Empiric Student Property plc

(“**Empiric**” or the “**Company**” or, together with its subsidiaries, the “**Group**”)

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Another strong operational result with delivery of growth agenda our strategic focus

Empiric Student Property plc (ticker: ESP), the owner and operator of premium, studio-led student accommodation across the UK, is pleased to report its preliminary results for the year ended 31 December 2024.

Duncan Garrood, Chief Executive Officer of Empiric Student Property plc, said:

“The business has delivered another year of great progress against its strategic objectives, most pleasingly in respect to our growth agenda. Having successfully concluded the Company’s first equity raise since 2017, our focus remains squarely on its deployment and delivery.

2024 saw us add three fantastic new sites to the portfolio growing our existing clusters in Bristol, Glasgow and Manchester. We also unlocked value from existing sites with planning consent achieved at Victoria Point in Manchester, and have continued to make good progress on our programme of refurbishment, driving enhanced rental growth.”

Financial highlights

	31 December 2023	**31 December 2024**	Change
Income statement			
Revenue (£m)	80.5	**84.2**	+4.6%
Like for like rental growth (blended FY %)	7.0	**9.3**	+2.3% pts
EPRA earnings (£m)	24.1	**25.9**	+7.5%
EPRA earnings per share (p)	4.0	**4.2**	+5.0%
Gross margin (%)	69	**70**	+1% pt
Dividends paid/declared per share (p)	3.5	**3.7**	+5.7%
Balance sheet			
EPRA NTA per share (p)	120.7	**119.6**	-0.9%
Portfolio valuation (£)	1,097.9	**1,135.0**	+1.6% LfL[1]
Cash and undrawn committed facilities (£m)	82.5	**75.4**	-8.6%
EPRA Loan to value (%)	30.6	**27.2**	-3.4% pts

[1] Calculated on a like for like basis. Increasing to 4.2% when adjusted for the removal of Multiple Dwellings Relief.

Strong operational performance delivers 9.3% like for like rental growth in the year

- Like for like rental growth of 10.5% and 7.0% achieved for academic years 2023/24 and 2024/25, respectively
- Gross margin improved by 1% point to 70% (2023: 69%)
- EPRA EPS increased 5.0% to 4.2p (2023: 4.0p)
- Portfolio valuation of £1,135 million, up 1.6% like for like, inclusive of the removal of Multiple Dwellings Relief
- Net initial yield unchanged at 5.5%
- EPRA NTA per share of 119.6p, marginally down as a result of equity raise (2023: 120.7p)
- Dividends paid and payable for the year of 3.7p, 5.7% ahead of prior year and above target

Record re-booker rate and occupancy within target range

- Record re-booker rate of 23% for academic year 2024/25 (2023/24: 22%)
- 97% occupancy achieved for academic year 2024/25 (2023/24: 99%)
- 98% occupancy for financial year 2024 (2023: 99%)

Growing the portfolio and creating value

- Successful equity raise generated £56.1 million for deployment into accretive investment and postgraduate refurbishment opportunities, £19.8 million deployed before the year end, with a further £20.0 million on track for investment during 2025
- Three acquisitions completed in top-tier cities, growing existing prime clusters in Bristol, Glasgow and Manchester offering asset management opportunities to unlock further value
- Planning consent achieved for comprehensive redevelopment and expansion of Victoria Point, Manchester, increasing the current provision of beds by 310. On site works likely to begin in late 2026
- Full refurbishment of Brunswick Apartments, Southampton, delivered 173 newly refurbished rooms and amenities, securing strong rental growth for academic year 2024/25 and returns in excess of target
- Continued consolidation of operational presence with four further non-core city exits achieved

Robust balance sheet

- EPRA loan to value at 27.2% (2023: 30.6%)
- Refinancing extends weighted average debt term to 4.7 years, with refinancing risk removed until 2028
- Weighted average cost of debt at 4.5% (2023: 4.3%), with all drawn debt subject to interest rate protection
- Cash and undrawn committed facilities of £75.4 million

Delivering outstanding customer service

- Continued improvement in Global Student Living Index Net Promoter Score from 30.5 to 32, which compares favourably to PBSA average of 19
- Customer satisfaction rate remains high at 86%
- Hello Student awarded Best Student Wellbeing at Global Student Living Awards 2024

Responsible business

- Further £13.3 million invested in fire safety works in 2024, with 73% of the portfolio now EWS1 certified
- Investment in green initiatives delivers 3% saving in energy consumption per bed
- Over 60% of portfolio rated EPC B or better, exceeding interim targets established in Net Zero strategy

Outlook for academic year 2025/26 sales cycle

- Occupancy of 48% currently secured, with booking behaviour normalising
- Like-for-like rental growth of 5% anticipated
- Target occupancy remains >97%

Results presentation at 09.00 (GMT) today

To access the live webcast, please register here:

https://brrmedia.news/ESP_FY24

For further information on the Company, please contact:

Empiric Student Property plc Duncan Garrood (Chief Executive Officer) Donald Grant (Chief Financial & Sustainability Officer)	(via FTI Consulting below)
Jefferies International Limited Tom Yeadon Andrew Morris	020 7029 8000
Peel Hunt LLP Capel Irwin Henry Nicholls	020 7418 8900
FTI Consulting Dido Laurimore Eve Kirmatzis	020 3727 1000 empiric@fticonsulting.com

The Company's LEI is 213800FPF38IBPRFPU87.

Further information on Empiric can be found on the Company's website at www.empiric.co.uk.

Notes:

Empiric Student Property plc is a leading provider and operator of modern, predominantly direct-let, premium student accommodation serving key UK universities. Investing in both operating and development assets in a multi building cluster operational model, Empiric is a fully integrated operational student property business focused on premium studio-led accommodation managed through its Hello Student operating platform, that is attractive to affluent growing student segments.

The Company, an internally managed real estate investment trust ("REIT") incorporated in England and Wales, listed under the Equity Shares segment of the Official List of the Financial Conduct Authority and was admitted to trading on the main market for listed securities of the London Stock Exchange in June 2014. The Company is classified as a commercial company listed under the UK Listing Rules and as such is not an alternative investment fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD") and is not required to provide investors with a Key information Document ("KID") in accordance with the Packaged Retail and Insurance-based Investment Products ("PRIIPs") regulations.

Disclaimer

This release includes statements that are forward looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Empiric Student Property plc to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Any information contained in this release on the price at which shares or other securities in Empiric Student Property plc have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

Chief Executive Officer’s Review

The business has delivered another strong financial and operational performance during 2024. In validation of our strategy, student demand for high-quality accommodation aligned to the UK’s best universities has remained strong. Rental growth captured for the academic year 2024/25 lettings cycle exceeded our initial expectations and delivered growth of seven per cent on a like for like basis.

Reflecting the continued strong demand for our product, occupancy of 97 per cent was achieved across the portfolio for the 2024/25 academic year. Occupancy was slightly below the exceptional levels achieved in the previous two academic years of 99 per cent, but in line with our target.

Leeds and Sheffield, where eight per cent of our beds are located, experienced a decline in occupancy this year. A trend witnessed across the wider purpose built student accommodation (“PBSA”) market. In Leeds this was partly as a result of an increase in the number of new Buy to Let properties coming onto the market in the middle of the lettings cycle, which were widely reported as being let to students. We do not expect this to continue as the letting windows settles into a full year cycle and investors focus on longer stay occupants at higher rates. Furthermore, the prospective changes within the Renters Rights Bill could make letting to students considerably less attractive for non-PBSA operators, including HMOs. In Sheffield, the University of Sheffield experienced a fall in international student numbers this year, however universities have experienced success in taking a more active approach to international student recruitment and this should continue to drive student numbers toward the country’s top-tier universities. Our expectation is that this disruption should not impact the longer-term attractiveness of these two cities given their Universities are both ranked in the 2025 Times Top 30 universities in the UK.

Despite widespread publicity about international student numbers, created in part by the previous government’s amendment to student visa rules, strategic review of the graduate route and negative rhetoric around student immigration, our market share of international students has increased in the current sitting academic year. Demographically, international students now represent 69 per cent of all bookings (up from 51 per cent in academic year 2023/24), with Chinese students remaining our largest international market at 40 per cent, up from 32 per cent in the prior year.

The 2024/25 sales campaign delivered another record re-booker performance, with 23 per cent of our rooms sold to students who were already staying with us. Adjusting for those students who were not eligible to rebook, for example where their course concluded in academic year 2023/24, we achieved an eligible re-booker rate of 53 per cent. This is a great achievement and tangible endorsement of customer satisfaction and the value inherent in our service proposition.

Underpinned by strong rental growth and stable yields, our portfolio valuation grew a further 1.6 per cent like for like, 4.2 per cent when the abolition of Multiple Dwellings Relief is disregarded. The balance sheet remains in good shape with prudent gearing of 27.2 per cent which sits comfortably within our long term target, providing a degree of headroom. All near-term refinancing risk has been removed.

Our October 2024 equity raise was well received and I thank our long standing shareholders for their continued support and also welcome new shareholders to the register. We raised gross proceeds of £56.1 million at a four per discount to the closing share price the day prior to launch, which are being used to pursue an independent growth strategy of acquisition and refurbishment, negating the need for a prospective joint venture as was initially considered.

We have been pleased to grow our dividend again this year, delivering progression of six per cent year on year for shareholders.

Resilient market fundamentals

The PBSA market continues to demonstrate resilience in the face of wider macroeconomic headwinds, underpinned by sustained student demand for prestigious UK universities and modern accommodation. Investor appetite is fuelled by the undersupply of high-quality operational beds, long-term predicted growth in demand and constrained delivery of new supply with reducing supply of the traditional alterative HMO accommodation.

Overall the demand and supply imbalance in PBSA continues unabated, however this is highly nuanced in some markets, which have greater supply, demonstrating a level of price sensitivity. Participation rates in the UK's higher education sector remains historically high with over 2.4 million full-time students. The UK remains an attractive, high quality, and relatively affordable destination of choice for international students compared to other markets, with students of Chinese origin continuing to dominate the UK's international student market.

The growth in student numbers, which accelerated post pandemic has since normalised, aligning with longer term trends. The continued growth in domestic 18-year-olds and a forecast recovery in international students is expected to ensure this continues to remain robust. The recent three per cent increase in the tuition fee cap to £9,535 is not expected to impact application numbers from UK domestic students.

A clear flight to quality continues with higher tariff, typically the Russell Group's research-led, universities experiencing year on year growth in applications to the detriment of medium and lower tariff universities. This validates our strategy of focusing our portfolio on these cities, which deliver growth and investment.

It is anticipated that the sector will continue to have a significant shortfall in supply, with only 11,270 new beds delivered in 2024. Viability remains a key challenge for developers, with higher build costs, increased development periods, enhanced building safety requirements, sustainability demands, increased financing costs and a challenging planning environment continuing to discourage development.

Supply will therefore be increasingly focused on the best performing markets which are fuelled by continued favourable student demand where higher rents improve development viability. The shortage of housing options for students is also being compounded by the continued loss of HMOs, exacerbated by the recent Autumn Budget and proposals within the Renters Rights Bill which currently continues its way through Parliament.

Portfolio growth and active property management

It has been an active and successful year from a portfolio management perspective. Eight residual non-core properties were disposed of during 2024, generating £45.2 million and reducing the number of cities in which we operate by four. These sales represented 433 operational beds and have improved our portfolio's alignment to prime and super prime locations to 97 per cent.

Since March 2021, including the above, the Company has generated £146.4 million from the disposal of non-core assets, 0.2 per cent below book value in aggregate, which considering the challenging market conditions during this period, is a strong endorsement of our portfolio valuation.

In February 2024, we acquired a small development opportunity in Bristol for £5.6 million. This former office building is located adjacent to our existing College Green building. A planning application was submitted to facilitate a change in use to student accommodation and the delivery of over 50 new PBSA beds into this strong operational cluster. Preparatory works have also begun at two sites in Southampton and Bath which are earmarked for conversion to the Company's postgraduate product.

A planning application was submitted in May 2024 to facilitate an extension and full refurbishment of our existing operational site at Victoria Point in Manchester. In December, Manchester City Council granted detailed planning permission fully in line with our application, which once fully implemented will add 310 new beds into this acutely undersupplied city.

In July 2024, the Company acquired a 94-bed operational asset in the heart of Glasgow's west end for £9.7 million. The property is well located, near our Willowbank hub site in the city, and acquired almost entirely pre-let for the 2024/25 academic year, delivering an effective net initial yield of over 7.5 per cent. The property benefits from refurbishment potential, which together with the benefits of clustering is expected to unlock an enhanced rental tone and deliver improved operating margins for the city.

In December 2024, following our equity raise, we acquired a 136-bed all studio scheme in Manchester for £19.75 million. Again, the property is well located close to Manchester University and opposite our existing Victoria Point hub site in the city, delivering the same value enhancing opportunities that can be delivered in Glasgow. The operational asset is expected to deliver a 7.0 per cent net initial yield from September 2025.

A second acquisition, linked to the equity raise deployment plan, is under offer with advanced negotiations anticipated to conclude shortly. We will provide a further update once concluded.

One of our larger properties, Brunswick Apartments, Southampton, which had been closed for the duration of the 2023/24 academic year, reopened to students in September 2024. This 173 bed property received a full room and amenity refurbishment, alongside fire safety and Net Zero related works and has delivered strong rental growth, double digit IRR performance and received excellent customer feedback.

Delivering high-quality, consistent customer service

Our key performance indicator for the delivery of this strategic priority is Global Student Living's Net Promoter Score ("NPS").

In both surveys conducted during 2024, our operating brand, Hello Student, achieved an improved NPS relative to 2023. We end the year with an NPS score of +32 (2023: +30.5), significantly outperforming the benchmark All Private Halls score of +19.

Of all respondents, 86 per cent rated their level of satisfaction as either good or very good with 78 per cent of our customers responding that their accommodation had a positive impact on their overall well-being. This important aspect of our service proposition was recognised at this year's Global Student Living awards, when Hello Student was awarded the accolade for Best Student Wellbeing.

The delivery of superior service requires a high performing and engaged team and we therefore monitor employee engagement as a key non-financial performance indicator. In 2024, the Company celebrated its tenth anniversary since establishment and to mark the occasion, the executive team hosted a series of team engagement days around the country celebrating this milestone but also setting out its vision for the future and providing all employees with the opportunity to engage with the executives on a one-to-one basis. Our engagement scores benchmark well amongst some of the top performing UK companies.

We have invested in a new end to end ERP system and launched a new customer facing website during 2024, which has improved the booking experience, making it even easier for customers to secure their room with us.

Safety

We are responsible for ensuring that everyone who is living, working in or visiting our buildings is kept safe. We ensure that our buildings comply with not only all relevant regulations but strive to align to best practice within the industry.

Having allocated £46 million toward a five year programme of initiatives which began in 2021, we have continued to progress works on a risk-based basis. In 2024 we invested a further £13.2 million towards attainment of the latest EWS1 certification standard, an investment which is fully reflected in property valuations. By 31 December 2024, 73 per cent of the portfolio had achieved this certification standard.

Our buildings continue to be inspected on a regular basis to ensure that we identify and eliminate hazards. To assess the buildings, we have engaged with specialist consultants to undertake thorough assessments of general safety, hazards, prevention of fire risks and water systems.

The business conducted its first externally supported crisis management test in 2024, simulating a serious wellbeing concern alongside a fire in a vacant building. Good feedback was received from our primary authority fire service on our partnership and approach to incident management.

Creating a sustainable business

The business remains committed to achieving Net Zero by 2033. As part of this journey, our plan, including interim targets for the next two years, was put to an advisory shareholder vote at the 2024 Annual General Meeting, helping foster transparency and engagement with shareholders on this important topic. Although the resolution was passed, the result was somewhat disappointing, with 25 per cent of responding shareholders voting against. In order to better understand the result, and inform future decision making, we sought engagement with shareholders. From those shareholders that provided feedback, it appeared in part that they required a clearer articulation between the cost and return that could be expected for each of target. This will be addressed when next put to shareholders in 2026.

The key performance indicators we monitor are EPC risk management and energy consumption per bed. Great progress has been made in the management of EPC risk this year, with 64 per cent of our sites rated EPC B or better, a target achieved more than a year earlier as envisaged in our Net Zero strategic plan. Our like for like energy consumption per bed has fallen by three per cent to 4,351 kwh per bed, reflective of our investment in energy efficiency initiatives.

Strategy & outlook

As we look forward into 2025, we remain encouraged by the outlook for student numbers for the 2025/26 academic year and beyond, from both a domestic and international perspective. Growth in the number of UK 18 year olds is set to continue through to 2030, and internationally, we have seen a considerably more welcoming rhetoric from the new education minister and greater focus by universities on international student recruitment.

We are therefore confident of achieving another successful year from an occupancy perspective and believe our strategy of refurbishment and our focus on continually improving levels of customer satisfaction will deliver like for like rental growth in excess of inflation.

Our strategic focus will remain on driving operational efficiencies through growth. First and foremost, the continued deployment of proceeds from our October 2024 equity raise, the continued roll out of our Postgrad by Hello Student brand, completing our undergraduate refurbishment programme, but also as opportunities arise, selectively recycling capital to further strengthen our alignment to top-tier universities.

The year ahead will, however, not be without its challenges. The sustained rebasing of energy costs looks set to continue for the foreseeable future and this will be coupled with the impact of the autumn budget and annual review of the national Real Living Wage, both of which are set to drive compensation related costs significantly higher from April. This has precipitated a review of our operating model and will likely result in some amount of restructuring. Our decision not to pursue a joint venture also enables us to reduce resources pre-recruited in its anticipation.

Despite the challenges faced this past year, we are delighted to be in a position to declare a dividend in excess of our initial 3.5 pence target for 2024. Today we have announced our final quarterly dividend for 2024 of 1.075 pence per share taking the total dividend paid and payable in respect of 2024 to 3.7 pence per share, an increase of six per cent on 2023. With the Board remaining committed to a progressive dividend policy, we will therefore initially target a minimum dividend of 3.7 pence per share for the 2025 financial year.

Duncan Garrood
Chief Executive Officer
12 March 2025

Operating review

The business has continued to demonstrate a degree of resilience in the face of increasingly challenging wider market conditions, achieving good rates of occupancy whilst delivering strong like for like rental growth, comfortably above the rate of inflation.

Demand continues to exceed supply in most of the key cities in which we operate. New supply of high quality, well located accommodation remains limited and continues to be outpaced by increasing demand, exacerbated by the continued decline in private landlords particularly HMO operators and Buy-to-Let investors while the cohort of UK 18 year olds continues to increase. The prospective changes within the Renters Rights Bill have the potential to amplify this issue, making letting to students considerably less attractive for non-PBSA operators.

Another strong re-booker performance was achieved for the current sitting 2024/25 academic year, with 23 per cent of our rooms sold to students who were already living with us, providing a tangible endorsement of our product and of the service we provide.

Portfolio overview

A summary of the Group's portfolio is set out below, segmented in line with our valuer's view of quality. Almost 97 per cent of the portfolio is now invested in Prime or Super Prime locations.

Since 31 December 2023, the portfolio has grown in value by 1.6 per cent, like-for-like. This includes the impact of the removal of Multiple Dwellings Relief in March, which had it remained in place, would have resulted in like for like growth of 4.2 per cent. With the portfolio's net initial yield unchanged at 5.5 per cent, this is the result of income growth achieved for the 2024/25 academic year. The reversionary yield was also held at 5.7 per cent, providing confidence that as the letting cycle advances for the new 2025/26 academic year, a further valuation rise could be expected if investment yields remain as stable as we have seen over the past 18 months.

Valuer's quality segmentation	Properties	Operational beds	Market value (£m)	Market value (%)
Super prime regional	23	2,443	538.7	47.5
Prime regional	45	4,579	558.1	49.2
Super Prime and Prime Regional	68	7,022	1,096.8	96.7
Secondary	7	663	38.2	3.3
Total	**75**	**7,685**	**1,135.0**	**100.0**

Strategic segmentation	Market value (£m)	NIY (%)
Operational portfolio	1,114.0	5.5
Commercial portfolio	16.5	8.0
Development portfolio	4.5	
Total	**1,135.0**	

Deployment of proceeds following equity raise

In October 2024, the Company raised £54.3 million, net of costs, in order to pursue an independent growth strategy of acquisition and refurbishment, negating the need for a prospective joint venture as had been initially considered.

Proceeds were earmarked for deployment into two well aligned acquisition opportunities in top-tier university cities and to accelerate the roll out of the Group's Postgraduate exclusive product.

In December 2024, the first of two acquisitions, Tatton House in Manchester, was acquired for £19.75 million. This 136 bed, all-studio scheme is well located, being less than ten minutes' walk to the Manchester University campus and directly opposite our existing Victoria Point Hub. This location allows us to instantly unlock operational efficiencies and during the letting cycle for academic year 2025/26, by offering the full amenity provision of our wider cluster to prospective residents of Tatton House, which currently has no on-site amenity. This operational PBSA asset is expected to deliver a seven per cent net initial yield from September 2025.

A second acquisition is under offer and currently expected to conclude in early April 2025, in line with our deployment assumptions.

Preparatory works have begun at three existing sites earmarked for conversion to the Group's Postgraduate product, with over £10 million on track for investment during 2025. Furthermore, our academic year 2025/26 sales programme has been amended with planning and design underway to facilitate the refurbishment of a further four Postgraduate exclusive sites during 2026. We continue to expect these Postgraduate refurbishments to deliver unlevered IRRs in excess of 12 per cent.

Portfolio management

With overall investment market activity up 13 per cent on 2023, there has been greater opportunity to progress the tail of our non-core disposals, with eight relatively small properties sold during the year for £45.2 million representing 433 beds. Importantly, the sales represented four further non-core city exits, improving the portfolio's alignment to both Prime and Super Prime locations and top-tier universities, complimenting the improvement in the portfolio's overall gross margin to 70 per cent.

Three acquisitions were completed during the year. All three were well aligned, located in top-tier cities which cluster well with our existing sites. All three acquisitions present further opportunities to add value through future development or refurbishment.

In February 2024, we acquired College House in Bristol. Adjacent to our College Green site, this former office building was acquired for £5.6 million. The property is arranged over five floors with a small retail parade at street level, occupied by tenants who are complementary to our customer base having re-let or regeared all three units. The property will be transformed into a new 57-bed student accommodation scheme, which will cater to post-grad students. This all studio scheme will incorporate a library and co-working space in the basement while offering access to other amenities including gyms and private dining rooms within our Bristol cluster. The property is expected to open to students in early 2026. Once complete, we anticipate this development will comfortably exceed our target five year IRR of 12 per cent.

A second acquisition, Claremont House in Glasgow was acquired in July for £9.7 million. Located in the heart of Glasgow's supply constrained West End, and in close proximity to the university and our existing hub site of Willowbank. The property which clusters extremely well with our other sites in the city, was acquired fully let for the current sitting academic year and has delivered a net initial yield of over 7.5 per cent since September. The property benefits from an ability to unlock further rental growth from future refurbishment.

In December 2024 we acquired Tatton House in Manchester for £19.75 million, in line with the deployment plan outlined in the Company's October 2024 equity raise, outlined above. This operational asset delivers many of the same value enhancing opportunities that can be delivered at Claremont House and is expected to deliver a 7.0 per cent net initial yield from September 2025.

A planning application was submitted in May 2024 to facilitate an extension and full refurbishment of our existing operational site at Victoria Point in Manchester. In December, Manchester City Council granted detailed planning permission, which once implemented will add 310 new beds while allowing a masterplan refurbishment of all existing rooms including reconfiguration to create more studio units. The city continues to suffer an acute under supply of PBSA beds and has consistently performed well for us from an occupancy and rental growth perspective given the site's location and open green space. An implementation and funding plan will now be established with a view to starting work on site in late 2026.

Refurbishment & development

Our annual refurbishment programme continues to target the delivery of 200 to 300 beds annually, with an IRR return hurdle of between 9-11 per cent.

The 2024 refurbishment programme was focused on one of our larger properties, Brunswick Apartments in Southampton.

This 173 bed scheme was closed for the duration of the 2023/24 academic year to facilitate fire safety works which allowed for a full building refurbishment and reconfiguration. The works involved refurbishment of all rooms and the creation of a new amenity provision. Although total bed count was unchanged, a greater studio focus was achieved, including adding some new large one bed apartments alongside full building decarbonisation work.

The Company's decision to close the property was made following consideration of the impact on our customers and site teams of a more staggered multi-year works programme. It was concluded that closure would allow all works to be carried out concurrently, thereby accelerating the programme of fire safety and decarbonisation work alongside the refurbishment programme, ultimately delivering the property's potential considerably earlier and improving longer term customer satisfaction.

Upon reopening in September 2024, the scheme delivered an increase in average weekly rents of over 50 per cent when compared to its pre-refurbishment year of operation. Notwithstanding an element of market rental growth which is now captured, this performance has surpassed expectations delivering a yield on cost above 6.5 per cent and an IRR in excess of 12 per cent, inclusive of the impact of the removal of Multiple Dwelling Relief during 2024.

The 2025 refurbishment plan is expected to deliver approximately 200 refurbishment rooms for the start of the 2025/26 academic year. Three of the four sites undergoing refurbishment will reopen as postgraduate exclusive accommodation from September 2025.

Commercial portfolio

The commercial estate continues to grow in quality, now comprising 34 units across a diverse mix of uses, including retailers, restaurants, bars, and telecoms infrastructure. A series of new agreements have strengthened the portfolio, including a 25-year lease in central Nottingham to a large UK-based hospitality group which opened its premium Manhattan bar concept. Additionally, a reversionary lease agreement was made with a national Japanese inspired restaurant operator in Selly Oak, Birmingham. Terms included a new 10-year lease and significant rental uplift, securing a popular offering and breakout space for our customers.

We have also progressed strategic asset management initiatives to unlock further value. One example is the replacement of a non-strategic tenant in Nottingham with a national restaurant operator, which has agreed to take the space on a 15-year term-certain lease while maintaining similar rent terms of the former tenant. Another initiative involves a national supermarket chain, where we are set to re-gear several of their convenience store leases to increase length of tenure, enhancing long-term income stability whilst being complementary to our student customers and the wider community.

Looking ahead, the focus within the commercial estate will be on re-gearing leases with strong tenants, filling all vacant units, and exploring opportunities to repurpose underutilised spaces to generate additional revenue.

Capital expenditure programme

Progress against our five year programme of refurbishment, fire safety works and green initiatives is set out below.

In respect to our programme of fire safety works, all properties have been surveyed with 73 per cent of the portfolio now EWS1 certified. In arriving at the portfolio's market value, the valuer applies a pound for pound deduction for the forecasted cost of the remaining works as well as, if applicable, a revenue disruption cost. Like many other real estate investors, we have submitted compensation claims against companies involved in the assets' construction. Given the size and repurposed nature of a large number of our properties, the likelihood of success is less certain, but a modest contribution has been assumed against the costs of remediation.

	Undergraduate refurbishment (£m)	**Fire safety works (£m)**	**Green initiatives (£m)**
Five year Plan (2021 – 2025)	**36.0**	**46.0**	**12.0**
Invested to date	32.5	30.5	4.1
Forecast 2025 investment	**3.5**	**10.1**	**4.2**

In addition to the above, ongoing capital life cycling works continue to require around £4.0 million per annum.

2025 is the final year of the original Capital Expenditure works programme. Although the quantum of future capital expenditure is anticipated to be significantly lower than that set out in this original programme, there will be a need to revisit the forecasted spend for 2026 and beyond. Certain newly acquired properties have been purchased with the benefit of refurbishment potential which, given the attractive rental growth anticipated, refurbishment remains firmly within the Group's strategic plan of capital works.

Financial Review

In October 2024, the Group successfully completed its first equity raise since 2017, raising £56.1 million, (£54.3 million net of costs) following the placement of 60.4 million new ordinary shares representing ten per cent of the Company's issued share capital prior to the placing announcement. Proceeds are earmarked to accelerate growth through deployment into two new acquisition opportunities and to fund refurbishment works required to roll out the Group's Postgraduate product across 16 identified assets. The latter had previously been the subject of a potential joint venture, the plans for which were terminated given market conditions at the time provided the Company with the opportunity to take an independent path. Abortive costs were £0.5 million.

A £124.9 million seven year refinancing was completed during the first half of 2024, consolidating four smaller facilities which were scheduled to mature in 2024 and 2025 and removing refinancing risk for the near term. The weighted average cost of debt now stands at 4.5 per cent, an increase of 20 bps from 31 December 2023 and in line with guidance provided. Following the equity placement, EPRA LTV has fallen to 27.2 per cent.

Blending like for like rental growth across the 2023/24 and 2024/25 academic years of 10.5 per cent and 7.0 per cent respectively, the financial year of 2024 has delivered growth of 9.3 per cent. Occupancy remained strong throughout with 99 per cent for 2023/24 and 97 per cent for 2024/25.

Income statement	2024 £m	2023 £m
Revenue	84.2	80.5
Property expenses	(25.6)	(25.2)
Gross profit	58.6	55.3
Gross margin	70%	69%
Administrative expenses	(15.4)	(14.0)
Operating profit	43.2	41.3
Revaluation	15.4	30.1
Losses on disposals	(4.2)	(0.6)
Derivative mark to market loss	(1.3)	(0.2)
Net finance costs	(18.7)	(17.2)
IFRS Profit	34.4	53.4
EBITDA	43.9	42.1
Weighted average ordinary shares (m)	616.2	603.4
IFRS EPS (pence)	5.6	8.8
EPRA EPS (pence)	4.2	4.0
Net debt to EBITDA (times)	6.8	7.6

Growth in revenue coupled with the exit of four further non-core cities has increased the Group's overall gross margin to 70 per cent from 69 per cent in the prior year, despite ongoing cost challenges, in particular with respect to utility costs. Following the 2024 expiry of an historic fixed cost arrangement, we have once again largely fixed utility costs for 2025 to mitigate future volatility.

Administrative expenses were £15.4 million, including a £0.5 million charge relating to abortive joint venture arrangement costs. Once removed, underlying costs of £14.9 million were in line with expectation, increasing 6.4 per cent on the prior year.

Notwithstanding the abolition of Multiple Dwellings Relief, the portfolio valuation increased by £15.4 million, 1.6 per cent on a like-for-like basis. This is primarily income led, with no overall change in the portfolio's yield of 5.5 per cent.

The valuer has taken a more cautious approach to future income growth this year, providing the potential to outperform the current reversionary potential of 5.7 per cent.

Eight non-core assets were disposed of during 2024, generating £45.2 million at an overall loss of £4.2 million. Funds are earmarked for redeployment into the Group's core capital expenditure programme. Since launching the Company's programme of non-core asset disposals, £146.4 million has been generated at an overall discount of 0.2 per cent to book values.

Net finance costs of £18.6 million include a charge of £0.9 million related to accelerated debt issue cost amortisation following refinancing activity completed in the first half of the year. On an underlying basis, net finance costs of £17.7 million were 2.9 per cent higher than the prior year, reflecting the higher weighted average cost of debt. All drawn debt is currently either fixed or subject to interest rate protection.

EPRA earnings per share has increased by five per cent to 4.2 pence per share, comfortably covering dividends paid and proposed for 2024 of 3.7 pence per share.

Balance sheet	2024 £m	2023 £m
Property (market value)	1,135.0	1,097.9
Bank borrowings drawn	(374.3)	(360.3)
Cash on hand	75.4	40.5
Net debt	(298.9)	(319.8)
Other net liabilities	(43.8)	(43.9)
Net assets	801.3	734.2
Diluted number of shares	669.6	608.0
EPRA NTA per share (pence)	119.6	120.7
EPRA LTV	27.2%	30.6%

EPRA net tangible assets per share has reduced by 0.9 per cent to 119.6 pence. The reduction in NTA per share is primarily due to the dilutive impact of the placement of 60.4 million new ordinary shares at a 93 pence per share. Although initially dilutive, it is anticipated that the deployment of placing proceeds will result in NTA per share accretion beyond 2025.

Evolution of net asset value	£m
31 December 2023	734.2
EPRA earnings	25.9
Revaluation	15.4
Capital raise (net of costs)	54.3
Dividends paid	(22.0)
Loss on disposals	(4.2)
Other	(2.3)
31 December 2024	801.3

Portfolio valuation	2024 £m	2023 £m	Gain[1] £m	Change %
Like for like property portfolio	1,063.9	1,031.7	16.2	1.6
Acquisitions	36.2	-	(2.2)	
Disposals	-	49.5	(1.6)	
Other non-like for like (development)	34.9	16.7	3.0	
Portfolio valuation	1,135.0	1,097.9	15.4	

1 Net of capital expenditure and headlease amortisation

On a like for like basis the portfolio increased in value by 1.6 per cent during the year. This includes the impact of the abolition of Multiple Dwellings Relief which has materially increased purchaser cost assumptions inherent in the valuations of our English and Welsh properties. For comparability, the like for like valuation gain would have been 4.2 per cent had Multiple Dwellings Relief continued to be in place at 31 December 2024.

Cities with particularly strong demand such as Bristol, Edinburgh, Glasgow and Manchester performed well. The latter includes our site at Victoria Point on which planning permission has been granted to add 310 new beds to the scheme. The weakest performance was from those cities experiencing lower demand, such as Sheffield and Leeds which have tempered the overall like for like valuation increase.

Three acquisitions were concluded during the year in Bristol, Glasgow and Manchester. The latter being the first of two acquisitions funded from the proceeds of the October 2024 equity raise. Acquisitions have favoured operational assets in top-tier university cities where the Group has an existing operational presence and can therefore benefit from the efficiencies realised through clustering.

Eight assets were disposed of during the year, achieving an exit from four non-core cities; Stoke, Reading, Oxford and London. The latter two being non-core by virtue of scale.

Our Brunswick Apartments scheme in Southampton underwent a significant refurbishment during 2024 and was closed to students for the duration of the 2023/24 academic year. A net valuation uplift of £3.0 million has been recorded post refurbishment. Given the quantum invested and associated disruption to income, this property is classified in the table above as ‘other non-like for like’.

Debt

In March 2024, we refinanced four small near term debt facilities into one consolidated seven year £124.9 million facility. Following refinancing, the Group's weighted term to maturity has been extended to 4.7 years from 3.9 years at December 2023. The weighted average cost of debt is currently 4.5 per cent, with all drawn debt subject to interest rate protection. The next debt maturity is not now scheduled until April 2028.

Compliance with all covenants was maintained throughout the year. With a weighted average LTV covenant of 63 per cent and a weighted average ICR covenant of 1.9 times, good headroom continues to remain.

Cashflow	**2024 £m**	**2023 £m**
Operating cash flow	43.0	43.7
Property disposals	42.6	42.6
Property acquisitions and capital expenditure	(74.9)	(34.0)
Finance income	0.8	0.2
Net cash flows from investing activities	(31.5)	8.8
Capital raise (net of costs)	54.3	-
Dividends paid	(22.5)	(20.2)
Net borrowings drawn/(repaid)	14.1	(31.0)
Finance costs	(22.5)	(16.6)
Financing cash flows	23.4	(67.8)
Net cash flow	34.9	(15.3)

The disposal of eight small non-core assets during 2024 generated proceeds net of disposal costs of £44.0 million. Proceeds have largely been reinvested in the Group's core capital expenditure programme of undergraduate refurbishments and ongoing fire safety works. Capital expenditure, together with the acquisition of three new properties during 2024 has resulted in the deployment of £73.1 million.

The Group's October 2024 equity raise generated £54.3 million, net of costs. These proceeds were earmarked for acquisitions and to fund refurbishment related capital expenditure, facilitating the transformation of 16 properties to the Group's postgraduate specification, with associated cash deployment to fall during 2025. Proceeds earmarked for acquisition related activity were partly deployed toward the December 2024 acquisition of Tatton House in Manchester, which was acquired for £19.75 million, before costs.

Cash applied toward dividend payments in the year totalled £22.5 million, including £0.5 million of withholding tax due on the final dividend payment in 2023, settled in January 2024.

Cash applied to the settlement of finance costs has increased compared to 2023. The Group held higher overall drawn debt at a marginally higher cost, with the weighted cost of debt increasing from 4.3 per cent at 31 December 2023 to 4.5 per cent this year, increasing finance costs by approximately £2.5 million. Finance cost payments also include £3.9 million paid toward arrangement fees and hedging costs associated with the Group's £124.9 million refinancing which was completed earlier in the year.

Going concern

The Board places particular focus on the appropriateness of adopting the going concern assumption when preparing the Company's and the Group's financial statements.

In light of the Group's liquidity position, its modest level of capital commitment of £2.8 million, weighted average unexpired debt term and overall level of gearing, the Directors have concluded that, in reasonably possible adverse scenarios, there remains adequate resources and mitigants available to continue to operate until at least 31 December 2026, being a period of not less than 12 months from the date of approval of these financial statements. The Directors therefore concluded that it remains appropriate to adopt the going concern basis of preparation when compiling the Annual Report and Accounts for the year ended 31 December 2024.

Attention is drawn to Note 1.4 to the financial statements for further details surrounding the conclusion reached.

Dividends

A final interim dividend of 1.075 pence per share has been declared for the final quarter of 2024, bringing total dividends paid and payable in respect of 2024 to 3.7 pence. This represents a six per cent increase on the total dividend paid in respect of 2023 and a 88 per cent pay-out on EPRA EPS.

With all recent dividends having been paid entirely as Property Income Distributions, there is sufficient headroom to pay this final dividend of the year as an ordinary company dividend. Payment will be made on 11 April 2025 to shareholders on the register at 28 March 2025.

Donald Grant
Chief Financial & Sustainability Officer
12 March 2025

EPRA and other alternative performance measures

Our performance in line with industry standard measures

The following is a summary of the EPRA performance measures included in the Group's results. As defined by the EPRA Best Practice Recommendations, these are a set of standard disclosures for the property industry designed to drive consistency in reporting.

EPRA Measure	Definition of measure	Note/ reference	2024	2023
Earnings (£m)	The Company's underlying earnings from operational activities	8	25.9	24.1
Net tangible assets ("NTA")	The underlying value of the Company assuming it buys and sells assets	9	119.6	120.7
Net disposal value ("NDV")	The value of the Company assuming assets are sold, and the liabilities are settled, not held to maturity	9	122.8	124.2
Net reinstatement value ("NRV")	The value of the assets on a long-term basis, assets and liabilities are not expected to crystallise under normal circumstances	9	129.6	126.8
Net initial yield	Rental income less operating costs divided by the market value of the property, increased with purchasers costs	Below	4.9%	5.0%
Cost ratio (incl. direct vacancy costs)	Administrative & operating costs including costs of direct vacancy divided by gross rental income.	Below	49%	49%
Cost ratio (excl. direct vacancy costs)	Administrative & operating costs excluding costs of direct vacancy divided by gross rental income	Below	48%	48%
Like-for-like rental income (in respect of academic year)	Compares the growth in rental income that has been in operation and not under development, throughout both the current and comparative year	Financial review	7.0%	10.5%
Like-for-like capital	Compares the growth in capital values of the Group's portfolio which was controlled by the Group and both balance sheet dates, net of capital expenditure and excluding development properties	Financial review	1.6%	3.0%
Loan to value	Ratio of net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, expressed as a percentage	Below	27.2%	30.6%
Vacancy rate	Estimated Market Rental Value ("**ERV**") of vacant space divided by ERV of the whole portfolio	Below	3.4%	0.7%

Other alternative performance measures

An alternative performance measure ("APM") is a financial measure of historical or future financial performance, financial position or cash flows of an entity which is not a financial measure defined or specified in International Financial Reporting Standards ("IFRS").

APMs are presented to provide useful information to readers and have been, or are still, consistent with industry standards. The table below sets out the additional non-EPRA derived APMs included within the Annual Report and Accounts.

Measure	Definition of measure	Note/ reference	2024	2023
Total Return	Growth in EPRA NTA plus dividends paid as a percentage of opening EPRA NTA	31	2.0%	7.6%
Net debt (£m)	Borrowings less cash and cash equivalents	Financial Review	299.0	319.8
Dividend cover	EPRA earnings relative to dividends declared for the year	31	114%	114%
Dividend pay-out ratio	Dividends declared relative to EPRA earnings	31	88%	88%

	Group	
EPRA Net Initial Yield and topped-up NIY	**Year Ended 31 December 2024 £m**	**Year Ended 31 December 2023 £m**
Investment property	1,135.0	1,097.9
Less: development	(5.7)	(3.0)
Completed property portfolio	1,129.3	1,094.9
Allowance for purchases cost	67.3	37.1
Grossed up completed property portfolio valuation	1,196.6	1,132.0
Annualised cash passing rental income	84.1	81.7
Property outgoings	(25.6)	(25.2)
Annualised net rents	58.5	56.5
Add: notional rent expiration of rent-free periods or other lease incentives	0.1	0.1
Topped-up net annualised rent	58.6	56.6
EPRA NIY	4.9%	5.0%
EPRA "topped-up" NIY	4.9%	5.0%
EPRA Cost ratios		
Operating expense line per IFRS income statement	25.6	25.2
Administration costs	15.4	14.0
Ground rent costs	-	-
EPRA Costs (including direct vacancy costs)	41.0	39.2
Direct vacancy costs	(0.2)	(0.4)
EPRA Costs (excluding direct vacancy costs)	40.8	38.8
Gross Rental Income less ground rents – per IFRS	84.2	80.5
Less: service fee and service charge costs components of Gross Rental	-	-
Gross Rental Income	84.2	80.5
EPRA Cost Ratio (including direct vacancy costs)	49%	49%
EPRA Cost Ratio (excluding direct vacancy costs)	48%	48%
EPRA Loan to Value ("LTV")		
Bank borrowings drawn	374.3	360.3
Net payables	11.4	16.8
Less cash held at the year end	(75.4)	(40.5)
Net borrowings	310.3	336.6
Investment property at fair value	1,118.6	1,072.5
Property held for sale	10.7	22.4
Property under development	5.7	3.0
Intangible assets	5.5	3.1
Property value	1,140.5	1,101.0
EPRA LTV	27.2%	30.6%

EPRA capital expenditure analysis

	2024	2023
Acquisitions	37.2	-
Development	0.9	0.3
Investment properties		
Incremental lettable space	-	-
No incremental lettable space	31.9	32.2
Total capex	**70.0**	**32.5**
Conversion from accrual to cash	2.1	(0.1)
Total capex on cash basis	**72.1**	**32.4**

EPRA vacancy rate

	2024	2023
Estimated rental value of vacant space (£m)	3.0	0.7
Estimated rental value of whole portfolio (£m)	87.9	86.2
EPRA vacancy rate (%)	**3.4%**	**0.8%**

Statement of Directors' responsibilities

The statement of Directors' responsibilities has been prepared in relation to the Group's Annual Report 2024. Certain parts of the Annual Report are not included in this announcement.

We confirm to the best of our knowledge:

- the Group financial statements, which have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the strategic report includes a fair review of the development and performance of the business and the position of the Group.

Signed on behalf of the Board on 12 March 2025 by:

Donald Grant
Director

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Continuing operations			
Revenue	2	84.2	80.5
Property expenses	3	(25.6)	(25.2)
Gross profit		58.6	55.3
Administrative expenses	4	(15.4)	(14.0)
Loss on disposal of investment property		(4.2)	(0.6)
Change in fair value of investment property	11,16	15.4	30.1
Operating profit		54.4	70.8
Finance costs	5	(19.5)	(17.4)
Finance income	5	0.8	0.2
Derivative fair value movement		(1.3)	(0.2)
Profit before income tax		34.4	53.4
Corporation tax	7	–	–
Profit for the year and total comprehensive income		34.4	53.4
Earnings per share expressed in pence per share	8		
Basic		5.6	8.8
Diluted		5.5	8.8

Consolidated Statement of Financial Position

	Note	At 31 December 2024 £m	At 31 December 2023 £m
ASSETS			
Non-current assets			
Investment property – Operational Assets	11	1,118.9	1,072.7
Investment property – Development Assets	11	6.0	3.0
Property, plant and equipment	13	0.8	0.8
Intangible assets	12	5.5	3.1
Right of use asset		1.0	1.2
Total non-current assets		1,132.2	1,080.8
Current assets			
Trade and other receivables	14	7.9	6.5
Assets classified as held for sale	15	10.7	22.4
Cash and cash equivalents	16	75.4	40.5
Derivative fair value		0.5	0.1
Total current assets		94.5	69.5
Total assets		1,226.7	1,150.3
LIABILITIES			
Current liabilities			
Trade and other payables	17	19.2	23.4
Borrowings	18	–	56.5
Lease liability		0.2	0.1
Deferred income	17	34.8	34.9
Total current liabilities		54.2	114.9
Non-current liabilities			
Borrowings	18	370.4	300.2
Lease liability		0.8	1.0
Total non-current liabilities		371.2	301.2
Total liabilities		425.4	416.1
Total net assets		801.3	734.2
Equity			
Called up share capital	19	6.6	6.0
Share premium	20	54.1	0.3
Capital reduction reserve	21	402.1	424.1
Retained earnings		338.5	303.8
Total equity		801.3	734.2
Total equity and liabilities		1,226.7	1,150.3
Net Asset Value per share basic (pence)	9	120.7	121.7
Net Asset Value per share diluted (pence)	9	119.7	120.8
EPRA NTA per share (pence)	9	119.6	120.7

These financial statements were approved by the Board of Directors on 12 March 2024 and signed on its behalf by:

Donald Grant
Director

Company Statement of Financial Position

	Note	At 31 December 2024 £m	At 31 December 2023 £m
Fixed assets			
Investments in subsidiaries	30	222.6	222.6
Property, plant and equipment	13	0.8	0.7
Intangible assets	12	5.5	3.1
Right of use asset		1.0	1.2
Total fixed assets		229.9	227.6
Current assets			
Amounts due from Group undertakings	14	819.4	391.4
Trade and other receivables	14	0.7	0.7
Cash and cash equivalents	16	24.7	2.4
Total current assets		844.8	394.5
Current creditors			
Amounts due to Group undertakings	17	454.8	111.0
Trade and other payables	17	2.1	3.4
Lease liability		0.2	0.1
Total current creditors		457.1	114.5
Total assets less current liabilities		617.6	507.6
Net current assets		387.7	280.0
Non-current creditors			
Lease liability		0.8	1.0
Total non-current creditors		0.8	1.0
Total net assets		616.8	506.6
Capital and reserves			
Called up share capital	19	6.6	6.0
Share premium	20	54.1	0.3
Capital reduction reserve	21	402.1	424.1
Retained earnings		154.0	76.2
Total capital and reserves		616.8	506.6

The Company made a profit for the year of £77.5 million (2023: loss of £13.1 million).

These financial statements were approved by the Board of Directors on 12 March 2024 and signed on its behalf by:

Donald Grant
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2024	Called up share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	6.0	0.3	424.1	303.8	734.2
Profit for the year	–	–	–	34.4	34.4
Total comprehensive income for the year	–	–	–	34.4	34.4
Share-based payments	–	0.1	–	0.3	0.4
Issue of shares net of fund raising costs	0.6	53.7	–	–	54.3
Dividends	–	–	(22.0)	–	(22.0)
Amounts recognised directly in equity	0.6	53.8	(22.0)	0.3	32.7
Balance at 31 December 2024	6.6	54.1	402.1	338.5	801.3
Balance at 1 January 2023	6.0	0.3	444.7	249.8	700.8
Profit for the year	–	–	–	53.4	53.4
Total comprehensive income for the year	–	–	–	53.4	53.4
Share-based payments	–	–	–	0.7	0.7
Reserves transfer	–	–	0.1	(0.1)	–
Dividends	–	–	(20.7)	–	(20.7)
Amounts recognised directly in equity	–	–	(20.6)	0.6	(20.0)
Balance at 31 December 2023	6.0	0.3	424.1	303.8	734.2

Company Statement of Changes in Equity

Year ended 31 December 2024	Called up Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	6.0	0.3	424.1	76.2	506.6
Profit for the year	–	–	–	77.5	77.5
Total comprehensive income for the year	–	–	–	77.5	77.5
Share-based payments	–	0.1	–	0.3	0.4
Issue of shares net of fund raising costs	0.6	53.7	–	–	54.3
Dividends	–	–	(22.0)	–	(22.0)
Amounts recognised directly in equity	0.6	53.8	(22.0)	0.3	32.7
Balance at 31 December 2024	6.6	54.1	402.1	154.0	616.8
Balance at 1 January 2023	6.0	0.3	444.7	88.7	539.7
Loss for the year	–	–	–	(13.1)	(13.1)
Total comprehensive income for the year	–	–	–	(13.1)	(13.1)
Share-based payments	–	–	–	0.7	0.7
Reserves transfer	–	–	0.1	(0.1)	–
Dividends	–	–	(20.7)	–	(20.7)
Amounts recognised directly in equity	–	–	(20.6)	0.6	(20.0)
Balance at 31 December 2023	6.0	0.3	424.1	76.2	506.6

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Cash flows from operating activities			
Profit before income tax		34.4	53.4
Share-based payments expense		0.4	0.9
Depreciation and amortisation		0.6	0.8
Finance costs		19.5	17.4
Finance income		(0.8)	(0.2)
Loss on disposal of investment property		4.2	0.6
Change in fair value of investment property		(15.4)	(30.1)
Change in fair value of derivative		1.3	0.2
		44.2	43.0
(Increase)/decrease in trade and other receivables		(1.5)	0.3
Decrease in trade and other payables		(1.0)	(2.0)
Increase in deferred rental income		1.3	2.4
		(1.2)	0.7
Net cash flows generated from operations		43.0	43.7
Cash flows from investing activities			
Purchases of tangible fixed assets		(0.1)	–
Purchases of intangible assets		(2.7)	(1.6)
Purchase and development of investment property		(72.1)	(32.4)
Proceeds on disposal of asset held for sale, net of selling costs		11.5	13.6
Proceeds on disposal of investment property, net of selling costs		31.1	29.0
Finance income		0.8	0.2
Net cash flows (deployed to)/from investing activities		(31.5)	8.8
Cash flows from financing activities			
Dividends paid		(22.5)	(20.2)
Proceeds from equity raise, net of costs		54.3	–
Bank borrowings drawn	28	164.9	–
Bank borrowings repaid	28	(150.8)	(30.9)
Loan arrangement fee paid	28	(2.2)	(0.1)
Lease liability paid	28	(0.2)	(0.3)
Derivative premium paid		(1.7)	(0.3)
Interest rate cap termination receipt		0.1	–
Finance costs		(18.5)	(16.0)
Net cash flows generated from/(used in) financing activities		23.4	(67.8)
Increase/(decrease) in cash and cash equivalents		34.9	(15.3)
Cash and cash equivalents at beginning of year	16	40.5	55.8
Cash and cash equivalents at end of year	16	75.4	40.5

Notes to the Financial Statements

1. ACCOUNTING POLICIES

1.1 Period of Account

The consolidated financial statements of the Group are in respect of the reporting period from 1 January 2024 to 31 December 2024.

The consolidated financial statements comprise the results of Empiric Student Property plc (the "Company") and its subsidiaries and were approved by the Board for issue on 12 March 2025. The Company is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are admitted to the official list of the UK Listing Authority, a division of the Financial Conduct Authority, and traded on the London Stock Exchange. The registered address of the Company is disclosed in the Company information.

1.2 Basis of Preparation

The consolidated financial statements of the Group for the year to 31 December 2024 comprise the results of Empiric Student Property plc (the "Company") and its subsidiaries (together, the "Group"). The Group and Parent Company financial statements have been prepared on a going concern basis. The Group financial statements have been prepared in accordance with UK adopted international accounting standards. The Parent Company financial statements have been prepared in accordance with FRS 101, Financial Reporting Standards Reduced Disclosure Framework.

The Group's financial statements have been prepared on a historical cost basis, except for investment property and derivative financial instruments which have been measured at fair value. The consolidated financial statements are presented in Pounds Sterling which is also the Company and the Group's functional currency.

The Company has applied the exemption allowed under section 408(1b) of the Companies Act 2006 and has therefore not presented its own Statement of Comprehensive Income in these financial statements. The Group profit for the year includes a profit after taxation of £77.5 million (2023: loss of £13.1 million) for the Company, which is reflected in the financial statements of the Company.

The financial information contained within this release does not constitute the Group's statutory accounts for the year ended 31 December 2024 or the year ended 31 December 2023 but is derived from those accounts. The Group's statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies. The Group's statutory accounts for the year ended 31 December 2024 will be delivered to the Registrar of Companies in due course. The Auditor has reported on both the December 2024 and December 2023 accounts; the reports were unqualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report and did not contain any statement under Section 498 of the Companies Act 2006.

1.3 Disclosure Exemptions Adopted

In preparing the financial statements of the Parent Company, advantage has been taken of all disclosure exemptions conferred by FRS 101. The Parent Company financial statements do not include:

- certain comparative information as otherwise required by international accounting standards;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with other wholly owned members of the Group headed by Empiric Student Property plc.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Empiric Student Property plc. The Parent Company financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

1.4 Going Concern

At 31 December 2024, the Group's cash position was £75.4 million and its capital commitments were £2.8 million.

Occupancy is a key driver of profitability and cash flows, and at 12 March 2025 occupancy, based on forward reservations for the upcoming 2025/26 academic year, was 48 per cent compared to 61 per cent for the 2024/25 academic year at 13 March 2024.

As part of the Group's going concern and viability modelling, certain scenarios are considered to model the impact on liquidity. All of the Group's covenants are currently compliant and we envisage compliance to continue to be achieved in a reasonably severe downside scenarios. The Group's portfolio could currently withstand a 16 per cent decline in property valuations before a breach in any loan to value covenant is triggered. The Group's average interest cover ratio across all facilities is 1.9 times, whereas gross profit is currently in excess of 3.0 times total finance costs, providing a good degree of comfort. Following refinancing completed during 2024, exposure to interest rate volatility has been significantly mitigated.

Bank borrowings would be renegotiated in advance of any potential covenant breaches, insofar as factors are within the control of the Group. Facility agreements typically contain cure provisions providing for prepayment, cash deposits or security enhancement as may be required to mitigate any potential breach. The Group's borrowings are spread across a range of lenders and maturities so as to minimise any potential concentration of risk.

The Directors have considered the Group's principal risks and severe but plausible downside scenarios in assessing the Group's and Company's going concern for the period to 31 December 2026. The Directors have considered, in particular:

- a material reduction in revenue, both in terms of occupancy and growth rate;
- inflation rates of 5 per cent, significantly above the Bank of England target rate of 2 per cent;
- utilities costs increase by 1.5 times that of current market expectation (where price fixing arrangements are not in place);
- floating interest rates increase by 1.0 per cent over current forecasts;
- an immediate valuation shock of minus 10 per cent in property valuations;
- individually, the level at which banking covenants would come under pressure;

In addition, the Directors have considered potential mitigants to the downside scenario which include, but are not limited to, utilising existing liquidity reserves, further asset disposals, pledging as security ungeared properties, suspending non committed capital expenditure and temporary suspension of the dividend.

Having made enquiries, the Directors have reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the period to 31 December 2026. In addition, having reassessed the Group and Company's principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

1.5 Significant Accounting Estimates and Judgements

The preparation of the Group's financial statements requires management to make estimates and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these estimates and judgements could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates

In the process of applying the Group's accounting policies, management has made the following estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Fair Valuation of Investment Property

The market value of investment property is determined, by an independent external real estate valuation expert, to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. Properties have been valued on an individual basis. The valuation experts use recognised valuation techniques and the principles of IFRS 13.

The valuations have been prepared in accordance with the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book"). Factors reflected include current market conditions, net underlying operational income, periodic rentals, lease lengths and location, as well as estimated costs to be incurred as part of the Group's EWS programme. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in Note 11.

For properties under development, the fair value is calculated by estimating the fair value of the completed property using the income capitalisation technique less estimated costs to completion and an appropriate developer's margin.

(b) Expected Credit Loss
Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net of impairment provisions, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the Statement of Comprehensive Income.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Operating Lease Contracts – the Group as Lessor
The Group has investment properties which have various categories of leases in place with tenants. The judgements by lease type are detailed below:

- Student leases: As these leases all have a term of less than one year, the Group retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.
- Commercial leases: The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the lease terms, insurance requirements and minimum lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

1.6 Summary of Material Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Subsidiaries are those investee entities where control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, it has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(b) exposure, or rights, to variable returns from its involvement with the investee; and

(c) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-Group balances, transactions and unrealised gains and losses resulting from intra-Group transactions are eliminated in full.

Financial Assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Fair Value Through Profit or Loss

These are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Statement of Comprehensive Income. This includes the Group's derivative financial instruments.

Amortised Cost

These assets are primarily from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net of impairment provisions, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for intercompany receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses against gross interest income are recognised. For those where the credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the Statement of Comprehensive Income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, short-term deposits and other short-term highly liquid investments with maturities of three months or less.

Financial Liabilities
The Group classifies all of its financial liabilities as other financial liabilities which include the following items:

- Bank borrowings, which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Intangible Assets
An intangible asset is recognised when it can be separately identified, will provide future economic benefits, and its cost can be reliably measured. Further consideration is given to each intangible asset as to whether it is internally generated or externally acquired.

Intangible assets are initially recognised at cost and then subsequently recognised at cost less accumulated depreciation and impairment losses. Amortisation is charged to the Consolidated Statement of Comprehensive Income within administrative expenses on a straight-line basis over a period of ten years. Intangible assets that are undergoing development are not amortised until such a time that they are ready for use.

Investment Property
Investment property comprises property that is held to generate rental income or for capital appreciation. This includes property under development rather than for sale in the ordinary course of business.

Investment property is measured initially at cost including transaction costs and is included in the financial statements on unconditional exchange. Transaction costs include transfer taxes, professional fees and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Once purchased, investment property is stated at fair value. Gains or losses arising from changes in fair value are included in the Consolidated Statement of Comprehensive Income in the period in which they arise.

A property ceases to be recognised as investment property and is transferred at its fair value to property held for sale when it meets the criteria of IFRS 5. Under IFRS 5 the asset must be available for immediate sale in its present condition subject only to the terms that are usual and customary for sales of such assets and its sale must be highly probable.

Investment property is derecognised when it has been disposed of, or permanently withdrawn from use, and no future economic benefit is expected from its disposal. The investment property is derecognised upon unconditional exchange. The difference between the net disposal proceeds and the carrying amount of the asset would result in either a gain or loss at the retirement or disposal of investment property. Any gains or losses are recognised as a net gain or loss on disposal of investment property in the Consolidated Statement of Comprehensive Income in the period of retirement or disposal.

Property, Plant and Equipment
All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure which is directly attributable to the acquisition of the asset.

Depreciation has been charged to the Consolidated Statement of Comprehensive Income within administrative expenses on the following basis:

- Fixtures and fittings: straight-line basis over seven years; and
- Computer equipment: straight-line basis over three years.

Rental Income
The Group is the lessor in respect of operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in gross rental income in the Consolidated Statement of Comprehensive Income due to its operating nature.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the Consolidated Statement of Comprehensive Income when the right to receive them arises.

Where a student requests a rent refund and they meet the necessary criteria, including leaving the property, the Group recognise no further income in relation to that tenancy.

Segmental Information
The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in student and associated commercial lettings, within the United Kingdom.

Share-based Payments
Where share options are awarded to employees or Directors, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. So long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

Share Capital
Ordinary shares are classified as equity. External costs directly attributable to the issuance of shares are recognised as a deduction from equity.

Taxation
As the Group is a UK REIT, profits arising in respect of the property rental business are not subject to UK corporation tax.

Taxation in respect of profits and losses outside of the property rental business comprise current and deferred taxes. Taxation is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised as a direct movement in equity, in which case it is also recognised as a direct movement in equity.

Current tax is the total of the expected corporation tax payable in respect of any non-REIT taxable income for the year and any adjustment in respect of previous periods, based on tax rates applicable to the periods.

Deferred tax is calculated in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases, based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised in full except to the extent that they relate to the initial recognition of assets and liabilities not acquired in a business combination. Deferred tax assets are only recognised to the extent that it is considered probable that the Group will obtain a tax benefit when the underlying temporary differences unwind.

1.7 Impact of New Accounting Standards and Changes in Accounting Policies

At the date of authorisation of these financial statements, the following accounting standards had been issued but are not yet effective:

- IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The above standards or interpretations not yet effective are not expected to have a material impact on the consolidated financial statements of the Group.

2. REVENUE

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Student rental income	82.6	79.0
Commercial rental income	1.6	1.5
Total revenue	84.2	80.5

3. PROPERTY EXPENSES

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Direct site costs (income generating properties)	5.8	5.0
Technology services	0.6	0.7
Site office and utilities	14.3	14.3
Cleaning and service contracts	3.2	3.3
Repairs and maintenance	1.7	1.9
Total property expenses	25.6	25.2

4. ADMINISTRATIVE EXPENSES

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Salaries and Directors' remuneration	8.9	8.8
Legal and professional fees	1.6	1.4
Other administrative costs	1.9	1.3
Depreciation and amortisation	0.6	0.8
IT expenses	1.3	1.0
Internal audit fees[1]	0.1	–
Abortive acquisition costs	0.5	0.1
Administrative expenses excluding external audit fees	14.9	13.3
Fees payable for the audit of the Group's annual results	0.4	0.3
Fees payable for the audit of the Group's interim results	0.1	0.1
Fees payable for the audit of the Group's subsidiaries	–	0.2
Total external audit fees[1]	0.5	0.6
Total administrative expenses	15.4	14.0

[1] Audit and related fees for the year ended 31 December 2023 includes £0.1 million arising in respect of the audit for the year ended 31 December 2022. In both years, external audit services were carried out by BDO and internal audit services were carried out by Grant Thornton.

5. NET FINANCE COSTS

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Finance costs		
Interest expense on bank borrowings	17.8	16.2
Amortisation of loan transaction costs	1.7	1.2
	19.5	17.4
Finance income		
Interest received on bank deposits	0.8	0.2
Net finance costs	18.7	17.2

6. EMPLOYEES AND DIRECTORS

	Group		Company	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Wages and salaries	13.7	12.3	6.0	5.2
Pension costs	0.9	0.7	0.4	0.5
Cash bonus	0.5	1.3	0.3	0.9
Share-based payments	0.4	0.9	0.4	0.9
National insurance	1.4	1.4	0.7	0.6
	16.9	16.6	7.8	8.1
Less: Hello Student employee costs included within property expenses	(7.5)	(7.7)	–	–
Less: capitalised salaries	(0.5)	–	(0.5)	–
Amounts included in administrative expenses	8.9	8.9	7.3	8.1
The average monthly number of employees:				
Management – Company	5	5	5	5
Administration – Company	70	60	70	60
Operations – Hello Student Management Limited	299	293	–	–
	374	358	75	65

	Group	
Directors' remuneration	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Salaries and fees	1.0	1.0
Pension costs	0.1	0.1
Bonus	0.1	0.5
Share-based payments	0.3	0.6
	1.5	2.2

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006 is set out in the Directors' Remuneration Report.

7. CORPORATION TAX

The Group became a REIT on 1 July 2014 and as a result does not pay UK corporation tax on its profits and gains from its qualifying property rental business in the UK provided it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal.

In order to achieve and retain REIT status, several conditions have to be met on entry to the regime and on an ongoing basis, including:

- at the start of each accounting period, the assets of the property rental business (plus any cash and certain readily realisable investments) must be at least 75% of the total value of the Group's assets;
- at least 75% of the Group's total profits must arise from the tax-exempt property rental business; and
- at least 90% of the tax exempt profit of the property rental business (excluding gains) of the accounting period must be distributed.

In addition, the full UK corporation tax exemption in respect of the profits of the property rental business will not be available if the profit financing cost ratio in respect of the property rental business is less than 1.25.

The Directors intend that the Group should continue as a REIT for the foreseeable future, with the result that deferred tax is not required to be recognised in respect of temporary differences relating to the property rental business.

	Group	
	Year ended 31 December 2024 £m	**Year ended 31 December 2023 £m**
Current tax		
Income tax charge for the year	–	–
Adjustment in respect of prior year	–	–
Total current income tax charge in the income statement	–	–
Deferred tax		
Total deferred income tax charge in the income statement	–	–
Total current income tax charge in the income statement	–	–
The tax assessed for the year is lower than the standard rate of corporation tax in the year		
Profit for the year	34.4	53.4
Profit before tax multiplied by the rate of corporation tax in the UK of 25% (2023: 23.5%)	8.6	12.5
Exempt property rental profits in the year	(8.2)	(9.1)
Exempt property revaluations in the year	(3.9)	(7.1)
Effects of:		
Non-allowable expenses	0.2	0.1
Unutilised current year tax losses	3.3	3.6
Total current income tax charge in the income statement	–	–

No deferred tax asset has been recognised in respect of gross tax losses of £60.6 million (2023: £48.8 million), accelerated capital allowances of £4.2 million (2023: £3.8 million) and share based payments of £2.5 million (2023: £2.1 million) on the basis that the business is not expected to generate taxable profits in future periods against which these amounts can be applied. Therefore, a deferred tax asset of £16.2 million (2023: £13.1 million) has not been recognised in respect of such timing differences.

8. EARNINGS PER SHARE

The number of shares used in the calculation of basic earnings per share is based on the time weighted average number of shares throughout the year.

Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

EPRA EPS, reported on the basis recommended for real estate companies by EPRA, is a key measure of the Group's operating results, and used by the Board to assess the Group's dividend payments.

The Group has early adopted EPRA's Best Practice Recommendations issued in September 2024 for accounting periods beginning on or after 01 October 2024. The impact of adoption has led to a refinement of the EPRA Earnings Per Share (EPS) metric, introduced to ensure EPRA's earnings metric remains robust, accurate and aligned to both its original definition and applied consistently across the sector.

The primary amendment made allows Companies to make adjustments for items considered to be non-operating, unusual or exceptional within the calculation of EPRA EPS, thereby reducing the need for Company adjusted earnings metrics.

During the year two exceptional non-recurring charges totalling £1.4 million were made, which have been adjusted for in arriving at EPRA Earnings and EPRA EPS, as set out below. There were no equivalent charges in the comparative period and therefore no change to EPRA Earnings or EPRA EPS as a result of adoption.

The calculation of each earnings measure is set out below:

	Calculation of basic EPS £m	Calculation of diluted EPS £m	Calculation of EPRA basic EPS £m	Calculation of EPRA diluted EPS £m
Year to 31 December 2024				
Earnings per IFRS statement of comprehensive income	34.4	34.4	34.4	34.4
Adjustments to remove:				
Changes in fair value of investment property	–	–	(15.4)	(15.4)
Loss on disposal of investment property	–	–	4.2	4.2
Loss on derivative financial instruments	–	–	1.3	1.3
Accelerated debt issue cost amortisation on refinancing – non-recurring	–	–	0.9	0.9
Abortive costs in relation to prospective Joint Venture – non-recurring	–	–	0.5	0.5
Earnings	34.4	34.4	25.9	25.9
Weighted average number of shares (m)	616.2	616.2	616.2	616.2
Adjustment for employee share options (m)	–	5.6	–	5.6
Total number shares (m)	616.2	621.8	616.2	621.8
Earnings per share (pence)	5.6	5.5	4.2	4.2

	Calculation of basic EPS £m	Calculation of diluted EPS £m	Calculation of EPRA basic EPS £m	Calculation of EPRA diluted EPS £m
Year to 31 December 2023				
Earnings per IFRS statement of comprehensive income	53.4	53.4	53.4	53.4
Adjustments to remove:				
Loss on disposal of investment property	–	–	0.6	0.6
Changes in fair value of investment property	–	–	(30.1)	(30.1)
Loss on derivative financial instruments			0.2	0.2
Earnings	53.4	53.4	24.1	24.1
Weighted average number of shares (m)	603.4	603.4	603.4	603.4
Adjustment for employee share options (m)	–	4.6	–	4.6
Total number shares (m)	603.4	608.0	603.4	608.0
Earnings per share (pence)	8.8	8.8	4.0	4.0

9. NET ASSET VALUE PER SHARE

The principles of the three EPRA measures are set out below:

EPRA Net Reinstatement Value ("NRV"): Assumes that entities never sell assets and aims to represent the value required to reinstate entity assets.

EPRA Net Tangible Assets ("NTA"): Assumes that entities buy and sell assets, which crystalises unavoidable deferred tax.

EPRA Net Disposal Value ("NDV"): Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. As the Group is a REIT, no adjustment is made for deferred tax.

The Group considers EPRA NTA to be the most relevant measure and this is used as the Group's primary NAV measure.

A reconciliation of the three EPRA NAV metrics from IFRS NAV is shown in the table below.

	NAV	EPRA NAV measures		
Year ended 31 December 2024	**IFRS £m**	**EPRA NTA £m**	**EPRA NRV £m**	**EPRA NDV £m**
Net assets per Statement of Financial Position	801.3	801.3	801.3	801.3
Adjustments				
Fair value of fixed rate debt	–	–	–	20.7
Derivative fair value	–	(0.5)	(0.5)	–
Purchaser's costs[1]	–	–	67.3	–
Net assets used in per share calculation	801.3	800.8	868.1	822.0
Number of shares in issue				
Issued share capital (m)	664.0	664.0	664.0	664.0
Issued share capital plus employee options (m)	669.6	669.6	669.6	669.6
Net Asset Value per share				
Basic Net Asset Value per share (pence)	120.7			
Diluted Net Asset Value per share (pence)	119.7	119.6	129.6	122.8

	NAV	EPRA NAV measures		
Year ended 31 December 2023	**IFRS £m**	**EPRA NTA £m**	**EPRA NRV £m**	**EPRA NDV[1] £m**
Net assets per Statement of Financial Position	734.2	734.2	734.2	734.2
Adjustments				
Fair value of fixed rate debt	–	–	–	20.9
Derivative fair value	–	(0.1)	(0.1)	–
Purchaser's costs[2]	–	–	37.1	–
Net assets used in per share calculation	734.2	734.1	771.2	755.1
Number of shares in issue				
Issued share capital (m)	603.4	603.4	603.4	603.4
Issued share capital plus employee options (m)	608.0	608.0	608.0	608.0
Net Asset Value per share				
Basic Net Asset Value per share (pence)	121.7			
Diluted Net Asset Value per share (pence)	120.8	120.7	126.8	124.2

1 Restated to reflect full application of the equity method.

2 EPRA NTA and EPRA NDV reflect IFRS values which are net of purchaser's costs. Any purchaser's costs deducted from the market value are added back when calculating EPRA NRV.

10. DIVIDENDS PAID

	Group and Company	
	Year ended 31 December 2024 £m	**Year ended 31 December 2023 £m**
Interim dividend of 0.875 pence per ordinary share in respect of the quarter ended 31 December 2022		5.3
Interim dividend of 0.8125 pence per ordinary share in respect of the quarter ended 31 March 2023		4.9
Interim dividend of 0.8125 pence per ordinary share in respect of the quarter ended 30 June 2023		4.9
Interim dividend of 0.9375 pence per ordinary share in respect of the quarter ended 30 September 2023		5.6
Interim dividend of 0.9375 pence per ordinary share in respect of the quarter ended 31 December 2023	5.7	
Interim dividend of 0.875 pence per ordinary share in respect of the quarter ended 31 March 2024	5.3	
Interim dividend of 0.875 pence per ordinary share in respect of the quarter ended 30 June 2024	5.3	
Interim dividend of 0.875 pence per ordinary share in respect of the quarter ended 30 September 2024	5.7	
	22.0	20.7

As at 31 December 2024, no withholding tax was recorded in trade payables (2023: £0.5 million). On 12 March 2025 the Company declared a dividend of 1.075 pence per share to be paid on 11 April 2025.

11. INVESTMENT PROPERTY

Year ended 31 December 2024	Group Investment property freehold £m	Investment property long leasehold £m	Total operational assets £m	Property under development £m	Total investment property £m
As at 1 January 2024	940.0	132.7	1,072.7	3.0	1,075.7
Capital expenditure	25.4	6.1	31.5	1.3	32.8
Property acquisitions	31.3	–	31.3	5.9	37.2
Sale of investment property	(32.7)	–	(32.7)	(3.0)	(35.7)
Transfer to held for sale asset	(2.7)	–	(2.7)	–	(2.7)
Change in fair value during the year*	12.3	6.5	18.8	(1.2)	17.6
As at 31 December 2024	973.6	145.3	1,118.9	6.0	1,124.9

* The change in fair value of investment property during the year for the Group was £15.4 million. Of this, a fair value gain of £17.6 million has been recorded in Investment Property, and a £2.2 million loss has been recorded in held for sale assets.

Year ended 31 December 2023	Group Investment property freehold £m	Investment property long leasehold £m	Total operational assets £m	Property under development £m	Total investment property £m
As at 1 January 2023	920.4	142.0	1,062.4	3.3	1,065.7
Capital expenditure	29.7	2.8	32.5	–	32.5
Sale of investment property	(12.0)	(18.2)	(30.2)	–	(30.2)
Transfer to held for sale asset	(22.4)	–	(22.4)	–	(22.4)
Change in fair value during the year	24.3	6.1	30.4	(0.3)	30.1
As at 31 December 2023	940.0	132.7	1,072.7	3.0	1,075.7

All rental income as well as all direct operating expenses, including repairs and maintenance, recorded in the Statement of Comprehensive Income were derived from those assets held under Investment Property and Held For Sale Assets. No direct operating expenses, including repairs and maintenance, arose from Investment Property or Held For Sale Assets that did not generate rental income.

£374.3 million (nominal value) of the Group’s borrowings are secured by fixed charges over certain investment properties held by subsidiaries, with a market value of £1,021.7 million (31 December 2023: £1,074.9 million), and by floating charges over the assets of certain subsidiaries. There are currently no restrictions on the remittance of income from investment properties.

In accordance with IAS 40, the carrying value of investment property is their fair value as determined by independent external valuers. This valuation has been conducted by CBRE Limited, as external valuer, and has been prepared as at 31 December 2024, in accordance with the Appraisal & Valuation Standards of the RICS, on the basis of market value. Properties have been valued on an individual basis. This value has been incorporated into the financial statements.

The valuation of all property assets uses market evidence and includes assumptions regarding income expectations and yields that investors would expect to achieve on those assets over time. Many external economic and market factors, such as interest rate expectations, bond yields, the availability and cost of finance and the relative attraction of property against other asset classes, could lead to a reappraisal of the assumptions used to arrive at current valuations. In adverse conditions, this reappraisal can lead to a reduction in property values and a loss in Net Asset Value.

The valuers of the Group's property portfolio have made enquiries to ascertain sustainability factors which are likely to impact value and reflect their understanding of how market participants include sustainability factors in their pricing decisions in arriving at their opinion of market value. The valuer considers the following sustainability considerations to have the greatest potential to impact value:

- Energy performance;
- Green certification;
- Sources of fuel and renewable energy sources; and
- Physical risk/Climate related risk

The table below reconciles between the fair value of the investment property per the Consolidated Statement of Financial Position and investment property per the independent valuation performed in respect of each year end.

	Group	
	As at 31 December 2024 £m	**As at 31 December 2023 £m**
Value per independent valuation report	1,135.0	1,097.9
Add: Head lease	0.6	0.2
Deduct: Assets classified as held for sale	(10.7)	(22.4)
Fair value per Consolidated Statement of Financial Position	1,124.9	1,075.7

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy for investment property:

Date of valuation 31 December 2024	**Total £m**	**Quoted prices inputs markets (Level 1) £m**	**Significant observable inputs (Level 2) £m**	**Significant unobservable inputs (Level 3) £m**
Assets measured at fair value:				
Student property	1,118.5	–	–	1,118.5
Commercial property	16.5	–	–	16.5
As at 31 December 2024	1,135.0			1,135.0

Date of valuation 31 December 2023	**Total £m**	**Quoted prices in active markets (Level 1) £m**	**Significant observable inputs (Level 2) £m**	**Significant unobservable inputs (Level 3) £m**
Assets measured at fair value:				
Student property	1,082.1	–	–	1,082.1
Commercial property	15.8	–	–	15.8
As at 31 December 2023	1,097.9	–	–	1,097.9

There have been no transfers between Level 1 and Level 2 during the year, nor have there been any transfers between Level 2 and Level 3 during the year.

The valuations have been prepared on the basis of market value which is defined in the RICS Valuation Standards, as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Market value as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

The following descriptions and definitions relate to valuation techniques and key unobservable inputs made in determining fair values. The valuation technique for student property uses a discounted cash flow with the following inputs:

(a) Unobservable input: Rental income

The rent at which space could be let in the market conditions prevailing at the date of valuation. Range £116 per week–£549 per week with a weighted average weekly rent of £235 (31 December 2023: £96–£493 per week, weighted average £184).

(b) Unobservable input: Rental growth

The estimated average increase in rent based on both market estimations and contractual arrangements. Assumed rental growth of 3.5% used in valuations (31 December 2023: growth of 6.2%).

(c)Unobservable input: Net initial yield

The net initial yield is defined as the initial net income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase.

Range: 4.8%–8.9%, with a weighted average of 5.5% (31 December 2023: 4.5%–8.9%, weighted average 5.5%).

(d) Unobservable input: Physical condition of the property

The Group indicated that it would spend £46.0 million on health and safety works over a five year period through to 2026. CBREs assumption at 31 December 2024 is that £29.5 million for EWS and £1.5 million for internal fire safety works reflected as a deduction within the valuation (31 December 2023: £33.0 million). This deduction is in respect of work on external wall systems and fire stopping on buildings over 11 meters.

(e) Sensitivities of measurement of significant unobservable inputs

The Group's portfolio valuation is subject to judgement and is inherently subjective by nature. As a result, the following sensitivity analysis has been prepared by the valuer. For the purposes of the sensitivity analysis, the Group considers its property portfolio to be one homogeneous group of properties.

As at 31 December 2024	15% increase in cost of EWS works (£m)	-3% change in rental income (£m)	+3% change in rental income (£m)	-0.25% change in yield (£m)	+0.25% change in yield (£m)
(Decrease)/increase in the fair value of investment property	(4.4)	(45.8)	45.6	57.2	(52.1)

As at 31 December 2023	15% increase in cost of EWS works (£m)	-3% change in rental income (£m)	+3% change in rental income (£m	-0.25% change in yield (£m)	+0.25% change in yield (£m)
(Decrease)/increase in the fair value of investment property	(4.9)	(45.1)	45.0	55.5	(50.5)

(f) Commercial properties

The key assumptions for the commercial properties are net initial yield, current rent and rental growth. A 3% movement in commercial rental income would not materially impact the commercial property valuation of £16.5 million at the year end (2023: £15.8 million).

12. INTANGIBLE ASSETS

Year ended 31 December 2024	Group and Company External software development £m
Costs	
As at 1 January 2024	4.6
Additions	2.7
As at 31 December 2024	7.3
Amortisation	
As at 1 January 2024	(1.5)
Charge for the year	(0.3)
As at 31 December 2024	(1.8)
Net book value	
As at 31 December 2024	5.5

Year ended 31 December 2023	Group and Company External software development £m
Costs	
As at 1 January 2023	3.0
Additions	1.6
As at 31 December 2023	4.6
Amortisation	
As at 1 January 2023	(1.1)
Charge for the year	(0.4)
As at 31 December 2023	(1.5)
Net book value	
As at 31 December 2023	3.1

13. PROPERTY, PLANT AND EQUIPMENT

	Group			Company		
Year ended 31 December 2024	**Fixtures and fittings £m**	**Computer equipment £m**	**Total £m**	**Fixtures and fittings £m**	**Computer equipment £m**	**Total £m**
Costs						
As at 1 January 2024	1.8	0.6	2.4	1.7	0.3	2.0
Additions	–	0.1	0.1	–	0.1	0.1
As at 31 December 2024	1.8	0.7	2.5	1.7	0.4	2.1
Depreciation						
As at 1 January 2024	(1.1)	(0.5)	(1.6)	(1.0)	(0.3)	(1.3)
Charge for the year	–	(0.1)	(0.1)	–	–	–
As at 31 December 2024	(1.1)	(0.6)	(1.7)	(1.0)	(0.3)	(1.3)
Net book value						
As at 31 December 2024	0.7	0.1	0.8	0.7	0.1	0.8

	Group			Company		
Year ended 31 December 2023	**Fixtures and fittings £m**	**Computer equipment £m**	**Total £m**	**Fixtures and fittings £m**	**Computer equipment £m**	**Total £m**
Costs						
As at 1 January 2023	1.7	0.6	2.3	1.7	0.3	2.0
Additions	0.1	–	0.1	–	–	–
As at 31 December 2023	1.8	0.6	2.4	1.7	0.3	2.0
Depreciation						
As at 1 January 2023	(0.8)	(0.4)	(1.2)	(0.8)	(0.2)	(1.0)
Charge for the year	(0.3)	(0.1)	(0.4)	(0.2)	(0.1)	(0.3)
As at 31 December 2023	(1.1)	(0.5)	(1.6)	(1.0)	(0.3)	(1.3)
Net book value						
As at 31 December 2023	0.7	0.1	0.8	0.7	–	0.7

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31 December 2024 £m	**31 December 2023 £m**	**31 December 2024 £m**	**31 December 2023 £m**
Trade receivables	2.9	1.4	–	–
Other receivables	1.7	1.6	0.2	0.3
Prepayments	3.2	3.3	0.5	0.4
VAT recoverable	0.1	0.2	–	–
	7.9	6.5	0.7	0.7
Amounts due from Group undertakings	–	–	819.3	391.4
	7.9	6.5	820.0	392.1

In the Company, amounts owed from Group undertakings are classified as due within one year due to their legal agreements with the debtor, however, such amounts might be recovered after more than one year should the debtors' circumstance not permit repayment on demand.

The Group's trade receivables of £3.7 million at 31 December 2024 (2023: £1.4 million) is shown net of the provision for impairment of trade receivables of £1.9 million (2023: £2.1 million)

Movements on the Group provision for impairment of trade receivables were as follows:

	Group	
	31 December 2024 £m	**31 December 2023 £m**
At 1 January	2.1	1.9
Increase/(decrease) in provision for receivables impairment	(0.2)	0.2
At 31 December	1.9	2.1

The provision for impairment of trade receivables is assessed at each reporting period. Where trade receivables have arisen in the year ended 31 December 2024, a provision for impairment is considered by applying the historic rate at which trade receivables have been deemed to be irrecoverable, and applying this to the revenue of that year. Where trade receivables have arisen in a prior year, a provision for impairment equal to the value of those trade receivables is recognised.

Provisions for impaired receivables have been included in property expenses in the income statement. Amounts charged to the impairment provision are generally written off when there is no expectation of recovery.

The maximum exposure to credit risk at the reporting date is the book value of each class of receivable mentioned above and its cash and cash equivalents. The Group does not hold any collateral as security, though in some instances students provide guarantors.

Management believes that the concentration of credit risk with respect to trade receivables is limited due to the Group's customer base being broad and independent of each other, and because they are residing in the Group's accommodation. As such we have regular communication with them.

At 31 December 2024, there were no material trade receivables overdue at the year end which have not been fully provided for, and no aged analysis of trade receivables has been included. The carrying value of trade and other receivables classified at amortised cost approximates fair value. The Company performed a review of the expected credit loss on the amounts due from Group undertakings; there was no provision made during the year (2023: £nil). There are no security obligations related to these amounts due from Group undertakings.

15. HELD FOR SALE ASSETS

	Group	
	31 December 2024 £m	**31 December 2023 £m**
At 1 January	22.4	13.7
Capital expenditure	0.4	0.4
Sale of investment property	(12.6)	(14.1)
Transfer to held for sale assets	2.7	22.4
Change in fair value during year*	(2.2)	–
At 31 December	10.7	22.4

* The change in fair value of investment property during the year for the Group was £15.4 million. Of this, a fair value gain of £17.6 million has been recorded in Investment Property, and a £2.2 million loss has been recorded in held for sale assets.

Management considers that two properties (2023: three properties) meet the conditions relating to assets held for sale under IFRS 5: Non-current Assets Held for Sale. The combined fair value in these financial statements is £10.7 million (2023: £22.4 million). One of the three assets, with book value of £2.7 million, completed on its disposal on 29 January 2025 for consideration of £2.8 million. The remaining two assets are being actively marketed, management expects the sales to be completed in 2025.

All assets held for sale fall within 'Level 3' as defined by IFRS. There have been no transfers within the fair value hierarchy during the year.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	31 December 2024 £m	**31 December 2023 £m**	**31 December 2024 £m**	**31 December 2023 £m**
Unrestricted cash and cash equivalents	36.0	11.0	24.7	2.4
Restricted cash and cash equivalents [1]	39.4	29.5	–	–
Cash and cash equivalents	75.4	40.5	24.7	2.4

[1]Restricted cash relates to certain bank accounts held by the Group where funds are not immediately available at 31 December but may be utilised to settle contractual obligations.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	31 December 2024 £m	**31 December 2023 £m**	**31 December 2024 £m**	**31 December 2023 £m**
Trade payables	0.8	1.3	0.1	0.3
Other payables	4.1	4.2	0.4	0.2
Accruals	14.3	17.9	1.6	2.9
	19.2	23.4	2.1	3.4
Amounts owed to Group undertakings	–	–	454.8	111.0
	19.2	23.4	456.9	114.4

The Directors consider that the carrying value of trade and other payables approximates to their fair value.

Amounts owed to Group undertakings are interest free and repayable on demand.

At 31 December 2024, there was deferred rental income of £34.8 million (2023: £34.9 million) which was rental income that had been charged that relates to future periods.

18. BANK BORROWINGS

A summary of the drawn and undrawn bank borrowings in the year is shown below:

	Group					
	Bank borrowings drawn 31 December 2024 £m	Bank borrowings undrawn 31 December 2024 £m	Total 31 December 2024 £m	Bank borrowings drawn 31 December 2023 £m	Bank borrowings undrawn 31 December 2023 £m	Total 31 December 2023 £m
At 1 January	360.3	42.0	402.3	391.2	20.0	411.2
Bank borrowings repaid	(150.9)	–	(150.9)	(30.9)	24.6	(6.3)
Part cancellation of revolving credit facility	–	(2.0)	(2.0)	–	(22.6)	(22.6)
Unsecured facility refinanced	–	–	–	–	20.0	20.0
Bank borrowings drawn in the year	40.0	(40.0)	–	–	–	–
New facility drawn	124.9	–	124.9	–	–	–
At 31 December	374.3	–	374.3	360.3	42.0	402.3

At year end the Group had no undrawn borrowings (2023: two facilities with undrawn borrowings totalling £42 million). The weighted average term to maturity of the Group's debt as at the year end is 4.7 years (2023: 3.9 years).

Bank borrowings are secured by charges over individual investment properties held by certain asset-holding subsidiaries. These assets have a fair value of £1,021.7 million at 31 December 2024 (2023: £1,074.9 million). In some cases, the lenders also hold charges over the shares of the subsidiaries and the intermediary holding companies of those subsidiaries.

In March 2024, four small near term debt facilities were refinanced into one consolidated seven year £124.9 million facility. As the refinancing represented a substantial modification of terms, the near term facilities were derecognised, with accelerated unamortised arrangement fees of £0.9 being charged to finance costs upon derecognition. The new £124.9 million facility is held at floating rate, subject to an interest rate cap with arrangement fees amortising on a straight line basis over the term of the facility.

Any associated fees in arranging the bank borrowings unamortised as at the year end are offset against amounts drawn on the facilities as shown in the table below:

	Group	
Non-current	31 December 2024 £m	31 December 2023 £m
Balance brought forward	302.6	391.2
Total bank borrowings drawn in the year	164.9	–
Bank borrowings becoming non-current in the year	–	–
Less: Bank borrowings becoming current in the year	–	(57.7)
Less: Bank borrowings repaid during the year	(93.2)	(30.9)
Bank borrowings drawn: due in more than one year	374.3	302.6
Less: Unamortised costs	(3.9)	(2.4)
Bank borrowings due in more than one year	370.4	300.2

	Group	
Current	**31 December 2024 £m**	**31 December 2023 £m**
Balance brought forward	57.7	–
Total bank borrowings in the year	–	–
Less: Bank borrowings repaid and cancelled in the year	(57.7)	–
Bank borrowings becoming current in the year	–	57.7
Bank borrowings drawn: due in less than one year	–	57.7
Less: Unamortised costs	–	(1.2)
Bank borrowings due in less than one year	–	56.5

Maturity of Bank Borrowings

	Group	
	31 December 2024 £m	**31 December 2023 £m**
Repayable in less than one year	–	57.7
Repayable between one and two years	–	45.4
Repayable between two and five years	206.1	206.1
Repayable in over five years	168.2	51.1
Bank borrowings	374.3	360.3

All of the Group's facilities have an interest charge payable quarterly. One of the facilities has an interest charge that is based on a margin above SONIA, however with an interest rate cap in place it has an effective fixed rate of 6.8%. Other facilities interest charges are fixed at 4.0%, 3.5%, 3.2% and 3.6%. The weighted average rate payable by the Group on its debt portfolio as at the year end was 4.5% (2023: 4.3%).

The Group monitors its covenant position and headroom on a regular basis. At 31 December 2024, the Group was in full compliance with all of its borrowing covenants, which are tested quarterly on 31 March. 30 June, 30 September and 31 December, annually. Interest coverage ratio covenants, across both historic and prospective, range from 150% to 225%. Loan to value covenants range from a minimum of 50% to a minimum 75%. Attention is also drawn to note 1.4 for conclusions reached in respect of Going Concern.

Fair value of fixed rate borrowings
The Group considers that all bank loans fall within 'Level 3' as defined by IFRS 13 'Fair value measurement'. The nominal value of floating rate borrowings is considered to be a reasonable approximation of fair value. However, the fair value of fixed rate borrowings at the reporting date has been calculated by discounting cash flows under the relevant agreements at indicative interest rates for similar debt instruments using indicative rates provided by lenders or advisers, which are considered unobservable.

	Group	
	31 December 2024 £m	**31 December 2023 £m [1]**
Nominal value of fixed rate borrowings	257.2	270.9
Fair value adjustment	(20.7)	(20.9)
Fair value of fixed rate borrowings	236.5	250.0

[1] Restated to reflect full application of the equity method.

The Group has bank loans with a total carrying value of £374.3 million, including the nominal value of fixed rate borrowings of £257.2 million. The fair value equivalent at the reporting date of the fixed rate debt was £236.5 million (2023 restated: £250.0 million). The discount rate was arrived at after considering the weighted average cost of capital, an unlevered property discount rate, the market rate and the loan to value.

An increase in the discount rate by twenty basis points would result in a decrease of the fair value of the fixed rate borrowings by £2.0 million (2023 restated: £2.0 million). A decrease in the discount rate by twenty basis points would result in an increase of the fair value of the fixed rate borrowings by £2.0 million (2023 restated: £2.0 million).

19. SHARE CAPITAL

	Group and Company		Group and Company	
	31 December 2024 Number	**31 December 2024 £m**	**31 December 2023 Number**	**31 December 2023 £m**
Balance brought forward	603,437,683	6.0	603,351,880	6.0
Capital raise	60,350,664	0.6	–	–
Exercise of share options	208,497	–	85,803	–
Balance carried forward	663,996,844	6.6	603,437,683	6.0

On 17 October 2024 60,350,664 shares were issued at an average price of 93.0 pence per share raising gross proceeds of £56.1 million.

During the year 208,497 shares were issued to satisfy the exercise of options under the Long Term Incentive Plan and the Sharesave scheme offered to employees of the Group (2023: 85,803 shares).

20. SHARE PREMIUM

The share premium relates to amounts subscribed for share capital in excess of nominal value:

	Group and Company	
	31 December 2024 £m	**31 December 2023 £m**
Balance brought forward	0.3	0.3
Share premium relating to shares issued during the year	53.8	–
Balance carried forward	54.1	0.3

21. CAPITAL REDUCTION RESERVE

	Group and Company	
	31 December 2024 £m	**31 December 2023 £m**
Balance brought forward	424.1	444.7
Reserves transfer	–	0.1
Less interim dividends declared and paid per Note 10	(22.0)	(20.7)
Balance carried forward	402.1	424.1

The capital reduction reserve account is a distributable reserve.

22. LEASING AGREEMENTS

Future total minimum lease receivables under non-cancellable operating leases on investment properties are as follows:

	Group	
	31 December 2024 £m	31 December 2023 £m
Less than one year	22.0	20.1
Between one and two years	1.2	1.2
Between two and three years	1.0	1.1
Between three and four years	0.8	0.9
Between four and five years	0.8	0.7
More than five years	7.1	5.9
Total	32.9	29.9

The above relates to assured shorthold tenancies (ASTs) and commercial leases in place as at, and had commenced by, 31 December 2024.

23. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2024 (31 December 2023: £nil).

24. CAPITAL COMMITMENTS

The Group was contractually committed to expenditure of £2.8 million at 31 December 2024 (31 December 2023: £1.7 million) for the future development and enhancement of investment property.

25. RELATED PARTY DISCLOSURES

Key Management Personnel

Key management personnel are considered to comprise the Board of Directors. Please refer to Note 6 for details of the remuneration for the key management.

Share Capital

The below sets out the share capital transactions during the year with related parties:

Date	Related party	Nature of related party	Nature of transaction	Number of shares
17-Oct-24	Mark Pain	Chair of the Board	Capital Raise Share Purchase	20,000
17-Oct-24	Duncan Garrood	Chief Executive Officer	Capital Raise Share Purchase	32,000
17-Oct-24	Donald Grant	Chief Financial and Sustainability Officer	Capital Raise Share Purchase	20,876
17-Oct-24	Alice Avis	Senior Independent Non-Executive Director	Capital Raise Share Purchase	6,000
14-Nov-24	Duncan Garrood	Chief Executive Officer	Sharesave Plan Share Purchase	25,316

The shares issued to Duncan Garrood as part of the Sharesave Plan derived a gain of £4,532 when exercised.

Dividends

The below sets out the dividends transactions during the year with related parties:

Date	Related party	Nature of related party	Nature of transaction	Dividends
Paid quarterly	Mark Pain	Chair of the Board	Dividends received on shareholding	£3,738
Paid quarterly	Duncan Garrood	Chief Executive Officer	Dividends received on shareholding	£3,819
Paid quarterly	Donald Grant	Chief Financial and Sustainability Officer	Dividends received on shareholding	£1,365
Paid quarterly	Alice Avis	Senior Independent Non-Executive Director	Dividends received on shareholding	£1,962

During the year £85,361 was paid to AXA PPP Healthcare Limited, a subsidiary of AXA Insurance UK PLC, in relation to the employee healthcare plan. Mark Pain, Chair of the Board, is Chair of the Board of AXA Insurance UK PLC. Of this amount, £24,866 was included in trade and other payables at year end.

Share-based Payments

The below sets out the awards to related parties during the year under the Empiric Student Property plc Long Term Incentive Plan and the Deferred Bonus Scheme:

Date	Related party	Nature of related party	Nature of transaction	Number of shares
12-Apr-24	Duncan Garrood	Chief Executive Officer	LTIP Nil-cost Option Grant over Ordinary Shares	728,294
12-Apr-24	Duncan Garrood	Chief Executive Officer	Deferred Bonus Plan Option Grant over Ordinary Shares	136,476
12-Apr-24	Donald Grant	Chief Financial and Sustainability Officer	LTIP Nil-cost Option Grant over Ordinary Shares	515,135
12-Apr-24	Donald Grant	Chief Financial and Sustainability Officer	Deferred Bonus Plan Option Grant over Ordinary Shares	96,532

26. SUBSEQUENT EVENTS

On 28 January 2025 the Group commenced a collective consultation on proposals aimed at implementing certain organisational changes. The proposal is expected to complete by 31 March 2025 and dependant on the conclusions reached, could result in up to £0.6 million of related restructuring costs being incurred.

On 29 January 2025, the Group completed on the disposal of Radway House, Bath for consideration of £2.8 million.

27. SHARE-BASED PAYMENTS

The Company operates two equity-settled share-based remuneration schemes for Executive Directors (deferred annual bonus and LTIP schemes) and certain members of the Senior Leadership Team ("SLT") who participate in the LTIP scheme. The details of the schemes are included in the Remuneration Committee Report. The Group also operates a Save As You Earn (SAYE) scheme for employees.

On 12 April 2024, the Company granted nil-cost options over a total of 1,243,429 (Duncan Garrood 728,294 and Donald Grant 515,135) ordinary shares pursuant to the Empiric Student Property plc Long Term Incentive Plan for the 2024 financial year.

During the year, the Company granted nil-cost options over a total of 772,967 ordinary shares to members of the Senior Leadership Team pursuant to the Empiric Student Property plc Long Term Incentive Plan for the 2024 financial year.

During the year, the Company granted options over a total of 201,922 ordinary shares in relation to the Save As You Earn scheme at an exercise price of £0.77. The earliest date on which the options will become exercisable is 1 July 2027.

Of the nil-cost options, 72,396 were exercisable at 31 December 2024. The weighted average remaining contractual life of these options was 0.2 years (2023: 1.2 years).

During the year to 31 December 2024 the amount recognised in the Statement of Comprehensive Income relating to option plans was £0.3 million (2023: £0.7 million).

The awards have the benefit of dividend equivalence. The Remuneration Committee will determine on or before vesting whether the dividend equivalent will be provided in the form of cash and/or shares.

	31/12/2024	**31/12/2023**	**31/12/2022**	**31/12/2021**	**31/12/2020**	**31/12/2019**
Outstanding number brought forward	4,866,099	3,756,874	3,446,320	2,314,539	1,250,045	1,051,708
Granted during the period	2,451,326	1,886,191	2,430,279	1,725,577	1,064,494	604,134
Vested and exercised during the period	(182,563)	(80,116)	(127,492)	(35,779)	–	(129,253)
Lapsed during the period	(1,523,881)	(696,850)	(1,992,233)	(558,017)	–	(276,544)
Outstanding number carried forward	5,610,981	4,866,099	3,756,874	3,446,320	2,314,539	1,250,045

The fair value on date of grant for the nil-cost options under the LTIP Awards and Annual Bonus Awards were priced using the Monte Carlo pricing model. The weighted average share price for the options exercised in the period was 90.9 pence per share. For those share options outstanding at year end, the exercise prices ranged from 75.5 pence per share to 78.9 pence per share, and the weighted average of the remaining contractual life of those shares is 1.6 years.

The following information is relevant in the determination of the fair value of the options granted in the year, for those related to market based vesting conditions:

		Deferred bonus shares	**LTIPs (market based conditions)**	**LTIPs (Total Return conditions)**	**SAYE Award**
(a)	Share price at grant date	£0.91	£0.91	£0.91	£0.92
(b)	Exercise price	£nil	£nil	£nil	£0.77
(c)	Vesting period	3 years	3 years	3 years	3 years
(d)	Expected volatility	N/A	23.5%	N/A	24.1%
(e)	Risk-free rate	N/A	4.3%	N/A	4.2%

The volatility assumption is based on a statistical analysis of daily share prices of comparator companies over the last three years.

The TSR performance conditions have been considered when assessing the fair value of the options.

28. FINANCIAL RISK MANAGEMENT

Financial Instruments

The Group's principal financial assets and liabilities are those which arise directly from its operations: trade and other receivables, trade and other payables; and cash and cash equivalents. Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are shown in the financial statements:

Reconciliation of liabilities to cash flows from financing activities

	31 December 2024 £m	31 December 2023 £m
Bank borrowings and leasehold liability at start of the year	357.8	387.8
Cash flows from financing activities		
Bank borrowings drawn	164.9	–
Bank borrowings repaid	(150.8)	(30.9)
Lease liability paid	(0.2)	(0.2)
Loan arrangement fees paid	(2.2)	(0.1)
Non-cash movements		
Amortisation of loan arrangement fees	1.7	1.2
Amortisation of lease liability interest	0.1	–
Bank borrowings and leasehold liability at end of the year	371.3	357.8

Risk Management

The Company and Group is exposed to market risk (including interest rate risk), credit risk and liquidity risk.

The Board of Directors oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market Risk
Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Company and Group that are affected by market risk are principally the Company and Group bank balances.

(b) Credit Risk
Credit risk is the risk of financial loss to the Company and Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company and Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions.

The Group has established a credit policy under which each new tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement.

The Group's review includes external rating, when available, and in some cases bank references.

The Group determines concentrations of credit risk by monthly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B" are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in Note 14.

(i) Tenant Receivables

Tenant receivables, primarily tenant rentals, are presented in the Consolidated Statement of Financial Position net of allowances for doubtful receivables and are monitored on a case-by-case basis. Credit risk is primarily managed by requiring tenants to pay rentals in advance and performing tests around strength of covenant prior to acquisition.

(ii) Credit Risk Related to Financial Instruments and Cash Deposits

One of the principal credit risks of the Company and Group arises with the banks and financial institutions. The Board of Directors believes that the credit risk on short-term deposits and current account cash balances are limited because the counterparties are banks, which are committed lenders to the Company and Group, with high credit ratings assigned by international credit rating agencies.

Credit ratings (Moody's)	Long-term	Outlook
Canada Life	Aa3	Stable
Mass Mutual	Aa3	Stable
Scottish Widows	A2	Positive
Aareal Bank AG	Baa1	Stable

(c) Liquidity Risk

Liquidity risk arises from the Company and Group management of working capital, and going forward, the finance charges and principal repayments on any borrowings, of which currently there are none. It is the risk that the Company and Group will encounter difficulty in meeting their financial obligations as they fall due as the majority of the Company and Group assets are property investments and are therefore not readily realisable. The Company and Group objective is to ensure they have sufficient available funds for their operations and to fund their capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management.

The monitoring of liquidity is also assisted by the quarterly review of covenants which are ordinarily imposed by lenders, such as loan to value and interest cover ratios. The loan to value ratio is typically expressed as the outstanding loan principal as a percentage of a lender approved valuation of the underlying properties secured under the facility. Interest cover ratio's reflect the quantum or finance costs (either historic or forecast) as a multiple of recurring earnings, normally a measure of gross profit. As part of the Group's viability modelling, certain scenarios are considered to model the impact on liquidity. All of the Group's covenants are currently compliant and it is envisaged that compliance will continue to be achieved in a reasonably severe downside scenario. The Group's portfolio could currently withstand a 16 per cent decline in property valuations before a breach in loan to value covenants are triggered. The Group's average interest cover ratio across all facilities is 1.9 times, whereas gross profit is currently in excess of 3.0 times total finance costs, providing a good degree of comfort.

Bank borrowings would be renegotiated in advance of any potential covenant breaches, insofar as factors are within the control of the Group. Facility agreements typically contain cure provisions providing for prepayment, cash deposits or security enhancement as maybe required to mitigate any potential breach. The Group's borrowings are spread across a range of lenders and maturities so as to minimise any potential concentration of risk.

The following table sets out the contractual obligations (representing undiscounted contractual cash flows) of financial liabilities:

	Group					
	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Greater than 5 years £m	Total £m
At 31 December 2024						
Bank borrowings and interest	–	4.1	12.6	263.3	179.1	459.1
Trade and other payables	–	19.2	–	–	–	19.2
	–	23.3	12.6	263.3	179.1	478.3

	Group					
	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Greater than 5 years £m	Total £m
At 31 December 2023						
Bank borrowings and interest	–	17.6	54.8	286.3	54.6	413.3
Trade and other payables	–	23.4	–	–	–	23.4
	–	41.0	54.8	286.3	54.6	436.7

29. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to ensure that it remains a going concern and continues to qualify for UK REIT status.

The Board of Directors monitors and reviews the Group's capital so as to promote the long-term success of the business, facilitate expansion and to maintain sustainable returns for shareholders.

Capital consists of ordinary shares, other capital reserves and retained earnings.

30. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are accounted for at cost less any accumulated impairment losses in the Company's Statement of Financial Position. The carrying amounts of these investments are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable, with any impairment being recognised in the statement of comprehensive income. During the year, the Company assessed the carrying value of its investments in subsidiaries and concluded that no impairment was required.

Those entities listed below are considered subsidiaries of the Company at 31 December 2024, with the shares issued being ordinary shares. All subsidiaries are registered at the following address: 1st Floor Hop Yard Studios, 72 Borough High Street, London, SE1 1XF.

In each case the country of incorporation is England and Wales.

	Company	
	31 December 2024 £m	31 December 2023 £m
As at 1 January	222.6	222.6
Additions in the year	–	–
Disposals	–	–
Balance at 31 December	222.6	222.6

During 2024, there were a number of subsidiaries which moved within the Group, due to reorganisations relating to debt refinancing.

Company	Status	Ownership	Principal activity
Brunswick Contracting Limited	Active**	100%	Property Contracting
Empiric (Alwyn Court) Limited	Active**	100%	Property Investment
Empiric (Baptists Chapel) Limited	Active**	100%	Property Investment
Empiric (Bath Canalside) Limited	Active**	100%	Property Investment
Empiric (Bath James House) Limited	Active**	100%	Property Investment
Empiric (Bath JSW) Limited	Active**	100%	Property Investment
Empiric (Bath Oolite Road) Limited	Active**	100%	Property Investment

Company	Status	Ownership	Principal activity
Empiric (Bath Piccadilly Place) Limited	Active**	100%	Property Investment
Empiric (Birmingham Emporium) Limited	Active**	100%	Property Investment
Empiric (Birmingham) Limited	Active**	100%	Property Investment
Empiric (Bristol CH) Limited	Active**	100%	Property Investment
Empiric (Bristol St Mary's) Leasing Limited	Active**	100%	Property Leasing
Empiric (Bristol St Mary's) Limited	Active**	100%	Property Investment
Empiric (Bristol) Limited	Active**	100%	Property Investment
Empiric (Buccleuch Street) Limited	Active**	100%	Property Investment
Empiric (Canterbury Franciscans) Limited	Active**	100%	Property Investment
Empiric (Canterbury Pavilion Court) Limited	Active**	100%	Property Investment
Empiric (Cardiff Wndsr House) Leasing Limited	Dormant	100%	Property Leasing
Empiric (Cardiff Wndsr House) Limited	Active**	100%	Property Investment
Empiric (Centro Court) Limited	Active**	100%	Property Investment
Empiric (Claremont Newcastle) Limited	Active**	100%	Property Investment
Empiric (College Green) Limited	Active**	100%	Property Investment
Empiric (Developments) Limited	Dormant*	100%	Development Management
Empiric (Edge Apartments) Limited	Active**	100%	Property Investment
Empiric (Edinburgh KSR) Leasing Limited	Active**	100%	Property Leasing
Empiric (Edinburgh KSR) Limited	Active**	100%	Property Investment
Empiric (Edinburgh South Bridge) Limited	Active**	100%	Property Investment
Empiric (Exeter Bishop Blackall School) Limited	Active**	100%	Property Investment
Empiric (Exeter Bonhay Road) Limited	Active**	100%	Property Investment
Empiric (Exeter City Service) Limited	Dormant*	100%	Property Investment
Empiric (Exeter DCL) Limited	Active**	100%	Property Investment
Empiric (Exeter LL) Limited	Active**	100%	Property Investment
Empiric (Falmouth Maritime Studios) Limited	Active**	100%	Property Investment
Empiric (Falmouth Ocean Bowl) Leasing Limited	Active**	100%	Property Leasing
Empiric (Falmouth Ocean Bowl) Limited	Active**	100%	Property Investment
Empiric (Glasgow Ballet School) Limited	Active**	100%	Property Investment
Empiric (Glasgow Bath St) Limited	Active**	100%	Property Investment
Empiric (Glasgow George St) Leasing Limited	Active**	100%	Property Leasing
Empiric (Glasgow George St) Limited	Active**	100%	Property Investment
Empiric (Glasgow) Leasing Limited	Active**	100%	Property Leasing
Empiric (Glasgow) Limited	Active**	100%	Property Investment
Empiric (Hatfield CP) Limited	Active**	100%	Property Investment
Empiric (Huddersfield Oldgate House) Limited	Active**	100%	Property Investment
Empiric (Huddersfield Snow Island) Leasing Limited	Dormant*	100%	Property Leasing
Empiric (Lancaster Penny Street 1) Limited	Active**	100%	Property Investment
Empiric (Lancaster Penny Street 2) Limited	Active**	100%	Property Investment
Empiric (Lancaster Penny Street 3) Limited	Active**	100%	Property Investment
Empiric (Leeds Algernon) Limited	Active**	100%	Property Investment
Empiric (Leeds Pennine House) Limited	Active**	100%	Property Investment
Empiric (Leeds St Marks) Limited	Active**	100%	Property Investment

Company	Status	Ownership	Principal activity
Empiric (Leicester 134 New Walk) Limited	Active**	100%	Property Investment
Empiric (Leicester 136-138 New Walk) Limited	Active**	100%	Property Investment
Empiric (Leicester 140-142 New Walk) Limited	Active**	100%	Property Investment
Empiric (Leicester 160 Upper New Walk) Limited	Active**	100%	Property Investment
Empiric (Leicester Bede Park) Limited	Active**	100%	Property Investment
Empiric (Leicester De Montfort Square) Limited	Active**	100%	Property Investment
Empiric (Leicester Hosiery Factory) Limited	Active**	100%	Property Investment
Empiric (Leicester Peacock Lane) Limited	Active**	100%	Property Investment
Empiric (Leicester Shoe & Boot Factory) Limited	Active**	100%	Property Investment
Empiric (Liverpool Art School/Maple House) Limited	Active**	100%	Property Investment
Empiric (Liverpool Grove Street) Limited	Active**	100%	Property Investment
Empiric (Liverpool Hahnemann Building) Limited	Active**	100%	Property Investment
Empiric (Liverpool Octagon/Hayward) Limited	Active**	100%	Property Investment
Empiric (London Camberwell) Limited	Active**	100%	Property Investment
Empiric (London Road) Limited	Active**	100%	Property Investment
Empiric (Manchester Ladybarn) Limited	Active**	100%	Property Investment
Empiric (Manchester TH) Limited	Active**	100%	Property Investment
Empiric (Manchester Victoria Point) Limited	Active**	100%	Property Investment
Empiric (Newcastle Metrovick) Limited	Active**	100%	Property Investment
Empiric (Northgate House) Limited	Active**	100%	Property Investment
Empiric (Nottingham 95 Talbot) Limited	Active**	100%	Property Investment
Empiric (Nottingham Frontage) Limited	Active**	100%	Property Investment
Empiric (Oxford Stonemason) Limited	Active**	100%	Property Investment
Empiric (Picturehouse Apartments) Limited	Active**	100%	Property Investment
Empiric (Portobello House) Limited	Active**	100%	Property Investment
Empiric (Portsmouth Elm Grove Library) Limited	Active**	100%	Property Investment
Empiric (Portsmouth Europa House) Leasing Limited	Active**	100%	Property Leasing
Empiric (Portsmouth Europa House) Limited	Active**	100%	Property Investment
Empiric (Portsmouth Kingsway House) Limited	Active**	100%	Property Investment
Empiric (Portsmouth Registry) Limited	Active**	100%	Property Investment
Empiric (Provincial House) Leasing Limited	Active**	100%	Property Leasing
Empiric (Provincial House) Limited	Active**	100%	Property Investment
Empiric (Reading Saxon Court) Leasing Limited	Active**	100%	Property Leasing
Empiric (Reading Saxon Court) Limited	Active**	100%	Property Investment
Empiric (Snow Island) Limited	Active**	100%	Property Investment
Empiric (Southampton Emily Davies) Limited	Active**	100%	Property Investment
Empiric (Southampton) Leasing Limited	Active**	100%	Property Leasing
Empiric (Southampton) Limited	Active**	100%	Property Investment
Empiric (St Andrews Ayton House) Leasing Limited	Active**	100%	Property Leasing
Empiric (St Andrews Ayton House) Limited	Active**	100%	Property Investment
Empiric (St Peter Street) Limited	Active**	100%	Property Investment
Empiric (Stoke Caledonia Mill) Limited	Active**	100%	Property Investment
Empiric (Summit House) Limited	Active**	100%	Property Investment

Company	Status	Ownership	Principal activity
Empiric (Talbot Studios) Limited	Active**	100%	Property Investment
Empiric (Trippet Lane) Limited	Active**	100%	Property Investment
Empiric (Twickenham Grosvenor Hall) Limited	Active**	100%	Property Investment
Empiric (York Foss Studios 1) Limited	Active**	100%	Property Investment
Empiric (York Lawrence Street) Limited	Active**	100%	Property Investment
Empiric (York Percy's Lane) Limited	Active**	100%	Property Investment
Empiric Acquisitions Limited	Dormant*	100%	Immediate Holding Company
Empiric Investment Holdings (Eight) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Five) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Four) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Seven) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Six) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Two) Limited	Active**	100%	Holding Company
Empiric Investments (Eight) Limited	Active	100%	Immediate Holding Company
Empiric Investments (Five) Limited	Active	100%	Immediate Holding Company
Empiric Investments (Four) Limited	Active	100%	Immediate Holding Company
Empiric Investments (One) Limited	Dormant	100%	Immediate Holding Company
Empiric Investments (Seven) Limited	Active**	100%	Immediate Holding Company
Empiric Investments (Six) Limited	Active**	100%	Immediate Holding Company
Empiric Investments (Three) Limited	Active**	100%	Immediate Holding Company
Empiric Investments (Two) Limited	Active	100%	Immediate Holding Company
Empiric Student Property Trustees Limited	Dormant	100%	Trustee
Hello Student Management Limited	Active	100%	Property Management
Brunswick Contracting Limited	Active**	100%	Property Contracting
Empiric (Alwyn Court) Limited	Active**	100%	Property Investment
Empiric (Baptists Chapel) Limited	Active**	100%	Property Investment
Empiric (Bath Canalside) Limited	Active**	100%	Property Investment
Empiric (Bath James House) Limited	Active**	100%	Property Investment
Empiric (Bath JSW) Limited	Active**	100%	Property Investment
Empiric (Bath Oolite Road) Limited	Active**	100%	Property Investment
Empiric (Bath Piccadilly Place) Limited	Active**	100%	Property Investment
Empiric (Birmingham Emporium) Limited	Active**	100%	Property Investment
Empiric (Birmingham) Limited	Active**	100%	Property Investment

* Company in liquidation since September 2024

** These companies are claiming an exemption from audit under sections 479A of the Companies Act 2006

31. ALTERNATIVE PERFORMANCE MEASURES

The below sets out our alternative performance measures.

Gross margin – Gross profit expressed as a percentage of rental income. A business KPI to monitor how efficiently we are running our buildings.

	Group	
Gross Margin	**31 December 2024 £m**	**31 December 2023 £m**
Revenue	84.2	80.5
Property Expenses	(25.6)	(25.2)
Gross profit	58.6	55.3
Gross Margin calculated as Gross profit/Revenue	70%	69%

Total accounting return – The growth of EPRA NTA per share plus dividends per share measured as a percentage. A key business indicator used to monitor the level of overall return the Group is generating.

	Group	
Total accounting return	**31 December 2024 (Pence)**	**31 December 2023 (Pence)**
EPRA NTA per share at start of year	120.7	115.4
EPRA NTA per share at end of year	119.6	120.7
EPRA NTA growth/(reduction) per share in the period	(1.1)	5.3
Dividend per share paid in year	3.6	3.4
Dividends plus growth in EPRA NTA	2.5	8.7
Total accounting return calculated as Dividends plus EPRA NTA Growth in year per share/ NTA at start of year	2.0%	7.6%

EPRA Loan to Value – a measure of gearing, calculated as gross borrowings without deducting unamortised financing costs, less cash and adjusted for net receivables or payables and intangibles, divided by gross portfolio valuation. This was 27.2 per cent for the year (2023: 30.6 per cent).

Dividend cover – a measure of EPRA earnings relative to dividends declared for the year. This was 114 per cent for the year (2023: 114 per cent).

Dividend pay-out ratio – a measure of dividends relative to EPRA earnings. This was 88 per cent for the year (2023: 88 per cent).

Five Year Historical Record

	31 December 2024 £m	31 December 2023 £m	31 December 2022 £m	31 December 2021 £m	31 December 2020 £m
Revenue	84.2	80.5	73.0	56.0	59.4
Direct costs	(25.6)	(25.2)	(24.0)	(23.1)	(22.7)
Gross profit	58.6	55.3	49.0	32.9	36.7
Gross margin	69.6%	68.7%	67.1%	58.8%	61.8%
Administrative expenses	(15.4)	(14.0)	(13.4)	(10.6)	(9.8)
Gain/(loss) on disposals	(4.2)	(0.6)	1.5	1.7	–
Property revaluation	15.4	30.1	45.6	17.6	(37.6)
Operating profit	54.4	70.8	82.7	41.6	(10.7)
Net finance costs	(18.7)	(17.2)	(15.0)	(12.4)	(13.3)
Derivative fair value movement	(1.3)	(0.2)	–	–	–
Net profit/(loss)	34.4	53.4	67.7	29.2	(24.0)
EPRA EPS (pence)	4.2	4.0	3.4	1.7	2.3
Portfolio valuation*	1,135.0	1,098.1	1,079.4	995.9	1,005.1
Borrowings	(370.4)	(356.7)	(386.5)	(371.0)	(385.3)
Other net assets/(liabilities)	36.7	(7.2)	7.9	22.7	13.5
Net assets	801.3	734.2	700.8	647.6	633.3
EPRA NTA	800.8	734.1	700.8	647.6	633.3
EPRA NTA per share	119.6	120.7	115.4	106.8	104.6
Shares in issue	663,996,844	603,437,683	603,351,880	603,203,052	603,160,940
Weighted average cost of debt	4.5%	4.3%	4.0%	3.0%	2.9%
Weighted average debt maturity	4.7 years	3.9 years	4.8 years	4.9 years	5.9 years
Property LTV		29.1%	31.1%	33.1%	35.4%
EPRA LTV	27.2%	30.6%	32.7%		

* Includes properties classified as held for sale and under development

Glossary

Alternative Performance Measures ("APM") – Performance measures to supplement IFRS to provide users of the Annual Report with a better understanding of the underlying performance of the Group's property portfolio.

Colleague Engagement – Calculated using the results of our biannual colleague engagement surveys.

Company – Empiric Student Property plc.

Dividend Cover – EPRA earnings divided by dividends declared for the year.

Dividend pay-out ratio – Dividends declared relative to EPRA earnings.

EPRA – European Public Real Estate Association.

EPRA basic EPS – EPRA Earnings divided by the weighted average number of ordinary shares outstanding during the period (refer to Note 8).

EPRA diluted EPS - EPRA Earnings divided by the weighted average number of shares during the period, taking into account all potentially issuable shares.

EPRA Earnings – the IFRS profit after taxation excluding investment and development property revaluations, gains/losses on investing property disposals and changes in the fair value of financial instruments.

EPRA Loan to Value – a measure of gearing, calculated as gross borrowings without deducting unamortised financing costs, less cash and adjusted for net receivables or payables and intangibles, divided by gross portfolio valuation.

EPRA Net Disposal Value ("NDV") – Represents the shareholders' value under a disposal scenario, The value of the company assuming assets are sold, and the liabilities are settled and not held to maturity.

EPRA Net Reinvestment Value ("NRV") – The value of the assets on a long-term basis, assets and liabilities are not expected to crystallise under normal circumstances.

EPRA Net Tangible Assets ("NTA") – Assumes the underlying value of the company assuming it buys and sells assets.

Gross margin – Gross profit expressed as a percentage of revenue.

Group – Empiric Student Property plc and its subsidiaries.

Hello Student – Our customer-facing brand and operating platform.

HMO – Houses in multiple occupation.

IFRS – International Financial Reporting Standards.

IFRS EPS – IFRS earnings divided by the weighted average number of ordinary shares outstanding during the period.

Like for like rental growth – Compares the growth in rental income for operational assets, throughout both the current and comparative year, and excludes acquisitions, disposals and developments.

Like for like valuation (gross) – Compares the growth in capital values of the Group's standing portfolio from the prior year end to the current year end, excluding acquisitions and disposals.

Like for like valuation (net) – Compares the growth in capital values of the Group's standing portfolio from the prior year end to the current year end, excluding acquisitions, disposals, capital expenditure and development properties.

Net Asset Value or NAV – Net Asset Value is the net assets in the Statement of Financial Position.

PBSA – Purpose Built Student Accommodation.

Postgrad – Postgraduate students who have successfully completed an undergraduate course and are undertaking further studies at a more advanced level.

RCF – Revolving credit facility.

REIT – Real estate investment trust.

Revenue Occupancy – Calculated as the percentage of our Gross Annualised Revenue we have achieved for an academic year.

RICS – Royal Institution of Chartered Surveyors.

SONIA – Sterling Over Night Index Average is the effective reference for overnight indexed swaps for unsecured transactions in the Sterling market. The SONIA itself is a risk-free rate.

Total accounting return – The growth in EPRA NTA over the period plus dividends paid for the period expressed as a percentage of opening EPRA NTA.

Weighted average cost of debt – Debt weighted by value multiplied by the interest rate.

Weighted average debt maturity – The weighted average term of our debt facilities at the balance sheet date.