modern business park	313,830,000	Discounted cash flow	Current rental income	€478k–€4,009k
			Market rental income	€482k–€4,354k
			Gross initial yield	5.2%–10.8%
			Discount factor	5.3%–7.4%
			Void period (months)	12–24
			Estimated capital value per sqm	€548–€1,649
Office	206,770,000	Discounted cash flow	Current rental income	€358k–€3,201k
			Market rental income	€445k–€3,507k
			Gross initial yield	4.0%–10.4%
			Discount factor	5.9%–7.9%
			Void period (months)	12–24
			Estimated capital value per sqm	€610–€1,509

As at 31 March 2019

Sector	Market value (€)	Technique	Significant assumption	Range
Traditional business park	593,620,000	Discounted cash flow	Current rental income	€315k–€6,197k
			Market rental income	€424k–€6,094k
			Gross initial yield	4.7%–10.0%
			Discount factor	4.4%–8.0%
			Void period (months)	12–24
			Estimated capital value per sqm	€301–€1,141
Modern business park	217,790,000	Discounted cash flow	Current rental income	€463k–€3,169k
			Market rental income	€478k–€3,574k
			Gross initial yield	5.4%–8.3%
			Discount factor	4.4%–7.3%
			Void period (months)	12–24
			Estimated capital value per sqm	€588–€1,568
Office	164,580,000	Discounted cash flow	Current rental income	€69k–€3,149k
			Market rental income	€512k–€3,509k
			Gross initial yield	0.8%–9.0%
			Discount factor	5.0%–7.8%
			Void period (months)	12–24
			Estimated capital value per sqm	€581–€1,349

The valuation for owned investment properties is (including assets classified as held for sale) performed on a lease-by-lease basis due to the mixed-use nature of the sites. This gives rise to large ranges in the inputs.

For example, an increase in market rental values of 10% would lead to an increase in the fair value of the investment properties of €117,390,000 and a decrease in market rental values of 10% would lead to a decrease in the fair value of the investment properties of €116,990,000. Similarly, an increase in the discount rates of 0.5% would lead to a decrease in the fair value of the investment properties of €46,670,000 and a decrease in the discount rates of 0.5% would lead to an increase in the fair value of the investment properties of €49,370,000.

14. Assets held for sale

Investment properties held for sale

	31 March 2020 €000	31 March 2019 €000
Weilimdorf	**10,100**	—
Balance as at year end	**10,100**	—

* Please see note 13 for disclosures regarding valuation.

An amount of €9,090,000 relating to the sale of the Weilimdorf asset was received prior to the completion date of 1 April 2020. As a result, an equal and opposite position within other payables was recognised. See note 22 and 33 for further details.

Disposal group

In March 2019, the Group entered into a contract to dispose of a 65% interest in certain subsidiaries controlled by the Group holding investments in five investment properties to AXA IM – Real Assets. As at 31 March 2019, a disposal had not been recognised as certain conditions of the sale had not been met. As at 31 March 2020 no disposal group was recognised in the consolidated financial statements of the Group.

The major classes of the assets and liabilities comprising the disposal group classified as held for sale at 31 March 2019 were as follows:

	31 March 2019 €000
Assets	
Investment properties	159,620
Trade and other receivables	1,075
Cash and cash equivalents	3,940
Assets held for sale	164,635
Liabilities	
Trade and other payables	(3,674)
Interest-bearing loans and borrowings	(48,623)
Deferred tax liabilities	(10,745)
Liabilities directly associated with assets held for sale	(63,042)
Net assets of the disposal group	101,593

(1) Including capitalised finance charges in amount of €941,000.

The table below details the assets and liabilities over which control was lost as of 31 July 2019 upon the completion of the disposal of 65% interest in the five subsidiary companies as mentioned above compared to the consideration received:

	31 July 2019 €000
Assets	
Property, plant and equipment	160,891
Trade and other receivables	1,271
Cash and cash equivalents	3,758
Liabilities	
Trade and other payables	(41,880)
Interest-bearing loans and borrowings(1)	(90,912)
Deferred tax liabilities	(11,159)
Net assets	21,969
Total consideration received	18,291
Less cash and cash equivalents of the disposal group sold	(3,758)
Total consideration received on loss of control of subsidiaries net of sold cash and cash equivalents(1)	14,533

(1) Including consideration received in amount of €185,000 relating to disposal of plant equipment.

15. Plant and equipment

	Plant and equipment €000	Fixtures and fittings €000	Total €000
Cost			
As at 31 March 2019	7,938	4,157	12,095
Additions in year	217	1,237	1,454
Transfer to intangible assets (note 19)*	(4,878)	—	(4,878)
Disposals in year	(2,561)	—	(2,561)
As at 31 March 2020	716	5,394	6,110
Depreciation			
As at 31 March 2019	(6,042)	(2,615)	(8,657)
Charge for year	(156)	(506)	(662)
Transfer to intangible assets (note 19)*	3,207	—	3,207
Disposals in year	2,376	—	2,376
As at 31 March 2020	(615)	(3,121)	(3,736)
Net book value as at 31 March 2020	**101**	**2,273**	**2,374**
Cost			
As at 31 March 2018	6,894	3,545	10,439
Additions in year	1,061	628	1,689
Disposals in year	(17)	(16)	(33)
As at 31 March 2019	7,938	4,157	12,095
Depreciation			
As at 31 March 2018	(5,286)	(2,027)	(7,313)
Charge for year	(770)	(603)	(1,373)
Disposals in year	14	15	29
As at 31 March 2019	(6,042)	(2,615)	(8,657)
Net book value as at 31 March 2019	1,896	1,542	3,438

* As of 31 March 2020 software and licenses have been transferred from plant and equipment into intangible assets as the nature of these assets relate to intangible assets.

16. Right of use assets and lease liabilities

The effects on the opening balances as of the first-time recognition of operating leases in which the Group is lessee are shown below:

	1 April 2019 €000
Non-current assets	
Right of use assets – office	2,962
Right of use assets – disclosed under investment property	21,048
Total	24,010
Current liabilities	
Lease liabilities	(5,554)
Non-current lease liabilities	
Lease liabilities	(18,456)
Total	(24,010)

The lease liabilities as of 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	€000
Operating lease commitments as of 31 March 2019	30,301
Weighted average incremental borrowing rate as of 1 April 2019	1.9%
Discounted operating lease commitments as of 1 April 2019	23,314
Less commitments relating to short-term leases	(16)
Less commitments relating to leases of low-value assets	(439)
Add lease payments relating to renewal periods not included in operating lease commitments as of 31 March 2019	1,151
Lease liabilities as of 1 April 2019	24,010

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

	Office €000	Total €000
As at 1 April 2019	2,962	2,962
Additions	—	—
Depreciation expense	(522)	(522)
As at 31 March 2020	**2,440**	**2,440**

In addition to office spaces the Group is also counterpart to long-term leasehold agreements and head leases relating to commercial property. Right-of-use assets amounting to €17,832,000 are classified as investment properties of which €12,031,000 relate to commercial property.

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

	Total €000
As at 1 April 2019	(24,010)
Accretion of interest	(423)
Additions	(699)
Payments	5,982
Total lease liabilities as at 31 March 2020	(19,150)
Current lease liabilities as at 31 March 2020	(5,562)
Non-current lease liabilities as at 31 March 2020	(13,588)

The following table sets out the carrying amount, by maturity, of the Group's lease liabilities as at 31 March 2020:

2020	**Within 1 year €000**	**1–5 years €000**	**5+ years €000**	**Total €000**
Commercial property	(5,003)	(5,875)	—	(10,878)
Long-term leasehold	(111)	(569)	(5,121)	(5,801)
Office space	(448)	(1,997)	(26)	(2,471)
Total	(5,562)	(8,441)	(5,147)	(19,150)

Lease liabilities were discounted to 1 April 2019 using the incremental borrowing rate. The overall weighted average discount rate used for the current year is 1.9%.

During the financial year expenses for leases of low value assets and short-term leases amounted to €320,000 (included in the administrative expenses).

In addition to leases of low value assets as well as payments resulting from short-term leases, interest payments and repayments of lease liabilities totalling €5,982,000 were incurred for the financial year ended 31 March 2020 and are included in the cash flow from financing activities.

17. Investment in associates

On 31 July 2019 the Group completed the sale of 65% of its interest in five subsidiaries holding business park assets located in Berlin, Nuremberg, Mainz and Bayreuth into the "Titanium venture". The principal activity of those five companies is the investment in, and development of, commercial property to provide conventional and flexible workspace. The Group's remaining interest in those companies is accounted for using the equity method in the consolidated financial statements.

On 31 March 2020 the Titanium venture completed its first investment. Due to the fact that the associates are individually immaterial the Group is disclosing aggregated information of the associates.

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

	31 March 2020 €000
Current assets	9,177
Non-current assets	228,687
Current liabilities	(5,180)
Non-current liabilities	(202,072)
Equity	30,612
Unrecognised accumulated losses	4,548
Subtotal	35,160
Group's share in equity – 35%	12,306

	31 March 2020 €000
Net operating income	6,797
Gain on revaluation of investment properties	682
Administrative expense	(1,158)
Operating profit	6,321
Net finance costs	(3,556)
Profit before tax	2,765
Taxation	(1,232)
Unrecognised losses	4,548
Total comprehensive income for the period after tax	6,082
Group's share of profit for the period – 35%	2,129

Included within the non-current liabilities are shareholder loans amounting to €106,296,000. As at 31 March 2020 no contingent liabilities existed. The associates had contracted capital expenditure for development and enhancements of €1,306,000 as at 31 March 2020.

18. Other non-current assets

	31 March 2020 €000	31 March 2019 €000
Guarantees and deposits	**1,809**	1,813
Loans to associates	**37,204**	—
Balance as at year end	**39,013**	1,813

Loans to associates relate to shareholder loans granted to associates by the Group. The loans terminate on 31 December 2024, are fully subordinated and are charged at a fixed interest rate.

19. Intangible assets

	Software €000	Licences with definite useful life €000	Goodwill €000	Total €000
Cost				
As at 31 March 2019	—	—	3,738	3,738
Transfer from plant and equipment (note 15)*	4,731	146	—	4,877
Additions in year	1,145	85	—	1,230
Disposals in year	—	—	—	—
As at 31 March 2020	5,876	231	3,738	9,845
Amortisation				
As at 31 March 2019	—	—	—	—
Transfer from plant and equipment (note 15)*	(3,184)	(23)	—	(3,207)
Charge for year	(866)	(48)	—	(914)
Disposals in year	—	—	—	—
As at 31 March 2020	(4,050)	(71)	—	(4,121)
Net book value as at 31 March 2020	1,826**	160	3,738	5,724
Cost				
As at 31 March 2018	—	—	3,738	3,738
Additions in year	—	—	—	—
Disposals in year	—	—	—	—
As at 31 March 2019	—	—	3,738	3,738
Amortisation				
As at 31 March 2018	—	—	—	—
Charge for year	—	—	—	—
Disposals in year	—	—	—	—
As at 31 March 2019	—	—	—	—
Net book value as at 31 March 2019	—	—	3,738	3,738

* As of 31 March 2020 software and licenses have been transferred from plant and equipment into intangible assets due to the nature of the assets.
** Included in the additions is an amount of €746,000 relating to intangible assets under development not yet amortised (2019: €616,000).

On 30 January 2012, a transaction was completed to internalise the Asset Management Agreement and, as a result of the consideration given exceeding the net assets acquired, goodwill of €3,738,000 was recognised. Current business plans indicate that the balance is unimpaired.

Goodwill is tested at least annually for impairment and whenever there are indications that goodwill might be impaired. The recoverable amount of a cash-generating unit is based on its value in use. Value in use is the present value of the projected cash flows of the cash-generating unit. The key assumptions regarding the value-in-use calculations were budgeted growth in revenue and the discount rate applied. Budgeted profit margins were estimated based on actual performance over the past two financial years and expected market changes. The discount rate used is a pre-tax rate and reflects the risks specific to the real estate industry. The Group prepares cash flow forecasts based on the most recent financial budget approved by management, which covers a one year period. Cash flows beyond this period are extrapolated to a period of five years using a revenue growth rate of 2.0% (2019: 2.0%), which is consistent with the long-term average growth rate for the real estate sector. A discount rate of 6.81% (2019: 7.24%) and terminal value of 4.81% (2019: 5.24%) was applied in the impairment review. A discount rate of 9.78% (2019: 8.80%) would be required for the carrying value of goodwill to be greater than the fair value. A negative revenue growth rate of -0.90% (2019: 0.47%) would be required for the carrying value of goodwill to be greater than the fair value.

20. Trade and other receivables

	2020 €000	2019 €000
Trade receivables	**7,961**	4,747
Other receivables	**5,942**	4,678
Prepayments	**1,145**	1,403
Balance as at year end	**15,048**	10,828

Other receivables include lease incentives of €3,357,000 (2019: €3,122,000).

Prepayments include amounts totalling €nil (2019: €410,000) relating to the acquisition of an asset that completed post year end.

21. Cash and cash equivalents

	2020 €000	2019 €000
Cash at bank	**96,577**	15,954
Restricted cash	**24,686**	20,388
Balance as at year end	**121,263**	36,342

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash as at 31 March 2020 is €121,263,000 (2019: €36,342,000).

As at 31 March 2020, €24,686,000 (2019: €20,388,000) of cash is held in restricted accounts. €10,927,000 (2019: €9,227,000) relates to deposits received from tenants. An amount of €3,500,000 (2019: €nil) is cash held in escrow in accordance with one of the Group's loan agreements and €131,000 (2019: €131,000) is held in restricted accounts for office rent deposits. An amount of €4,294,000 (2019: €2,227,000) relates to amounts reserved for future bank loan interest and amortisation payments of the Group's banking facilities. An amount of €784,000 (2019: €1,520,000) relates to amounts reserved for future capital expenditure. An amount of €5,050,000 (2019: €6,300,000) relates to disposal proceeds retained as security.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 March 2020:

	2020 €000	2019 €000
Cash at bank	**96,577**	15,954
Restricted cash	**24,686**	20,388
Cash at bank and restricted cash attributable to the disposal group	**—**	3,940
Balance as at year end	**121,263**	40,282

22. Trade and other payables

	2020 €000	2019 €000
Trade payables	**9,578**	4,903
Accrued expenses	**18,056**	15,510
Interest and amortisation payable	**333**	1,913
Tenant deposits	**10,927**	9,227
Unearned revenue	**4,001**	3,682
Other payables	**13,885**	5,520
Balance as at year end	**56,780**	40,755

Accrued expenses include costs totalling €10,280,000 (2019: €5,465,000) relating to service charge costs that have not been invoiced to the Group.

Other payables include €9,090,000 of proceeds relating to the sale of the Weilimdorf asset that is categorised as an asset held for sale at 31 March 2020 in advance of the completion date of 1 April 2020. See notes 22 and 33 for details of assets held for sale.

Unearned revenue include service charge amounts €459,000 (2019: €634,000). Service charge income is only recognized as income when the performance obligations are met. All unearned revenue of the prior year was recognised as revenue in the current year.

23. Interest-bearing loans and borrowings

	Interest rate %	Loan maturity date	**2020 €000**	2019 €000
Current				
Bayerische Landesbank				
– hedged floating rate facility	Hedged(1)	19 October 2020	**23,098**	508
SEB AG				
– fixed rate facility	1.84	1 September 2022	**1,180**	1,180
– hedged floating rate facility	Hedged(2)	30 October 2024	**458**	459
– capped floating rate facility	Capped(3)	25 March 2025	**760**	760
Berlin Hyp AG/Deutsche Pfandbriefbank AG				
– fixed rate facility	1.66	27 April 2023	**2,920**	2,278
Berlin Hyp AG				
– fixed rate facility	1.48	31 October 2023	**1,853**	1,826
– fixed rate facility	0.90	31 October 2023	**1,454**	—
K-Bonds I				
– fixed rate facility	6.00	31 July 2020	**—**	460
Saarbrücken Sparkasse				
– fixed rate facility	1.53	28 February 2025	**748**	737
Deutsche Pfandbriefbank AG				
– hedged floating rate facility	Hedged(4)	31 December 2023	**1,110**	432
– floating rate facility	Floating(5)	31 December 2023	**140**	10
Capitalised finance charges on all loans			**(1,695)**	(1,242)
			32,026	7,408
Non-current				
Bayerische Landesbank				
– hedged floating rate facility	Hedged(1)	19 October 2020	**—**	23,098
SEB AG				
– fixed rate facility	1.84	1 September 2022	**52,510**	53,690
– hedged floating rate facility	Hedged(2)	30 October 2024	**21,784**	22,242
– floating rate facility	Floating	30 October 2024	**2,000**	—
– capped floating rate facility	Capped(3)	25 March 2025	**35,720**	36,480
Berlin Hyp AG/Deutsche Pfandbriefbank AG				
– fixed rate facility	1.66	27 April 2023	**59,105**	69,149
Berlin Hyp AG				
– fixed rate facility	1.48	31 October 2023	**62,018**	63,871
– fixed rate facility	0.90	31 October 2023	**113,310**	—
K-Bonds I				
– fixed rate facility	4.00	31 July 2023	**—**	20,685
– fixed rate facility	6.00	31 July 2020	**—**	460
Saarbrücken Sparkasse				
– fixed rate facility	1.53	28 February 2025	**15,789**	16,537
Deutsche Pfandbriefbank AG				
– hedged floating rate facility	Hedged(4)	31 December 2023	**53,276**	21,178
– floating rate facility	Floating(4)	31 December 2023	**6,521**	494
Schuldschein				
– floating rate facility	Floating(5)	05 December 2022	**5,000**	—
– floating rate facility	Floating(5)	06 January 2023	**10,000**	—
– floating rate facility	Floating(5)	06 January 2025	**5,000**	—
– fixed rate facility	1.70	03 March 2025	**10,000**	—
Capitalised finance charges on all loans			**(3,831)**	(3,831)
			448,202	324,053
Total			**480,228**	331,461

(1) This facility is hedged with a swap charged at a rate of 1.66%.
(2) Tranche 1 of this facility is fully hedged with a swap charged at a rate of 2.58%; tranche 2 of this facility is fully hedged with a swap charged at a rate of 2.56%.
(3) This facility is hedged with a cap rate at 0.75% and charged with a floating rate of 1.58% over six month EURIBOR (not less than 0%) for the full term of the loan.
(4) Tranche 1 of this facility is fully hedged with a swap charged at a rate of 1.40%; tranche 2 of this facility is fully hedged with a swap charged at a rate of 1.25%; and €19.1 million of tranche 3 of this facility is fully hedged with a swap charged at a rate of 0.91%, €6.5 million and the €0.5 million are charged with a floating rate of 1.20% over three month EURIBOR (not less than 0%).
(5) This unsecured facility has a floating rate of 1.50% over six month EURIBOR (not less than 0%) for the first two tranches, a floating rate of 1.70% over six month EURIBOR (not less than 0%) for the third tranche and 1.70% fixed interest rate for the fourth and fifth tranches.

The borrowings are repayable as follows:

	2020 €000	2019 €000
On demand or within one year	**33,722**	8,650
In the second year	**10,724**	31,310
In the third to tenth years inclusive	**441,308**	296,574
Total	**485,754**	336,534

The Group has pledged 45 (31 March 2019: 48) investment properties to secure several separate interest-bearing debt facilities granted to the Group. The 45 (31 March 2019: 48) properties had a combined valuation of €1,067,650,000 as at 31 March 2020 (31 March 2019: €1,080,819,000).

Bayerische Landesbank

On 20 October 2015, the Group agreed to a facility agreement with Bayerische Landesbank for €25.4 million. The loan terminates on 19 October 2020. Amortisation is 2% per annum with the remainder due in the fourth year. The full facility has been hedged at a rate of 1.66% until 19 October 2020 by way of an interest rate swap. The facility is secured over four property assets and is subject to various covenants with which the Group has complied. No changes have occurred during the twelve month period ended 31 March 2020.

SEB AG

On 2 September 2015, the Group agreed to a facility agreement with SEB AG for €59.0 million to refinance the two existing Macquarie loan facilities. The loan terminates on 1 September 2022. Amortisation is 2% per annum with the remainder due in the seventh year. The loan facility is charged at a fixed interest rate of 1.84%. This facility is secured over eleven property assets that were previously financed through the Macquarie loan facilities. The facility is subject to various covenants with which the Group has complied. No changes have occurred during the twelve month period ended 31 March 2020.

On 30 October 2017, the Group agreed to a second facility agreement with SEB AG for €22.9 million. Tranche 1, totalling €20.0 million, has been hedged at a rate of 2.58% until 30 October 2024 by way of an interest rate swap. Tranche 2, totalling €2.9 million, has been hedged at a rate of 2.56% until 30 October 2024 by way of an interest rate swap. The loan terminates on 30 October 2024. Amortisation is 2.0% per annum across the full facility with the remainder due in one instalment on the final maturity date. The facility is secured over three property assets and is subject to various covenants with which the Group has complied. No changes have occurred during the twelve month period ended 31 March 2020. In addition, the Group agreed a capex facility for €7.1 million until 30 October 2024. The capex facility is not subject to amortisation and is charged with a floating interest rate of 1.88% over six month EURIBOR (not less than 0%) for the full term of the loan.. As at 31 March 2020 a total of €2.0 million had been drawn down.

On 26 March 2018, the Group agreed to a third facility agreement with SEB AG for €38.0 million. The loan terminates on 25 March 2025. Amortisation is 2% per annum with the remainder due in one instalment on the final maturity date. The loan facility is charged with a floating rate of 1.58% over six month EURIBOR (not less than 0%) for the full term of the loan. In accordance with the requirements of the loan facility the Group hedged its exposure to floating interest rates by purchasing a cap in June 2018 which limits the Group's interest rate exposure on the facility to 2.33%. The facility is secured over six property assets and is subject to various covenants with which the Group has complied. No changes have occurred during the twelve month period ended 31 March 2020. In addition, the Group agreed a capex facility for €8.0 million until 25 March 2025. The capex facility is not subject to amortisation and is charged at an interest rate of 1.58%. As at 31 March 2020 the capex facility remained undrawn.

Berlin Hyp AG/Deutsche Pfandbriefbank AG

On 31 March 2014, the Group agreed to a facility agreement with Berlin Hyp AG and Deutsche Pfandbriefbank AG for €115.0 million. The loan terminates on 31 March 2019. Amortisation is 2% p.a. for the first two years, 2.5% for the third year and 3.0% thereafter, with the remainder due in the fifth year. Half of the facility (€55.2 million) is charged interest at 3% plus three months EURIBOR and is capped at 4.5%, and the other half (€55.2 million) has been hedged at a rate of 4.265% until 31 March 2019. This facility is secured over nine property assets and is subject to various covenants with which the Group has complied. On 28 April 2016, the Group agreed to refinance this facility which had an outstanding balance of €110.4 million at 31 March 2016. The new facility is split in two tranches totalling €137.0 million and terminates on 27 April 2023. Tranche 1, totalling €94.5 million, is charged at a fixed interest rate of 1.66% for the full term of the loan. Tranche 2, totalling €42.5 million, is charged with a floating rate of 1.57% over three month EURIBOR (not less than 0%) for the full term of the loan. Amortisation is set at 2.5% across the full facility with the remainder due in one instalment on the final maturity date. The facility is secured over eleven property assets and is subject to various covenants with which the Group has complied.

On 30 June 2017, the Group repaid a total of €5.8 million following the disposal of the Düsseldorf asset. On 30 September 2017, the Group repaid tranche 2 of the loan in full amounting to €40.9 million following the disposal of the Munich Rupert Mayer Strasse asset. The facility is now secured over nine property assets.

On 1 August 2019 the Group repaid a total of €16.8 million including €10.1 million recorded within liabilities directly associated with assets held for sale as of 31 March 2019, following the disposal of two assets that acted as security for the loan into the Titanium Venture with AXA IM – Real Assets. The remaining facility is now secured over seven property assets.

Berlin Hyp AG

On 20 October 2016, the Group concluded an agreement with Berlin Hyp AG to refinance and extend a facility which had an outstanding balance of €39.2 million at 30 September 2016. The new facility totals €70.0 million and terminates on 29 October 2023. Amortisation is 2.5% per annum with the remainder due at maturity. The facility is charged with an all-in fixed interest rate of 1.48% for the full term of the loan. The facility is secured over six property assets which include the recent acquisitions in Dresden and Wiesbaden which were added to the security pool in order to increase the facility. The loan is subject to various covenants with which the Group has complied. During the period the facility was incorporated into the agreement that was entered into on 13 September 2019 as detailed below. As a result, the maturity date of the loan was extended to 31 October 2023 with all other conditions remaining unchanged.

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

K-Bonds

On 1 August 2013, the Group agreed to a facility agreement with K-Bonds for €52.0 million. The loan consists of a senior tranche of €45.0 million and a junior tranche of €7.0 million. The senior tranche has a fixed interest rate of 4% per annum and is due in one sum on 31 July 2023. The junior tranche has a fixed interest rate of 6% and terminates on 31 July 2020. The junior tranche is amortised at €1.0 million per annum over a seven year period. This facility is secured over four properties and is subject to various covenants with which the Group has complied.

On 1 August 2019 the Group repaid the facility in full following the disposal of the assets that acted as security for the loan into the Titanium Venture with AXA IM – Real Assets.

Saarbrücken Sparkasse

On 28 March 2018, the Group agreed to a facility agreement with Saarbrücken Sparkasse for €18.0 million. The loan terminates on 28 February 2025. Amortisation is 4.0% per annum with the remainder due in one instalment on the final maturity date. The facility is charged with an all-in fixed interest rate of 1.53% for the full term of the loan. The facility is secured over one property asset that completed immediately after period end and is subject to various covenants with which the Group has complied. No changes have occurred during the twelve month period ended 31 March 2020.

Deutsche Pfandbriefbank AG

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

On 19 February 2020, the Group agreed to extend tranche three of its existing facility by €6.5 million. The loan is coterminous with the existing facility maturing in December 2023. The loan has been treated as a new loan and is charged with a floating interest rate of 1.20% plus three month EURIBOR (floored at zero). Amortisation is 2% per annum with the remainder due in one instalment on the final maturity date.

Schuldschein

On 2 December 2019, the Group agreed to new loan facilities in the form of unsecured Schuldschein for €20.0 million. On 25 February 2020 the Group agreed new loan facilities in the form of unsecured Schuldschein for €30.0 million. In total the unsecured facility amounts to €50.0 million spread over five tranches and is charged at a blended interest rate of 1.60% and average maturity of 3.7 years with no amortisation. As at 31 March 2020 a total of €30.0 million had been drawn down.

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

	2020 €000	2019 €000
Carrying amount of interest-bearing loans and borrowings (note 23)	**480,228**	380,082
Unamortised borrowing costs	**5,526**	6,014
Book value of owned investment properties*	**1,186,183**	1,132,488
Gross loan to value ratio	**41.0%**	34.1%

* Includes assets held for sale

Banking covenants vary according to each loan agreement and typically include loan to value and income related covenants.

During the period, the Group did not breach any of its loan covenants, nor did it default on any of its obligations under its loan agreements.

Reconciliation of movements of liabilities arising from financing activities:

	31 March 2019 €000	Cash flows €000	New leases €000	Reclassified as part of disposal group €000	Non cash settlement* €000	Changes in fair values €000	Other € 000	31 March 2020 €000
Interest-bearing loans and borrowings	331,461	172,447	—	—	(23,225)	—	(455)	480,228
Lease liabilities	—	(5,559)	24,709	—	—	—	—	19,150
Derivative financial instruments	1,152	—	—	—	—	216	—	1,368
Total	**332,613**	**166,888**	**24,709**	—	**(23,225)**	**216**	**(455)**	**500,746**

* See not 29 for further details relating to the non cash settlement of interest-bearing loans and borrowings.

	31 March 2018 €000	Cash flows €000	Reclassified as part of disposal group €000	Changes in fair values €000	Other €000	31 March 2019 €000
Interest-bearing loans and borrowings	367,078	13,052	(48,623)	—	(46)	331,461
Derivative financial instruments	298	—	—	854	—	1,152
Total	**367,376**	**13,052**	**(48,623)**	**854**	**(46)**	**332,613**

24. Financial risk management objectives and policies

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

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

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The risk management policies employed by the Group to manage these risks are discussed below. In the event of a default by an occupational tenant, the Group will suffer a rental shortfall and incur additional costs, including expenses incurred to try and recover the defaulted amounts and legal expenses in maintaining, insuring and marketing the property until it is re-let. During the year, the Group monitored the tenants in order to anticipate and minimise the impact of defaults by occupational tenants, as well as to ensure that the Group has a diversified tenant base.

Included in loans to associate are loans provided to associate entities from Group entities. During the year the Group assessed credit risk relating to loans to associate by reviewing business plans in order to anticipate and minimise the impact of any impairment.

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

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

	2020 **€000**	2019 €000
Trade receivables	**7,961**	4,747
Other receivables	**4,394**	3,368
Loans to associates	**37,204**	—
Derivative financial instruments	**89**	250
Cash and cash equivalents	**121,263**	36,342
	170,911	44,707

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

	Gross **2020** **€000**	**Impairment** **2020** **€000**	Gross 2019 €000	Impairment 2019 €000
0–30 days	**5,838**	**(878)**	5,521	(1,467)
31–120 days (past due)	**2,908**	**(778)**	513	(327)
More than 120 days	**2,855**	**(1,984)**	2,235	(1,728)
	11,601	**(3,640)**	8,269	(3,522)

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

	2020 **€000**	2019 €000
Balance at 1 April	**(3,522)**	(4,478)
Impairment loss (recognised)/released	**(118)**	956
Balance at 31 March	**(3,640)**	(3,522)

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

Most trade receivables are generally due one month in advance. The exception is service charge balancing billing, which is due ten days after it has been invoiced. Included in the Group's trade receivables are debtors with carrying amounts of €7,961,000 (2019: €4,747,000) that are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

No significant impairment has been recognised relating to non-current receivables in the period.

Liquidity risk

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

The table below summarises the maturity profile of the Group's financial liabilities as at 31 March 2020, based on contractual undiscounted payments:

Year ended 31 March 2020	Bank and shareholder loans €000	Derivative financial instruments €000	Trade and other payables €000	Lease liabilities €000	Total €000
Undiscounted amounts payable in:					
6 months or less	**(8,834)**	**(254)**	**(34,723)**	**(3,001)**	**(46,812)**
6 months to 1 year	**(31,473)**	**(178)**	**—**	**(3,001)**	**(34,652)**
1–2 years	**(17,024)**	**(336)**	**—**	**(6,016)**	**(23,376)**
2–5 years	**(451,226)**	**(693)**	**—**	**(2,891)**	**(454,810)**
5–10+ years	**—**	**—**	**—**	**(6,665)**	**(6,665)**
	(508,557)	**(1,461)**	**(34,723)**	**(21,574)**	**(566,315)**
Interest	**22,803**	**1,461**	**—**	**2,424**	**26,688**
	(485,754)	**—**	**(34,723)**	**(19,150)**	**(539,627)**

Year ended 31 March 2019	Bank and shareholder loans €000	Derivative financial instruments €000	Trade and other payables €000	Total €000
Undiscounted amounts payable in:				
6 months or less	(7,641)	(157)	(19,241)	(27,039)
6 months to 1 year	(7,157)	(156)	—	(7,313)
1–2 years	(37,117)	(239)	—	(37,356)
2–5 years	(241,852)	(451)	—	(242,303)
5–10 years	(68,339)	(84)	—	(68,423)
	(362,106)	(1,087)	(19,241)	(382,434)
Interest	25,572	1,087	—	26,659
	(336,534)	—	(19,241)	(355,775)

Currency risk

There is no significant foreign currency risk as most of the assets and liabilities of the Group are maintained in euros. Small amounts of UK sterling and South African rand are held to ensure payments made in UK sterling and South African rand can be achieved at an effective rate.

Interest rate risk

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

A change in interest will only have an impact on the floating loans capped due to the fact that the other loans have a general fixed interest rate or they are effectively fixed by a swap. An increase of 100bps in interest rate would result in a decreased post-tax profit in the consolidated statement of comprehensive income of €547,000 (2019: €290,000) (excluding the movement on derivative financial instruments) and a decrease of 100bps in interest rate would result in an increased post-tax profit in the consolidated statement of comprehensive income of €547,000 (2019: €290,000) (excluding the movement on derivative financial instruments).

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

2020	Within 1 year €000	1–2 years €000	2–3 years €000	3–4 years €000	4+ years €000	Total €000
SEB AG	**(760)**	**(760)**	**(760)**	**(760)**	**(33,440)**	**(36,480)**
Deutsche Pfandbriefbank AG	**(140)**	**(140)**	**(140)**	**(6,241)**	**—**	**(6,661)**
Schuldschein	**—**	**—**	**(15,000)**	**—**	**(5,000)**	**(20,000)**

2019	Within 1 year €000	1–2 years €000	2–3 years €000	3–4 years €000	4+ years €000	Total €000
SEB AG	(760)	(760)	(760)	(760)	(34,200)	(37,240)
Deutsche Pfandbriefbank AG	(10)	(10)	(10)	(10)	(464)	(504)
Schuldschein	—	—	—	—	—	—

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

Market risk

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

The yields available from investments in real estate depend primarily on the amount of revenue earned and capital appreciation generated by the relevant properties, as well as expenses incurred. If properties do not generate sufficient revenues to meet operating expenses, including debt service and capital expenditure, the Group's revenue will be adversely affected.

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

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

Capital management

The Group seeks to enhance shareholder value both by investing in the business so as to improve the return on investment and by managing the capital structure.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue shares or undertake transactions, such as those that occurred with the internalisation of the Asset Management Agreement.

The Group is not subject to externally imposed capital requirements other than those related to the covenants of the bank loan facilities.

25. Financial instruments

Fair values

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

		2020		2019	
	Fair value hierarchy level	**Carrying amount €000**	**Fair value €000**	Carrying amount €000	Fair value €000
Financial assets					
Cash and cash equivalents		**121,263**	**121,263**	36,342	36,342
Trade and other receivables		**12,354**	**12,354**	8,115	8,115
Loans to associates	2	**37,204**	**35,948**	—	—
Derivative financial instruments	2	**89**	**89**	250	250
Financial liabilities					
Trade and other payables		**34,723**	**34,723**	19,241	19,241
Derivative financial instruments	2	**1,368**	**1,368**	1,152	1,152
Interest-bearing loans and borrowings(1)					
Floating rate borrowings	2	**28,661**	**26,661**	504	504
Floating rate borrowings – hedged(2)	2	**99,726**	**99,726**	67,917	67,917
Floating rate borrowings – capped(2)	2	**36,480**	**36,480**	37,240	37,240
Fixed rate borrowings	2	**320,887**	**323,319**	230,873	232,515

(1) Excludes loan issue costs.

(2) The Group holds interest rate swap contracts and a cap contract designed to manage the interest rate and liquidity risks of expected cash flows of its borrowings with the variable rate facilities with Bayerische Landesbank, SEB AG and Deutsche Pfandbriefbank AG. Please refer to note 23 for details of swap and cap contracts.

Fair value hierarchy

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

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

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

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

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

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

26. Issued share capital

Authorised	Number of shares	Share capital €
Ordinary shares of no par value	Unlimited	—
As at 31 March 2020 and 31 March 2019	**Unlimited**	**—**

The number of ordinary shares of no par value as at 31 March 2020 was unlimited.

Issued and fully paid	Number of shares	Share capital €
As at 31 March 2018	991,329,614	—
Issued ordinary shares	30,236,369	—
Issued Treasury Shares	574,892	—
As at 31 March 2019	1,022,140,875	—
Issued ordinary shares	16,228,946	—
Issued Treasury Shares	—	—
Shares issued to Employee Benefit Trust	(2,112,720)	—
As at 31 March 2020	**1,036,257,101**	**—**

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

Pursuant to a scrip dividend offering on 22 August 2019, the Company issued 8,774,368 ordinary shares at an issue price of £0.63167 resulting in the Company's overall issued share capital being 1,030,915,243 ordinary shares.

Pursuant to a scrip dividend offering on 17 January 2020, the Company issued 7,454,578 ordinary shares at an issue price of £0.80092 resulting in the Company's overall issued share capital being 1,038,369,821 ordinary shares.

The Company holds none of its own shares in treasury (2019: none). During the year, no shares were issued from treasury (2019: 574,892).

A total of 2,112,720 shares at share price of €0.7173 are held by the Employee Benefit Trust. The total number of shares with voting rights was 1,038,369,821.

All shares issued in the period were issued under general authority. No shares were bought back in the year.

27. Other reserves

Other distributable reserve

The other distributable reserve was created for the payment of dividends, share-based payment transactions and the buyback of shares and is €470,151,000 in total at 31 March 2020 (2019: €491,010,000).

28. Dividends

On 4 June 2018, the Company announced a dividend of 1.60c per share, with a record date of 13 July 2018 for UK and South African shareholders and payable on 17 August 2018. On the record date, 1,006,708,506 shares were in issue, of which 574,892 were held in treasury and 1,006,133,614 were entitled to participate in the dividend. Holders of 150,721,277 shares elected to receive the dividend in ordinary shares under the Scrip Dividend Alternative, representing a dividend of €2,412,000, while holders of 854,937,248 shares opted for a cash dividend with a value of €13,587,000. The Company's Employee Benefit Trust waived its rights to the dividend, reducing the cash payable to €13,579,000. The total dividend was €15,991,000.

On 19 November 2018, the Company announced a dividend of 1.63c per share, with a record date of 14 December 2018 for UK and South African shareholders and payable on 18 January 2019. On the record date, 1,011,541,826 shares were in issue. Since there were no shares held in treasury, 1,011,541,826 shares were entitled to participate in the dividend. Holders of 385,359,335 shares elected to receive the dividend in ordinary shares under the Scrip Dividend Alternative, representing a dividend of €6,281,000 while holders of 626,182,491 shares opted for a cash dividend with a value of €10,207,000. The Company's Employee Benefit Trust waived its rights to the dividend, reducing the cash payable to €10,185,000. The total dividend was €16,466,000.

On 3 June 2019, the Company announced a dividend of 1.73c per share, with a record date of 12 July 2019 for UK and South African shareholders and payable on 22 August 2019. On the record date, 1,022,140,875 shares were in issue with none held in treasury and 1,022,140,875 were entitled to participate in the dividend. Holders of 355,791,416 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €6,147,000, while holders of 666,349,459 shares opted for a cash dividend with a value of €11,528,000. The Company's Employee Benefit Trust waived its rights to the dividend, reducing the cash payable to €11,503,000. The total dividend was €17,650,000.

On 25 November 2019, the Company announced a dividend of 1.77c per share, with a record date of 20 December 2019 for UK and South African shareholders and payable on 17 January 2020. On the record date, 1,030,915,243 shares were in issue. Since there were no shares held in treasury, 1,030,915,243 shares were entitled to participate in the dividend. Holders of 388,465,484 shares elected to receive the dividend in ordinary shares under the Scrip Dividend Alternative, representing a dividend of €6,851,000, while holders of 642,449,759 shares opted for a cash dividend with a value of €11,341,000. The Company's Employee Benefit Trust waived its rights to the dividend, reducing the cash payable to €11,341,000. The total dividend was €18,192,000.

The Group's profit attributable to the equity holders of the Company for the year was €98.1 million (2019: €128.7 million). The Board has authorised a dividend in respect of the second half of the financial year ended 31 March 2020 of 1.80c per share representing 65% of FFO, an increase of 4.0% on the equivalent dividend last year, which represented 70% of FFO. The total dividend for the year is 3.57c, an increase of 6.3% on the 3.36c total dividend for the year ended 31 March 2019.

It is expected that, for the dividend authorised in respect of the six month period ended 31 March 2020, the ex-dividend date will be 8 July 2020 for shareholders on the South African register and 9 July 2020 for shareholders on the UK register. It is further expected that for shareholders on both registers the record date will be 10 July 2020 and the dividend will be paid on 20 August 2020. A detailed dividend announcement will be made in due course, including details of a scrip dividend alternative.

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

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

The dividend per share was calculated as follows:

	31 March 2020 €m	31 March 2019 €m
Reported profit before tax	**110.8**	144.7
Adjustments for:		
Gain on revaluation of investment properties	**(55.8)**	(99.9)
Add back revaluation expense relating to leased assets based on IFRS 16	**(3.9)**	—
Gain of disposals of properties	**(0.1)**	(0.6)
Gain on loss of control of subsidiaries	**(6.3)**	—
Share of profit of an associate	**(1.3)**	—
Other adjusting items(1)	**11.1**	0.4
Change in fair value of financial derivatives	**0.4**	1.5
Adjusted profit before tax	**54.9**	46.1
Adjustments for:		
Depreciation	**1.6**	1.4
Amortisation of financing fees	**1.4**	1.4
Adjustment in respect of IFRS 16	**(1.2)**	—
Current taxes incurred (see note 10)	**(0.9)**	—
Add back current tax relating to disposals and prior year adjustments	**(0.1)**	(0.5)
Funds from operations, year ended 31 March	**55.7**	48.4
Funds from operations, 6 months ended 30 September	**27.1**	23.3
Funds from operations, 6 months ended 31 March	**28.6**	25.1
Dividend pool, 6 months ended 30 September	**18.3**	16.5
Dividend pool, 6 months ended 31 March(2)	**18.7**	17.7
Dividend per share, 6 months ended 30 September	**1.77c**	1.63c
Dividend per share, 6 months ended 31 March	**1.80c**	1.73c

(1) Includes the effect of refinancing activity, share awards and expected selling costs relating to assets held for sale. See note 11 for details.
(2) Calculated as 65% of FFO of 2.77c per share (31 March 2019: 2.47c per share using 70% of FFO) based on average number of shares outstanding of 1,032,748,723 (31 March 2019: 1,014,348,392).

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

29. Related parties

Key management personnel compensation

Fees paid to people or entities considered to be key management personnel of the Group during the year include:

	2020 €000	2019 €000
Directors' fees	**333**	309
Salary and employee benefits	**3,238**	3,151
Share-based payments	**613**	232
Total	**4,184**	3,692

The share-based payments relating to key management personnel for the year ended 31 March 2020 include an expense of €613,000 (2019: €232,000) for the granting of shares under the LTIP (see note 8). Included within salary and employee benefits are pension contributions amounting to €142,000 (2019: €142,000).

Information on Directors' emoluments is given in the Remuneration report in the Report and Accounts 2020. Related parties are defined as those persons and companies that control the Group, or that are controlled, jointly managed, or subject to significant influence by the Group.

On 31 July 2019 the Group completed the sale of 65% of its interest in five subsidiary entities. The Group's remaining interest in those entities is considered an investment in associate. As part of the transaction, receivables from associates amounting to €28,619,000 were settled by way of a non-cash transaction in lieu of repayment of loan facilities including related breakage costs.

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

Consolidated statement of financial position	31 March 2020 €000
Loans to associates	**37,204**
Trade and other receivables	**842**
Total	**38,046**

Consolidated statement of comprehensive income	31 March 2020 €000
Goods and services supplied	**1,521**
Interest income	**977**
Total	**2,498**

Goods and services provided to related parties primarily relate to the provision of property and asset management services. A performance fee arrangement is in a place between the associates and the Group. The performance fee was nil during the period.

30. Capital and other commitments

As at 31 March 2020, the Group had contracted capital expenditure for development and enhancements on existing properties of €12,085,000 (2019: €8,041,000).

These were committed but not yet provided for in the financial statements.

31. Operating lease arrangements

Group as lessor

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

	2020 €000	2019 €000
Less than 1 year	**77,686**	74,809
1-2 years	**59,443**	53,408
2-3 years	**42,923**	38,359
3-4 years	**29,850**	26,623
4-5 years	**23,346**	17,086
More than 5 years	**30,312**	29,996
Total	**263,560**	240,281

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

32. List of subsidiary undertakings

The Group consists of 92 subsidiary companies. All subsidiaries are consolidated in full in accordance with IFRS.

Company name	Country of incorporation	Ownership at 31 March 2020 %	Ownership at 31 March 2019 %
Curris Facilities & Utilities Management GmbH	Germany	**100.00**	100.00
DDS Aspen B.V.	Netherlands	**100.00**	100.00
DDS Bagnut B.V.	Netherlands	**100.00**	100.00
DDS Business Centers B.V.	Netherlands	**100.00**	100.00
DDS Conferencing & Catering GmbH	Germany	**100.00**	100.00
DDS Elm B.V.	Netherlands	**100.00**	100.00
DDS Fir B.V.	Netherlands	**100.00**	100.00
DDS Hawthorn B.V.	Netherlands	**100.00**	100.00
DDS Hazel B.V.	Netherlands	**100.00**	100.00
DDS Hyacinth B.V.	Netherlands	**100.00**	100.00
DDS Lark B.V.	Netherlands	**100.00**	100.00
DDS Mulberry B.V.	Netherlands	**100.00**	100.00
DDS Rose B.V.	Netherlands	**100.00**	100.00
DDS Walnut B.V.	Netherlands	**100.00**	100.00
DDS Yew B.V.	Netherlands	**100.00**	100.00
LB² Catering and Services GmbH	Germany	**100.00**	100.00
Marba Bamboo	Netherlands	**100.00**	n/a
Marba Cherry B.V.	Netherlands	**100.00**	n/a
Marba Daffodil B.V.	Netherlands	**100.00**	100.00
Marba Holland B.V.	Netherlands	**100.00**	100.00
Marba Lavender B.V.	Netherlands	**100.00**	100.00
Marba Olive B.V.	Netherlands	**100.00**	100.00
Marba Sunflower B.V.	Netherlands	**100.00**	n/a
Marba Violin B.V.	Netherlands	**100.00**	100.00
Marba Willstätt B.V.	Netherlands	**100.00**	100.00
SFG NOVA Construction and Services GmbH	Germany	**100.00**	100.00
Sirius Acerola GmbH & Co. KG	Germany	**100.00**	100.00

Sirius Alder B.V.	Netherlands	**100.00**	100.00
Sirius Aloe GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Ash B.V.	Netherlands	**100.00**	100.00
Sirius Aster GmbH & Co. KG K	Germany	**100.00**	100.00
Sirius Beech B.V.	Netherlands	**100.00**	100.00
Sirius Birch GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Boxwood B.V.	Netherlands	**100.00**	n/a
Sirius Coöperatief U.A.	Netherlands	**100.00**	100.00
Sirius Corporate Services B.V.	Netherlands	**100.00**	100.00
Sirius Dahlia GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Facilities (UK) Limited	UK	**100.00**	100.00
Sirius Facilities GmbH	Germany	**100.00**	100.00
Sirius Finance (Guernsey) Ltd.	Guernsey	**100.00**	100.00
Sirius Four B.V.	Netherlands	**100.00**	100.00
Sirius Frankfurt Erste GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Gum B.V.	Netherlands	**100.00**	100.00
Sirius Ivy B.V.	Netherlands	**100.00**	100.00
Sirius Juniper B.V.	Netherlands	**100.00**	100.00
Sirius Krefeld Erste GmbH & Co. KG	Germany	**100.00**	100.00
Sirius Lily B.V.	Netherlands	**100.00**	100.00
Sirius Management One GmbH	Germany	**100.00**	100.00
Sirius Management Two GmbH	Germany	**100.00**	100.00
Sirius Management Three GmbH	Germany	**100.00**	100.00
Sirius Management Four GmbH	Germany	**100.00**	100.00
Sirius Management Five GmbH	Germany	**100.00**	100.00
Sirius Management Six GmbH	Germany	**100.00**	100.00
Sirius Management Seven GmbH	Germany	**100.00**	n/a
Sirius Management Eight GmbH	Germany	**100.00**	n/a
Sirius Management Nine GmbH	Germany	**100.00**	n/a
Sirius Management Ten GmbH	Germany	**100.00**	n/a
Sirius Mannheim B.V.	Netherlands	**100.00**	100.00
Sirius Oak B.V.	Netherlands	**100.00**	100.00
Sirius One B.V.	Netherlands	**100.00**	100.00
Sirius Orange B.V.	Netherlands	**100.00**	100.00
Sirius Pine B.V.	Netherlands	**100.00**	100.00
Sirius Tamarack B.V.	Netherlands	**100.00**	100.00
Sirius Three B.V.	Netherlands	**100.00**	100.00
Sirius Tulip B.V.	Netherlands	**100.00**	100.00
Sirius Two B.V.	Netherlands	**100.00**	100.00
Sirius Willow B.V.	Netherlands	**100.00**	100.00
Marba Bonn B.V.	Netherlands	**99.73**	99.73
Marba Bremen B.V.	Netherlands	**99.73**	99.73
Marba Brinkmann B.V.	Netherlands	**99.73**	99.73
Marba Catalpa B.V.	Netherlands	**99.73**	99.73
Marba Cedarwood B.V.	Netherlands	**99.73**	99.73
Marba Chestnut B.V.	Netherlands	**99.73**	99.73
Marba Dandelion B.V.	Netherlands	**99.73**	99.73
Marba Dutch Holdings B.V.	Netherlands	**99.73**	99.73
Marba Foxglove B.V.	Netherlands	**99.73**	99.73
Marba HAG B.V.	Netherlands	**99.73**	99.73
Marba Hornbeam B.V.	Netherlands	**99.73**	99.73
Marba Königswinter B.V.	Netherlands	**99.73**	99.73
Marba Maintal B.V.	Netherlands	**99.73**	99.73
Marba Marigold B.V.	Netherlands	**99.73**	99.73
Marba Merseburg B.V.	Netherlands	**99.73**	99.73
Marba Mimosa B.V.	Netherlands	**99.73**	99.73
Marba Regensburg B.V.	Netherlands	**99.73**	99.73
Marba Saffron B.V.	Netherlands	**99.73**	99.73
Marba Troisdorf B.V.	Netherlands	**99.73**	99.73
Sirius Almond GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Bluebell GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Cypress GmbH & Co. KG	Germany	**99.73**	99.73
Sirius Administration One GmbH & Co KG	Germany	**94.80**	94.80
Sirius Administration Two GmbH & Co KG	Germany	**94.80**	94.80
Verwaltungsgesellschaft Gewerbepark Bilderstöckchen GmbH	Germany	**94.15**	94.15

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

Company Name	Country of incorporation	**Ownership at 31 March 2020 %**	Ownership at 31 March 2019 %
DDS Daisy B.V.	Netherlands	**35.00**	n/a
DDS Edelweiss B.V.	Netherlands	**35.00**	100.00
DDS Lime B.V.	Netherlands	**35.00**	100.00
DDS Maple B.V.	Netherlands	**35.00**	100.00
Sirius Laburnum B.V.	Netherlands	**35.00**	100.00
Sirius Orchid B.V.	Netherlands	**35.00**	100.00

33. Post balance sheet events

On 5 September 2019, the Company notarised for the disposal of an office building in Stuttgart-Weilimdorf for a sale price of €10.1 million, currently recognised in the consolidated statement of financial position as an asset held for sale. At time of notarisation the property comprised a net lettable area of 6,766 sqm, which is predominantly office space. The property was 100% let to a single tenant producing around €690k of annual net operating income with the remaining lease being 4.0 years. The transaction completed on 1 April 2020.

Business analysis (unaudited information)

Non-IFRS measures

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
Total comprehensive income for the year attributable to the owners of the Company	**98,136**	128,657
Gain on revaluation of investment properties	**(55,789)**	(99,887)
Gain on disposal of properties (net of related tax)	**(86)**	(441)
Gain on loss of control of subsidiaries (net of related tax)	**(6,323)**	—
Add finance restructuring costs	**9,107**	—
Change in fair value of derivative financial instruments	**377**	1,495
Deferred tax in respect of EPRA adjustments	**11,687**	15,138
NCI in respect of the above	**29**	33
Deduct revaluation surplus relating to investment in associates	**(1,687)**	—
Tax in relation to the above	**431**	—
EPRA earnings	**55,882**	44,995
Add change in deferred tax relating to derivative financial instruments	**—**	54
Add change in fair value of derivative financial instruments	**(377)**	(1,495)
Deduct finance restructuring costs	**(9,107)**	—
NCI in respect of the above	**—**	—
Headline earnings after tax	**46,398**	43,554
Add change in fair value of derivative financial instruments net of related tax	**377**	1,441
Add back revaluation expense relating to leased investment properties	**(3,916)**	—
Add adjusting items(1), net of related tax	**11,052**	1,101
Adjusted earnings after tax	**53,911**	46,096

(1) See note 11 to the financial statements.

For more information on EPRA earnings refer to Annex 1.

	Year ended 31 March 2020 €000	Year ended 31 March 2019 €000
EPRA earnings	**55,882**	44,995
Weighted average number of ordinary shares	**1,027,881,515**	1,006,966,788
EPRA earnings per share (cents)	**5.44**	4.47
Headline earnings after tax	**46.398**	43,554
Weighted average number of ordinary shares	**1,027,881,515**	1,006,966,788
Headline earnings per share (cents)	**4.51**	4.33
Adjusted earnings after tax	**59,911**	46,096
Weighted average number of ordinary shares	**1,027,881,515**	1,006,966,788
Adjusted earnings per share (cents)	**5.24**	4.58

Geographical property analysis – owned investment properties

March 2020	No. of owned properties	Total sqm 000	Occupancy	Rate psqm €	Annualised rent roll €m	% of portfolio by annualised rent roll	Value €m(1)	Gross yield	WALE rent	WALE sqm
Frankfurt	14	358	87.6%	6.04	22.6	25%	280.6	8.1%	2.7	2.4
Berlin	4	103	97.7%	7.14	8.7	10%	127.2	6.8%	3.0	3.1
Stuttgart	7	258	91.3%	4.86	13.7	15%	169.9	8.1%	3.1	2.8
Cologne	7	127	91.0%	7.29	10.1	11%	133.6	7.6%	2.1	1.9
Munich	3	124	79.7%	7.18	8.5	9%	163.6	5.2%	3.0	3.4
Düsseldorf	11	197	88.1%	5.25	10.9	13%	137.5	8.0%	3.0	2.8
Hamburg	3	79	45.4%	4.99	2.2	2%	38.4	5.6%	2.6	2.4
Other	8	229	80.3%	6.07	13.4	15%	138.7	9.6%	3.3	2.9
Total	**57**	**1,475**	**85.3%**	**5.98**	**90.1**	**100%**	**1,189.5**	**7.6%**	**2.9**	**2.7**

(1) Including investment properties held for sale.

Usage analysis

Usage	Total sqm	% of total sqm	Occupied sqm	% of occupied sqm	Annualised rent roll €m	% of annualised rent roll	Vacant sqm	Rate psqm €
Office	474,778	32.2%	393,969	31.3%	35.5	39.3%	80,809	7.50
Storage	478,994	32.5%	405,055	32.2%	21.1	23.4%	73,939	4.35
Production	325,106	22.0%	295,889	23.5%	16.1	17.8%	29,218	4.52
Smartspace	85,733	5.8%	65,411	5.2%	5.8	6.5%	20,323	7.45
Other(1)	111,104	7.5%	97,871	7.8%	11.8	13.0%	13,232	10.00
Total	**1,475,715**	**100.0%**	**1,258,195**	**100.0%**	**90.3**	**100.0%**	**217,521**	**5.98**

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

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

	Office €000	Production €000	Storage €000	Smartspace €000	Other €000	Adjustments in relation to lease incentives €000	Total €000
Less than 1 year	31,715	15,249	18,723	2,734	9,926	(659)	77,688
Between 1 and 5 years	63,361	35,830	35,167	1,030	20,262	(87)	155,563
More than 5 years	11,889	6,301	5,956	—	6,171	(5)	30,312
Total	**106,965**	**57,380**	**59,846**	**3,764**	**36,359**	**(751)**	**263,563**

Lease expiry profile by future minimum lease payments receivable under non-cancellable leases by sqm:

	Office sqm	Production sqm	Storage sqm	Smartspace sqm	Other sqm	Total sqm
Less than 1 year	99,096	71,865	123,261	54,071	15,902	364,196
Between 1 and 5 years	236,895	158,954	222,187	11,340	61,413	690,788
More than 5 years	53,007	64,926	59,033	—	19,480	196,445
Total	**388,998**	**295,745**	**404,481**	**65,411**	**96,795**	**1,251,429**

Escalation profile per usage

The Group's primary source of revenue relates to leasing contracts with tenants. The Group realises escalations as a result of new sales, renewals, inflation linked indexations and contractually agreed uplifts. Approximately 33.3% of contracts in place at 31 March 2020 are subject to contractual uplifts. The average contractual uplift over the coming twelve months split by usage is detailed as follows:

Usage	Increase in %
Office	3.62%
Storage	2.74%
Production	2.37%
Smartspace	7.06%
Other[(1)]	1.04%
Total	**2.86%**

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

Property profile March 2020 – owned properties

Property and location	Total sqm	Office sqm	Storage sqm	Production sqm	Other sqm	Rate psqm €
Rostock	18,677	8,245	1,569	6,606	2,257	5.96
Hanover	23,278	9,209	3,599	7,929	2,541	5.31
Mahlsdorf	29,262	11,639	10,848	1,870	4,904	7.18
Mahlsdorf II	12,745	5,795	1,269	1,906	3,775	6.95
Magdeburg	30,086	11,653	9,847	4,209	4,376	4.69
Gartenfeld	25,534	4,971	11,025	3,351	6,188	7.23
Neuruppin	22,959	1,404	7,629	13,133	794	4.83
Potsdam	35,864	12,372	12,555	4,956	5,981	7.11
Schenefeld	40,320	10,332	26,528	1,959	1,501	4.29
Dresden	57,715	26,114	17,407	11,137	3,057	7.16
Hamburg Lademannbogen	10,487	7,758	1,285	—	1,444	9.58
Buxtehude	28,167	1,151	7,646	18,453	919	4.08
Neuss	17,631	14,431	1,163	153	1,884	10.83
Bonn	10,586	4,531	2,412	477	3,166	7.41
Bonn – Dransdorf	18,965	5,487	6,750	1,659	5,069	6.07
Aachen I	24,180	12,208	2,316	5,510	4,146	8.60
Aachen II	9,750	1,452	6,570	1,534	194	5.27
Cologne	29,038	2,681	12,080	2,210	12,066	4.85
Wuppertal	14,607	857	6,416	3,613	3,721	3.73
Solingen	13,333	2,475	4,409	4,924	1,524	2.67
Düsseldorf – Sud	21,256	2,627	12,309	1,970	4,349	4.64
Cölln Parc	13,480	6,509	3,371	2,867	733	10.18
Krefeld III	9,671	4,833	3,430	924	484	7.90
Düsseldorf II	9,839	4,433	4,949	—	456	6.95
Krefeld II	6,101	3,303	325	2,171	302	7.07
Krefeld	11,314	7,451	2,545	592	727	8.90
Köln Porz	21,067	15,617	2,889	279	2,282	8.79
Bochum	55,720	12,619	35,963	3,964	3,173	4.32
Bochum II	4,318	3,502	479	12	325	8.25
Neuss II	33,438	8,498	17,291	6,058	1,592	4.01
Mannheim II	14,598	6,656	4,094	586	3,261	5.73
Neu-Isenburg	8,259	5,701	1,174	—	1,384	10.97
Mannheim	68,760	12,983	22,350	27,807	5,620	4.65
Maintal	37,198	7,365	14,908	8,914	6,011	5.77
Maintal Mitte	11,023	462	4,523	5,685	353	3.63
Offenbach I	15,044	3,641	2,414	2,351	6,638	6.01
Pfungstadt	32,662	6,721	11,402	9,786	4,753	4.97
Kassel	8,144	3,313	682	3,875	273	5.23
Offenbach Carl Legien-Strasse	45,156	9,786	9,340	17,625	8,404	4.91
Frankfurt Röntgenstraße	5,488	3,812	582	36	1,058	9.45
Saarbrücken	47,145	30,763	10,578	820	4,985	8.01
Alzenau	66,651	28,214	7,531	24,167	6,740	5.82
Friedrichsdorf	17,529	6,751	5,241	2,763	2,774	6.68
Dreieich	13,031	7,486	2,845	—	2,700	7.54
Frankfurt	4,326	1,969	443	68	1,845	10.34
Wiesbaden	18,375	13,596	1,912	—	2,867	13.73
Ludwigsburg	28,236	7,505	10,281	3,799	6,653	5.86
Stuttgart-Weilimdorf	6,766	4,970	574	144	1,077	8.81
Heidenheim	46,909	8,158	16,623	13,412	8,715	4.08
Stuttgart – Kirchheim	57,554	20,109	13,022	18,737	5,686	5.96
Munich – Neuaubing	91,391	16,259	31,813	29,600	13,721	6.81
Nabern II	5,578	1,620	491	2,376	1,091	7.11
Markgröningen	57,716	4,564	30,843	20,225	2,085	3.18
Fellbach	27,178	1,725	18,322	339	6,793	4.69
Frickenhausen	27,914	6,622	6,961	11,988	2,343	4.98
Freiburg Teningen	20,802	7,355	5,928	5,578	1,941	4.01
Grasbrunn	14,338	8,183	3,936	—	2,219	10.42
Hallbergmoss	18,556	14,334	3,306	—	917	7.77
Total	**1,475,715**	**474,780**	**478,993**	**325,107**	**196,837**	**5.98**

Annex 1 – Non-IFRS measures

Basis of preparation
The directors of Sirius Real Estate Limited (“Sirius”) (“Directors”) have chosen to disclose additional non-IFRS measures, these include EPRA earnings, adjusted net asset value, EPRA net asset value, adjusted profit before tax and funds from operations (collectively “Non-IFRS Financial Information”).

The Directors have chosen to disclose:

- EPRA earnings in order to assist in comparisons with similar businesses in the real estate sector. EPRA earnings is a definition of earnings as set out by the European Public Real Estate Association. EPRA earnings represents earnings after adjusting for property revaluation, changes in fair value of derivative financial instruments, profits and losses on disposals of properties, the gain on loss of control of subsidiaries, finance restructuring costs, (collectively the “EPRA earnings adjustments”), the resulting tax adjustments, deferred tax and NCI in respect of these EPRA earnings adjustments, revaluation gain on investment property relating to associates and related tax. The reconciliation between basic and diluted earnings and EPRA earnings is detailed in table A below;
- adjusted net asset value in order to assist in comparisons with similar businesses. Adjusted net asset value represents net asset value after adjusting for derivative financial instruments and deferred tax relating to valuation movements, derivative financial instruments and LTIP valuation. The reconciliation for adjusted net asset value is detailed in table B below;
- EPRA net asset value in order to assist in comparisons with similar businesses in the real estate sector. EPRA net asset value is a definition of net asset value as set out by the European Public Real Estate Association. EPRA net asset value represents net asset value after adjusting for derivative financial instruments and deferred tax relating to valuation movements and derivatives (collectively the “EPRA net asset value adjustments”). The reconciliation for EPRA net asset value is detailed in table C below;
- adjusted profit before tax in order to provide an alternative indication of Sirius Real Estate Limited and its subsidiaries’ (the “Group”) underlying business performance. Accordingly, it excludes the effect of the gain on revaluation of investment properties, other adjusting items, gains/losses on sale of properties, change in fair value of financial derivatives, gain on loss of control of subsidiaries, revaluation gain on investment property relating to associates and adjustment on revaluation in respect to IFRS 16. The reconciliation for adjusted profit before tax is detailed in table D below; and
- funds from operations in order to assist in comparisons with similar businesses and to facilitate the Group’s dividend policy which is derived from funds from operations: Accordingly, it excludes depreciation and amortisation (excluding depreciation relating to IFRS 16), amortisation of financing fees, adjustment in respect to IFRS 16 and current tax excluding prior year adjustments and tax on disposals. The reconciliation for funds from operations is detailed in table D below.

The Non-IFRS Financial Information has not been prepared using the accounting policies of Sirius and does not comply with IFRS. The Non-IFRS Financial Information is presented in accordance with the JSE Listing Requirements the SAICA F

Ernst & Young Inc have issued a reporting accountants’ report on the Non-IFRS Financial Information for the year ended 31 March 2020 which is available for inspection at the Group’s registered office. The Non-IFRS Financial Information has been extracted from the Group’s consolidated financial statements for the year ended 31 March 2020 (“consolidated financial statements”).

Table A – EPRA earnings

	31 March 2020 €000	31 March 2019 €000
Basic and diluted earnings attributable to owners of the Company(1)	**98,136**	128,657
Gain on revaluation of investment properties(2)	**(55,789)**	(99,887)
Gain on disposal of properties (including tax)(3)	**(86)**	(441)
Gain on loss of control of subsidiaries (net of related tax)(4)	**(6,323)**	—
Add finance restructuring costs(5)	**9,107**	—
Change in fair value of derivative financial instruments(6)	**377**	1,495
Deferred tax in respect of EPRA earnings adjustments(7)	**11,687**	15,138
NCI in respect of the above(8)	**29**	33
Deduct revaluation surplus relating to investment in associates(9)	**(1,687)**	—
Tax in relation to the above(10)	**431**	—
EPRA earnings(11)	**55,882**	44,995

Notes:
(1) Row 1 presents the profit and total comprehensive income attributable to owners of the Company which has been extracted from the consolidated statement of comprehensive income within the consolidated financial statements.
(2) Row 2 presents the gain on revaluation of investment properties reported in the statement of comprehensive income which has been extracted from note 13 within the consolidated financial statements.
(3) Row 3 presents the gain or loss on disposal of properties (including tax) which has been extracted from note 6 of the consolidated financial statements.
(4) Row 4 presents the gain on loss of control of subsidiaries (net of related tax) reported in the statement of income which has been extracted from note 6 within the consolidated financial statements.
(5) Row 5 presents the finance restructuring costs which have been extracted from note 9 of the consolidated financial statements.
(6) Row 6 presents the change in fair value of derivative financial instruments which has been extracted from the consolidated statement of comprehensive income within the consolidated financial statements.
(7) Row 7 presents deferred tax relating to origination and reversal of temporary differences which has been extracted from note 10 of the consolidated financial statements.
(8) Row 8 presents the non-controlling interest relating to gain on revaluation and gain on sale of properties net of related tax which has been extracted from note 11 of the consolidated financial statements.
(9) Row 9 presents the gain on revaluation of investment properties relating to investment in associates.
(10) Row 10 presents deferred tax relating to origination and reversal of temporary differences relating to investment in associates.
(11) Row 11 presents the EPRA earnings for the year ended 31 March 2020.

Table B – Adjusted net asset value

	2020 €000	2019 €000
Net asset value		
Net asset value for the purpose of assets per share (assets attributable to the owners of the Company)(1)	**801,570**	725,808
Deferred tax arising on revaluation gain, financial derivatives instruments and LTIP valuation(2)	**42,151**	41,623
Derivative financial instruments(3)	**1,279**	298
Adjusted net asset value attributable to owners of the Company(4)	**845,000**	768,333

Notes:
(1) Row 1 presents net asset value for the purpose of assets per share (assets attributable to the owners of the Company) which has been extracted from the consolidated financial statements.
(2) Row 2 presents deferred tax expense which has been extracted from note 10 of the consolidated financial statements.
(3) Row 3 presents current derivative financial instruments assets of €89,000 less current derivative financial instruments liabilities of €412,000 less non-current derivative financial instruments liabilities of €956,000 as extracted from the consolidated statement of financial position from the consolidated financial statements.
(4) Row 4 presents the adjusted net asset value as at 31 March 2020.

Table C – EPRA net asset value

	2020 €000	2019 €000
Net asset value at the end of the year (basic)(1)	**801,570**	725,808
Derivative financial instruments at fair value(2)	**1,279**	902
Deferred tax in respect of EPRA net asset value adjustments(3)	**42,151**	41,623
EPRA net asset value(4)	**845,000**	768,333

Notes:
(1) Row 1 presents net asset value extracted from note 12 of the consolidated financial statements.
(2) Row 2 presents current derivative financial instruments assets of €89,000 less current derivative financial instruments liabilities of €412,000 less non-current derivative financial instruments liabilities of €956,000 as extracted from the consolidated statement of financial position from the consolidated financial statements.
(3) Row 3 presents deferred tax expense which has been extracted from note 10 of the consolidated financial statements.
(4) Row 4 presents the EPRA net asset value as at 31 March 2020.

Table D – Adjusted profit before tax and funds from operations

	31 March 2020 €m	31 March 2019 €m
Reported profit before tax(1)	**110.8**	144.7
Adjustments for:		
Gain on revaluation of investment properties(2)	**(55.8)**	(99.9)
Deficit on revaluation relating to capitalised head leases(3)	**(3.9)**	—
Gain of disposals of properties(4)	**(0.1)**	(0.6)
Gain on loss of control of subsidiaries(5)	**(6.3)**	—
Deduct revaluation gain on investment property from associates and related tax(6)	**(1.3)**	—
Other adjusting items(7)	**11.1**	0.4
Change in fair value of financial derivatives(8)	**0.4**	1.5
Adjusted profit before tax(9)	**54.9**	46.1
Adjustments for:		
Depreciation and amortisation (excluding depreciation relating to IFRS 16)(10)	**1.6**	1.4
Amortisation of financing fees(11)	**1.4**	1.4
Adjustment in respect to IFRS 16(12)	**(1.2)**	—
Current taxes incurred(13)	**(0.9)**	—
Add back current tax relating to disposals and prior year adjustments(14)	**(0.1)**	(0.5)
Funds from operations, year ended 31 March(15)	**55.7**	48.4

Notes:
(1) Row 1 presents profit before tax which has been extracted from the consolidated financial statements.
(2) Row 2 presents the gain on revaluation of investment properties reported in the statement of comprehensive income which has been extracted from note 13 within the consolidated financial statements.
(3) Row 3 presents the gain or loss on disposal of properties which has been extracted from note 6 of the consolidated financial statements.
(4) Row 4 presents the gain or loss on disposal of properties which has been extracted from note 6 of the consolidated financial statements.
(5) Row 5 presents the gain on loss of control of subsidiaries (including tax) reported in the statement of comprehensive income which has been extracted from note 6 within the consolidated financial statements.
(6) Row 6 presents the adjustment to the share of profit of investments consolidated in the financial statements for non-operational effects.
(7) Row 7 presents other adjusting items of €2.0 million relating to the LTIP and SIP expense, €9.1 million refinancing costs extracted from note 9, €0.1 million selling costs relating to assets held for sale extracted from note 6 and €0.1 million income relating to exceptional items extracted from note 6.
(8) Row 8 presents the change in fair value of derivative financial instruments which has been extracted from the consolidated statement of comprehensive income within the consolidated financial statements.
(9) Row 9 presents the adjusted profit before tax for the period ended 31 March 2020 and the year ended 31 March 2019.
(10) Row 10 presents depreciation and amortisation as extracted from note 6 of the consolidated financial statements.
(11) Row 11 presents amortisation of capitalised finance costs which has been extracted from note 9 of the consolidated financial statements.
(12) Row 12 presents the differential between the expense recorded in the statement of comprehensive income for the year ended 31 March 2020 relating to head leases in accordance with IFRS 16 amounting to €4.8 million and the actual cash expense recorded in the statement of cashflows for the year ended 31 March 2020 amounting to €6.0 million.
(13) Row 13 presents the total current income tax which has been extracted from note 10 of the consolidated financial statements.
(14) Row 14 presents the add-back of current tax relating to disposals and prior year adjustments extracted from note 10 of the consolidated financial statements.
(15) Row 15 presents the funds from operations for the period ended 31 March 2020.

Glossary of terms

Adjusted earnings	is the earnings attributable to the owners of the Company, excluding the effect of adjusting items net of related tax, gains/losses on sale of properties net of related tax, the revaluation deficits/surpluses on the investment properties (also to associates) net of related tax, profits and losses on disposals of properties net of related tax, changes in fair value of derivative financial instruments net of related tax, gain on loss of control of subsidiaries net of related tax, finance restructuring costs net of related tax and adjustment on revaluation expense relating to leased investment properties
Adjusted net asset value	is the assets attributable to the equity owners of the Company adjusted for derivative financial instruments and deferred tax arising on revaluation gain, financial derivative instruments and LTIP valuation
Adjusted profit before tax	is the reported profit before tax adjusted for gain on revaluation of investment properties , gains/losses on sale of properties, changes in fair value of derivative financial instruments, other adjusting items, gain on loss of control of subsidiaries, revaluation gain on investment property relating to associates and adjustment on revaluation in respect to IFRS 16
Annualised acquisition net operating income	is the income generated by a property less directly attributable costs at the date of acquisition expressed in annual terms. Please see “annualised rent roll” definition below for further explanatory information
Annualised acquisition rent roll	is the contracted rental income of a property at the date of acquisition expressed in annual terms. Please see “annualised rent roll” definition below for further explanatory information
Annualised rent roll	is the contracted rental income of a property at a specific reporting date expressed in annual terms. Unless stated otherwise the reporting date is 31 March 2020. Annualised rent roll should not be interpreted nor used as a forecast or estimate. Annualised rent roll differs from rental income described in note 5 of the Annual Report and reported within revenue in the consolidated statement of comprehensive income for reasons including: • annualised rent roll represents contracted rental income at a specific point in time expressed in annual terms; • rental income as reported within revenue represents rental income recognised in the period under review; and • rental income as reported within revenue includes accounting adjustments including those relating to lease incentives.
Capital value	is the market value of a property divided by the total sqm of a property
Cumulative total return	is the return calculated by combining the movement in investment property value net of capex with the total net operating income less bank interest over a specified period of time
EPRA earnings	is earnings after adjusting for property revaluation, changes in fair value of derivative financial instruments, profits and losses on disposals(collectively the “EPRA earnings adjustments”), the gain on loss of control of subsidiaries, finance restructuring costs, revaluation gain on investment property relating to associates, the resulting tax adjustments and deferred tax in respect of these EPRA earnings adjustments
EPRA net asset value	is the net asset value after adjusting for derivative financial instruments and deferred tax relating to valuation movements and derivatives
EPRA net initial yield	is the annualised rent roll based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers’ costs
EPRA net yield	is the net operating income generated by a property expressed as a percentage of its value plus purchase costs
Funds from operations	is adjusted profit before tax adjusted for depreciation and amortisation (excluding depreciation relating to IFRS 16), amortisation of financing fees, adjustment in respect to IFRS 16 and current tax excluding prior year adjustments and tax on disposals
Geared IRR	is an estimate of the rate of return taking into consideration debt
Gross loan to value ratio	is the ratio of principal value of total debt to the aggregated value of investment property
Gross yield	is the annualised rent roll generated by a property expressed as a percentage of its value
Like for like	refers to the manner in which metrics are subject to adjustment in order to make them directly comparable. Like-for-like adjustments are made in relation to annualised rent roll, rate and occupancy and eliminate the effect of asset acquisitions and disposals that occur in the reporting period
Net loan to value ratio	is the ratio of principal value of total debt less cash, excluding that which is restricted, to the aggregate value of investment property
Net operating income	is the rental and other income from investment properties generated by a property less directly attributable costs
Net yield	is the net operating income generated by a property expressed as a percentage of its value
Occupancy	is the percentage of total lettable space occupied as at reporting date
Operating cash flow on investment (geared)	is an estimate of the rate of return based on operating cash flows and taking into consideration debt
Operating cash flow on investment (ungeared)	is an estimate of the rate of return based on operating cash flows
Rate	is rental income per sqm expressed on a monthly basis as at a specific reporting date
Total debt	is the aggregate amount of the Company’s interest-bearing loans and borrowings
Total shareholder accounting return	is the return obtained by a shareholder calculated by combining both movements in adjusted NAV per share plus dividends paid

Total return	is the return for a set period of time combining valuation movement and income generated
Ungeared IRR	is an estimate of the rate of return
Weighted average cost of debt	is the weighted effective rate of interest of loan facilities expressed as a percentage
Weighted average debt expiry	is the weighted average time to repayment of loan facilities expressed in years

Corporate directory

SIRIUS REAL ESTATE LIMITED
(Incorporated in Guernsey)
Company number: 46442
JSE Share Code: SRE
LSE (EUR) Share Code: ESRE
LSE (GBP) Share Code: SRE
ISIN Code: ISIN GG00B1W3VF54

Registered office
Trafalgar Court
2nd Floor
East Wing
Admiral Park
St Peter Port
Guernsey GY1 3EL
Channel Islands

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

Company Secretary
A Gallagher *
Sirius Real Estate Limited
Trafalgar Court
2nd Floor
East Wing
Admiral Park
St Peter Port
Guernsey GY1 3EL
Channel Islands

* Appointed on 29 May 2020

UK solicitors
Norton Rose Fulbright LLP
3 More London Riverside
London SE1 2AQ

Financial PR
Tavistock Communications Limited
1 Cornhill
London EC3V 3ND

JSE sponsor
PSG Capital Proprietary Limited
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch
7600
South Africa

Joint broker
Peel Hunt LLP
120 London Wall
London EC2Y 5ET

Joint broker
Berenberg
60 Threadneedle Street
London EC2R 8HP

Property valuer
Cushman & Wakefield LLP
Rathenauplatz 1
60313 Frankfurt am Main
Germany

Independent auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

United Kingdom

Guernsey solicitors

Carey Olsen

PO Box 98
7 New Street
St Peter Port
Guernsey GY1 4BZ
Channel Island