TRITAX BIG BOX

Annual Report 2020

Aligned to long-term structural growth

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Company Registration Number: 08215888

Who we are

We are the UK's largest listed investor in high-quality logistics warehouses and we own the UK's largest logistics-focused land platform.

What we do

We are committed to delivering high-quality and sustainable logistics buildings for our customers and attractive long-term returns for shareholders. We do this by investing in and actively managing existing logistics buildings, developing new logistics assets and securing land suitable for logistics development.

We focus on well-located, modern and sustainable buildings, let to high-quality customers on long-term leases. We seek to capture the significant opportunity in this sub-sector, driven by strong occupier demand and limited supply.

Our purpose

Our purpose is to deliver sustainable logistics solutions that create compelling opportunities for our stakeholders and provide our customers with the space to succeed.

Our vision

Our vision is to be the leading REIT focused on high-quality UK logistics real estate assets delivering sustainable, long-term income and value growth for shareholders.

FY 2020 highlights

Strategically aligned with long-term structural growth drivers.

Delivering strong income and capital growth in an accelerating market

Adjusted earnings per share

7.17p +8.0%

(2019: 6.64p)

Total Accounting Return[1]

19.9% +16.1pts

(2019: 3.8%)

Dividend per share

6.40p -6.6%

(2019: 6.85p)

IFRS earnings per share

26.30p +213.1%

(2019: 8.40p)

Sustainability initiatives increasing ESG ratings

GRESB rating from 1* to 3*

MSCI ESG rating from B to BB.

Adding further value through direct and active management

Increased annual rent roll

£180.6m +8.4%

(2019: £166.6m)

Realising value through disposals

£134m total proceeds

Disposals delivering attractive returns

>12.9% IRR

(average across four properties, net of corporate costs)

"Despite the challenges presented by Covid-19, Tritax Big Box built significant momentum in 2020 as the benefits of complementing our strong investment portfolio with our development land bank begin to crystalise. This progress was evidenced in the Group's strong performance during the year, with extensive letting activity on our development portfolio, increasing values through asset management and the successful recycling of capital. In addition to these active steps that the Manager has taken, we have seen a strengthening in the UK logistics market driven by heightened occupier and investor demand, which we are well placed to capitalise upon in the coming years."

Sir Richard Jewson
Chairman

High-quality portfolio delivering strong performance

EPRA Net Tangible Assets per share

175.61p +15.7%

(2019: 151.79p)

Continued strong rent collection

99%

(2019: 100%)

WAULT

13.8 years -0.3 yrs

(2019: 14.1 years)

IFRS net asset value per share

169.92p +13.3%

(2019: 150.04p)

Targeting long-term outperformance through development of the UK's largest logistics-focused land platform

Development lettings achieved

2.9m sq ft

Development contribution to rent roll

£16.9m

New planning consent achieved

5.4m sq ft

1 Comparative for 31 December 2019 has been prepared using the new EPRA Net Asset Value metrics issued in October 2019.

Our portfolio

We own the UK's biggest portfolio of Big Box logistics investment assets and control the largest logistics-focused development land platform, offering the potential to deliver a combination of attractive income and capital growth to shareholders over the long term.

Diversified by customer and sector

Our portfolio is let to 41 customers across 59 assets providing a high degree of diversification by customer and by sector. These customers include some of the world's leading companies with a deliberate weighting towards either defensive, non-cyclical or high-growth sectors.

41 customers across 59 investment assets

Online Retail 25.3%

Food Retail 19.8%

Homewares & DIY Retail 12.7%

Other Retail 11.2%

Product Manufacturing 5.7%

Third Party Logistics/Distribution 5.0%

Post & Parcels 4.3%

Automotive Manufacturing 3.5%

Computer & Electronics Retail 3.5%

Wholesale & Retail Trade 3.3%

Clothing Retail 2.8%

Food Production 1.8%

Information & Communication 1.0%

Food Service 0.4%

Our top five customers by portfolio income

17.8% 6.3% 5.3% 4.8% 4.6%

Diversified by location

Our investments are in strategically important logistics locations across the UK, ensuring we have a portfolio diversified by regions.

Investment portfolio
Strategic Land and Development portfolio
Ports

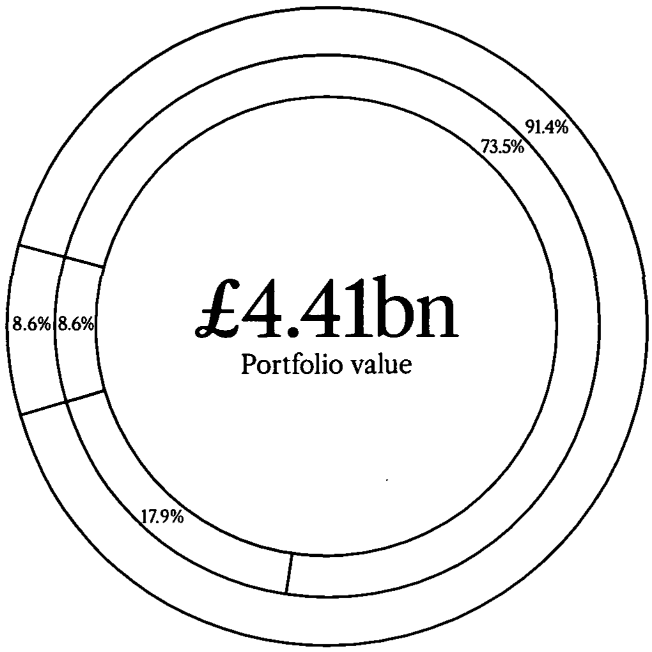
A portfolio that reflects our strategy

Our portfolio is weighted towards Investment assets that deliver resilient and growing income. The majority of these are Foundation assets, with Value Add assets offering upside potential through our active approach to asset management.

The Development portfolio offers significant scope for value and income growth and comprises land the Group owns or controls via options, providing a capital efficient way of accessing growth opportunities.

Investment portfolio:
Foundation assets
Value Add assets

Strategic Land and Development portfolio:



Our customer proposition

In line with our purpose, we deliver the space our customers need to succeed. We offer our customers buildings that are:

The right size	The majority of our investment and development portfolio is focused on large assets exceeding 500,000 sq ft. This makes them flexible and efficient, and generates economies of scale enabling cost efficiencies for our customers.
Well located	Our investment and land assets are in strategically important logistics locations, which benefit from strong transport infrastructure, appropriate power provision and a suitable labour supply.
Modern	91% of our portfolio has been built since 2000. State-of-the-art buildings are most likely to meet the requirements of market-leading occupiers and our development pipeline ensures we remain at the cutting edge of building design.
High-tech	The scale of our buildings makes them suitable for customers to install highly automated stocking and retrieval systems, essential to handling large volumes of complex orders and returns.
Sustainable	Our customers are increasingly looking to occupy sustainable assets. 90% of our investment portfolio has an EPC grade of A-C and we continue to invest in green initiatives such as on-site renewable energy generation. Our development activity now includes our recent commitment to net zero carbon in construction. ➔ For more see page 38
Customer-focused	Our in-house asset management team works in partnership with our customers to ensure our buildings maximise their operational effectiveness. This approach to asset management helps to future-proof our buildings for our customers and to generate growing income and capital values for shareholders. Being close to our customers gives us a competitive edge by providing insight into future demand and occupier requirements. We use this insight to inform our development and asset management activities to reduce risk and enhance returns for our shareholders.

Our investor proposition

We offer investors an attractive investment proposition providing a sustainable blend of long-term income and capital growth.

A clear and compelling strategy	We focus on attracting the world's leading companies, engaging directly to grow and maintain income and capital values through active asset management, and delivering insight-led development from our land portfolio. ➔ For more see page 16
A resilient portfolio	We have constructed a portfolio of high-quality assets, in key locations, let to customers operating in strong business segments. The portfolio has demonstrated its ability to generate resilient income and protect value, even in uncertain times. We are complementing this strong foundation with assets that provide opportunities for us to apply our asset management expertise to drive greater returns. ➔ For more see page 24
Attractive development opportunities	We have the UK's largest logistics-focused land platform, giving us an attractive pipeline of internally generated opportunities for long-term phased delivery at an attractive yield on cost target of 6-8%. ➔ For more see page 28
Financial discipline	With a loan to value of 30.0%, the Group is soundly financed, with a strong balance sheet and a range of funding sources to support our growth ambitions and drive shareholder returns. ➔ For more see page 32
Long-term structural drivers	We believe this is the most attractive and dynamic sector in commercial property. There are major long-term structural trends driving occupational and investor demand for large-scale logistics assets. These trends have many years to run and Covid-19 has only accelerated them. ➔ For more see page 14
A sustainable approach	Sustainability considerations are central to all our investment decisions. From integrating green initiatives into our asset management plans, to developing net zero carbon buildings, or funding through green finance, sustainability is fully considered to ensure long-term risks and opportunities are addressed. ➔ For more see page 38
Extensive expertise	The Manager's extensive expertise and deep understanding of our sector, combined with the calibre of its team and network of contacts, give us the capabilities we need to identify opportunities and successfully execute our strategy. ➔ For more see page 31

Our sustainability proposition

We recognise the importance of sustainability to our customers, shareholders and the communities around our assets. We believe that a rigorous focus on sustainability will ensure our long-term viability and commercial success, by helping us to make decisions in the interests of all our stakeholders.

Our sustainability ambition

Our ambition for sustainability is to demonstrate leadership in sustainable logistics, working in collaboration with stakeholders to create positive change and value in the long term for our customers, their staff and our stakeholders.

Our sustainability strategy

In support of this ambition, in 2020 we introduced our sustainability strategy which is aligned with four of the UN Sustainable Development goals:

Healthy and sustainable buildings
Ensure and demonstrate the resilience of our assets.

Energy and carbon
Achieving a net zero carbon portfolio.

Nature and wellbeing
Enhance biodiversity across the Group's portfolio.

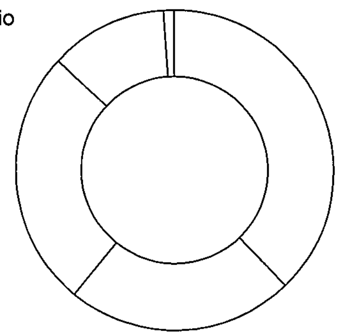
Socio-economic impact
Create a positive socio-economic impact through our investment.

➔ Each of these goals is supported by objectives and initial targets we aim to achieve by 2023. See page 38.

Good progress on delivering our objectives

With 90% of investment portfolio (by sq ft) achieving EPC ratings of A-C

A 41%
B 25%
C 24%
D 9%
E 1%



890 MWh

On-site solar PV generation saving 207 tonnes of carbon

Some of our Awards

➔
Information on our performance in the year can be found on page 28 the Manager's report and in the Sustainability section on pages 38 to 43.

Chairman's statement

Well positioned with the attributes needed to deliver further sustainable long-term growth.

Strong outperformance
The Group delivered another strong year of performance in 2020. This performance is a consequence of our strategy, the high-quality portfolio we have constructed, the increasing contribution from our development activities and the strength of our market.

Operating profit before changes in fair value and other adjustments grew by 20.4% to £147.5 million (2019: £122.5 million) and our EPRA cost ratio reduced to 14.2% (2019: 15.1%). Adjusted earnings per share rose by 8.0% to 7.17 pence (2019: 6.64 pence). EPRA Net Tangible Assets grew to 175.61 pence at the year end, enabling us to generate an attractive Total Accounting Return for shareholders of 19.9%. This was predominantly due to the strong performance of the investment portfolio and capital profit arising from the development portfolio, generating a fair value gain across the portfolio of £351.1 million net of costs.

Against the backdrop of Covid-19, the strength and resilience of our diverse customer base is demonstrated by the Group's rent collection performance, with 99.4% of the rent falling due for 2020 collected by the year end and payment plans in place to collect the balance. Our expectation is that we will collect 100% of the 2020 rent due in full. The Group is soundly financed, with significant liquidity and headroom within its existing debt facilities.

Well positioned with the attributes needed to deliver further sustainable long-term growth
Our progress this year reflects the growing maturity and strength of the business. Having built a leading portfolio of large-scale logistics assets, the Group has the key attributes needed to deliver on its long-term strategy. We have transitioned successfully from having an early focus on pre-let forward funded third-party development, where we were the market leader, to building an in-house capability through the acquisition in 2019 of Tritax Symmetry. We own and control the UK's largest logistics-focused land bank, through which our largely pre-let focused model provides the opportunity to minimise risk, efficiently utilise capital and maximise returns. The land bank complements our ability to acquire attractive opportunities in the market and to deliver value through active asset management of the portfolio. It also enables us to support the expansion plans of our existing customer base as well as those of potential new customers. This reduces our dependence on acquiring assets in the open market and increases our ability to create new, high-quality assets at an attractive yield on cost through our profitable development programme. An example of the benefits of this transition is the successful pre-letting to Amazon at our Littlebrook, Dartford site, one of Europe's largest logistics facilities.

This year we continued to make good progress with our development platform, obtaining planning consents for 5.4 million sq ft of new space and securing lettings for the remaining speculatively developed buildings completed earlier in the year. Our close and direct relationships with customers have enabled us to support them while continuing to add value to the existing portfolio. We have also crystallised value by disposing of assets where we have completed our asset management programme and recycled the proceeds into higher returning opportunities.

> "The Group has the key attributes needed to successfully deliver on its long-term strategy."
>
> **Sir Richard Jewson**
> Chairman

As the Group has grown, the Manager has invested in its own capabilities. The Manager made several senior appointments this year, adding breadth and depth of experience and significantly enhancing its resilience with expertise in areas such as research and data analytics, logistics, supply chains, investment management and investor relations. These capabilities give us fresh insights, help the Manager better understand and respond to its evolving customer requirements and help us communicate more effectively with the wider market, all to deliver enhanced value to our stakeholders.

In December 2020, Aberdeen Standard Investments (ASI) announced its intention to acquire a 60% stake in the Manager. The Board believes this is positive for the Group and that there will be no impact on the Manager's ability to continue to deliver our strategy successfully. The dedicated team responsible for the Group's day-to-day operations under the Investment Management Agreement remains unchanged. In the longer term, we expect that ASI's stake will strengthen the Manager, by giving it access to the resources of a global financial institution, while preserving the Manager's unique and market-leading logistics real estate expertise for our shareholders.

In uncertain times, which have required a remote working environment for most of the year, the critical importance of strong governance is evident. The Board has continued to work closely with the Manager this year, with an even greater focus on high-quality communications ensuring effective oversight and a deep understanding of what is happening in the business and the market. This helps to ensure that the Group continues to operate effectively and safely in the interests of our shareholders and wider stakeholder base.

A progressive dividend

In April 2020, we made the prudent decision to withdraw dividend guidance for 2020 due to the significant uncertainty regarding the economic impact of Covid-19. We remain cautious given the ongoing effects of the pandemic on the economy and our customers and will keep this under review in the context of our dividend. During FY 2020, we paid three quarterly dividends of 1.5625 pence per share each and have announced an increase to 1.7125 pence in respect of the fourth quarter. This provides a total dividend for the year of 6.40 pence, representing a pay-out ratio of 90%, or 93% when adjusting for non-recurring development management income.

The investments we have made over the years, most notably acquiring a development platform and land bank, provide the Group with more tools to generate further attractive and growing returns for our shareholders. Our aim is to achieve a total return that is formed of income and capital performance increasingly generated by development gains and asset management initiatives, rather than externally driven by market yield compression. We have the attributes to deliver long-term dividend progression, which will ensure the pay-out to shareholders remains attractive and an important part of our total return. In future, our intention is for the first to third quarter dividend payments to each represent 25% of the full year dividend of the previous financial year, and use the fourth quarter dividend to determine the level of any potential progression, with an overall aim to achieve a pay-out ratio in excess of 90% of Adjusted earnings. This provides both attractive returns to shareholders coupled with the financial flexibility to invest in the opportunities our strategy will continue to create.

Embedding and enhancing sustainability

Enhancing sustainability and good governance are central to the way the Group operates. We launched our new sustainability strategy during the year and are making good progress with its implementation. Key examples included our commitment that from June 2020 all new Tritax Symmetry developments will be constructed to net zero carbon standards, while we continue to enhance the sustainability of the existing portfolio through our asset management activities. This progress is reflected in our external ratings, with material improvements in our GRESB rating from one to three stars and increasing our MSCI ESG rating from B to BB. In December, we launched a £250 million Green Bond, the first sterling Green Bond to be issued by a UK REIT, the proceeds from which are already being used to support our development of more sustainable buildings.

Board succession

As announced in January 2021, I will be stepping down from the Board at the next Annual General Meeting. It has been a privilege to lead the Board for more than seven years, during which time the Group has gone from a start-up to a market leader, and is well positioned for further long-term success. Following a succession planning process, Aubrey Adams, who is currently our Senior Independent Director, will become Chairman when I retire. He is exceptionally well qualified for the role, with around four decades of senior experience in real estate, including 17 years as Chief Executive of Savills.

Outlook

In 2021, 37% of the Group's rent roll is up for review, giving us the ability to realise income growth through the certainty of fixed or inflation linked uplifts and also through capturing market rental growth. Combined with further upside from our development portfolio, this will help to enhance our earnings and adds to our confidence of further growth in the coming year. We will continue to progress our sustainability initiatives and look forward to the completion of our first net zero carbon developments.

The Group has the tools it needs to further benefit from the significant growth in demand for logistics real estate assets, underpinned by intensifying long-term structural trends. Through the Manager, we have the necessary people, market experience, contacts, intelligence and data to take advantage of the increasing opportunities. The Group has the largest Big Box investment portfolio by square footage, and the biggest logistics focused land bank in the UK, giving us unrivalled insight into the marketplace and a pipeline of internally generated solutions to capitalise on occupier demand and deliver further attractive returns to shareholders. We believe the positive structural drivers currently being experienced in the UK logistics real estate sector are at an early stage, and these trends will continue to have a favourable lasting impact on our market as economies begin to recover.

Sir Richard Jewson
Chairman
9 March 2021

Fund manager's Q&A

1. What impact has Covid-19 had on your business?

Our focus on the quality and resilience of our portfolio meant we entered the pandemic from a position of strength, with a robust balance sheet and a high-quality customer base primarily formed of large companies in either defensive or non-cyclical sectors. Given its unprecedented nature, the Board took the prudent decision to preserve capital within the business by withdrawing its guidance for the FY20 dividend. As the Manager, our immediate priority was the safety and wellbeing of our employees as well as that of the Group's customers. We worked closely with customers to support their operations, in particular accelerating approvals to implement measures to increase social distancing and sharing best practice, and in certain circumstances offering some financial flexibility around rental obligations. Through a combination of the portfolio strength and our customer relationships, to date the pandemic has had a limited impact on our operations, as demonstrated through our expectation to receive 100% of FY20's rent. Longer term, the pandemic looks to have accelerated the transition to greater online retail, driving increasing demand for logistics space.

2. Do you see opportunities outside of "Big Boxes"?

We intentionally created a portfolio weighted to "Big Boxes" because they have unique characteristics that make them attractive investments. They provide economies of scale benefits and deliver efficiencies to match an increasingly demanding and growing e-commerce consumer base. There is limited speculative supply of new Big Boxes because of the significant capital needed to construct one and a planning system that controls the supply of consented land. They also attract higher-quality customers, who invest significantly in fitting out the buildings and thereby increase their commitment to them through longer leases with upward-only rent reviews.

We also believe that smaller scale logistics buildings are important as part of the 'hub and spoke' supply chain model. Consequently, we are now creating attractive opportunities for smaller logistics assets in our development portfolio, where we can use these units to help establish new logistics schemes before we build and pre-let larger Big Boxes. We also believe there are opportunities in smaller units within the market where we could add value through asset management. Overall, however, smaller units are likely to remain a relatively minor component of our overall portfolio.

"Our customer-led insight ensures that we are developing the right assets, in locations where occupiers want to be."

Colin Godfrey
CEO – Fund Management

3. Why are you externally managed?

The Board regularly consults with shareholders and based upon this insight believes the structure works well and that shareholders' and the Manager's interests are effectively aligned. While we have a dedicated core team focused on Big Box, it reduces costs for shareholders by sharing other administrative resources with the other funds we run. This is shown by the EPRA cost ratio of 14.2%, which is one of the lowest in the industry. Shareholders also benefit as we continue to invest in our capabilities and bring in new expertise, without the Company having to bear all the expense.

Having a rolling management contract ensures we are always aiming for the best performance, so we can continue to manage the business. Finally, the fees we receive are simple, transparent and 25% is taken in shares, which all of our staff participate in. Members of our team hold significant shares in the Company, which further aligns our interests with other shareholders.

4. How comfortable are you with the level of exposure you have to your customers?

Our tenant exposure is well diversified with no tenant representing more than 7%, except for Amazon which we consider to be a special case. We conduct rigorous analysis on our customers and maintain regular dialogue with them to understand their businesses, how they are performing and how our properties fit into their supply chain. We use this insight to determine our appetite to specific customer exposure. The composition of our portfolio reflects this approach, with a weighting towards customers in either defensive or non-cyclical sectors, such as food retail or e-commerce. The benefits of this approach have been highlighted in the resilient performance of our portfolio in 2020 both in terms of income and capital value, and despite the challenges presented by Covid-19 and Brexit.

5. How are you managing risk in your development portfolio?

Development is often associated with risk but we manage the perceived risks in our development portfolio in several ways. First, we limit our development exposure to no more than 15% of the Group's overall GAV, with a maximum of 5% of GAV in speculative development. Second, much of the land we control is held under option agreements whereby we only purchase the land once we have achieved planning consent, at which time we capture a value uplift; this approach is highly capital efficient. Third, we typically only deploy larger amounts of capital into constructing a building once a customer has committed to a lease, known as a "pre-let". This gives us line of sight on the returns the Group will earn and significantly reduces development risk. Finally, we have real insight into the market and our customers, so we understand the demand for new logistics space and the specifications occupiers require. This comes from our large portfolio of investment and development assets, our specalism in Big Boxes and our close customer relationships. Our customer-led insight ensures that we are developing the right assets in locations where occupiers want to be, and into land which requires lower levels of infrastructure spend to open them up, thereby accelerating their delivery into the market.

6. How are you going to fund your development pipeline?

We have four main options for funding our strategy, including our development pipeline, together with a clear capital allocation policy. We constantly evaluate our business to ensure we use the right mix of these options. We can generate funds internally, by using cash generated by the business and the Group's balance sheet strength to provide appropriate leverage. We can take advantage of strong market conditions by selling assets at lower yields when we have maximised their value in the Group's ownership, or which no longer fit the portfolio, and reinvest the proceeds into our development platform at higher, more attractive yields. We may also partner with others to co-fund opportunities, for example by forming joint ventures. In addition, we will consider raising equity when we believe it is in shareholders' interests to do so.

Our market

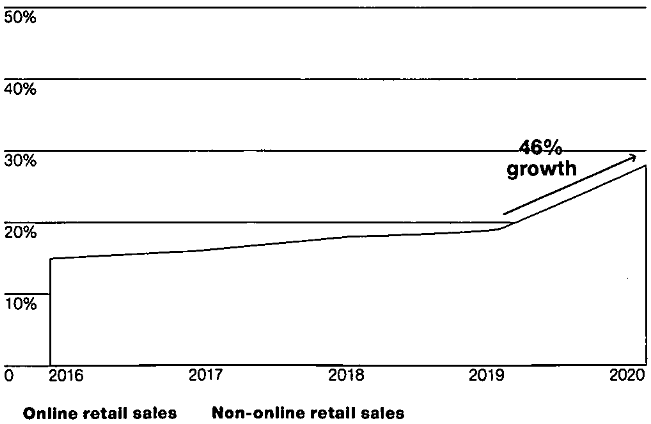
Long-term positive structural drivers make logistics real estate an attractive and growing sector.

Our strategy is aligned with three long-term structural drivers which are expected to increase and in turn sustain strong demand for logistics real estate in the UK. These are:

1. The ongoing growth in e-commerce

Consumers have continued to demand faster and more convenient ways to buy and receive goods, leading to an increasingly complicated omnichannel supply chain network and a rapid rise in online shopping over recent years. Suppliers have responded by improving e-commerce channels through their supply chains. Covid-19 has accelerated this trend, with total UK annual online sales in 2020 up 46% year-on-year resulting in online sales as a proportion of total retail sales rising to 28% from 19% in 2019. We see considerable scope for further growth in online sales as these levels reflect instore sales partially recovering during the year. At the height of the national lockdowns online sales represented up to 36% of total retail sales. Additionally, with many of the population forced to shop online for the first time, it is likely pre-pandemic online sales penetration projections will be revised upwards as much of this increase is expected to remain in place. Retail Economics' July 2019 outlook projected online sales will account for 53% of total UK retail sales by 2028. Over the last four years, every £1 billion of additional online sales has resulted in demand for new logistics property averaging nearly 900,000 sq ft. There has been no evidence that this relationship has changed as the pandemic has evolved. In 2020, there was 13 million sq ft of take-up from online retailers, compared to £35 billion of additional online sales. The Group's development pipeline is attractively placed to allow us to support our customers and other occupiers in fulfilling this increasing level of demand.

UK online penetration level
(online retail sales as a % of total retail sales)



Source: Office for National Statistics

2. The need to drive productivity and reduce costs

Even prior to the pandemic, corporate profit margins were under pressure from cost and wage inflation. The economic fallout from Covid-19 has only intensified the pressure on profitability. To avoid passing higher costs to consumers, companies are looking to lower their unit cost, including making their distribution activities as efficient as possible. Modern Big Boxes are increasingly using high levels of automation and technology to stock and retrieve products rapidly and efficiently. Such systems are vital to handling large volumes of complex omnichannel orders and returns, and are typically only found in larger, modern logistics buildings. The occupier's investment in such systems can exceed the cost of the building itself, meaning that occupiers are willing to sign long leases to protect their outlay and the importance of the location to their supply chain. Automation has proved beneficial during the pandemic, supporting occupiers' ability to meet rapid growth in online sales and helping to maintain effective social distancing when moving product. This enabled highly automated buildings to remain operational throughout the worst of the pandemic. In addition, automation could help the cost effectiveness of shifting supply chains closer to domestic markets (see below).

3. The need to generate efficiencies, increase resilience and sustainability

In addition to the benefits of automation, Big Boxes enable occupiers to consolidate smaller, disparate units into a single large property, which can act as a regional or national distribution centre. This offers economies of scale and allows occupiers to optimise their staff and stock management. Modern Big Boxes also have greater energy efficiency and the potential to install substantial renewable power generation, reducing costs and enhancing the occupier's sustainability performance. The pandemic has also highlighted the potential for supply chains to be interrupted or slowed. For occupiers importing goods from the EU, the re-introduction of checks at UK ports may also slow the flow of goods. Both these factors are encouraging occupiers to manufacture more in the UK and/or to hold more stock domestically, increasing the amount of space they require. This builds on the trend of de-globalisation and the unwinding of complex and long supply chains.

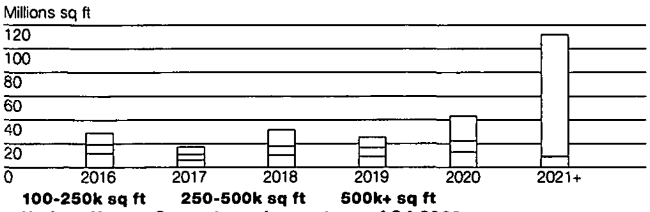
Our trading environment continues to strengthen

Occupational demand reached record levels in 2020
2020 was the year that evidenced how critical logistics is to the UK's infrastructure, supporting every industry and underpinning the UK's economic output during the pandemic.

Take up trends show that occupiers increasingly favour larger buildings of 500,000+ sq ft. Leasing activity of 500,000+ sq ft buildings as a proportion of total take-up (including under offer) has grown from around 35% in 2016 to nearly 50% in 2020. 2020 was a record year for uptake of 500,000+ sq ft buildings and almost more than the previous two years combined, according to CBRE data.

UK logistics take-up in 2020 was up 69% year-on-year to 43 million sq ft (source: CBRE), reaching an unprecedented level and substantially exceeding the previous record of 31.5 million sq ft set in 2018. Over 75% of demand was driven by occupiers that reported large increases in e-commerce sales; online retailers, third-party logistics and food retailing companies were responsible for 31%, 29% and 7% of this take-up respectively, as they continued to invest in their logistics networks. Total space 'under offer' was over 8.7 million sq ft, with Big Boxes representing 49% of this demand. Data published by Savills stated there was approximately 112 million sq ft of unfulfilled demand in the market as we entered 2021, a level believed to be equivalent to nearly four years of the five-year average annual take-up.

UK logistics take-up

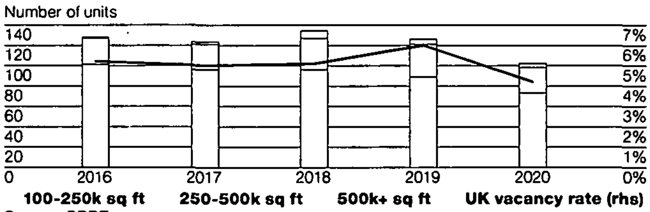


Source: CBRE, Savills

While availability of larger logistics assets remains constrained
The supply shortage of new larger logistics assets in the UK is evident, with only three buildings available to let immediately and one speculatively under construction. The speculative supply of larger logistics real estate has been limited by the material upfront costs required to build them compared to smaller boxes, and the lack of bank debt available compared to the last development cycle. CBRE market data shows that since 2016, only eight large-scale buildings or 4.5 million sq ft of space has been speculatively developed. Including the one building currently under construction, this rises to 5.1 million sq ft.

Looking forward, we believe the construction of new space for large logistics buildings will continue to be primarily driven by occupier-led build-to-suit opportunities given the inherent barriers to entry and low levels of speculative supply at this scale. The planning system remains slow moving and extensive infrastructure works can be required before a building can be constructed, both at the expense of time and cost, particularly for larger scale buildings.

UK logistics availability and vacancy



Source: CBRE

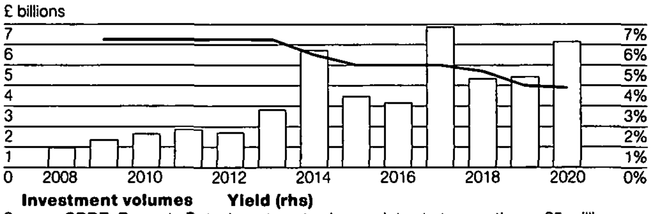
Driving sustainable and attractive long-term rental growth prospects for larger logistics assets
Occupational demand is strong and is increasing at a level that exceeds 'take-up'. Conversely, supply is low and is expected to remain constrained (particularly for larger sized buildings) and we therefore consider that Big Box logistics real estate has the potential to benefit from increasingly attractive levels of rental growth which should be sustainable over the longer term.

Investors are attracted to long-term fundamentals for logistics real estate
2020 logistics real estate investment volumes in the UK of £6.3 billion was the second highest level on record, with 75% of transactions completing in the second half of the year.

The imbalance of occupational demand exceeding supply underpins the attractiveness of logistics real estate to investors, contributing to yields compressing by up to 50bp in H2 2020 and yields falling to below 4% for prime assets. With interest rates cut in response to Covid-19, *and the possibility of future negative rates, the yield gap* between prime logistics property and 10-year gilts looks attractive at around 300–350 basis points, indicating the potential for further yield compression.

Logistics remains one of the most sought-after sectors for real estate investment, with investors continuing to be attracted by structural consumer trends and the secure long-term income offered by modern logistics buildings.

UK logistics investment volumes



Source: CBRE, Property Data: Investment volume relates to transactions >£5 million

Our strategy

We have a clear and compelling strategy designed to capture the opportunities our market presents, underpinned by a disciplined approach to capital allocation.

Strategy aligned to long-term drivers

High-quality assets attracting world-leading companies

Delivering high-quality, resilient and growing income

Our logistics assets are critical to the supply chains of some of the world's leading companies. We continue to craft a portfolio that will perform well through the economic cycle, providing resilient long-term income even during challenging times. We have weighted our customer exposure towards those in either defensive or high-growth sectors.

Direct and active management

Protecting, adding and realising value

We actively and directly manage our existing property portfolio, developing long-term relationships with our customers, ensuring their needs are met while identifying and realising opportunities to add value. We also monitor the broader market for opportunities where we can acquire assets and add value through active asset management.

By constantly evaluating and managing the portfolio, we aim to grow value and generate secure and increasing income. When we believe an asset has reached its full potential within our ownership, we look to crystallise this value through disposals, recycling capital into higher returning development and investment opportunities.

Insight driven development and innovation

Creating value

Through the Group's acquisition of the development site at Littlebrook, Dartford, and the capital-efficient acquisition of Tritax Symmetry, we have access to the UK's largest land platform for the development of logistics real estate. The customer insights gleaned from our existing investment portfolio and long-established successful track record inform the development process, ensuring we tailor the development pipeline to meet demand at an attractive 6-8% yield on cost target.

Most of the Group's development will be undertaken on a demand driven pre-let basis, significantly de-risking the process and ensuring we only deploy significant amounts of the Group's capital when we are confident that the returns are appropriate and attractive to our shareholders.

Underpinned by a disciplined approach to capital allocation and emphasis on sustainability

Underpinning our strategy is a disciplined approach to capital, where we aim to maximise returns to shareholders while minimising risk. By evaluating the Group's existing assets and identifying ways to maximise and then realise value, we will effectively recycle capital to support the Group's objectives, using debt appropriately and potentially raising additional capital when in shareholders' interests. See page 32 for more information.

The Group's commitment to sustainability forms an intrinsic and overarching part of our strategy. During the year, we further embedded our commitment to sustainability through the launch of our sustainability strategy and targets – see pages 38 and 43.

Strategy in action

1. Creating value by owning high-quality assets

Our strategy is focused on carefully constructing a portfolio of modern, large-scale logistics assets in key locations, which can play a crucial role in the UK distribution networks of some of the world's leading companies. When adding new customers to the portfolio, we have looked to increase our exposure to high-growth online retail or defensive sectors, helping our portfolio to perform in both strong markets and more challenging ones.

This strategic approach proved its worth in 2020, through the resilience of our income stream. We expect to receive 100% of the rent due in respect of 2020, reflecting the strength of our customer base, which is one of the best in the sector.

The portfolio gives us insight into our customers and their business plans, as well as the logistics market as a whole. Working with our customers we are able to help support their growth objectives, with existing properties which may benefit from enhancements, and through developing new properties for them.

For example, Ocado has been a customer of ours since we forward funded the development of the Big Box it leases at Erith, which they have occupied since 2016. When Ocado's rapid growth meant it urgently required additional logistics space this year, we knew our recently developed 164,000 sq ft facility at Bicester would be a good fit for its needs. The result was a new 20-year lease to Ocado on this asset, benefiting the Group and supporting our customer in the next phase of its growth.

2. Creating value through direct and active management

In March 2014, the Group acquired a 500,000 sq ft distribution centre in Chesterfield, Derbyshire, for £28.6 million, reflecting an attractive net initial yield of 6.6%. The lease to Tesco had approximately six years to run and the low passing rent was subject to a five-yearly open market rent review. The value creation potential presented by these upcoming events meant we classified the asset in the Value Add investment pillar, while benefiting from the asset's near-term income generation, which supported our progressive dividend.

The negotiation of the rent review, settled at a 5% increase, gave us an opportunity to engage with the customer, which indicated its intention to vacate at the end of the lease. We were optimistic about the potential for re-letting the asset, given its location, size and configuration, and the significant shortage of similar units available to let.

Having identified Amazon's requirement for space, we negotiated an early lease surrender from Tesco at nil premium and a simultaneous 12-month occupational licence to Amazon. We subsequently agreed a new 15-year lease with Amazon from November 2018, improving the covenant value and securing a 20% increase on the previous passing rent. These actions repositioned the property to the Foundation investment pillar and significantly increased its value.

Having completed our asset management plan, we saw an opportunity to crystallise this value uplift. In September 2020, we sold the asset for £57.3 million, reflecting a market-leading yield and an IRR of 18% per annum. We are redeploying the capital into attractive opportunities, including our development pipeline with a target yield on cost of 6-8%.

3. Insight driven development and innovation

Littlebrook was the first development site we acquired. It is in a critical "last journey" location inside the M25, adjacent to the QE2 Bridge, Dartford Tunnel and the River Thames, and has the potential to become one of London's largest Big Box logistics parks. This is a rare asset so close to London, benefiting from exceptional transport connectivity via motorway, rail and water, excellent infrastructure, significant power provision and a significant labour market.

At acquisition, our intention was to develop 1.7 million sq ft of logistics space at Littlebrook. On 15 June 2020, we announced that we had received planning consent and exchanged contracts with Amazon, to pre-let a new "Mega Box" 2.3 million sq ft logistics building on Phase 2 and part of Phase 3 plots, and featuring three mezzanine floors, an increasingly preferred format for large-scale e-commerece operators. Combined with an existing consent on Phase 1 of the site, this enables us to develop a total of 2.75 million sq ft of space at Littlebrook, with the potential for further consents to come on Phase 3. The profit generated from the Phase 2 pre-let development alone is expected to achieve our original expectations for development profit across the whole site, offering the potential for further meaningful upside as we develop the remaining phases.

We worked closely with Amazon to understand its requirements and develop an optimal logistics solution. The facility will play a key role in the customer's local and national distribution and fulfilment network, as well as delivering economic and employment benefits to the area. Following completion, Amazon will occupy nearly seven million sq ft of high-quality large-scale logistics space owned by the Group, representing 17.8% of our total contracted annual rent roll.

This highly sustainable building will target BREEAM Excellent and EPC A ratings, with key features including a 3.5 MW solar PV scheme, which is the largest rooftop solar PV scheme for a new development in Europe.

Practical completion is expected in Summer 2021.

The project will deliver attractive returns to investors, based on:

- a new 20-year lease, subject to annual upward-only rent reviews indexed to CPI (minimum 1% per annum and maximum 3% per annum), with the first review in Summer 2022; and
- the Group benefiting from a licence fee from the developer during the construction period, equivalent to the annual rent payable by the customer following completion of the building.

Phase 1 of the site already benefited from detailed planning consent for up to 450,000 sq ft of ground floor area and an eaves height of 21 metres. Our development partner, Bericote, is funding the speculative development of this building, completion of which is targeted for Autumn 2021. We are also progressing our plans for Phase 3 and are currently preparing a planning application for further logistics space over three plots.

Our business model

What we do

We own, manage and develop logistics real estate in the UK.

How we generate returns

We generate returns through the rent we receive from our tenants and from profits associated with our portfolio. We have a low and transparent cost base, with an EPRA cost ratio in 2020 of 14.2%.

We recycle capital, selling assets which we believe have delivered their full potential in our ownership and redeploy the proceeds into higher returning opportunities.

What makes us different

A deep understanding
Our Manager has deep knowledge and understanding of the market, and strong relationships with market participants. This means we have greater insight into market opportunities to secure better returns for shareholders, often through off-market transactions that our network opens up.

Agile and entrepreneurial
Our Manager's culture is agile and entrepreneurial, enabling us to move rapidly to secure the best opportunities.

Strong customer relationships
We build strong customer relationships, which gives us significant insight into their businesses to help inform our decision making.

Active management
We actively manage our properties, for example by adding extensions, improving our assets' environmental performance, securing lease renewals and agreeing rent reviews. This increases income and capital values.

Unrivalled portfolio
We have an unrivalled portfolio of large-scale, high-quality buildings, in key logistics locations close to transport networks, where occupier demand is strong.

Long leases with market leaders
Our buildings are let on long leases with upward-only rent reviews, to a well-diversified base of occupiers who are typically market leaders in their fields. At 31 December 2020, our weighted average unexpired lease term was 13.8 years and our top ten customers accounted for 55.7% of the contracted rent roll.

Targeting long-term outperformance through development
We have the UK's largest logistics-focused land platform, which enables us to develop properties that deliver a target yield on cost of 6-8%. This provides us the opportunity to deliver long-term outperformance to shareholders.

The value we create

Create high-quality buildings for our customers

We create high-quality buildings that play a central role in supporting our customers' businesses and growth ambitions.

Generating long-term income and capital growth for our shareholders

We generate attractive long-term income and capital growth for our shareholders. In 2020, we paid dividends totalling 6.40 pence per share and generated a Total Accounting Return of 19.9%.

Supporting our local communities and society

Our buildings benefit local communities and society more generally. They have strong sustainability credentials, with 90% having an EPC rating of C or above and new buildings being developed to net zero carbon, helping to minimise impact on their environments. They also often support significant employment in their local areas.

Key performance indicators

Our objective is to deliver attractive, low-risk returns to shareholders, by executing the Group's Investment Policy and operational strategy. Set out below are the key performance indicators we use to track our progress. For a more detailed explanation of performance, please refer to the Manager's report.

KPI	Relevance to strategy	Performance
1. Total Accounting Return (TAR)	TAR calculates the change in the EPRA Net Tangible Assets (EPRA NTA) over the period plus dividends paid. It measures the ultimate outcome of our strategy, which is to deliver value to our shareholders through our portfolio and to deliver a secure and growing income stream.	2020 19.9% 2019 3.8%[1] 2018 12.1%[1]
2. Dividend	The dividend reflects our ability to deliver a low-risk but growing income stream from our portfolio and is a key element of our TAR.	2020 6.40p 2019 6.85p 2018 6.70p
3. EPRA NTA per share[2]	The EPRA NTA reflects our ability to grow the portfolio and to add value to it throughout the lifecycle of our assets.	2020 175.61p 2019 151.79p[1] 2018 152.83p[1]
4. Loan to value ratio (LTV)	The LTV measures the prudence of our financing strategy, balancing the potential amplification of returns and portfolio diversification that come with using debt against the need to successfully manage risk.	2020 30.0% 2019 29.9% 2018 25.7%
5. Adjusted earnings per share	The Adjusted EPS reflects our ability to generate earnings from our portfolio, which ultimately underpins our dividend payments.	2020 7.17p 2019 6.64p 2018 6.88p
6. Total expense ratio (TER)	This is a key measure of our operational performance. Keeping costs low supports our ability to pay dividends.	2020 0.86% 2019 0.87% 2018 0.87%
7. Weighted average unexpired lease term (WAULT)	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream.	2020 13.8 years 2019 14.1 years 2018 14.4 years
8. GRESB[3] score	The GRESB score reflects the sustainability of our assets and how well we are managing ESG risks and opportunities. Sustainable assets protect us against climate change and help our customers operate efficiently.	2020 72/100 2019 55/100 2018 No rating

1 Comparatives for 31 December 2019 and 31 December 2018 have been prepared using the new EPRA Net Asset Value metrics issued in October 2019.
2 EPRA NTA is calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We use these alternative metrics as they provide a transparent and consistent basis to enable comparison between European property companies.
3 Global Real Estate Sustainability Benchmark (GRESB).

EPRA performance indicators

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We provide these measures to aid comparison with other European real estate businesses.

For a full reconciliation of all EPRA performance indicators, please see Notes to the EPRA and other key performance indicators.

Measure and definition	Comments	Performance
1. EPRA Earnings (Diluted)		
See note 13	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	2020 6.17p 2019 5.29p 2018 6.37p
2. EPRA Net Tangible Assets (NTA)		
See note 29	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	2020 175.61p 2019 151.79p[1] 2018 152.83p[1]
3. EPRA Net Reinstatement Value (NRV)		
	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	2020 193.41p 2019 167.52p[1] 2018 168.56p[1]
4. 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.	2020 166.36p 2019 147.80p[1] 2018 150.64p[1]
5. EPRA Net Initial Yield (NIY)		
	This measure should make it easier for investors to judge for themselves how the valuations of the two portfolios compare.	2020 4.18% 2019 4.34% 2018 4.37%
6. EPRA 'Topped-Up' NIY		
	This measure should make it easier for investors to judge for themselves how the valuations of the two portfolios compare.	2020 4.38% 2019 4.60% 2018 4.68%
7. EPRA Vacancy		
	A "pure" (%) measure of investment property space that is vacant, based on ERV.	2020 0.0% 2019 1.2% 2018 0.0%
8. EPRA Cost Ratio		
	A key measure to enable meaningful measurement of the changes in a company's operating costs.	2020 14.2% 2019 15.1% 2018 13.7% The 2020 ratio shown above is inclusive of vacancy costs (exclusive of vacancy costs is 14.1%). The 2019 and 2018 ratios are the same, inclusive or exclusive of vacancy costs.

Manager's report

This was a year of positive momentum for the Group, as it delivered good progress across every element of its strategy, against a backdrop of strengthening occupier demand and record levels of take-up for large-scale logistics assets.

Strategy
The Group's strategy is aligned with these powerful and positive long-term structural drivers and has three mutually reinforcing components, enabling it to deliver sustainable income and capital growth, while ensuring it meets its wider responsibilities:

1. High-quality assets attracting world-leading customers – delivering resilient and growing income
2. Direct and active management – protecting, adding and realising both income and capital value
3. Insight driven development and innovation – creating both income and capital value

The Group's commitment to sustainability forms an intrinsic part of each element of this strategy. Underpinning the strategy is a disciplined approach to capital allocation, where we aim to maximise returns to shareholders while minimising risk.

1. High-quality assets attracting world-leading customers
Since IPO in 2013, we have assembled an unrivalled portfolio of investment assets, let to some of the world's leading companies. Portfolio composition is driven by the Group's strategic objective to own high-quality logistics assets capable of generating attractive, stable and long-term returns for its shareholders. The characteristics that generate these returns include: the quality of the Group's customers, long lease lengths, desirable locations, attractive building size and format, ESG characteristics, asset modernity and income growth embedded in the leases. These have made the business highly resilient, as evidenced by its outperformance through the Covid-19 pandemic.

The quality of the portfolio and the customer base, coupled with our strong customer relationships and regular communication with them, enabled strong levels of rent collection performance in the year. With no rent-free periods or rent reductions agreed across the portfolio, we have collected 99% of all rent falling due for 2020. The outstanding rental payments are subject to a small number of deferral arrangements, which we expect to be recovered fully during 2021.

Portfolio composition
At the year end, the total portfolio value was £4.41 billion, an increase of 11.9% from 31 December 2019. This comprised the Investment Portfolio, which provides the Group's long term, stable and growing income, and the Development Portfolio, which offers significant growth potential. Within the Investment Portfolio, Foundation assets form the majority, providing long-term and high-quality income. We complement Foundation assets with Value Add assets (incorporating assets formally referred to as Growth Covenants) that provide higher levels of growth through asset management initiatives or where we believe the occupier has the potential to grow and strengthen in covenant quality. Overall, this composition is intended to deliver an attractive return on a blended basis.

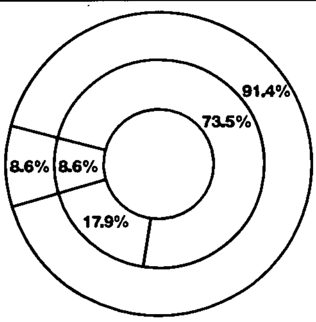
"Underpinning the strategy is a disciplined approach to capital allocation, where we aim to maximise returns to shareholders while minimising risk."

Colin Godfrey
CEO – Fund Management

Our portfolio

Investment portfolio:
Foundation assets
Value Add assets

Strategic Land and
Development portfolio



At 31 December 2020, the Investment Portfolio comprised 59 assets (31 December 2019: 58 assets), following:

- the completion of two developments during the year at Aston Clinton, totalling 112,000 sq ft and 56,000 sq ft respectively, which have been let to Apple;
- two pre-lets: at Littlebrook to Amazon and at Bicester to DPD;
- the acquisition of the 325,000 sq ft asset at Southampton; and
- the sale of four investment assets, at Chesterfield, Nottingham, Ripon and Raunds.

A secure and resilient customer base

The Group has a diversified base of 41 different customers. As a proportion of the total contracted rent roll, 64% of the Group's customers are in defensive and resilient sectors, such as e-commerce and food retail, and 71% are companies with parent revenues of over 10 billion in their respective local currencies (primarily GBP, USD and EUR). We believe this tenant line-up is one of the strongest of any quoted logistics real estate business in Europe. When adding new customers to the portfolio, we have sought to increase exposure to companies with a strong e-commerce or online offer and to control exposure to high street retail. The Group's top ten customers are shown below:

Customer	% of contracted annual rent
Amazon	17.8
Morrisons	6.3
Tesco	5.3
Howdens	4.8
The Co-Op	4.6
Ocado	3.8
Argos	3.8
Marks & Spencer	3.8
B&Q	2.9
Dunelm	2.7

A long-term and reliable income stream

The long-term security of the Group's income is evident in the weighted average unexpired lease term (WAULT) of the Investment Portfolio, which was 13.8 years at the period end (31 December 2019: 14.1 years). Foundation assets, which form the Group's core income, had a WAULT of 15.8 years (31 December 2019: 16.1 years).

Reflecting the long WAULT, 53.8% is supported by leases with 15 or more years to run and just 16.3% of total rents were from leases expiring within five years of the year end.

Embedded income growth

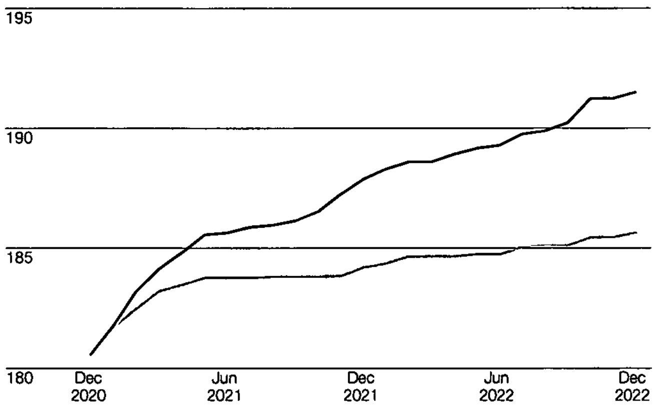
All of the Group's leases provide for upward-only rent reviews and we have assembled the Investment Portfolio so that the timing of these reviews is balanced, supporting the Group's ability to deliver annual income growth. Some 37% of the portfolio rent roll is subject to review in 2021, with a further 27% due for review in 2022. The Investment Portfolio contains a variety of types of upward-only rent review, with 50.8% being RPI/CPI linked, 33.0% open market, 10.0% fixed and 6.2% hybrid and of which 12.1% are reviewed annually and 87.9% on a five-yearly basis. In recent years, tenants have preferred new occupational leases with index linked rent reviews, usually including cap and collar arrangements.

Our portfolio provides a balance between the certainty offered by fixed and inflation linked leases with the ability to capture market growth from open market reviews. Approximately 49.2% of the portfolio's rent roll has either a fixed or minimum level of increase at rent review; across the leases, this minimum rental uplift will produce an average increase of 1.7% per annum when a review arises. In addition, open market rent reviews, lease expiry events or new leases give us the opportunity to capture the reversionary potential in the portfolio. Against a total contracted annual rent of £180.6 million, the independently assessed estimated rental value (ERV) for the Investment Portfolio was £191.6 million at 31 December 2020, representing a 6.1% reversion (the level by which market rents are deemed to exceed the passing rent of the Group's properties). The portfolio ERV on a like-for-like basis grew by 1.3% during the last 12-month period.

Following successful letting activity in 2020, as highlighted below within insight driven development and innovation, the Group has achieved lettings on all vacant buildings. The portfolio therefore has a 0% vacancy rate at the year end, compared with 1.2% twelve months ago.

Rental growth forecast

£ millions



— Potential rental uplift — Minimum contracted uplift

Priorities for 2021
In the coming year, we will:

- Evaluate further acquisitions of standing assets, where we can either add value through asset management, take advantage of market mispricing, and acquire attractive forward funded development opportunities.
- Seek to further diversify our portfolio through general portfolio management e.g. customer, building, geography as well as increasing our exposure in the portfolio mix to value add investment opportunities and development.
- Target disposals of investments where we have the opportunity to recycle this capital into higher returning opportunities being developed within our portfolio or the broader market.

2. Direct and active management

Understanding and supporting customers

We perform the majority of our asset and property management activities in-house, which means that we are responsible for every customer interaction. Being close to our customers enables us to understand their businesses, maximising the potential to pursue opportunities to support them in their logistics needs. We have an energetic and enthusiastic asset management team with a range of complementary skill sets, incorporating the development skills of our Symmetry team, and in-house expertise focused exclusively on improving the sustainability of our assets.

Our proactivity with customers has enabled us to gain a deeper understanding of Covid-19's impact on their operations and to offer support where possible and appropriate. Ongoing and regular interactions with key occupier contacts such as Property, Operations and Finance Directors have reinforced the quality of our relationships with them. As a result, we were able to understand where the greatest needs arose, provide support and approvals to ensure health and safety levels could be maintained, and agree payment plans, where necessary, with a small number of customers.

We conduct ongoing covenant analysis of our customers and strengthened our team to support this work during the period. The analysis combines publicly available financial and trading information with our own observations and customer conversations as well as the opinions of third-party professionals. This prudent, intelligence-led approach, enables us to identify customer-related risks and opportunities, driving strategies that help us to capture growth and/or mitigate risks by adjusting exposure in favour of stronger tenants and sectors through active portfolio management.

The Group owns a property located at Newcastle under Lyme, leased to New Look, which represents approximately 1.35% of Portfolio contracted rent roll. In September 2020, New Look undertook a Company Voluntary Arrangement (CVA) which was voted on and approved by its creditors. Due to the building fulfilling an important role in New Look's national supply chain operations, there were no changes to the rent or unexpired lease term of our asset, as a result of the CVA. We remain in regular contact with our customer's senior management and are monitoring its trading performance and space requirements.

Our due diligence before acquiring or developing assets, and on an ongoing basis through our ownership, includes regular surveys by specialist building surveyors. These surveys review materials and construction methods to legislative requirements and evolving industry concerns and considerations. We maintain a specific "fire risk" schedule, which is updated by our building surveyors, detailing the fabric materials, including cladding, fire suppression systems and provides a "grading" of risk, based on the building surveyors specialist knowledge, advice and experience. This approach is adopted in conjunction with our insurance provider and broker. No cladding remediation works have been identified as necessary as part of the ongoing regular inspections and reviews.

Our procurement of insurance is undertaken in conjunction with specialist real estate insurance brokers. The 2020 renewal process was affected by a "hardening" insurance market, with a number of insurers reducing their exposure to insuring real estate, thereby limiting the number of insurers willing to quote. We adopt an approach of full and regular disclosure with our insurer. Our diligent approach to management and reporting, combined with a low claims history, enabled us to negotiate competitive premium terms with the benefit of a policy providing extensive coverage.

To give us greater understanding of our customers and their operations, we have commissioned third-party supply chain research on certain customers. This provides a detailed picture of the customer's entire logistics network and our assets' positioning within it, as well as factors such as logistics routes, labour supply, power requirements, building configurations and sustainability considerations. The depth of this research enables us to engage customers on how our development pipeline could support their future logistics networks, in addition to supporting our asset management proposals and decisions over whether to hold, sell or buy investments.

Acquiring assets with value creation potential

Despite increased demand for logistics assets, acting with discipline we continue to identify opportunities to purchase investments where we can either add value through active asset management initiatives or achieve advantageous pricing through our market contacts and reputation.

Aligned with this, in November 2020, the Group acquired a 325,000 sq ft building in Southampton, with extensive cold-store facilities on a 20-acre site. The asset is in a core logistics location with a robust underlying occupational market. The purchase price of £44.2 million reflected a net initial yield of 5.28%. The asset is let to Tesco on a lease which expired in January 2021 following which Tesco remains in occupation "holding over" in order to progress negotiations on the terms for a new lease. It presents numerous potential opportunities to drive income and increase the capital value, including:

- increasing value through agreeing a lease regear with Tesco or a new lease to an alternative occupier following marketing;
- growing income through capturing the current market rental reversion;
- capturing future rental growth, in a structurally undersupplied location;
- enhancing the configuration of the built area and yard; and
- increasing the asset's sustainability through green initiatives, such as power generation from the installation of on-site solar panels.

"Having the ability to develop assets at a 6-8% target yield on cost should assist the Group in its aim of delivering long-term sustainable value to shareholders."

The acquisition was financed through £24.2 million of existing resources and the issue to the seller of 12,166,930 new Ordinary Shares in the Company at a price of 164.38 pence per share, a 6.2% premium to the 30 June 2020 EPRA NAV.

Realising value and recycling capital through disposals
We have a rigorous process through which we constantly monitor and evaluate the Group's portfolio, to identify those assets where:

- we have completed our asset management plans and maximised value
- where the asset no longer fits the portfolio profile; or
- the future performance of the asset may not meet our stated objectives due to risks associated with the underlying asset or customer.

Our approach considers the likely future returns from the asset, our insight into the occupier's plans and numerous other factors such as the size, age, location and sustainability performance of the asset.

In each case, we assess the role that the investment fulfils as part of a balanced portfolio and whether we believe that the investment has maximised returns under our ownership. Internal rate of return forecasts are run for each asset and these are graded within the portfolio to identify assets which might be appropriate for sale.

Crystallising gains in value enables us to take advantage of the current strong investment demand for logistics real estate and redeploy the capital into more attractive opportunities. Through this constant evaluation process, we expect to sell a number of assets each year, with target proceeds of c.£125–175 million per annum, subject to being able to redeploy these proceeds into more accretive investments.

In 2020, we completed the disposal of four assets, for an aggregate gross consideration of £134 million, in line with our indicative range:

- Amazon, Chesterfield;
- Wolseley, Ripon;
- DHL, Nottingham; and
- Whirlpool, Raunds.

Through these sales, we achieved a weighted levered internal rate of return of 12.9% per annum (net of corporate costs) and a blended sale net initial yield (NIY) of 5.0%, compared to the aggregated purchase NIY of 6.6%. All four assets were sold at or above their current book value. The Chesterfield asset achieved a particularly strong IRR of 18% and was sold at a premium to book value.

Growing and lengthening income
In February 2020, we agreed with Marks & Spencer to remove the May 2021 break option in its lease relating to the asset at Stoke, extending the unexpired certain term by five years to May 2026. In tandem, we agreed the forward settlement of the next rent review, increasing the rent from £5.25 per sq ft to £5.50 per sq ft from May 2021.

We completed two five-year lease extensions, effective from December 2020, with the retailer Dunelm in respect of two assets in Stoke, where the leases had expired in August 2020. We negotiated an increase in the annual rent of 4.9% and this was reflected at the 31 December 2020 valuation with a capital value increase of approximately £3.8 million for the two assets.

We continue to grow rental income from the investment portfolio, with the following open market rent reviews completing during the year:

- DHL, Skelmersdale: the five-yearly open-market rent review resulted in an 11.8% uplift, backdated to August 2019, equating to 2.3% on an annual basis over the five-yearly review period.
- Tesco, Didcot: the five-yearly open-market rent review resulted in a 16.8% uplift, backdated to August 2019, equating to 3.2% on an annual basis over the five-yearly review period.

A large part of the portfolio provides for upward-only, inflation linked rent reviews. These were concluded at Amazon, Peterborough; Morrisons, Tamworth; Morrisons, Sittingbourne; Royal Mail, Daventry and ITS, Harlow. These reviews were settled at an average aggregate uplift in rent of 2.6% over the previous passing rental levels, which equates to 1.4% on an annualised basis.

The reviews concluded that were subject to a fixed percentage increase were at Argos, Burton; L'Oréal, Trafford and Rolls-Royce, Bognor Regis. These reviews were settled at an average aggregate uplift in rent of 6.1% over the previous passing rental levels, equating to 3.0% on an annualised basis. We also settled two hybrid rent reviews at Co-Op, Thurrock and Cerealto, Worksop where an increase of 7.8% was recorded against the previous passing rental levels.

The rent reviews completed in the year, together with the increase in rent from the Dunelm, Stoke lease extension(s) added £2.0 million per annum to the contracted rent roll, equating to an annual like-for-like annual growth rate of 2.0% per annum. Post the period end we have agreed the settlement of the Tesco, Goole open market rent review. An increase of 14.4% was documented, equating to an annualised increase of 2.7% over the five-year review period. We remain in negotiation over one open-market review where the review date occurred in the previous year; it is not uncommon for open market rent reviews to take longer to conclude but once agreed the rent is backdated together with accrued interest. Open market rent reviews in particular can also be a trigger for broader discussions with customers about other asset management opportunities, such as alterations or extensions to the building.

In addition to rent review negotiations, we currently have 10 proposals with occupiers under consideration covering a combination of lease regear, building extension and sustainability initiatives and expect a number of these to be progressed in 2021. Some of these proposals are linked to our customers' decisions to bring forward their timetables for further investment into e-commerce platforms and some have been generated as tender responses for third-party e-fulfilment. We specifically look to include initiatives that will improve the sustainability performance of the asset (see below).

Enhancing sustainability through asset management
Logistics is a leading real estate sector for incorporating sustainability-related technology into buildings. For example, a logistics facility's relatively simple construction makes it easier to retrofit LED lighting, rainwater harvesting and other innovations than in other asset types. The scale of the assets also provides a significant roof area for installing on-site solar PV panels.

To enhance the environmental performance of the Group's assets and help customers improve their own performance and reduce costs, we continue to explore opportunities to install on-site solar PV energy generation. We are actively progressing projects to add 10.5 MW of renewable energy generation with six customers. All of the proposals we have submitted for lease extensions (see Growing and lengthening income above) include sustainability initiatives such as solar PV panels, works to improve the energy efficiency of the mechanical and electrical equipment, or staff welfare enhancements such as outdoor recreation space to encourage more connection to nature to improve wellbeing.

Energy Performance Certificates (EPCs) are obtained for each property, having been independently assessed, with A being the best rating and E the lowest. The proportion of A grades within our portfolio has increased, which also includes the completion of new developments such as Amazon, Durham. We also continue to improve properties with lower-grade EPCs; one example is our Newark asset let to DSG, where the installation of on-site solar PV increased the EPC rating from D to C. We have shared sustainability action plans with six further customers, covering topics such as biodiversity improvements and renewable energy measures. We have also created biodiversity site plans for a further 11 of the Group's assets; these have been included into the asset Sustainability Action Plans and will be progressed in 2021.

Where possible, we continue to progress our plans to implement green leases by incorporating best practice green lease clauses in each new lease or lease variation, encouraging mutual cooperation between the Group and its customers.

At one of the Group's assets at Dordon, we have granted permission to the occupier, Ocado, to make alterations to the building, enabling it to receive power generated by an anaerobic digestor which is fed by Ocado's own food waste. This has the potential to provide around half of Ocado's energy requirements at Dordon and reduce its carbon footprint.

Priorities for 2021
In the coming year, we will:

- initiate rent reviews on the 37% of the portfolio up for review in the year, to drive income and capital values;
- aim to secure further lease term extensions, to lengthen the portfolio's income profile;
- pursue opportunities for physical lease extensions and property improvements, and;
- continue to propose and, where agreed, implement green initiatives.

3. Insight driven development and innovation
Successful development-led letting activity
With the occupational market continuing to strengthen during the year, the Group agreed lettings in respect of six assets and 2.9 million sq ft of logistics space during the year. These new lettings included the remaining four logistics properties speculatively developed by the Group's development arm, Tritax Symmetry and two pre-let agreements including at the Group's Littlebrook, Dartford site. The lettings were:

- June 2020: a pre-let to Amazon for a 20-year term with annual CPI reviews at Littlebrook, Dartford, covering 2.3 million sq ft.
- July 2020: a 15-year lease to Butternut Box, an online pet food retailer, of the speculatively developed building at Doncaster, covering approximately 151,000 sq ft.
- July 2020: a pre-let to DPD for a 25-year term at Bicester, covering approximately 59,000 sq ft.
- July 2020: two 10-year leases (with a tenant-only break option at year five) to Apple of the speculatively developed Aston Clinton Units II and III, covering approximately 56,000 sq ft and 112,000 sq ft respectively.
- December 2020: a 20-year lease to Ocado for the speculatively developed building at Bicester, covering approximately 164,000 sq ft, subject to obtaining planning consent to extend the yard.

These transactions have added a combined annual contracted rental income of £16.9 million to the portfolio.

The well located land bank, at various stages of the planning process, provides an ongoing source of new investment opportunities through an appropriate combination of pre-let and speculative development. Having the ability to develop assets at a 6-8% target yield on cost should assist the Group in its aim of delivering long-term sustainable value to shareholders.

The development portfolio
Following our acquisition of Tritax Symmetry in February 2019, the Group has access to the UK's largest land bank for logistics property development, held either directly or using capital-efficient long-term option agreements. These options benefit from strike prices that are aligned to key planning milestones and the pre-letting of developments. This significantly decreases development risk and capital requirements, ensuring we deploy larger amounts of capital only when we have line of sight and greater certainty over the timing of the development process and commencement of income. This means that we will typically only buy land following achieving a planning consent and we will only develop larger scale logistics buildings once a suitable pre-lease with a customer has been secured.

The development portfolio made up 8.6% of the Group's Gross Asset Value at the year end. We categorise the development portfolio based on the timing of opportunities related to the planning process:

1. Current – assets that are under construction and/or are pre-let, having received planning consent.
2. Near-term – sites with planning consent either received or submitted.
3. Future – longer-term land opportunities, which are principally held under option.

1. Current development pipeline
At the year end, the current development pipeline comprised three pre-let developments totalling 3.0 million sq ft. These were Co-Op, Biggleswade, which was in construction at the start of the year and achieved practical completion after the year end, and two additions in 2020: the 59,000 sq ft parcel distribution hub pre-let to DPD at Bicester, and Amazon, Littlebrook.

The DPD facility at Bicester is being constructed to net zero carbon in construction, in line with the UK Green Building Council's (UKGBC) Framework. Carbon lifecycle assessments have been completed and carbon-reduction initiatives identified in relation to the highest-impact materials, which are concrete, aggregates and steel. We have committed to all future developments being net zero carbon to the point of 'practical completion' of the building construction.

Despite the Covid-19 pandemic, good progress has been made on all three developments. The Group's contractors all worked hard to introduce necessary safety measures such as social distancing on-site and to programme work to ensure there were limited delays to expected completion dates.

Two other pre-let developments, Howdens III at Raunds and Amazon at Durham, reached practical completion during the year. The Group has now undertaken 18 pre-let developments totalling 14.1 million sq ft over the last seven years, which we believe makes the Group the UK's leading forward funder of developments over that period.

The estimated cost to completion as at the year end, across the three assets under construction was £88.9 million, as shown in the table below. The Group had a further £4.6 million of commitments at its site recently let to Ocado at Bicester, although this building has reached completion.

The Group's Investment Policy limits land exposure to 15% of GAV and within this total speculative development is limited to 5% of GAV. Following the successful letting of all the Group's speculatively developed buildings (as described earlier), and to further capture unprecedent levels of occupier demand, further speculative development is currently under consideration. The Group had no exposure to speculative assets as at 31 December 2020. Future speculative development will be focused on those locations where market dynamics are strongest and at sites where consent has recently been secured and the early construction of space would assist with and promote the development of that project. Our intention is to limit speculative development to smaller units, which are appealing to fast-growing companies looking for standing stock. This form of development allows us to target the acceleration of rental income and development profit for our stakeholders. We have identified sites where we plan to commence further speculative development during the next six months with phased delivery over the next 15 months of approximately 1 million sq ft, in line with the approach set out above.

		Estimated Costs Period				
Pre-let	Total £m	H1 2021 £m	H2 2021 £m	H1 2022 £m	Total sq ft million	Contractual rent £m
Co-Op, Biggleswade	13.8	13.8	–	–	0.7	4.7
Amazon, Littlebrook	70.5	63.1	7.4	–	2.3	12.3
DPD, Bicester	4.6	4.6	–	–	0.1	0.8
Total	**88.9**	**81.5**	**7.4**	–	**3.0**	**17.8**

2. Near-term development pipeline
As at 31 December 2020, the Group's near-term development pipeline comprises land on which we have either received planning consent or submitted planning applications, excluding assets in the current development pipeline which are under construction. Sites in the near-term development pipeline are likely to start development within one to three years.

The obtaining of planning consent is a key part of the valuation creation associated with development. We have made significant progress in converting unconsented land within the portfolio into valuable land with planning consent for logistics use. At the time of the Symmetry acquisition in February 2019, Symmetry had 2.1 million sq ft of consented land. Due to the quality of the sites and expertise of the team, the team have successfully increased this by 271% to deliver a cumulative total of 7.8 million sq ft of consented sites within the Symmetry portfolio by 31 December 2020.

At the year end, the near-term pipeline consisted of 10.2 million sq ft, across 12 sites. Of this, 7.6 million sq ft relates to land with planning consent and 2.7 million sq ft relates to sites where a planning application has been submitted.

The Group continued to make good progress with planning consents during the year, adding a total of 5.4 million sq ft to the near-term development pipeline. Key consents achieved included:

- planning consent for 0.6 million sq ft at Darlington Phase 2
- outline consent for 1.9 million sq ft at Rugby, with a detailed planning application subsequently submitted for two logistics buildings totalling 317,000 sq ft; and
- detailed consent for a further 0.6 million sq ft at Biggleswade (Phase II).

In addition to these consents, the Group also:

- received committee resolution to grant planning consent at Wigan, for a 1.4 million sq ft scheme, which was called in by the Secretary of State;
- received resolution to grant planning consent for 156,000 sq ft at Middlewich, subject to Section 106 Agreement which will form part of a Development Management Agreement.

In 2019, the Group secured outline consent for 2.3 million sq ft at Kettering. We are progressing on-and off-site infrastructure works and are in negotiations with a number of potential occupiers, reflecting strong occupational interest in the site.

Of the land with planning consent, the Group:

- owns 0.6 million sq ft directly;
- owns a share of 0.8 million sq ft through a joint venture; and
- controls 6.2 million sq ft through option agreements.

This consented land comprises nine development sites, all at various stages of site preparation, from land that is owned and ready for construction (with utility services installed), to land held under option where infrastructure works have yet to commence.

In line with the growing numbers of consents, and the strengthening market, we have seen a significant uptick in occupier interest for our sites. This interest supports our expectation to deliver 2-3 million sq ft per annum, with demand expected to be satisfied through a combination of new speculative supply and pre-let activity in the later part of H2 2021 and into early H1 2022.

The table below provides further analysis of the near-term development pipeline at the year end:

	Total sq ft m	Current cost incurred £m	Estimated cost to completion £m	ERV £m	Estimated gross yield on cost %
Land with consent	7.6	141.8	476.7	44.5	6-8%
Land with planning submitted	2.7	14.2	203.5	17.1	6-8%
Total	10.2	156.0	680.2	61.6	6-8%

3. Future development pipeline
The remainder of the Group's strategic land bank is predominantly controlled under option agreements. The total future development pipeline has the potential to deliver approximately 28.8 million sq ft at a target yield on cost of 6-8%, with developments expected to be largely pre-let triggered.

During the year, the Group signed options over three new schemes at Gloucester, Merseyside and Biggleswade totalling 183 net acres, with the potential to construct approximately 4.0 million sq ft of logistics real estate.

The future development pipeline consists of long-dated option agreements. Most option agreements also contain an extension option clause allowing for the option expiry date to be extended, where necessary.

"As the Group has grown and its strategy has evolved, the Manager has consciously invested in its capabilities so that it can continue to provide the highest standards of service to the Group."

Development Management Agreements (DMAs)
We have several Development Management Agreements (DMA) with third-party funders that were included as part of our acquisition of Tritax Symmetry. Under a DMA, Tritax Symmetry will manage the delivery of an asset in return for a fee and/or profit share. The Group will not own the asset at any point and DMAs are therefore not included within the Group's asset portfolio.

During the year, activity under DMAs and other economic interests relating to 1.8 million sq ft of real estate generated other operating income of £8.6 million.

Enhancing sustainability through development
The Group's developments are where we can have the biggest impact on the sustainability of the wider portfolio. Constructing new assets to net zero carbon, as described under the current development pipeline above, enables us to materially reduce the lifetime carbon footprint of the building.

To support the Group's development and asset management programmes, we launched a Green Finance Framework and our first Green Bond in November 2020 (see Financial Review). All of the developments in the pipeline are expected to be BREEAM certified as either "Very Good" or "Excellent", making them eligible projects under this Framework.

In addition to enhancing environmental performance through our approach to development, we look to create value in other ways. We have created a social value charter for Tritax Symmetry, which sets out our aims to create additional social benefit via our investment in logistics through employment, skills and education, local procurement and our commitment to create Community Benefit Funds in our communities, which will become operational in 2021. At Littlebrook, we have set social value targets for employing apprentices and long-term unemployed people, as well as for work placements. We have also committed more than £200,000 of investment over five years into a local football club and an associated employability programme to support the local community.

Priorities for 2021
In the coming year, we will:

- Aim to successfully complete the developments currently in build in accordance with development budget and programme;
- Commence development of a number of smaller units, to open up sites and replace recently let speculatively built stock;
- Further progress new and existing planning applications across the development portfolio;
- Progress site infrastructure works on consented sites to facilitate letting delivery;
- Look to secure further pre-let developments; and
- Continue to target 2-3 million sq ft of development activity per annum.

Tritax Management investing in capabilities to support the Group
As the Group has grown and its strategy has evolved, Tritax Management (the Manager) has consciously invested in its capabilities so that it can continue to provide the highest standards of service to the Group. Having recruited specialists in areas such as sustainability in previous years, this year the Manager made a number of senior appointments, with backgrounds in areas that are key to driving forward our proposition, such as research and data analytics, logistics, supply chains, investment management and investor relations. In particular, shortly after the year end, the Manager appointed Phil Redding as Director of Investment Strategy to support mandates, including that for Tritax Big Box. Phil brings a wealth of experience from a career in logistics real estate, most recently including 25 years at Segro where he rose to become Chief Investment Officer responsible for property-related activities of the FTSE 100 REIT. The appointments by the Manager will give us an even greater understanding of the Group's customers and their operations and ensure we are even better placed to deliver effective solutions to their property requirements. We see this as an important advantage in our market.

In December 2020, Aberdeen Standard Investments (ASI) and Tritax Management (the Manager) announced ASI's intention to acquire an initial 60% stake in the Manager. It gives the Manager access to ASI's expertise and global reach, providing additional resources we can apply to ensuring the Group's continued success. The Manager's team responsible for managing the Group day-to-day will be unchanged, as will the Investment Management Agreement, and we will retain the culture and entrepreneurial edge that have served the Group well since its IPO. The Manager retains its autonomy and control over investment decision making. Overall, we believe ASI's investment gives the Manager the ability to enhance the level of service it provides to the Group by supporting retention of key staff members and providing additional resources in areas such as reporting, research and sustainability.

Financial review

We delivered a strong performance in 2020. Increasing development contribution accelerated performance and capital growth while the portfolio performed well with strong operational cash flows and rent collection.

"Underpinning our strategy is our capital allocation framework that carefully evaluates the sources and uses of financing to ensure we generate appropriate levels of return."

Frankie Whitehead
Finance Director

The Group demonstrated the stability and resilience of its business model during the year, delivering an extremely strong Total Accounting Return performance alongside growth in earnings despite the wider economic impact of the Covid-19 pandemic.

The Group achieved a very strong rent collection performance in 2020, collecting 99.4% of all rent due for the year. We expect that any arrears outstanding will be collected in 2021.

Considering the unprecedented uncertainty caused by Covid-19, on 8 April 2020 we withdrew our dividend guidance for 2020. Following this, the Company declared interim dividends of 1.5625 pence per share in respect of each of the first three quarters and announced an interim dividend of 1.7125 pence per share in respect of the fourth quarter, to give a total dividend for the year of 6.40 pence per share (2019: 6.85 pence per share). This represented a pay-out ratio of 90% of Adjusted earnings or 93% when adjusting for other operating income. At the start of 2021, the UK was placed into a further lockdown period. We believe that given the current position of the UK economy and the fact that the long-term effects of Covid-19 remain uncertain, it is appropriate to move forwards with a prudent stance surrounding the dividend. This, coupled with targeting a pay-out ratio of at least 90%, will allow for a greater level of flexibility in meeting a sustainable and growing dividend over the long term. Quarterly dividend payments for 2021 are expected to commence in line with the previous year's annual dividend level of 6.40 pence, with the potential to increase the fourth quarterly dividend, to reflect the anticipated growth in earnings.

EPRA has introduced new reporting metrics for net asset value this year and we have adopted EPRA net tangible assets (NTA) as our primary measure and key performance indicator to replace EPRA Net Asset Value (NAV). EPRA NTA per share is presented on a diluted basis and prior year comparatives have been restated for the new measure accordingly.

In November 2020, the Group launched a Green Finance Framework, to finance new or existing eligible green buildings, as well as asset management projects related to renewable energy or energy efficiency. The Group subsequently priced the issue of £250 million of unsecured Green Bonds (see debt capital below), reducing its cost of debt, increasing the average maturity and introducing more liquidity onto the Group's balance sheet.

As at 31 December 2020, the Group had undrawn committed borrowing facilities of £550.0 million, against capital commitments of £93.9 million in relation to pre-let developments, asset management initiatives and development land. There are no significant refinancing events until 2024 and we continue to enjoy strong and supportive relationships with our debt providers.

Capital allocation framework

Underpinning our strategy is our capital allocation framework that carefully evaluates the sources and uses of financing to ensure we generate appropriate levels of return. The Group has a range of options at its disposal to fund its strategy, and opportunities to deploy capital are carefully evaluated on both an absolute and relative basis.

Sources
The Group has the following sources of capital available at its disposal, which either can be used in isolation or at an appropriate blend with the overall objective of maximising sustainable returns to shareholders:

- Use of balance sheet and appropriate level of leverage within our stated target range
- Sale of existing investment assets
- Sale of development land
- Appropriate partnerships, e.g. joint venture
- Raising additional equity when in shareholders' interests

Uses
The Group has several options to deploy capital in line with its strategy. The options are evaluated on a case-by-case basis with the aim to deliver an attractive long-term return for shareholders. As market dynamics change, we expect the emphasis on where we deploy capital to change as well. Our opportunities include:

- Invest in and asset manage existing assets
- Acquire assets in the market that meet out investment criteria
- Develop assets on land under the Group's ownership
- Enhance our existing land bank

Presentation of financial information
The financial information is prepared under IFRS. The Group's subsidiaries are consolidated at 100% and its interests in joint ventures are equity accounted for.

The Board continues to see Adjusted EPS as the most relevant measure when assessing dividend distributions. Adjusted EPS is based on EPRA's Best Practices Recommendations and excludes items considered to be exceptional, not in the ordinary course of business or not supported by cash flows. This includes the developer's licence fees that the Group receives on Forward Funded Developments.

Financial results
Net rental income
Net rental income for the year was £161.5 million (2019: £144.3 million), up £17.2 million or 11.9%. The net increase reflected:

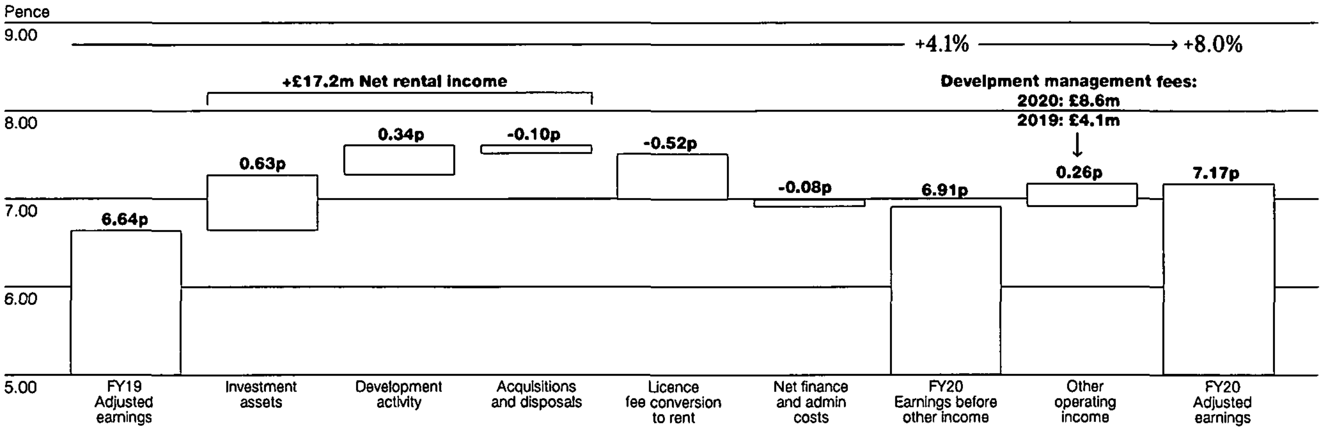
- rent generated from pre-let development completions, including those let to Amazon at Durham and Howdens at Raunds, as well as the pro-rata full year impact from 2019 development completions;
- rent from successful letting activity on speculatively developed assets acquired with Tritax Symmetry; and
- additional rent generated from rent reviews and two lease regears that were settled in 2020; less
- rent foregone from the four assets disposed of during the year.

The contracted annual rent roll at 31 December 2020 was £180.6 million across 59 assets (31 December 2019: £166.6 million across 58 assets). Included in the contracted annual rent is £17.7 million of income in relation to pre-let assets in construction at the year end.

Administrative and other expenses
Administrative and other expenses, which includes all the operational costs of running the Group, totalled £22.6 million in the year (2019: £21.7 million). Due to the growth in average NAV across the year, the Investment Manager fee increased by £0.4 million.

The Group has a low and transparent operating cost base and the EPRA Cost Ratio (including vacancy cost) continued to reduce in the year to 14.2% (2019: 15.1%). This reflects the positive impact of revenue growth, most of which comes from development completions, alongside an investment management fee structure which reduces relative to growth. The development portfolio has the potential to grow rental income materially over time, giving the Group the opportunity to reduce its cost ratio further.

Delivering 8.0% growth in adjusted earnings



Development Management Agreement

Following the positive progress made since the purchase of Tritax Symmetry (TSL), the Group has made changes to the development management agreement between the Group and TSL to better reflect the increase in operations within the TSL portfolio and general inflationary increases since February 2019. These amendments support the incentivisation of the broader TSL team via, inter alia, the introduction of a deal bonus scheme for TSL employees based on and aligned with the successful delivery of the development pipeline between now and at least 2027.

The Group pays Symmetry ManCo an annual fee to meet its costs of staffing and general overheads including the deal bonus scheme described below. This fee has been £4.8 million per annum since February 2019. In January 2021, in light of growing operations and reflective on inflationary increases since its introduction, the fee was increased to become the higher of:

- £5.15 million per annum, which is to increase annually with inflation; and
- 1.25% of development GAV within the TSL portfolio.

The TSL deal bonus scheme will average approximately 3% of profits contributed to the Group by the TSL development portfolio, of which 20% net of employment taxes will be reinvested into shares in the Group to assist with the ongoing alignment of the team. The TSL management team continue to be aligned through the holding of 13% of the TSL development assets via C shares. Whilst the C shares remain an effective, long-term incentive scheme, in order to retain the high-quality staff of TSL, we conducted a benchmarking exercise which resulted in the subsequent introduction of this deal-related bonus scheme.

The cost of this increase in fees is covered multiple times over by the increase in profit potential that can be delivered to shareholders via the capture of new land option schemes in addition to the original portfolio purchase. These new schemes secured in the year at Gloucester, Merseyside and Biggleswade provide further potential upside to shareholders across a larger portfolio.

Operating profit

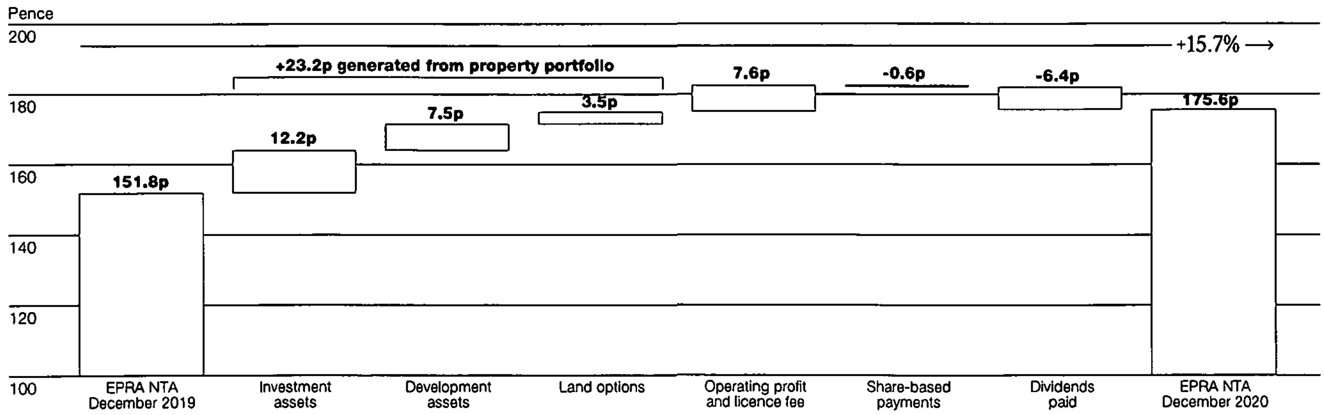
Operating profit before changes in fair value and other adjustments was £147.5 million (2019: £122.5 million).

The increase reflected higher rental income (as noted above) but also higher other operating income generated from third-party development management and other contracts. In the year, TSL acted as development manager to deliver 1.8 million sq ft of logistics assets for third parties. When including other contracts in place, the total other operating income recognised was £8.6 million in the year. This other operating income is included within Adjusted earnings as it is supported by cash flows, although it is likely to be more variable than property rental income. There remain a number of third-party contracts in place, as well as the Group benefiting from a continued economic interest across other contracts, we expect to generate income and profit from these over the medium term.

Profit on disposal

The Group disposed of four assets during the year, for an aggregate gross consideration of £134 million. All the disposals were at prices in line with or above book value, resulting in a profit on disposal of £0.1 million in the year recognised in the Group statement of comprehensive income, which is net of all costs of disposal (2019: £nil).

Driving growth in net asset value



Note: Following the October 2019 update to EPRA's Best Practice Recommendations Guidelines, the Group has adopted EPRA net tangible assets (NTA) as its primary measure of net asset value and restates its December 2019 position in line with this change.

Share-based payment charge and contingent consideration

As part of the Tritax Symmetry transaction, senior members of the Symmetry team will maintain a 13% economic interest in development asset of Tritax Symmetry following via the issuance of B Shares and C Shares. This structure ensures long-term alignment between senior members of Symmetry team and the Company. Under IFRS, the structure of the Tritax Symmetry transaction has led to the B and C shareholders' value being split between:

i) contingent consideration, which is determined by certain provisions under the shareholder agreement between Tritax Symmetry HoldCo and the Tritax Symmetry Management shareholders and
ii) a share-based payment charge, which is the compensation the B and C shareholders will receive as a result of their economic right held to their share of future performance of the Tritax Symmetry development assets.

During the year, £5.9 million (2019: £3.3 million) was charged to the Group Statement of Comprehensive Income in respect of share-based payment charges.

Financing costs

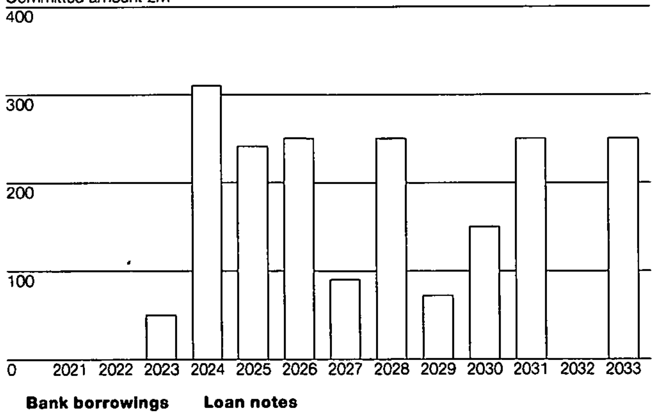
Net financing costs for the year were £37.6 million (2019: £34.0 million), excluding the reduction in the fair value of interest rate derivatives of £2.3 million (2019: £5.2 million). The average cost of debt fell during 2020 to 2.17% (2019: 2.52%) and the increase in finance costs resulted from higher levels of debt drawn to finance the Group's pre-let developments which were under construction during the year. The Group's average debt drawn throughout the year was £1.3 billion, compared to £1.1 billion in 2019.

Tax

The Group has continued to comply with its obligations as a UK REIT and is exempt from corporation tax on its property rental business. A tax charge of £0.1 million (2019: £nil) was recognised in the year. This tax was payable on the non-property profits generated in the year.

Balance sheet strength to fund strategy

Diversified and long-term debt maturity profile at 31 December 2020



Profit and earnings

Profit before tax for the year was £449.5 million (2019: £141.2 million), an increase of 218.3%, mainly driven by property revaluations as discussed below. This resulted in basic earnings per share (EPS) of 26.30 pence (2019: 8.40 pence) and basic EPRA EPS of 6.17 pence (2019: 5.29 pence).

Adjusted EPS for 2020 was 7.17 pence (2019: 6.64 pence). The calculation of Adjusted EPS can be found in note 13. Excluding the impact of development management income in excess of our anticipated run-rate, Adjusted EPS was 6.91p, an increase of 4.1%.

Dividends

Since 1 January 2020, the Board has declared the following interim dividends:

Declared	Amount per share	In respect of three months to	Paid/to be paid
8 April 2020	1.5625p	31 March 2020	21 May 2020
6 August 2020	1.5625p	30 June 2020	28 August 2020
12 October 2020	1.5625p	30 September 2020	13 November 2020
10 March 2021	1.7125p	31 December 2020	1 April 2021

The total dividend for the year was therefore 6.40 pence per share (2019: 6.85 pence), which was 112% covered by Adjusted EPS. Adjusted EPS for 2020 was 7.17 pence (2019: 6.64 pence), which equals a dividend pay-out ratio of 90%.

As noted within operating profit above, the other operating income recognised of £8.6 million is above our expectations for this source of income over the medium term. When adjusting this income to become in line with the level recognised in the prior year (£4.1 million), which we consider more in line with our medium-term expectations, Adjusted earnings per share becomes 6.91 pence and our pay-out ratio increases to 93%.

Portfolio valuation

CBRE independently values the Group's Investment assets that are leased, pre-leased or have reached practical completion but remain vacant. These assets are recognised in the Group Statement of Financial Position at fair value. Colliers independently values all optioned land, owned land and assets under construction which are unlet. Land options and any other property assets are recognised at cost, less amortisation or impairment charges under IFRS. The share of joint ventures relates to 50% interests in two sites at Middlewich and Northampton, relating to land and land options. These two sites are equity accounted for and appear as a single line item in the Statement of Comprehensive Income and Statement of Financial Position.

The total portfolio value at 31 December 2020, including all remaining contractual development commitments on forward funded developments and the Group's share of joint ventures, was £4.41 billion:

	31 December 2020 £m	31 December 2019 £m
Investment properties	**4,053.5**	3,541.2
Other property assets	**9.4**	13.9
Land options (at cost)	**228.1**	226.0
Share of joint ventures	**28.5**	30.1
Remaining forward funded development commitments	**87.7**	129.9
Portfolio value	**4,407.2**	3,941.1

The gain recognised on revaluation of the Group's Investment properties was £351.1 million (2019: £54.5 million). This equates to a portfolio valuation surplus of 9.5% across the Group's investment and development assets, net of capital expenditure. The main drivers to this increase include the strength of the market and market yield shift (29 bps of compression across the 12-month period taking the Group's portfolio NIY to 4.2%), contribution from the development portfolio in terms of letting and pre-letting activity, and rental growth within the investment portfolio.

The Group acquired one asset in the open market during the year for £44.2 million net of costs, reflecting a net initial yield of 5.28%. The consideration was satisfied by a combination of cash (£24.2 million) and the issuance of 12,166,930 new Ordinary Shares at a price of 164.38 pence per share.

Embedded value within land options
Under IFRS, land options are recognised at cost and subject to impairment review. As at 31 December 2020, the Group's investment in land options totalled £228.1 million (31 December 2019: £226.0 million). As the land options approach the point of receiving planning consent, any associated risk should reduce and the fair value should increase. However, following the introduction of the new EPRA net asset values measures, the Group makes a fair value mark-to-market adjustment for land options within its EPRA NTA. The Group has made significant progress with its land portfolio during the year, with fair value increases generated particularly at new sites secured in the year or where sites have received planning consent. As at the year end the fair value of land options was £80.1 million greater (2019: £14.7 million greater) than costs expended.

Net assets
EPRA's updated Best Practice Recommendations Guidelines were issued in October 2019, which became effective for financial years beginning on 1 January 2020, include three replacement Net Asset Valuation metrics, namely EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). We report all three metrics and have adopted EPRA NTA as our primary metric, as it is the closest to our previous primary metric, EPRA NAV. A reconciliation of all three metrics has been provided in the notes to the EPRA NAV calculations.

At 31 December 2020, the EPRA NTA per share was 175.61 pence (31 December 2019: 151.79 pence), an increase of 15.7%. The primary driver of this increase during the period was growth from the property portfolio, as described above.

The Total Accounting Return for the year, equating to the growth in EPRA NTA plus dividends paid, was 19.9% (2019: 3.8%). The total return for 2019 was restated using the EPRA NTA.

Debt capital
At 31 December 2020, the Group had the following borrowings:

Lender	Maturity	Loan commitment £m	Amount drawn at 31 December 2020 £m
Loan notes			
2.625% Bonds 2026	Dec 2026	250.0	249.3
2.86% Loan notes 2028	Feb 2028	250.0	250.0
2.98% Loan notes 2030	Feb 2030	150.0	150.0
3.125% Bonds 2031	Dec 2031	250.0	247.3
1.5% Green Bonds 2033	Nov 2033	250.0	246.2
Bank borrowings			
RCF (syndicate of seven banks)	Dec 2023/24	350.0	0.0
RCF (syndicate of six banks)	Jun 2024/25	200.0	0.0
Helaba	Jul 2025	50.9	50.9
PGIM Real Estate Finance	Mar 2027	90.0	90.0
Canada Life	Apr 2029	72.0	72.0
Total		**1,912.9**	**1,355.7**

In June 2020, the maturity date in respect of £190 million of the Group's £200 million unsecured revolving credit facility (the Facility), was extended from June 2024 to June 2025. The maturity date of the residual £10 million remains June 2024. The Facility, which is with a syndicate of lenders, retains its uncommitted £100 million accordion option and the margin payable under the Facility remains unchanged. The Facility was entered into in June 2019 for an initial period of five years and this extension is the first of two, one-year extension options that are available to the Group under the original terms.

Green finance
In November 2020, the Group launched its Green Finance Framework, which is produced in alignment with the Green Bond Principles, as administered by ICMA (2018 edition), and the Green Loan Principles, as administered by LMA (2020 edition). The Group intends to follow best market practice and will communicate transparently on:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

An amount equivalent to the net proceeds of each Green Finance Transaction under the Framework will be used to acquire, finance or refinance, in whole or in part, new or existing Eligible Green Projects. These projects may cover the following categories: Green Buildings, Renewable Energy and Energy Efficiency. We anticipate that the majority of our expenditure will be allocated to the Green Buildings category.

On 27 November 2020, the Group issued £250 million of unsecured Green Bonds, maturing on 27 November 2033. The notes have an interest rate of 1.5%, which reduced the consolidated pro-forma capped cost of debt of the Group to 2.5% and increased the pro-forma average duration of debt from 6.7 years to 7.5 years at the date of issue.

Interest rates and hedging
Of the Group's debt commitments, 68.6% is at fixed interest rates. The Group's hedging strategy for its variable rate debt is to use interest rate caps which run coterminous with the respective loan. These allow the Group to benefit from current historically low interest rates, while minimising the effect of a significant increase in interest rates in the future. Combined with the fixed rate debt, the Group's derivative instruments hedge 100.0% of its drawn debt.

As a consequence of the fixed rate debt and hedging policy, the Group has a capped cost of debt of 2.49% (31 December 2019: 2.68%) at the year end. The all-in running cost of borrowing at the year end was 2.17% (31 December 2019: 2.52%).

Debt maturity
At 31 December 2020, the Group's debt had an average maturity of 7.4 years (31 December 2019: 7.5 years).

Loan to value (LTV)
The Group has a conservative leverage policy, with a medium-term LTV target of 35% and a maximum of 40%. At the year end, the LTV was 30.0% (31 December 2019: 29.9%), providing the Group with further balance sheet financing capacity to deploy into its attractive development pipeline alongside opportunities that it may see in the open market.

Net debt and operating cash flow
Net debt at the period end was £1,297.9 million (31 December 2019: £1,137.8 million).

Net operating cash flow plus licence fees received was £140.2 million for the year (2019: £109.1 million). Capital expenditure across the Group's Investment and Development portfolios was £287.3 million (2019: 297.6 million). Net cash receipts from asset disposals were £132.3 million (2019: £nil).

Going concern
The Group has a healthy liquidity position including strong levels of rent collection during the year, a favourable debt maturity profile and substantial headroom against financial covenant levels.

The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about its future trading performance including the potential longer-term impact of Covid-19. Various forms of sensitivity analysis have been performed, in particular and with regard to the financial performance of the Group's customers, taking into account any discussions held with customers surrounding their operational performance, including their current status on rent collection. As at 31 December 2020 property values would have to fall by approximately 50% and there would need to be a loss of income of approximately 60% before loan covenants are breached.

As at 31 December 2020, the Group had an aggregate of £550.0 million of undrawn commitments under its senior debt facilities, of which £93.9 million (see note 24) was committed under various pre-let development contracts.

The Group's loan to value ratio stood at 30.0%, with the debt portfolio having an average maturity term of approximately 7.4 years. As at the date of approval of this report, the Group has substantial headroom within its financial loan covenants. Since the start of the pandemic, the Group has agreed an extension to the maturity of £190.0 million of its £200.0 million revolving credit facility (see note 24) and issued Green Bonds totalling £250.0 million, indicating that additional liquidity is available, at attractive rates, in the current environment. The Group's financial covenants have been complied with for all loans throughout the year and up to the date of approval of these financial statements.

As a result, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, which is considered to be a period of at least 12 months from the date of approval of the financial statements.

Credit rating
The Group has a Baa1 long-term credit rating and stable outlook from Moody's, which was reaffirmed in June 2020.

Alternative Investment Fund Manager (AIFM)
The Manager is authorised and regulated by the Financial Conduct Authority as a full-scope AIFM. The Manager is therefore authorised to provide services to the Group and the Group benefits from the rigorous reporting and ongoing compliance applicable to AIFMs in the UK.

As part of this regulatory process, Langham Hall UK Depositary LLP (Langham Hall) is responsible for cash monitoring, asset verification and oversight of the Company and the Manager. In performing its function, Langham Hall conducts a quarterly review during which it monitors and verifies all new acquisitions, share issues, loan facilities and other key events, together with shareholder distributions, the quarterly management accounts, bank reconciliations and the Company's general controls and processes. Langham Hall provides a written report of its findings to the Company and to the Manager, and to date it has not identified any issues. The Company therefore benefits from a continuous real-time audit check on its processes and controls.

Priorities for 2021
- Continue to place an emphasis on high rent collection levels
- Ensure the Group maintains sufficient liquidity levels to meet its strategic needs
- Maintain the Group loan to value within guidance of up to 35% LTV
- Deliver growth in both earnings and net asset value

Sustainability

This year we set out a long-term strategy to deliver a positive sustainability impact.

Our sustainability ambition

Our ambition for sustainability is to demonstrate leadership in sustainable logistics, working in collaboration with stakeholders to create positive change and long-term value.

Our sustainability strategy

In support of this vision, in 2020, we developed a new long-term sustainability strategy to manage the key ESG risks and opportunities we face. These issues were determined by a Materiality Assessment, which, through engaging our stakeholders and insight into the global and UK external trends, identified the most important ESG issues that could impact our long-term ability to operate. The full Materiality Assessment can be found on our website.

Our strategy has four goals, with a series of medium-term targets to achieve by 2023:

Sustainability goals	2023 targets	Action in 2020	Progress against target
Healthy and sustainable buildings Ensure and demonstrate the sustainability of our assets	Embed ESG into investment practices and ensure any new acquisitions and investments align with ESG investment principles.	£250 million Green Bond raised to finance green initiatives.	Achieved
		ESG investment training undertaken to develop expertise to ensure investments align with ESG investment principles.	Achieved
	Ensure all new assets in the portfolio have a green building certification.	43% of total floorspace is BREEAM certified (42% in 2019).	On track
	Improve GRESB score to three Green Stars.	GRESB increased from one Green Star to three Green Stars.	Achieved
	Improve MSCI ESG rating to A.	MSCI increased from B to BB.	On track
	Implement green leases on all new leasing opportunities, where our customers agree.	Drafted preferable best practice green lease clauses and solicitors briefed.	On track
	Provide recommendation reports to tenants, and to provide sustainable operations guides.	Sustainability Action Plans (SAP) shared with six customers in discussions on biodiversity improvements and renewable energy measures Customer Guide shared with all new customers.	On track
Energy and carbon Achieve net zero carbon for all direct activities	To maintain net zero carbon for Scope 1 and 2 GHG emissions.	Net zero carbon achieved for Scope 1 and 2 direct carbon emissions through procurement of renewable energy across assets where we have direct control.	Achieved
	To measure indirect (Scope 3) emissions.	Indirect (Scope 3) business travel calculated at 5.5 tonnes of carbon.	On track
	Identify the products and processes that remove carbon from construction.	Identified an approximate reduction of 30% in the embodied carbon for the first net zero carbon development at DPD – estimated that current residual carbon emissions for the development will be 5,147 tonnes of carbon, which will be confirmed at the point of practical completion and offset through verified and accredited schemes.	On track
	Improve EPCs to A-C Grade.	90% A-C grade EPCs by floor area.	On track
	Install renewable energy generation projects to benefit our customers.	Generated 890 MWh of on-site renewable energy for the benefit of our customers, avoiding 207 tonnes of carbon being emitted through fossil fuel energy (791 MWh in 2019).	On track
		10.5 MW of on-site generation assessed for installation with six customers in 2021.	On track
	Ensure top three priority assets have climate resilience plans in place.	Climate-related risks identified for priority assets.	On track

Sustainability goals	2023 targets	Action in 2020	Progress against target
Nature and wellbeing Enhance biodiversity and wellbeing on our land	Pilot 15% BNG on new developments.	Pilot underway at Wigan.	In development
	Implement biodiversity enhancements on 11 assets with no measures in place.	11 Biodiversity Action Plans created, with five plans to be progressed in 2021.	On track
	Support the local environment for the communities near our assets.	Three conservation projects commenced with The Conservation Volunteers in communities near B&Q Worksop, TK Maxx Knottingley, and Littlebrook Dartford.	On track
Social Value *Create a positive socio-economic impact through our investment*	Measure social value to demonstrate impact of our investment.	Social Value Charter created for new developments.	To be progressed in 2021
		Littlebrook development has created £8.2 million of additional social value for the local community through employment, community investment and local procurement.	On track
	Support apprenticeships and employability in construction.	Partnerships established with Bicester Technology Studio and North Warwickshire and South Leicester College to support vocational training for careers in logistics.	On track
		Six apprenticeships created at Littlebrook.	On track
	Invest in our communities through the Community Benefit Fund.	Confirmed DPD Bicester as the first beneficiary of the Community Benefit Fund on completion in 2021.	To be progressed in 2021
	Support Schoolreaders until 2023 to increase childhood literacy in the communities where our assets are located.	£10,000 of community investment to support Schoolreaders. Funding 25 volunteers to reach 375 school children.	On track

Our progress
Our culture of responsibility and sustainability is embedded into our day-to-day practices. To support the integration of sustainability, the Board of Directors and the staff of the Manager underwent formal training on ESG issues in investment management. The progress of our new sustainability strategy is principally demonstrated by the improvement in our investor ESG ratings and disclosures. This year, our GRESB score improved 17 points, awarding us three Green Stars, and Sector Leader in New Construction. Our MSCI score increased from B to BB and we achieved Most Improved and Bronze Awards for the EPRA Sustainability Best Practice Indicators, which we reported against for the first time in 2019. In December 2020, in partnership with Prologis, we created the Sustainable Logistics Alliance. We launched the first in a series of white papers, titled, 'Achieving Net Zero Carbon in Construction', further demonstrating our leadership in sustainability.

Healthy and sustainable buildings
As the investor and owner of one of the largest logistics portfolios in the UK, we have a responsibility to ensure our portfolio is sustainable and supports health and wellbeing for our customers.

ESG is integrated into our investment and asset management activities. Identifying potential sustainability risks and opportunities helps us to understand the actions that may be required to bring the assets in line with our ESG Policy and Investment Principles. Climate change poses potential risks to our long-term ability to operate. For example, revenue could be impacted by potential carbon pricing, which could increase construction and operating costs; or through increased capital expenditure, which could be needed to adapt to more extreme weather patterns, such as flooding or heatwaves, potentially damaging assets and interrupting operations for our customers.

In November 2020, the Group published its Green Finance Framework and raised the first sterling Green Bond for a UK REIT of £250 million, which will support the delivery of the Group's sustainability strategy. Through our sustainable investment and acquisition standards, the Group increased its proportion of BREEAM certified floorspace to 43% in 2020, adding an additional 2.1 million sq ft of certified floorspace. Of this 43%, 11% is rated Excellent and 32% Very Good.

Investing in sustainable assets
We target well-designed, efficient buildings. The Group aims to acquire assets with strong sustainability credentials, including a BREEAM Very Good rating or an EPC rating of B or above. Where this benchmark is not met, we identify opportunities to upgrade the assets to these standards or better.

Our Sustainability Risk Assessment (SRA) reviews green building certifications, building surveys, climate change and flood risk assessments, regulatory compliance, environmental hazards or incidents, social risks and social welfare. This review identifies opportunities for adding value to the asset, which creates the Sustainability Action Plan (SAP).

Creating sustainable value through asset management
Each asset has a bespoke SAP, which is integrated with its asset business plan. These plans identify both asset management and operational initiatives. We use these to engage with our customers and collaborate on sustainability projects. The SAPs are updated annually to identify any new risks and opportunities following site inspections and interaction with our customers.

Developing sustainable assets
Our Standard New Building Base Specification sets out the sustainability requirements for new developments. We require a minimum BREEAM Very Good rating and an EPC rating of A, along with objectives to reduce waste and reuse materials as far as possible. We aim to achieve net zero carbon to the point of practical completion.

We actively engage with our communities throughout the development process, holding regular meetings to inform them of our plans and to listen to their views. We appoint a dedicated Community Liaison for each development who interact with local schools to raise awareness of careers in construction and logistics, with visits arranged to our development sites.

Net zero carbon
Climate change is a critical risk. In response we have set an ambitious target to achieve net zero carbon for our areas of direct control by 2030. We are focused on reducing our carbon footprint, using energy more efficiently to make our assets more resilient in the long term, and reducing operating costs for our customers.

Our carbon emissions are made up of both direct operational emissions and indirect value chain emissions. Our direct operational emissions are minimal, principally relating to those assets where we provide energy for external services, e.g. car park lighting. The impact from these activities have been net zero carbon since 2018, through the procurement of renewable energy. We are now focused on measuring and reducing our indirect (Scope 3) value chain carbon emissions. This includes the development activity undertaken by Tritax Symmetry and calculating the emissions of our customers. We seek to facilitate low carbon operations where the tenant has direct operational control. We recognise that across the industry it is currently not possible to achieve absolute zero carbon emissions, due to supply chain constraints. Therefore, for those emissions we are unable to reduce further, we rely upon offsetting these residual emissions that cannot be eliminated from the supply chain today. We have reported our carbon footprint in accordance with the Streamlined Energy and Carbon Reporting Regulations on page 86 in the Governance section.

In June 2020 we announced all new developments within the Tritax Symmetry portfolio will be constructed to net zero carbon, as defined by the UK GBC. In the year, DPD Bicester was in development as a pilot for this ambition. The embodied carbon emissions for this development have been modelled at 5,147 tonnes of carbon (TCO_2e), following an improved low carbon design specification. Through a whole lifecycle assessment of these assets, we have identified ways to reduce embodied carbon emissions of a typical logistics development by up to 30%, depending on the size of the development. See page 42 for more information on the carbon reduction initiatives identified for the DPD Bicester development.

The residual emissions from this construction will be offset on completion in 2021 following a final carbon assessment to determine the actual carbon emissions from the development. We will report on our embodied construction carbon emissions annually. We have begun to engage customers to measure their operational energy use and carbon emissions to understand the indirect emissions associated with the buildings in our portfolio.

To facilitate energy efficient, low carbon operations for our customers, we have progressed our objectives to ensure all assets have high EPCs of A-C and investing in on-site renewable energy generation. This year, we increased the proportion of A-C grade EPCs from 87% to 90% of floorspace. This was due to the upgrade of the EPC as DSG Newark, where we installed on-site solar PV to increase the EPC rating from a D to a C, the inclusion of new developments with EPC Grade A at Amazon Durham and Global Infusion Group Aston Clinton, and the disposal of an E grade asset (Wolsley, Ripon), which is in line with our ESG investment principles for acquisitions, disposals, and new developments. We generated 890 MWh of renewable energy for the benefit of our customers, avoiding 207 tonnes of carbon from the use of grid-sourced energy. We have an assessed opportunity of 10.5 MWp to deliver in 2021, including 3.5 MWp at the Littlebrook development. We also supported the installation of infrastructure to enable power generation through anaerobic digestion created through a customer's waste product.

Nature and wellbeing
Biodiversity is in decline in the UK, with one million species at risk of extinction and a decline in public sector spending on conservation of 33% over the past five years. Through our investment in logistics assets in the UK, we have a responsibility to ensure our activities mitigate impacts on the environment and actively enhance biodiversity to ensure that we create a positive impact.

We have a long history of mitigating the environmental impacts of our investment in logistics with many of our standing investments already having biodiversity features, such as green areas for recreation, habitats supporting native and locally important species.

In 2020, in support of the Biodiversity Net Gain Legislation, we began a pilot to understand how we can achieve a 15% net gain in new developments. We have created Biodiversity Action Plans to enhance and support biodiversity for the 11 assets with no features already in place. These action plans include rewilding enhancements and supporting locally important species (such as bees, birds, insects). We are also progressing three Green Gyms®, in communities near two of our standing investments, and directly on the site at Littlebrook. Green Gyms® are fun, free outdoor sessions where volunteers are guided in practical activities such as planting trees, sowing meadows and establishing wildlife ponds, with a focus on health and fitness.

Social value

Our assets are well located for local employment opportunities, meaning our direct investment in developments creates jobs and associated tax revenues and local spend. These jobs often provide skills training, improving the economic opportunities for those employed.

We created a social value charter that sets out our ambition to create socio-economic value in our development of new logistics assets.

The Littlebrook development was set a series of targets to support this ambition of enhancing social value through our investment. In 2020, we created six apprenticeships for long-term unemployed in the local area. As part of the commitment to support and enhance the local community, we have also committed to a five-year partnership with Dartford Football Club. This partnership will provide a kit for the club and fund community and educational programmes in the Dartford area. Combined with a commitment to procure 20% of materials from within 30 miles of the development to support local economic growth, the development created an additional £8.2 million in Social Value for the region.

In 2019, Tritax Symmetry launched the Community Benefit Fund, which will become operational in 2021 at the DPD development in Bicester. The Fund commits to providing 10p per sq ft of new logistics space delivered by Tritax Symmetry for all development granted planning permission granted post June 2018. This work complements our community investment partnership with Schoolreaders, where we fund volunteers to provide reading support for school children in the communities where our assets are located. Despite Covid-19 restrictions, our funding supported 25 volunteers to reach 375 children before the national restrictions came into place in March 2020. The charity has adapted its work to provide digital interaction whilst schools remain closed. We will provide additional support for Schoolreaders for their 'Race to Read' campaign in 2021 to help bridge fundraising gaps caused by the pandemic.

Priorities for 2021

1. Increase our ESG ratings to demonstrate the sustainability of the portfolio.
2. Embed green leases with our new customers.
3. Fully allocate the Green Bond to eligible green projects.
4. Demonstrate our leadership further with the Sustainable Logistics Alliance White Papers on Social Value and Energy Demand.
5. Install 10.5 MW of solar PV for the benefit of six customers.
6. Measure and report on the first net zero carbon construction.
7. Deliver three Green Gyms and evaluate the pilot for Biodiversity Net Gain.
8. Install biodiversity enhancements on five assets.
9. Launch partnership with Dartford Football Club to support the community and educational programme.
10. Set up the first Community Benefit Fund.

Developing sustainable buildings

DPD, Symmetry Park, Bicester

As part of our net zero carbon strategy, we have committed to all new developments in the Tritax Symmetry portfolio being constructed to net zero carbon, as defined by the UK GBC, starting with DPD, Bicester.

This development puts into practice a detailed 12-month study that modelled the whole lifecycle of carbon emitted in the construction of a typical logistics building.

The assessment identified ways to reduce the carbon emissions from this baseline that have been included into the new design specification. A reduction of approximately 30% has been identified through:

1. Reducing excess material use wherever possible
2. Increasing the amount of recycled concrete aggregate
3. Optimising design to reduce the amount of steel needed
4. Optimising on-site equipment use to reduce machinery emissions

A carbon assessment will be conducted at practical completion to assess the final carbon footprint of the development. Residual emissions, which cannot be eliminated due to lack of net zero carbon steel and concrete products available in the supply chain, will be offset through a verified and accredited scheme.

Principal risks and uncertainties

The Board has overall responsibility for risk management and internal controls, with the Audit & Risk Committee reviewing the effectiveness of the risk management process on its behalf.

We aim to operate in a low-risk environment, focusing on a single subsector of the UK real estate market to deliver an attractive, growing and secure income for shareholders, together with the opportunity for capital appreciation. The Board recognises that effective risk management is important to the Group's success. Risk management ensures a defined approach to decision making that decreases uncertainty surrounding anticipated outcomes, balanced against the objective of creating value for shareholders.

Approach to managing risk
Our risk management process is designed to identify, evaluate, manage and mitigate (rather than eliminate) the significant risks we face. The process can therefore only provide reasonable, and not absolute, assurance. As an investment company, we outsource key services to the Manager, the Administrator and other service providers, and rely on their systems and controls.

At least twice a year, the Board undertakes a formal risk review, with the assistance of the Audit & Risk Committee, to assess the effectiveness of our risk management and internal control systems. During these reviews, the Board has not identified or been advised of any failings or weaknesses which it has determined to be material.

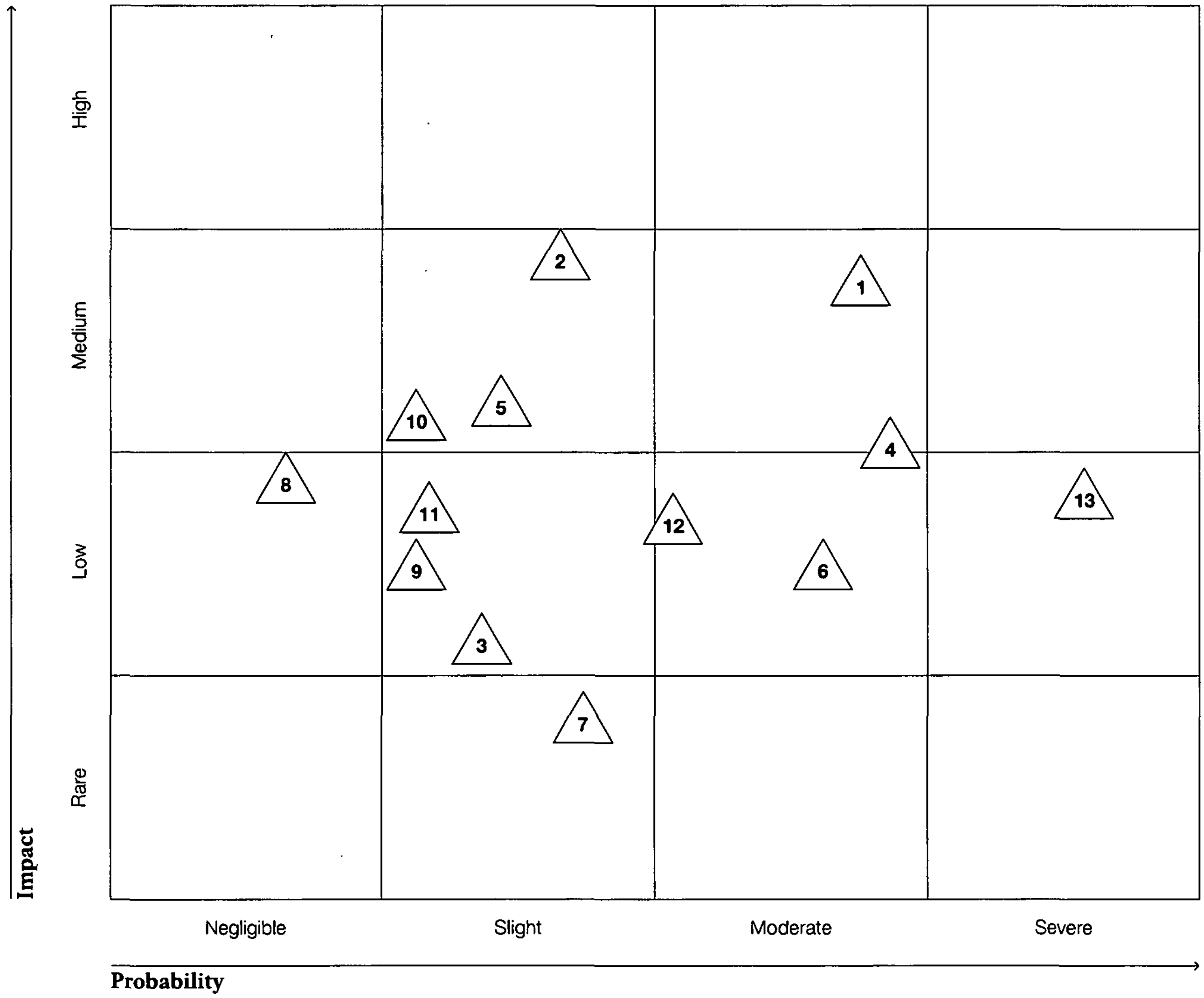
Risk appetite
We have a specific Investment Policy, which we adhere to and for which the Board has overall responsibility. We have a limit within our Investment Policy, which allows our exposure to land and unlet development to be up to 15% of gross asset value, of which up to 5% can be invested in speculative development.

Principal risks and uncertainties
Further details of our principal risks and uncertainties are set out below. They have the potential to materially affect our business. Some risks are currently unknown, while others that we currently regard as immaterial, and have therefore not included here, may turn out to be material in the future. The principal risks are the same as detailed in the 2019 Annual Report, with the key changes being the introduction of a new risk relating to the impact of severe economic downturn on the business, which may be caused by a global pandemic, terrorism or civil unrest. This risk was noted as an emerging risk following the outbreak of Covid-19 within our 2019 Annual Report.

Covid-19
As a result of the prolonged worldwide impact on public health and notable impact on the UK economy particularly, which follows the UK Government's response to place the UK into periods of lockdown over the last 12 months, this risk has been increased to a principal risk in the year. Due to the nature of this risk it is also inextricably linked to other principal risks which have been re-evaluated in light of Covid-19. This is a particular risk that we have assessed as part of our bi-annual risk assessment, but also in isolation on an ad hoc basis during 2020, evaluating the impact along with any mitigating factors or actions required to mitigate this risk.

A risk assessment was conducted at various points throughout the year and considered the impact assessment across the following areas of the business: operations, corporate governance, asset management, investment management, development programme and financial management.

Emerging risks
As well as the Principal risks, the Directors have identified a number of emerging risks which are considered as part of the formal risk review. Emerging risks encompass those that are rapidly evolving, for which the probability or severity are not yet fully understood. As a result, any appropriate mitigations are also still evolving, however, these emerging risk are not considered to pose a material threat to the Company in the short term. This could, however, change depending on how these risks evolve over time. Senior members of the Manager are responsible for day-to-day matters and have a breadth of experience across all corporate areas; they consider emerging risks and any appropriate mitigation measures required. These emerging risks are then raised as part of the bi-annual risk assessment where it is considered whether these emerging risks have the potential to have a materially adverse affect on the Company. The emerging risks that could impact the Company's performance cover a range of subjects which include but are not restricted to climate change, sustainability and technological advancement. The Audit & Risk Committee has also considered emerging risks following Covid-19 such as changes in the regulatory environment or tax regimes as a result of the pandemic.



The Board considers these net risks have increased since last year

1. Tenant default
3. Competition for investment in properties in the Big Box sector
4. Performance will depend on the performance of the UK retail sector, specifically the continued growth of online retail
13. Severe economic downturn

The Board considers these net risks to be broadly unchanged from last year

2. Portfolio strategy
6. The exposure to land and land options
9. Debt covenant compliance
10. We rely on the continuance of the Manager
11. UK REIT status
12. Disruptive Brexit

The Board considers these net risks have decreased since last year

5. Execution of Development business plan
7. Variable rate debt
8. Debt financing

Property risk

1. Tenant default – the risk around one or more of our tenants defaulting

Net probability	Net impact	Mitigation
Moderate	**Medium** The default of one or more of our tenants would immediately reduce revenue from the relevant asset(s). If the tenant cannot remedy the default and we have to evict the tenant, there may be a continuing reduction in revenues until we are able to find a suitable replacement tenant, which may affect our ability to pay dividends to shareholders. The circumstances around Covid-19 have led to certain sectors including certain parts of the retail sector being negatively impacted; this will impact the financial strength of some of our customers.	Our Investment Policy limits our exposure to any one tenant to 20% of gross assets or, where tenants are members of the FTSE, up to 30% each for two such tenants. This prevents significant exposure to a single retailer. To mitigate geographical shifts in tenants' focus, we invest in assets in a range of locations, with easy access to large ports and key motorway junctions. Before investing, we undertake thorough due diligence, particularly over the strength of the underlying covenant and the group of the covenants. We select assets with strong property fundamentals (good location, modern design, sound fabric), which should be attractive to other tenants if the current tenant fails. We continually monitor and keep the strength of our tenant covenants under review. In addition, we focus on assets let to tenants with strong financial covenant strength, and assets that are strategically important to the tenant's business. Our maximum exposure to any one tenant (calculated by contracted rental income), being Amazon, is less than 18% as at 31 December 2020.

2. Portfolio strategy – the ability of the Group to execute on its strategy and deliver performance

Net probability	Net impact	Mitigation
Slight	**Medium** An adverse change in the performance of our property portfolio may lead to lower returns for shareholders or a breach of our banking covenants. Market conditions may lead to a reduction in the revenues we earn from our property assets, which may affect our ability to pay dividends to shareholders. A severe fall in values may result in a fall in our NAV as well as a need to sell assets to repay our loan commitments.	The Group is focused on a single sector of the commercial property market. The property portfolio is 100% let, with long unexpired weighted average lease terms and an institutional-grade tenant base. All the leases contain upward-only rent reviews, which are either fixed, RPI/CPI linked or at open market value. These factors help support our asset values and overall portfolio performance. We undertake ongoing reviews of asset performance along with a review over the balance of our portfolio, split between Foundation, Value Add, Growth and Land as well as considerations over covenant, location and building type. Our asset performance is continually appraised and where we feel the assets are mature in terms of performance, they are ear-marked for potential disposal. Our development portfolio is executed in a low-risk manner, with significant capital only deployed once we have secured a pre-let agreement.

3. Competition for investment in the Big Box sector – with increasing competition in the investment market this may restrict our ability to grow the portfolio

Net probability	Net impact	Mitigation
Slight	**Low** Competitors in the sector may be better placed to secure property acquisitions, as they may have greater financial resources, thereby partly restricting the ability to grow our NAV, further diversify the portfolio and add additional liquidity to our shares. Post the effects of Covid-19, logistics assets are arguably even more sought after than before and therefore competition is likely to increase for the most prime assets.	In 2020, the investment market was particularly strong and this saw prime investment yields fall by approximately 50 bps. Despite this, we have extensive contacts in the sector and often benefit from off-market transactions. We also maintain close relationships with a number of investors and developers in the sector, giving us the best possible opportunity to secure future acquisitions. We are not exclusively reliant on acquisitions to grow the portfolio. Our leases contain upward-only rent review clauses and we have a large development pipeline and a number of current asset management initiatives within the portfolio, which means we can generate additional income and value from the existing portfolio. We own and control one of the largest development land banks in the UK, which significantly reduces the risk that competition will impact our ability to grow.

4. Performance of the UK retail sector and the continued growth of online retail

Net probability	Net impact	Mitigation
Moderate	**Medium** Our focus on the Big Box sector means we directly rely on the distribution requirements of UK retailers and manufacturers. Insolvencies and CVA's among the retailers and manufacturers could affect our revenues and property valuations. The probability of retailers defaulting has increased post Covid-19; however a greater proportion of sales are being made online, these orders are fulfilled via the assets that we invest in.	The diversity of our institutional-grade tenant base means the impact of default of any one of our tenants is low to moderate. In addition to our due diligence on tenants before an acquisition or letting, we regularly review the performance of the retail sector, the position of our tenants against their competitors and, in particular, the financial performance of our tenants. We have also increasingly been diversifying our tenant exposure to various sub-sectors of the retail sector i.e. online, food, homeware, fashion, other. Our clothing retail exposure is less than 3%. The risk around traditional retail is mitigated by the increase in online retail sales and this has driven occupational demand in 2020. Our portfolio is modern and of a high-quality nature and therefore is attractive to those with an online presence.

5. Execution of Development business plan – there may be a higher degree of risk within our Development portfolio

Net probability	Net impact	Mitigation
Slight	**Medium** Our development activities are likely to involve a higher degree of risk than is associated with standing assets. This could include general construction risks, delays in the development or the development not being completed, cost overruns or developer/contractor default. If any of the risks associated with our developments materialise, this could affect the value of these assets or result in a delay to lease commencement. The development pipeline was impacted in the short term post Covid-19, with delays to planning committee hearings and occupiers delaying their decision making processes. However, this picked up during the second half of 2020 and we have seen an increased level of occupier enquiries.	The Group has a significant development pipeline and this represents 8.5% of our gross assets as at 31 December 2020. Our development strategy is low risk and we aim to invest significant capital into a development project only once a pre-let agreement has been secured. Our appetite for speculative development is low and we have a limit of 5% of GAV exposed to speculative developments within our Investment Policy. The risk of cost overruns is mitigated by our experienced development team which includes a thorough procurement and tender process on all contracts. We undertake thorough covenant analysis and ongoing review of our contractors and secure guarantees in relation to build contracts where possible. In respect of pre-let forward funded developments, any risk is low, and mitigated by the fact the developer takes on a significant amount of construction risk and the risk of cost overruns.

Land risks

6. Land purchases – the purchase of land or options over land may involve a higher degree of risk than that associated with existing and built investments or development activities. Land purchases may or may not have existing planning consent; they may also require further financial investment to prepare and ready the development. There is also a risk that the site may not attract a tenant to sign a lease

Net probability	Net impact	Mitigation
Moderate	Low The inability to obtain planning consent means that the land would have to be held or sold prior to any development. The value of the land may be reduced due to the refusal of planning consent and the costs incurred to that date could be significant and may be irrecoverable; this would reduce the Company NAV. This also applies to options over land: any costs in respect of the option or associated planning costs may have to be written off. If the Company fails to attract a suitable pre-let it may not proceed with the development of a Big Box. This would impact on the future development profit and revenues the Company could make from the land and failure to secure a pre-let may have a negative effect on the land valuation. The Company may choose to develop a smaller scale building on a speculative basis if it makes sense to do so. The land may be subject to an environmental risk which requires significant investment to remediate prior to commencing the development works. The costs associated with developing land may fluctuate over the course of the development due to market conditions; however fixed priced contracts are entered, where possible.	The purchase of land is subject to a maximum level of 15% of GAV, at the time of purchase. The Company can also only undertake limited speculative development of buildings, subject to a maximum level of 5% of GAV (included within the 15% land holding restriction above), although it can undertake land preparation works but we will continue to seek a pre-let prior to commencing the vertical construction of a larger scale Big Box. The Company has access to one of the UK's largest strategic land portfolios which is held in an efficient manner, largely via land options. Prior to the exercise of a land drawdown under an option agreement, the Company will carry out extensive due diligence to limit exposure to environmental risks and other hazards. The Company also undertakes due diligence over the surrounding power and highways infrastructure, the surrounding environment and the state of the market to assess the viability of the scheme ahead of acquiring the options over land. The Company takes expert advice from local planning specialists over the likelihood of timing over achieving planning consent.

Financial risks

7. Variable rate debt – our use of floating rate debt will expose the business to underlying interest rate movements

Net probability	Net impact	Mitigation
Slight	Rare Interest on some of our debt facilities is payable based on a margin over Libor. Any adverse movements in Libor could impact our profitability and ability to pay dividends to shareholders. However noting the recent economic shock triggered by Covid-19, the Bank of England exercised an emergency interest rate cut. Interest rates are therefore at the lowest levels on record.	The Company has entered into interest rate derivatives to hedge our direct exposure to movements in Libor. These derivatives cap our exposure to Libor rises and have terms coterminous with the loans. We aim, where reasonable, to minimise the level of unhedged debt with Libor exposure, by taking out hedging instruments with a view to keeping variable rate debt approximately 90%+ hedged. As at 31 December 2020, 69% of the Group's borrowings were fixed rate loans and therefore contain a natural interest rate hedge.

8. Debt financing and liquidity – a lack of debt funding at appropriate rates may restrict our ability to grow and deliver attractive returns

Net probability	Net impact	Mitigation
Negligible	**Low** Without sufficient debt funding, we may be unable to pursue suitable investment opportunities in line with our investment objectives. If we cannot source debt funding at appropriate rates, either to increase the level of debt or re-finance existing debt, this may impair our ability to maintain our targeted dividend level and deliver attractive returns to shareholders.	The Group has diversified sources of long-term unsecured borrowings in the form of £500 million in Public Bonds, £400 million in Unsecured Private Loan Notes and £250 million in Green Bonds. We also have £550 million of bank finance available split across two revolving credit facilities. This helps keep lending terms competitive. This access to multiple debt markets should enable the Group to raise future liquidity in a more efficient and effective manner via an unsecured platform whilst at competitive rates. The Board keeps our liquidity and gearing levels under review. We have undrawn headroom of £550 million within our current debt commitments, at 31 December 2020.

9. Debt covenant compliance – we must be able to operate within our banking covenants

Net probability	Net impact	Mitigation
Slight	**Low** If we were unable to operate within our banking covenants, this could lead to default and our bank funding being recalled. This may result in us selling assets to repay loan commitments, or be forced to sell assets, possibly resulting in a fall in NAV.	We continually monitor our banking covenant compliance, to ensure we have sufficient headroom and to give us early warning of any issues that may arise. We have an LTV policy of up to 40%, with LTV and Gearing covenants substantially higher than this. We enter into interest rate caps to mitigate the risk of interest rate rises. We operate with a predominantly fixed rate debt platform. This will mitigate the effect on the Group from interest rate rises. We invest in assets let to institutional-grade tenants and we also seek to maintain a long WAULT, which should reduce the volatility in our income and property values.

Corporate risk

10. We rely on the continuance of the Manager

Net probability	Net impact	Mitigation
Slight	**Medium** We continue to rely on the Manager's services and its reputation in the property market. As a result, the Company's performance will, to a large extent, be underpinned by the Manager's abilities in the property market and its ability to asset manage and develop its property portfolio. Termination of the Investment Management Agreement would severely affect the Company's ability to effectively manage its operations and may have a negative impact on the share price of the Company.	Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 24 months' written notice. The Management Engagement Committee regularly reviews and monitors the Manager's performance. In addition, the Board meets regularly with the Manager, to ensure we maintain a positive working relationship. In the unlikely event that the Investment Management Agreement was terminated, the Board would be confident of finding an alternative Manager.

Taxation risk

11. UK REIT status – we are a UK REIT and have a tax-efficient corporate structure, which is advantageous for UK shareholders. Any change to our tax status or in UK tax legislation could affect our ability to achieve our investment objectives and provide favourable returns to shareholders

Net probability	Net impact	Mitigation
Slight	**Low** If the Company fails to remain a REIT for UK tax purposes, our property profits and gains will be subject to UK corporation tax.	The Board is ultimately responsible for ensuring we adhere to the UK REIT regime. It monitors the REIT compliance reports provided by: – the Manager on potential transactions; – the Administrator on asset levels; and – our Registrar and broker on shareholdings. The Board has also engaged third-party tax advisers and auditors to help monitor REIT compliance requirements.

Political risks

12. Disruptive Brexit

Net probability	Net impact	Mitigation
Moderate	Low The UK left the EU in January 2020 and following the transition period up to 31 December 2020, the EU and UK have reached an agreement on a new partnership. This agreement sets out the rules that apply between the EU and the UK as of 1 January 2021. Economic volatility is not a new risk for the Group; however, until some of the detailed terms of the relationship become clearer the exact impact on the Company and its customers remains uncertain.	The Group operates with a focus in the UK Big Box market which has a supply shortage against current levels of demand, which, along with the structural shift to online retailing will assist in supporting portfolio and sector performance. We have regular engagement with key occupiers to understand how Brexit is affecting their businesses and whether this is affecting their need for logistics space. The Group is currently well positioned with long and secure leases and a diverse blue chip tenant line up, with a focus on tenants with financial strength, which are well positioned to withstand any uncertainty in the UK economy. For those businesses that may need to stock more inventory onshore due to concerns surrounding import delays, this is likely to lead to greater demand for warehousing space in the UK. The Company continues to monitor the impact of the new agreement with the EU.

Other risks

13. Severe economic downturn

Net probability	Net impact	Mitigation
Severe	Low A severe economic downturn could be caused by events such as civil unrest, terrorism or a pandemic. On 23 March 2020 the Covid-19 pandemic caused the UK Government to place the UK into lockdown and issue significant support to the UK economy. Throughout 2020 there were various forms of restrictions placed on the freedom of movement due to the virus, which caused the UK to enter a recession in the year. These restrictions were further tightened in early January 2021. A severe downturn in the economy could impact a number of the Group's tenants, contractors, and service providers, which could lead to a loss of rental income and disruption to operations. The probability of this is deemed severe as the Covid-19 virus struck during 2020 and we continue to operate in a restricted environment.	The Group mitigates this risk by investing in high-quality investment assets that operate in a sector that has strong structural drivers and a supply demand imbalance in favour of landlords. The Group monitors its customer's financial health regularly and where possible enters into long leases. The Company, along with key suppliers, moved onto their business continuity plans to be able to continue to provide their services to the business, including providing all staff with equipment to be able to work within the Government restrictions. The Manager continues to monitor the business continuity plan of its suppliers to ensure the impact to the Group and its service providers is minimised. Every member of the Manager's staff, for periods of the year, has worked remotely, and continue to do so effectively. The Manager continues to monitor the impact that Covid-19 has had on the Group's assets and its tenants in order to protect the Group's cash flow regarding rent collection, impact on dividends and banking covenants. Covid-19 has accelerated behavioural patterns such as online shopping which, as a result, led to the highest level of occupational take-up in 2020 of over 43 million sq ft. This is highly supportive of our business model.

Going concern and viability statement

The Strategic Report describes the Group's financial position, cash flows, liquidity position and borrowing facilities. The Group's cash balance as at 31 December 2020 was £57.8 million, of which £57.6 million was readily available. It also had a further £550 million of undrawn commitments under its senior debt facilities, of which £93.9 million (see note 24) was committed under various pre-let development contracts, relating to three assets under construction at the year end.

The Group currently has substantial headroom against its borrowing covenants, with a Group LTV of 30.0% as at 31 December 2020. A significant part of the Group's borrowings are on an unsecured basis, providing the Group with a deeper pool of liquidity and with more flexibility over its arrangements. In June 2020, the Group agreed an extension to the maturity of £190 million of its £200 million unsecured RCF by 12 months to June 2025. In November 2020, the Group issued its debut unsecured Green Bonds totalling £250 million for a 13-year unsecured term. These assisted the Group in maintaining its weighted average maturity across its borrowings of 7.4 years as at 31 December 2020 (2019: 7.5 years). As a result and following rigorous stress testing of financial forecasts in relation to future viability, the Directors believe that the Group is well placed to manage its current and future financial commitments.

The Group benefits from a secure income stream of leases with an average unexpired term of 13.8 years, containing upward-only rent reviews, which are not overly reliant on any one tenant and present a well-diversified risk.

The Directors believe that there are currently no material uncertainties in relation to the Company and the Group's ability to continue for a period of at least 12 months from the date of approval of the Company and the Group's financial statements. The Board is, therefore, of the opinion that the going concern basis adopted in the preparation of the Annual Report is appropriate.

Assessment of viability

The period over which the Directors consider it feasible and appropriate to report on the Group's viability is the five-year period to 9 March 2026. This period has been selected because it is the period that is used for the Group's medium-term business plans and individual asset performance forecasts.

The assumptions underpinning these forecast cash flows and covenant compliance forecasts were sensitised to explore the resilience of the Group to the potential impact of the Group's significant risks, or a combination of those risks. The key assumptions sensitised for the forecast cash flows in downside scenarios were portfolio value, which was sensitised by up to a 30% reduction or to vacant possession value upon lease expiry, occupation of buildings was assumed to be 100% except where tenant defaults were sensitised, rental uplifts assumed to be between 0% and 2% upon reviews, cost inflation was assumed to be between 2% and 5% and debt drawn assumptions varied.

The principal risks on pages 44-50 summarises those matters that could prevent the Group from delivering on its strategy. A number of these principal risks, because of their nature or potential impact, could also threaten the Group's ability to continue in business in its current form if they were to occur.

The Directors paid particular attention to the risk of a deterioration in economic outlook which would impact property fundamentals, including investor and occupier demand which could have a negative impact on valuations, and give rise to a reduction in the availability of finance. The Board also paid attention to the impact of either a delay to the receipt of planning permission or the risk of not achieving planning consent across a number of schemes. The remaining principal risks, whilst having an impact on the Group's business model, are not considered by the Directors to have a reasonable likelihood of impacting the Group's viability over the five-year period to 9 March 2026.

The sensitivities performed were designed to be severe but plausible; and to take full account of the availability of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks:

Downturn in economic outlook: Key assumptions including occupancy, void periods, planning risk, rental growth and yields were sensitised to reflect reasonably likely levels associated with an economic downturn. The assumptions were considered in light of Covid-19 and any short- to medium-term impact resulting from the pandemic. Various forms of sensitivity analysis have been performed, in particular with regard to the financial performance of the Group's customers, taking into account any discussions held with customers surrounding their operational performance, including their current status on rent collection.

Restricted availability of finance: Following the extension of the £190 million RCF by 12 months until June 2025, along with the new £250 million Green Bonds, the Group does not have a significant refinancing event occurring until December 2024. Financing is arranged in advance of expected requirements and the Directors have reasonable confidence that additional or replacement debt facilities will be put in place when the need arises. Furthermore, the Group has the ability to make disposals of investment properties to meet the future financing requirements under the Symmetry portfolio.

Viability Statement

Having considered the forecast cash flows and covenant compliance and the impact of the sensitivities in combination, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period ending 9 March 2026.

s172 Statement and stakeholder engagement

In 2020, we continued to focus on our strategy by delivering sustainable logistics solutions for our stakeholders, supporting our customers through the pandemic and having a positive impact in the communities we operate in. We recognise that not every decision we make will result in a positive outcome for all of our stakeholders and we frequently have to make difficult decisions based on competing priorities.

Section 172 statement

The Directors have had regard for the matters set out in section 172(1) (a)-(f) of the Companies Act 2006 when performing their duty under section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have considered (amongst other matters):

- The likely consequences of any decision in the long term;
- Interest of the Manager and its employees, as the Company does not have any employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The Company's reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The table on the right indicates where the relevant information is in this Annual Report that demonstrates how we act in accordance with the requirements of s172.

Further information on how we have engaged with our key stakeholders and considered their interests during the last reporting period can be found on pages 52 to 55 and 65 to 66.

s172 matter	Further information incorporated into this statement by reference
Long term	Our Market pages 14 to 15 Our Business Model page 20 Manager's Report pages 24 to 31 Key Board Decisions pages 65 to 66
Investors	Strategic Report page 7 Key Board Decisions pages 65 to 66 Governance Report pages 53 and 64
Employees	For information on the Manager's employees please refer to pages 12, 31 and 66
Community and environment	Strategic Report pages 8 and 18 to 20 Manager's Report pages 24 to 31 Sustainability pages 38 to 42 Key Board Decisions pages 65 to 66
Suppliers	Strategic Report pages 1 to 23 Manager's Report pages 24 to 31 Key Board Decisions pages 65 to 66
High business conduct	Stakeholder Engagement pages 52 to 55 Strategic Report pages 1 to 23

The Manager and its employees

Who they are and their importance
The Manager brings its expertise in the Big Box sector. It gives us our competitive advantage through its knowledge, specialist focus and network of industry and occupier contacts. The Manager employs a range of professionals who play a crucial role in the performance and long-term success of the Company. By supporting the Manager and its employees we benefit from their entrepreneurial approach, and believe it helps us deliver our long-term strategy and purpose. The Manager's culture aligns with that of the Company and its long-standing reputation is key when representing the Company in the wider market.

What they care about
The long-term success of the Company is of key importance to the Manager. In order to achieve this, as well as establishing and maintaining lasting relationships, the Manager takes a keen interest in the wellbeing and satisfaction of its employees. Being able to attract and retain high calibre talent and then support those individuals in their professional development is a high priority for the Manager. The Board and the Manager maintain a positive and transparent relationship to ensure alignment of values and business objectives.

How we engage
- Quarterly reporting to the Board
- External board evaluations
- Informal meetings
- Professional and executive development programmes
- Employee surveys

Topics
- Employee satisfaction and resourcing
- Covid-19, working from home and staff wellbeing
- Business updates

Outcomes
- Updated software and systems for remote working
- Continued workforce productivity with minimal operational impact
- Implementation of a Working from Home Policy of the Manager
- Virtual employee social events

Further information
- Page 31 in the Manager's Report
- Pages 65 to 66 in Key decisions of the Board 2020
- Pages 67 to 69 in Division of Responsibilities
- Management Engagement Committee Report starting on pages 79 to 81

By considering the Company's purpose and values, together with its strategic priorities we do, however, aim to balance those different perspectives. For more information on the impact of key decisions of the Board on our stakeholders, please refer to our 'Key Board Decisions' table on pages 65 to 66.

Our shareholders

Who they are and their importance
Our shareholders are those who invest in our Company, from individuals to larger institutional shareholders and pension funds. It is crucial that shareholders have confidence in the Company and how it is managed. We engage with shareholders to ensure transparency on our strategic plans. We aim to provide long-term, consistent returns for investors through investment in a diversified and balanced portfolio. Building a strong investor base through clear and transparent communication is vital to building a successful and sustainable business and generating long-term growth. Our asset selection and asset management add value to our portfolio, allowing shareholders to benefit from attractive total returns.

What they care about
Delivering sustainable, profitable growth over the longer term. Our investors take a keen interest in strong corporate governance, as well as a transparent reporting framework and the ESG initiatives of the Company.

How we engage
- Regular market updates on strategy and performance
- Virtual meetings with the Board and the Manager to aid understanding and decision making
- Roadshows
- Quarterly update reports to the Board from Investor Relations
- Annual General Meeting
- Lunches held between shareholders and key personnel from the Board and Manager

Topics
- Strategic plans and long-term value and returns
- Governance
- Sustainability

Outcomes
- Engagement with key representatives to ensure our purpose remains in line with expectations
- Focus on recycling assets into higher returning development and investment opportunities
- Redeployment of capital
- Update on financial impact of Covid-19
- Update on operations during Covid-19
- Update to dividend guidance

Further information
- Page 20 in the Business model
- Pages 63 to 64 in Board leadership and company purpose
- Pages 65 to 66 in Key decisions of the Board 2020

Our suppliers

Who they are and their importance
Our suppliers are those we collaborate with on a day-to-day basis, to help ensure we meet our investment and strategic objectives. These include our legal advisers, auditor, joint financial advisers and valuers. We aim to maintain an integrated and open relationship with our suppliers, to ensure that we receive expert advice and can rely upon them to help deliver our strategy. One of the key ways we engage with our suppliers is by having clear lines of communication and dedicated contacts within the Group. A collaborative relationship with our suppliers ensures that we receive high-quality services and products to help deliver our strategic and investment objectives.

What they care about
Our suppliers care about having collaborative and transparent working relationships with us, including responsive communication and being able to deliver to their service level agreements at a competitive fee.

How we engage
- Invited key suppliers to attend Board and Committee meetings
- Informal, one-to-one virtual meetings
- Review of supplier performance by the Management Engagement Committee
- Externally facilitated advisor reports

Topics
- Service levels and annual performance
- Fee structure
- Relationship management
- Processes and procedures

Outcomes
- Continued good, and in some cases, exceptional, levels of service
- One new appointment was made during the period, being the Company's dedicated solar PV provider Syzygy in November 2020

Further information
- Pages 65 to 66 in Key decisions of the Board 2020
- Management Engagement Committee Report pages 79 to 81

Our customers

Who they are and their importance
Our customers are our tenants who occupy our assets. We want to be our tenants' landlord of choice for Big Box logistics property in the UK. Our tenants range from multinational technology companies to multinational retailers and manufacturers. We aim to foster strong relationships with them, by understanding their occupational requirements and commercial objectives. This helps us identify suitable asset management opportunities for the Company, whilst ensuring long-term satisfaction for our tenants. We seek to develop and maintain a deep understanding of the businesses that operate in our market in order to create long-term partnerships. Our tenants are at the very core of our business. We need to understand their needs in order to deliver fit for purpose real estate and asset management opportunities which underpin long-term sustainable income growth and maximise occupier satisfaction.

What they care about
Quality assets, including buildings with strong EPC, BREEAM and sustainability ratings that enable them to succeed. A knowledgeable and committed landlord that supports their strategy, with a current focus on fulfilling their rapidly growing e-commerce sales. Our tenants want efficient supply chain logistics and attractive cost price labour pools.

How we engage
- Regular face-to-face meetings both virtual and on-site, when able
- Review of published data, such as Annual Accounts, trading updates and analysts' reports to identify mutually beneficial opportunities
- Greater discussion over cash flow and rental collection in the current climate
- Stakeholder surveys
- Engagement on "green" initiatives
- Ensured buildings comply with the necessary safety regulations and insurance
- Liaison with tenants in respect of insurance procurement

Topics
- Impact of Covid-19 and lockdown restrictions
- Sustainability initiatives
- Cash management
- Supporting e-commerce initiatives

Outcomes
- Payment plans and rent deferrals to help manage cash flow and resources
- Greater clarity for the business on rent collection
- Strengthening of business relationships
- Development of a dedicated Occupier Hub

Further information
- Manager's Report starting pages 24 to 31
- Sustainability section pages 38 to 42
- Pages 65 to 66 in Key decisions of the Board 2020

Our communities

Who they are and their importance
Our communities are those who live in the areas in which we develop and own our Big Boxes. We recognise the importance of supporting local communities where our assets are located. We endeavour to invest in opportunities which will be fit for future purpose and which align with our ESG targets. We benefit our local communities by creating social value through employment, promoting bio-diversity and increasing efficiency for our customer and the consumer. Our communities provide our social licence to operate. We bring significant employment and social value to the communities we invest in and through the operations of our customers. We ensure our investment creates a positive social impact, reducing environmental impacts of our assets, which is core to our sustainability approach.

What they care about
That we understand local needs and priorities and actively help and support local communities through job creation and investment. We endeavour to act as good neighbours, operating safely and ethically and comply with all relevant legislation, including building regulations. That our buildings are sustainable and enhance their surrounding environment.

How we engage
- Charitable engagement which in turn helps bring environmental and social benefits to the communities we operate in
- Sustainability surveys
- Joining the UK GBC Working Group on Nature Based Solutions
- Demonstrating leadership by creating the Sustainable Logistics Alliance with Prologis and publishing its first white paper on net zero carbon construction
- Quarterly engagement with The Bridge – a network of all businesses on The Bridge estate

Topics
- Sustainable construction
- Energy and carbon, focusing on net zero carbon
- Enhancing biodiversity
- Job creation and supporting employability and skills
- Charitable work

Outcomes
- Supportive local communities and job creation
- Collaborative and effective relationships in the community and with the charities we sponsor
- Commitment that all new Tritax Symmetry developments will be net zero carbon at the point of practical completion
- Improved GRESB and MSCI scores reflecting outcomes
- Bronze award for the EPRA Sustainability Best Practice
- Green Certifications

Further information
- Sustainability section pages 38 to 42
- Pages 65 to 66 in Key decisions of the Board 2020

Government, regulators and local authorities

Who they are and their importance
Government, regulators and local authorities provide vital oversight of how we run our business. By understanding their priorities and concerns, we seek to improve our relationships and further understand the impact of our business. We seek to foster a collaborative and proactive relationship with all of our local authority partners, at both officer and member level. Maintaining a cooperative relationship is important to our development and pipeline initiatives, such as obtaining planning permissions or extending our existing properties.

What they care about
Ensuring planning applications conform with local planning, highways and environmental policies prior to granting planning consent and sustainability. How the development will impact the local communities and what benefits it will bring. That the business operates with high standards of business conduct.

How we engage
- Publication of research articles and responding to market changes
- TSL involvement on the British Property Federation's Industrial Committee
- Public and community consultations on upcoming schemes, including presentations to local planning authorities and Town/Parish Councils
- Stakeholder champions on-site at Littlebrook

Topics
- The economic benefits and opportunities offered by the logistics sector
- Sustainable development and net zero carbon initiatives
- Government's aspirations for reforms of the English Planning System
- Practical implications and potential impact on construction and development in local communities

Outcomes
- Planning consent secured on over 200 acres of land during 2020
- Launch of promotional video for M5 corridor
- Successful pre-let of 2.3 million sq ft logistics facility following Littlebrook planning consent

Further information
- Strategic Report pages 18 to 19
- Sustainability section pages 38 to 42
- Pages 65 to 66 in Key decisions of the Board 2020

Our lenders

Who they are and their importance
Our lenders provide a means of financing the implementation of our strategy. We have a flexible debt platform and strong relationship with top tier lenders. We report to and meet our lenders on a regular basis, updating them on our portfolio and strategy. Our lenders benefit from having their interest serviced by regular and stable cash flows which are underpinned by strong covenants. Our long leases and future growth in income, through a combination of fixed, indexed and open market reviews, provide protection to capital values.

What they care about
That capital values are protected and supported by regular and stable cash flows. That we have strong covenants and are able to meet interest payments, whilst maintaining agreed gearing ratios. That they receive regular financial reporting.

How we engage
- Annual and half year presentations
- Additional guarantor accessions
- Regular covenant reporting
- Virtual meetings

Topics
- Financial position of the Company and cash flows
- Financing sustainability strategy and green financing
- Impact of Covid-19
- Covenants and gearing ratios
- Interest rates and LIBOR succession planning

Outcomes
- Launch of the Green Finance Framework, and issue of £250 million Green Bond
- Reduction of Group cost of debt and increase to average maturity
- Debt drawdowns to future development

Further information
- Financial Review pages 32 to 37
- Pages 65 to 65 in Key decisions of the Board 2020

Board approval of the Strategic Report
The Strategic Report on page 1 to 55 has been approved by the Board on 9 March 2021.

Sir Richard Jewson KCVO, JP
Chairman
9 March 2021

Corporate governance

Chairman's governance overview

Governance highlights in 2020

- Successfully implemented the succession planning programme with the appointment of Aubrey Adams as the new Chairman with effect from the 2021 AGM.
- Complied with all of the principles and provisions of the 2019 AIC Code applicable to the Company. Please see pages 60 to 61.
- Met all of the requirements set out in the Financial Reporting Council's Guidance on Risk, Internal Control and Related Financial and Business Reporting. Please see pages 44 to 50 and 74 to 75.
- Conducted a comprehensive external Board evaluation exercise. Please see page 73.
- Further developed and enhanced the Company's succession and contingency planning processes. Please see pages 72 to 73.
- Further enhanced processes and procedures across the business and its supply chain in compliance with the Modern Slavery Act 2015 and prepared our annual statement which appears on our website. Please see page 75.
- Approved a sustainability strategy framework.
- Refined the Company's purpose and culture and increased its focus on stakeholder engagement. Please see pages 52 to 55 and 63 to 66.

"Our strong governance framework ensures we lead the business effectively."

Sir Richard Jewson KCVO, JP
Chairman

This report seeks to demonstrate and explain the Company's core governance-related processes and procedures, and highlights the key governance actions which have taken place during the period. The Board continues to believe that sound corporate governance plays a key role in shaping the long-term success of the Company and provides a strong foundation for the delivery of its strategic objectives.

Board priorities

One of our key priorities as a Board is to oversee the successful implementation of the business' strategy and ensure it is positioned for long-term success. The Board continues to support the Manager in any potential investment and divestment decisions and ensures ongoing compliance with the Company's Investment Policy and objectives.

As announced in January 2021, I informed the Board of my intention to retire as Chairman at the May 2021 Annual General Meeting. As part of the Board's succession planning programme, the Nomination Committee led a comprehensive Chairman succession planning process. This search resulted in the announcement to appoint Aubrey Adams, the current Senior Independent Director ("SID"), as my successor. As part of this programme, the Board is considering a replacement for Aubrey Adams as SID and we look forward to updating the market with details of an appointment in due course. Following these changes, the Nomination Committee reviewed the composition of the Board and identified the desirability to appoint a new Non-Executive Director. The Committee has begun the recruitment process and will be updating the market in due course. For full details of the succession planning process, please refer to pages 72 to 73.

One of the key challenges of the Board during the year has been responding to the Covid-19 pandemic. The Board and Audit & Risk Committee, supported by the Manager, have led the Company's response by ensuring the business has continued to operate safely and effectively to deliver the investment strategy. For further details of the Board's response, please refer to page 77.

ESG remains an important focus for the Company, as well as its stakeholders, and with the support of the Manager the Company continues to strengthen its sustainability strategy. We approved a new long-term sustainability strategy during the year and the launch of the first sterling Green Bond by a UK REIT with a £250 million issuance in November 2020. This directly supports the delivery of the sustainability strategy and demonstrates the Company's leadership in responsible investment.

We believe that ASI's acquisition of a 60% interest in the Manager will strengthen the Manager, by giving the Manager access to the resources of a global financial institution benefiting the Company in the long term. We look forward to the continued high quality of service and performance of the Manager.

During the period, the Management Engagement Committee conducted a comprehensive review of the Investment Management Agreement ("IMA"), supported during the process by Akur and Jefferies. For full details of the review please refer to pages 79 to 81.

Board development

We continue to receive regular updates and briefings on corporate governance as well as wider regulatory changes within the market to ensure we comply with all applicable laws and regulations.

During the year, the Board completed ESG training with a view to ensuring we have the right skills and knowledge to manage the Company's sustainability strategy, further details of which can be found on pages 38 to 42.

Board engagement

Regular engagement with our shareholders and other stakeholders remains a priority of the Board. The Board has continued to develop its relationships with its shareholders and stakeholders during the period. Due to the restrictions on meeting in person with stakeholders, we held a series of virtual investor meetings in November 2020 which were well received, alongside the more regular shareholder and analyst engagements following the publication of the interim and annual results. Outside of these presentations, the Fund Manager, Finance Director and the SID or I regularly engage with investors to discuss their views and any queries they may have regarding the Company's governance and strategy.

The Board is aware of the impact that the Covid-19 pandemic has had on the wider community, tenants and suppliers and has further highlighted the importance of social issues and the wellbeing of the wider community in which we operate. We continued to enhance our engagement with these wider stakeholders throughout 2020. Full details of how we engaged with our wider stakeholders and shareholders can be found on pages 52 to 55 and 65 to 66.

Priorities for 2021

This will be my last Annual Report for the Company and I would like to take this opportunity to say it has been a privilege to serve as Chairman since IPO. I would like to thank the Board and the Tritax Management team for their hard work and dedication over my seven-year tenure as Chairman; much has been achieved and the Company is well positioned for the future.

Under the experienced leadership of Aubrey Adams, the Board will continue to oversee the Company's strategy. The Board is keen to ensure that the investment in ESG resource and the newly established sustainability strategy is supported and prioritised, through strong sponsorship of the Board. The Board looks forward to working with Aubrey Adams as the new Chairman, as well as updating the market on the appointment of a replacement SID and on our search for a new Non-Executive Director in due course.

Sir Richard Jewson KCVO, JP
Chairman
9 March 2021

Statement of compliance and application of code

Statement of compliance

The Board of Tritax Big Box REIT plc has considered the Principles and Provisions of the 2019 AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), and sets out additional Provisions on issues that are of specific relevance to investment companies.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Company has fully complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Application of AIC Code principles

The AIC Code, and the underlying UK Code, have placed increased emphasis on "comply or explain" with regard to the principles of the Code.

Our explanations of how we have applied the main principles of the AIC Code can be found below.

Board leadership and company purpose	
Principle A. A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	– Strategic Report pages 14 to 17. – Board leadership and Company purpose pages 63 to 64.
Principle B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	– Strategic Report pages 1 to 23 – Board leadership and Company purpose pages 63 to 64. – Division of responsibilities pages 67 to 68.
Principle C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	– Principal Risks and Uncertainties pages 44 to 50. – Section 172 Statement page 52. – Audit, risk and internal control pages 74 to 75. – Audit & Risk Committee Report pages 76 to 78.
Principle D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	– Stakeholders pages 52 to 55 and 64 to 66. – Section 172 Statement page 52.
Division of responsibilities	
Principle F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	– Board leadership and Company purpose pages 63 to 64. – Division of responsibilities pages 67 to 68.
Principle G. The board should consist of an appropriate combination of directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the board's decision making.	– Division of Responsibilities pages 67 to 68. – Composition, succession and evaluation pages 70 to 73.
Principle H. Non-executive directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third-party service providers to account.	– Board leadership and Company purpose pages 63 to 64. – Division of responsibilities pages 67 to 68. – Audit & Risk Committee Report pages 76 to 78. – Management Engagement Committee Report pages 79 to 81.
Principle I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	– Division of Responsibilities pages 67 to 68. – Nomination Committee Report pages 72 to 73.

Composition, succession and evaluation	
Principle J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	– Nomination Committee Report pages 72 to 73.
Principle K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	– Composition, succession and evaluation pages 70 to 73.
Principle L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	– Nomination Committee Report pages 72 to 73.
Audit, risk and internal control	
Principle M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself *on the integrity of financial and narrative statements.*	– Audit, risk and internal control pages 74 to 75. – Audit & Risk Committee Report pages 76 to 78.
Principle N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.	– Audit, Risk Committee Report pages 76 to 78. – Responsibilities statements page 88.
Principle O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	– Principal Risks and Uncertainties pages 44 to 50. – Viability Statement page 51. – Audit, risk and internal control pages 74 to 75. – Audit & Risk Committee Report pages 76 to 78. – Notes to the financial statements pages 100 to 134.
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	– Management Engagement Committee Report pages 79 to 81. – Directors' Remuneration Report pages 82 to 84.
Principle Q. A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome.	– Directors' Remuneration Report pages 82 to 84.
Principle R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	– Directors' Remuneration Report pages 82 to 84.

Key Board statements

Requirement	Board statement	Where to find further information
Going concern basis	The Board is of the opinion that the going concern basis adopted in the preparation of the Annual Report is appropriate.	Further details are set out on page 51 of the Strategic Report.
Viability Statement	The Board is of the opinion that the Viability Statement adopted in the preparation of the Annual Report is appropriate.	Further details are set out on page 51 of the Strategic Report.
Annual review of systems of risk management and internal control	A continuing process for identifying, evaluating and managing the risks the Company faces has been established and the Board has reviewed the effectiveness of the internal control systems.	Further details are set out in Audit, risk and internal controls on pages 74 to 75 of this Governance Report.
Robust assessment of the Company's emerging and principal risks to the business model, future performance, solvency and liquidity of the Company	The Audit & Risk Committee and the Board undertake a full risk review twice a year where all the emerging, principal risks and uncertainties facing the Company and the Group are considered.	Further details can be found in Our Principal Risks and Uncertainties on pages 44 to 50 of the Strategic Report.
Fair, balanced and understandable	The Directors confirm that to the best of their knowledge the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.	Further details of the fair, balanced and understandable statement can be found in the Audit & Risk Committee Report on pages 76 to 78.
Appointment of the Manager	The Directors consider the continuing appointment of the Manager on the terms agreed in the Investment Management Agreement dated 11 September 2017 to be in the best interests of the Company.	Further details are set out in the Management Engagement Committee Report on pages 79 to 81.
s172 of the Companies Act 2006	The Directors have considered the requirements of s172 when making strategic decisions.	Further details are set out on page 52 of the Strategic Report.

Board leadership and Company purpose

How we govern the Company
The Board is responsible for promoting the long-term sustainable success of the Company and generating value for its shareholders and other stakeholders through effective leadership. The Board and the Manager work closely together to maintain the highest standards of corporate governance. We believe that our positive engagement and working relationship with the Manager is key to enhancing the Company's governance arrangements and ensuring that they are robust and fit for purpose. We work closely with the Manager to identify areas for improvement and best practice which creates an open and collaborative culture. The Company's success is based upon the effective implementation of its strategy by the Manager and third-party service providers under the leadership of the Board. The Board's culture provides a forum for constructive and robust debate, which the Board believes has been crucial to the success of the Company to date.

The Company's purpose is to deliver sustainable logistics solutions that create compelling opportunities for our stakeholders and provide our customers with the space to succeed. In order to achieve this, the Board has determined the Company's Investment Objectives and Investment Policy. It has overall responsibility for the Company's activities, including reviewing investment activity, performance, business conduct and strategy, in compliance with the principles of good corporate governance. The Board has delegated the day-to-day operational aspects of running the Company to the Manager and approved a schedule of matters reserved for its consideration and approval, which are set out on this page. Although the Board does not formally approve investment proposals or decisions, as this is a matter delegated to the Manager, the Board is kept fully informed and notified of investment proposals/decisions to enable the Directors to undertake their responsibilities and duties appropriately.

As well as regular Board meetings, the Board also meets for dedicated strategy meetings, in which the Company's immediate and long-term strategy is discussed, and holds ad hoc meetings to consider specific issues, the market generally and its stakeholders.

There is frequent engagement and interaction between the Manager and Tritax Symmetry regarding the development pipeline and the status of current projects. This regular engagement is overlaid by a series of meetings to ensure appropriate oversight and governance of Tritax Symmetry, being weekly update and occupier review meetings, quarterly project review meetings, quarterly strategy meetings and bi-annual board meetings of Tritax Symmetry. These meetings provide a forum for reporting on detailed project matters by Tritax Symmetry to the Manager and discussion of the wider business strategy.
The Manager retains approval rights in relation to transactional documentation proposed to be entered into by Tritax Symmetry.

A typical Board agenda includes:
- A review of investment performance.
- A review of investments, divestments and asset management initiatives.
- An update on investment opportunities available in the market and how they fit within the Company's strategy.
- A report on the property market.
- A review of the Company's financial performance.
- A review of the Company's financial forecast, cash flow and ability to meet targets.
- A review of the Company's financial and regulatory compliance.
- Updates on shareholder and stakeholder relations.
- Updates on the Company's capital market activity.
- Specific regulatory, compliance or corporate governance updates.
- An update on sustainability and targets.
- A bi-annual risk management review.
- Investor relations update.
- Marketing and communications update.

Board reserved matters

Reviewing and approving Board composition and powers, including the appointment of Directors.

Overseeing treasury functions and managing the Company's capital structure.

Approving and implementing the Company's strategy.

Reviewing and monitoring the Manager's ongoing compliance with the Company's Investment Objectives and Investment Policy.

Approving the budget, financial plans and Annual and Interim financial reports.

Overseeing the services provided by the Manager and, in conjunction with the Manager, the Company's principal service providers.

Approving the dividend policy.

Reviewing and approving all compliance and governance matters.

Reviewing property valuations and valuations of its interest rate derivatives.

Key activities of the Board in 2020

Q1
- Declared an interim dividend of 1.7125 pence per share, in respect of the three months to 31 December 2019.
- Approved the Annual Report and Accounts 2019.

Q2
- Declared an interim dividend of 1.5625 pence per share, in respect of the three months to 31 March 2020.
- Held the Company's Annual General Meeting.
- Launched the sustainability strategy.

Q3
- Declared an interim dividend of 1.5625 pence per share, in respect of the three months to 30 June 2020.
- Approved the Interim Report 2020.
- Conducted the performance review of the Manager.

Q4
- Declared an interim dividend of 1.5625 pence per share, in respect of the three months to 30 September 2020.
- Conducted the Board and Committee evaluation.
- Approved the Green Finance Framework.
- Issued a £250 million REIT Green Bond with a 13-year maturity.

Post year end
- Agreed action plan following Board and Committee evaluation to focus on in 2021.
- Declared an interim dividend of 1.7125 pence per share, in respect of the three months to 31 December 2020.
- Approved the Annual Report and Accounts 2020.
- Agreed and announced the succession plan of Aubrey Adams as new Chairman.

Strategy
The 2020 strategy meetings, which took place in May and September 2020, focused on assessing whether the Company followed its overarching strategy set in 2019 and reviewed where changes should be made to ensure its long-term success. The meeting involved the full Board and key members of the Manager who reviewed additional strategic options available to the Company. The Board also discussed the strategic aims for 2021 and requested a number of actions out of this meeting, including further market analysis, regular peer benchmarking reports and further stakeholder engagement, in particular nurturing existing occupier relationships. Please see pages 16 to 19 for more details on strategy in the Strategic Report.

Given the current dynamics of the logistics market, with strong demand but limited supply of suitable assets, we believe that we are well set to capture further value in 2021 and beyond. Our focus for the coming year will be on achieving planning consents, securing pre-lettings for our land assets and acquiring investment assets in order to grow the Group's strong asset base and deliver enhanced returns to shareholders.

Culture
The culture and ethos of the Company is important to its success. The Board promotes open dialogue and frequent, honest and open communication between the Manager and other key providers and advisers to the Company. Whilst the Company is externally managed, the Board is confident that the culture within the Manager is aligned with that of the Board. The Board believes that its positive engagement and working relationship with the Manager helps the business achieve its objectives by creating an open and collaborative culture, whilst allowing for constructive challenge. The Non-Executive Directors meet regularly with members of the Manager outside of Board meetings to discuss various key issues.

Sustainability
Managing sustainability is core to our business. This year, in addition to launching a new long-term sustainability strategy, the Board underwent ESG training to ensure it has the right skills and knowledge to manage the Company's material ESG issues. The Board also oversaw the issuance of the first sterling Green Bond for a UK REIT with a £250 million issuance in 2020, which directly supports the delivery of the Sustainability Strategy and demonstrates leadership in responsible investment.

The CSR Committee of the Manager engages the Board on its CSR/ESG activities and provides regular updates on the delivery of the sustainability strategy and the Manager's responsible business objectives, which cover staff wellbeing, human capital development, and diversity and inclusion.

Key activities of the CSR Committee in 2020 included supporting the Manager's staff wellbeing during Covid-19, undertaking fundraising activities in support of the Manager's charity partner, XLP, raising just under £13,000 and overseeing the delivery of ESG investment training for key personnel. The Committee also established a new Sub-Committee – the Green Finance Committee – which is responsible for approving the eligible green projects to be funded by the new Green Bond.

To demonstrate its own commitment to sustainability, the Manager procures renewable energy and sends zero waste to landfill. It also achieved ISO 14001 accreditation in late 2020. Please see pages 38 to 42 for the Sustainability report.

Relations with shareholders and other stakeholders
Maintaining strong relationships with the Company's shareholders and other stakeholders and an understanding of their priorities and concerns is a key objective of the Board. The Chairman and the Senior Independent Director ("SID"), alongside the Fund Manager, Finance Director and Head of Investor Relations of the Manager are the Company's principal spokespersons who regularly communicate with the Company's shareholders, the press, analysts, investors and other stakeholders. All Directors are available to speak to shareholders on any matters relating to the Company.

The Manager has a dedicated investor relations team who provide regular investor relations reports to the Board, including major press coverage, analyst reports and shareholder feedback. The Company's Broker provides a bespoke quarterly report, which has a section dedicated to investor relations. The Manager also produces a semi-annual fact sheet on behalf of the Company which can be viewed on the Company's website.

During the year, the Manager, together with the Company's Broker, devoted time to meeting with existing shareholders and prospective new investors virtually from the UK, Continental Europe, South East Asia, the USA and South Africa. The roadshows, together with a series of ongoing ad hoc meetings, enabled the Manager to listen to and understand the views of shareholders and other stakeholders and report those views to the Board so it could consider and appreciate these opinions. Furthermore, we undertook an audit with representatives from our stakeholder groups to ensure our purpose remained in line with expectations. Feedback from the roadshows and other meetings has been positive and constructive over the year.

Further details of the Company's engagement with our other key stakeholders can be found on pages 52 to 55.

Site visits
The Board plans to undertake site visits once the ongoing pandemic restrictions allow. The Manager continued to undertake site visits across the portfolio. Ensuring safety guidelines were adhered to, the Manager also held regular site visits of assets under construction.

Annual General Meeting ("AGM")
The Company's general meetings provide the Board and the Manager with a valuable opportunity to engage with its shareholders on governance and strategy. All the Directors usually attend the AGM and make themselves available to answer shareholders' questions. The Chairman also makes himself available outside of these meetings to speak to shareholders.

The SID is available for shareholders to contact if other channels of communication with the Company are not available or are inappropriate. Various Directors also regularly attend the biannual financial results presentations.

We encourage shareholders to attend and vote at the AGM and take the opportunity to engage with the Board and the Manager. Due to the ongoing Covid-19 pandemic restrictions in May 2020, shareholders were unable to attend in person. However, the Chairman, the SID and key personnel of the Manager held a number of shareholder meetings in November 2020. Whilst we currently plan to hold our May 2021 AGM in person, should the ongoing pandemic restrictions not allow for us to meet in person, the Company will advise shareholders of any alternative arrangements in the 2021 Notice of Annual General Meeting and on its website.

The Chairman and the SID as well as other Directors can be contacted by emailing the Company Secretary on cosec@tritaxbigbox.co.uk, who will pass the communication directly to the relevant person, or by post at the Company's registered office.

Public communications
The Company ensures that any price sensitive information is released to all shareholders at the same time and in accordance with regulatory requirements. All Company announcements which are released through the London Stock Exchange's Regulatory News Service ("RNS") are also made available on the Company's website. The website also holds the quarterly fact sheets, share price and dividend information, investor presentations, the Key Information Document required by PRIIPS regulations and the Annual and Interim Reports which are available for download. The Company's Annual and Interim Reports are dispatched to shareholders upon request.

Key decisions of the Board 2020

Key decision/item	Stakeholder	How were stakeholder views taken into account?	Impact – what actions were taken as a result of this engagement/taking concerns into account?	Long-term effects of the decision?
Issuance of first sterling REIT Green Bond	Customers Communities Shareholders	The business engaged with various stakeholders through a series of interviews and undertook a materiality assessment, in addition to the development of the Company's sustainability strategy and purpose review. The Board recognised the importance of delivering on sustainability matters including limiting the impact of climate change and creating social value in the communities around the Company's assets.	As a result, the Company was able to developed its green framework which outlined how the Company would identify green projects in line with the Company's Big Goals for 2030. The Company also utilised the ICMA green bond principles as a basis for the initiative. After stakeholder and shareholder engagement the Company successfully launched the first public sterling REIT Green Bond on favourable terms. Further details can be found on page 36 to 37.	The issuance of the REIT Green Bond creates long-term value for stakeholders and bond holders alike. The proceeds of the Green Bond will be used to acquire, fund or refinance new or existing Eligible Green Projects ("EGPs") within the Group's real estate portfolio. The access to the pool of capital allocated solely in green projects will also contribute towards being carbon neutral in operation. It will also aid in achieving a biodiversity net gain and will contribute to enhancing biodiversity and regulating climate impacts. This will in turn create more attractive assets for occupiers and benefit the environment.
Company strategy	Shareholders Customers The Manager Suppliers	In late 2019/early 2020, the Board engaged with shareholders and its advisors on how the Company could continue to grow and progress into its next stage of development. The general market consensus was that the Company should be looking to recycle assets which had achieved their full potential in the Company's ownership before seeking to raise equity in the market.	The business focused on the Company's existing portfolio whilst developing relationships with its customers by identifying value add opportunities. The Board continued to monitor the market and portfolio to crystallise value through disposals, recycling capital into higher returning development and investment opportunities. Further details can be found on page 16 to 19.	The Company's ability to dispose of assets with completed asset management plans and value uplifts enabled the redeployment of capital into attractive offerings as well as the Company's development portfolio. This provides an interesting investment prospect for current and future investors.
Rent collection throughout Covid-19	Customers Shareholders	The business maintained an open dialogue with customers, listened to occupier pain points and actively sought to understand their projections for the remaining period. This enabled a robust discussion on any requests for payment plans or rent deferrals.	The Company engaged with a small number of customers who had requested rent deferrals or differing payment plans and was able to put options to customers in order to help them manage their cash flows and resources effectively through the Covid-19 pandemic.	The Company was able to plan and manage cash flow more efficiently and have a greater understanding of the impact on rent collection. This ensured more informed discussions at Board level and, by working with customers, the Company was able to secure 99% of rent for the year, with the remainder to be collected via payment plans. This early engagement strengthened business relationships in the long term.

Key decision/item	Stakeholder	How were stakeholder views taken into account?	Impact – what actions were taken as a result of this engagement/taking concerns into account?	Long-term effects of the decision?
The Manager's employees	The Manager	To understand the view of the Manager's employees during the Covid-19 pandemic, the Manager circulated a questionnaire to all employees to understand their main concerns with returning to the office. The Manager has reported regularly to the Board on how its employees have been affected by the Covid-19 pandemic. The Manager remains engaged with its staff through weekly catch-up calls and questionnaires to gauge appetite for returning to the office.	The Manager implemented a Working from Home Policy to ensure that teams remain focused and supported through uncertain times. The Manager introduced various initiatives for the benefit of its employees and took into account their views over a possible return to the office. This has involved a grading system and rota. The Manager also introduced new software in order to encourage remote collaborative working and continues to review efficiencies generated as a result.	The Company was able to continue functioning remotely and successfully with minimal operational impact and staff remained connected and productive.
Investor Relations team	Shareholders The Manager	As the Company has grown it became clear that having a dedicated Investor Relations team would benefit the Company's engagement with shareholders and its wider stakeholders.	The Manager employed a dedicated Head of Investor Relations who, amongst other things, tailored investor communications to ensure these were clear and reached the desired audience. The Investor Relations team prepare a quarterly update report to the Board which enables a better understanding of shareholder views.	Further enhanced engagement and understanding of the 'real-time' views of shareholders and the wider market and strengthened Board reporting.

Division of responsibilities

The Chairman and the Senior Independent Director
Our Independent Chairman, Sir Richard Jewson, has no relationships that could create a conflict of interest between his interest and those of shareholders or the Manager.

As we are subject to the AIC Code, there is no requirement for a limitation on the length of tenure of the Chairman. However, we recognise that there is a significant body of opinion that tenure should be limited to nine years and bear this in mind in our succession planning. The Chairman has been in post for over seven years and expressed his intention to retire at the May 2021 AGM, as announced in January 2021. The Chairman's other significant commitments include Chairmanship of Raven Property Group Limited. For the Chairman's full biography please refer to page 70 and the Company website. The Board believes he continues to dedicate sufficient time to his Chairmanship of the Company. The Board has adopted a policy on Tenure and Re-election; for more information please refer to page 73.

As Chairman, he sets the agenda for Board meetings with assistance from the Company Secretary, manages the meeting timetable and facilitates open and constructive dialogue during the meetings. The SID, Aubrey Adams, and the other Directors met during the year, without the Chairman, to appraise his performance. The outcome of this meeting is detailed on page 73.

The Board
The Board currently consists of six Non-Executive Directors, all independent of the Manager. We believe that the Board is well balanced and possesses a sufficient breadth of skills, variety of backgrounds, relevant experience and knowledge to ensure it functions effectively and promotes the long-term sustainable success of the Company, whilst generating shareholder value and keeping in mind wider stakeholder interests. In light of the Chairman's retirement, the Nomination Committee identified the need to recruit a new Non-Executive Director to further strengthen the existing Board. Further details can be found on pages 72 to 73.

Directors' biographies are set out on pages 70 and 71. In accordance with the requirements of the AIC Code, all of the Directors will stand for re-election at the Company's AGM which we plan to hold on 5 May 2021 (format to be determined by prevailing Covid-19 restrictions).

We have not established a Remuneration Committee as the Board has no Executive Directors and the Company has no other employees. The Board as a whole is responsible for reviewing the scale and structure of the Directors' remuneration. Details of the Directors' remuneration for the year ended 31 December 2020 are included in the Directors' Remuneration Report on pages 82 to 84.

Conflicts of interest
Each Director has a duty to avoid a situation in which he or she has a direct or indirect interest that may conflict with the interests of the Company. The Board may authorise any potential conflicts, where appropriate, in accordance with the Articles of Association. Where a potential conflict of interest arises, a Director will declare their interest at the relevant Board meeting and not participate in the decision making in respect of the relevant business.

The Manager
Tritax Management LLP (the "Manager") acts as the Company's Alternative Investment Fund Manager ("AIFM") for the purposes of the Alternative Investment Fund Manager Directive ("AIFMD") and as such the Board has delegated authority to the Manager to conduct portfolio and risk management services on behalf of the Company. Whilst the Manager has the ultimate responsibility to make the final decision over portfolio and risk management services, the Board actively discusses potential investments and divestments with the Manager and ensures ongoing compliance with the Company's Investment Policy and Investment Objectives. This complies with the latest European Securities and Markets Authority ("ESMA") guidelines published on 13 August 2013 in respect of the AIFMD and ensures that the Company continues to adopt best governance practice.

Following the UK's exit from the European Union, the trade and cooperation agreement was signed by the EU and the UK on 31 December 2020. The agreement included the establishment of a structured regulatory cooperation on financial services, with the aim of establishing a durable and stable relationship between autonomous jurisdictions. The parties intend to agree a Memorandum of Understanding establishing a framework for this cooperation by 31 March 2021. As a result, the Manager has gone from an EU AIFM to a non-EU AIFM. ESMA is expected to update AIFMD in the coming year and the Manager is monitoring progress.

All decisions to invest in or divest of an asset are made by the Manager following a recommendation by the Investment Committee and discussions with the Board. The Manager provides a detailed paper to the Board on any selected potential acquisition or disposal and notifies it when an offer is made for and accepted on a site, and also regularly updates the Board on the progress of the transaction. An initial development appraisal is presented upon the acquisition of development land and regular updates are provided thereafter setting our timings, cash flows and profit expectations for schemes.

Tritax Symmetry provides detailed development appraisals to the Manager on a regular basis, and seeks authority to progress through each stage of the development process. The Manager reviews those recommendations and, if they conform with the Company's strategy and provide suitable financial returns, will take the development and investment decision and inform the Board accordingly.

Board meetings
During 2020 we held eight scheduled Board meetings, plus six further ad hoc meetings which dealt with transactional and other specific events such as Green Bond issue, Covid-19, and the strategic direction of the Company. During the Covid-19 pandemic all meetings have been held virtually and although overall this format has proved efficient and in many ways convenient, the Board looks forward to spending time together in person.

The Board meetings follow a formal agenda, which is approved by the Chairman and circulated by the Company Secretary in advance of the meeting to all Directors and other attendees. At each Board meeting, every agenda item is considered against the Company's strategy, its Investment Objectives, its Investment Policy and s172 and all Directors' duties.

The Board is kept fully informed of potential investment opportunities, along with wider property market intelligence, through a comprehensive set of Board papers prepared by the Manager prior to each meeting. Included within this pack are the investment reports prepared by the Manager's Investment Committee for each acquisition and asset management opportunity. Representatives of the Manager are invited to attend the Board meetings as are representatives of the Company's other advisers as required, particularly representatives from Jefferies (Joint Financial Adviser and Corporate Broker), Akur Capital (Joint Financial Adviser) and Taylor Wessing LLP (Legal Adviser).

Outside the Board meetings, the Manager shares recommendations around investment opportunities and keeps the Directors fully informed on the progress of transactions. The Board also has full access to the Management team and the Company Secretarial team at all times to discuss any specific matters outside of formal meetings.

Attendance at Board and Committee meetings during the year ended 31 December 2020

All Directors are expected to devote sufficient time to the Company's affairs to fulfil their duties as Directors and to attend all scheduled meetings of the Board and of the Committees on which they serve. Where Directors are unable to attend a meeting, they will provide their comments on the Board papers received in advance of the meeting to the Chairman, who will share such input with the rest of the Board and the Manager. The Nomination Committee is satisfied that all the Directors, including the Chairman, have sufficient time to meet their commitments.

The table below sets out the Board and Committee attendance at scheduled meetings during the year. During this period the absences shown were as a result of changes to the Board membership or pre-planned commitments.

	Richard Jewson	Aubrey Adams	Alastair Hughes	Karen Whitworth	Richard Laing	Susanne Given
Board	7/8	8/8	8/8	8/8	8/8	7/8
Audit & Risk Committee	N/A	6/6	N/A	6/6	6/6	4/6
Management Engagement Committee	3/3	3/3	3/3	3/3	3/3	3/3
Nomination Committee	1/1	1/1	1/1	1/1	N/A	N/A
Strategy meetings	2/2	2/2	2/2	2/2	2/2	2/2

Committees

The Board has delegated some of its responsibilities to its three formal Committees: the Nomination, Audit & Risk and Management Engagement Committees, details of which are set out on page 69. The Company ensures that all of the Board Committees have sufficient resources and skills to carry out their obligations.

These Committees are each chaired by a different Non-Executive Director and have their own Terms of Reference which can be found on the Company's website (or copies are available on request from the Company Secretary). The Terms of Reference are reviewed annually by the Board as a whole. The Company Secretary acts as secretary to these Committees and each Committee Chair reports the outcome of the meetings to the Board.

We also establish further sub-committees of the Board to take operational responsibility on specific matters either following "in principle" approval from or with subsequent ratification by the Board. These sub-committees ensure that key matters are dealt with efficiently by the Director(s) and representatives of the Manager best qualified for the specific role.

Our governance structure

The Board

The Board is responsible for promoting the long-term sustainable success of the Company, working towards strategic objectives and generating value for shareholders and other stakeholders.

Audit & Risk Committee
- Reviewing the integrity of the Group's financial statements and any significant financial reporting judgements.
- Reviewing and monitoring the relationship with the Auditor.
- Reviewing the internal controls of the Administrator (Link).
- Overseeing the Company's risk management process.
- Advising the Board on whether the Annual Report and Accounts provide a fair, balanced and understandable view of the Company's performance, position and strategy.
- Considering and reviewing the Company's Viability and Going Concern Statements.

Nomination Committee
- Reviewing the Board composition and assessing whether the balance of skills, experience, knowledge, diversity and independence is appropriate to enable the Board to operate effectively.
- Managing succession planning.
- Ensuring that the Directors receive necessary training.
- Reviewing the outcomes of the Board and Committee evaluations.

Management Engagement Committee
- Reviewing the Company's main suppliers including the Manager, the Joint Financial Advisers, the Valuers and the Registrar to ensure that the Company is receiving a high level of performance along with value for money.
- Overseeing re-tenders and new appointments.

The Manager

Day-to-day running of the Company including: making the final decisions in respect of investments and divestments, financial management, asset management and investor relations. Colin Godfrey, as the Fund Manager of the Company, James Dunlop as CEO of Investments and Henry Franklin, as COO of the Manager, oversee the Manager's relationship with the Company.

Company Secretariat and Compliance

Overseeing the Company's governance structure and managing the Company's regulatory compliance.

Administering the Group's subsidiaries.

Investment Committee (Committee of the Manager)
- Chaired by Colin Godfrey (the Fund Manager) and Bjorn Hobart (the Assistant Fund Manager) and various members of the Manager.
- Reviewing and recommending investments and divestments.
- *Taking a lead on overall portfolio* management (including asset management) with oversight from the Board.
- Reviewing, approving and monitoring activities within Tritax Symmetry.

CSR Committee (Committee of the Manager)
- Chaired by Henry Franklin, comprising various members of the Manager.
- Responsible for oversight of CSR and sustainability matters.
- Reviewing and making recommendations to the Manager and the Company's Board, *regarding progress on* integrating environmental, social and governance ("ESG") factors into business strategy and decision making.
- Providing oversight of the Manager's policies in terms of performance, communication and engagement on CSR and sustainability matters, to ensure the Manager and the Company are effective in meeting their social and regulatory requirements and achieving their objective of being socially responsible corporate entities.

Risk Committee (Committee of the Manager)
- Chaired by Henry Franklin, comprising the Chief Financial Officer and Head of Risk & Compliance of the Manager.
- Responsible for identifying, recording and measuring risks to the Manager and implementing controls to mitigate such risks.
- Oversight of the risk assessments made by the Company as well as other real estate funds to amplify the focus on risk and to ensure the Company is alerted to any new risks identified by the Manager.

Green Finance Committee (Sub-Committee of CSR Committee)
- Chaired by Helen Drury (Sustainability Lead), comprising the Manager's CFO and a member of the Manager's asset management team.
- Review the Green Portfolio of the Company to confirm that the assets and projects included in the Green Portfolio meet the criteria set out in the Framework. Review the Framework to reflect any changes with regards to the Company's sustainability strategy and market standards.
- Approve the Annual Green Finance Report ahead of circulation to investors.
- Monitor evolution of the capital markets in terms of disclosure and reporting in order to be in line with market best practices.

Composition, succession and evaluation

Sir Richard Jewson KCVO, JP
Independent Chairman

Appointed
18 November 2013

Relevant skills and experience
- Significant leadership experience as an Executive Director, Non-Executive Director and Chairman of a number of public companies.
- Long-standing commercial experience through both executive and non-executive roles in the construction, infrastructure and real estate sectors.
- Skilled in guiding companies through strong growth phases as well as managing the impact of business cycles.

External appointments
- Chairman of Raven Property Group Limited. Board member since June 2007.

Board Committee memberships
- Chair of the Nomination Committee.
- Member of the Management Engagement Committee.

Aubrey Adams OBE, FCA, FRICS
Senior Independent Director

Appointed
11 September 2017

Relevant skills and experience
- Almost 40 years' experience at Board level in the real estate industry, including part of his executive career as Chief Executive of Savills plc.
- Extensive experience as a Chairman and Non-Executive Director, including as Senior Independent Director of Associated British Ports plc and Chairman of Max Property Group plc.
- Fellow of the Institute of Chartered Accountants in England and Wales.
- Fellow of the Royal Institution of Chartered Surveyors.

External appointments
- Chairman of the Board of Trustees of Wigmore Hall since May 2011.
- Group Chair of L&Q Housing Trust, a leading housing association since September 2015.

Board Committee memberships
- Member of the Audit & Risk Committee.
- Member of the Management Engagement Committee.
- Member of the Nomination Committee.

Susanne Given
Independent Non-Executive Director

Appointed
13 September 2016

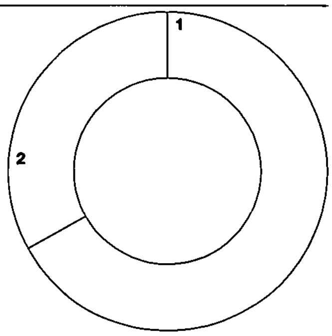
Relevant skills and experience
- Over 20 years' experience in managing and running large retail companies.
- High-profile involvement in investor presentations as well as previous membership of remuneration and risk and audit committees.
- Creation of five-year strategy plans and overseeing their implementation.
- Significant experience in management of logistics and property assets.

External appointments
- Chair of the Middle Eastern luxury group, Al Tayer Insignia, a division of Al Tayer Group, since January 2016.
- Chair of Made.com since April 2016.
- Non-Executive Director of Morrisons plc since August 2020.
- Chair of Hush Homewear Limited since September 2020.
- Non-Executive Director of Trent Limited since November 2020.

Board Committee memberships
- Chair of the Management Engagement Committee.
- Member of the Audit & Risk Committee.

Gender split

Male 67%
Female 33%



Non-Executive Director tenure

1-2 years	2
3-4 years	2
4-5 years	1
7-8 years	1

Richard Laing FCA
Independent Non-Executive Director

Appointed
16 May 2018

Relevant skills and experience
- In depth knowledge of financial matters through his previous role as Finance Director and Chief Executive of CDC Group plc for 11 years; as Finance Director of De La Rue plc; as financial analyst and manager at Bookers Group plc; and from five years at PricewaterhouseCoopers.
- Experienced Non-Executive Director on a variety of boards.
- Fellow of the Institute of Chartered Accountants in England and Wales.

External appointments
- Director (and Chairman from 2014 to 2020) of Miro Forestry Limited since May 2012.
- Member of the Board of Trustees of Leeds Castle since September 2012, currently chairing the Audit & Risk Committee.
- Director and Chairman of the Audit & Risk Committee of JP Morgan Emerging Markets Investment Trust plc since January 2015.
- Chairman of 3i Infrastructure plc since January 2016.
- Non-Executive Director of Murray Income Trust plc since November 2020, formally Perpetual Income and Growth Investment Trust plc since November 2012.

Board Committee memberships
- Chairman of the Audit & Risk Committee.
- Member of the Management Engagement Committee.

Alastair Hughes FRICS
Independent Non-Executive Director

Appointed
1 February 2019

Relevant skills and experience
- Over 30 years' experience in the UK and international real estate markets both at an operational and strategic level.
- Former director and Global Executive board member of Jones LaSalle Inc. ("JLL"), previously serving as Managing Director of JLL in the UK, before becoming CEO for Europe Middle East and Africa and most recently CEO for Asia Pacific.
- Fellow of the Royal Institution of Chartered Surveyors.

External appointments
- Non-Executive Director of Schroder Real Estate Investment Trust Limited since April 2017.
- Non-Executive Director of The British Land Company plc since January 2018.
- Non-Executive Director of QuadReal since October 2019.

Board Committee memberships
- Member of the Management Engagement Committee.
- Member of the Nomination Committee.

Karen Whitworth ACA
Independent Non-Executive Director

Appointed
21 October 2019

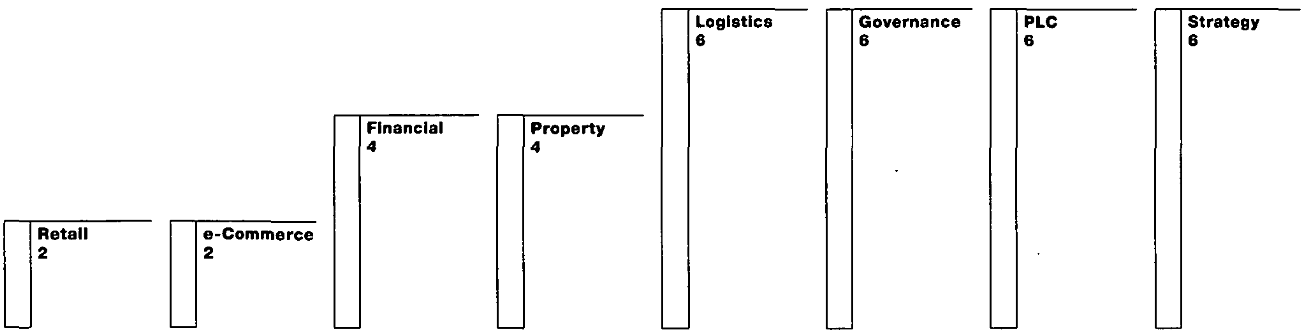
Relevant skills and experience
- Over 18 years' operating at Board level in a variety of roles in commercial, operations and governance in several private and publicly listed organisations.
- Breadth of experience across all aspects of logistics and supply chain as well as retail, property and hospitality.
- Ability to bring strategic insights and contribute to the development of a company.
- Robust understanding of retail trends.
- Good knowledge of technology and the demands of e-commerce channels.
- Track record in delivering change and transformation programmes.
- Associate of the Institute of Chartered Accountants in England and Wales.

External appointments
- Non-Executive Director of Rank Group plc since November 2019.
- Non-Executive Director of Whitworth Corporate Holdings Limited.
- Chair of the Audit & Risk Committee of Pets at Home Group plc since July 2020.
- Non-Executive Director of Tesco plc from June 2021.

Board Committee memberships
- Member of the Audit & Risk Committee.
- Member of the Management Engagement Committee.
- Member of the Nomination Committee.

Full biographies are available on the corporate website.

Board relevant sector experience



Nomination Committee Report

Sir Richard Jewson KCVO, JP
Chairman

"We look forward to strengthening the breadth of skills and experience on our Board, with the appointment of a new Non-Executive Director in 2021."

Membership
Sir Richard Jewson, Chair
Aubrey Adams
Alastair Hughes
Karen Whitworth

For full details on Committee attendance please refer to page 68.

Key areas of focus in 2020
- The size, structure and composition of the Board;
- Chairman's succession planning;
- Board and Committee evaluation; and
- The proposal for re-election of the Directors at the AGM which we plan to hold on 5 May 2021 (format to be determined by prevailing Covid-19 restrictions).

Dear shareholders,
I am pleased to present the Nomination Committee Report for the year ended 31 December 2020. The Nomination Committee's focus in 2020 was on continuing to implement the Board's succession programme and this report provides some further detail on the process.

The Committee's role is to review the size, structure and composition of the Board, including succession planning, and to ensure that it has the right mix of skills, experience and knowledge to enable the Company to fulfil its strategic objectives. The Committee is also responsible for making recommendations for new appointments to the Board and for reviewing the performance and terms of engagement for the existing Directors. The Committee operates within defined Terms of Reference which are available on the Company's website or from the Company Secretary.

Board changes
As part of the Board's succession planning programme, the Nomination Committee led a comprehensive Chairman succession planning process. This search resulted in appointing Aubrey Adams, the current SID, as my successor. As part of this programme, the Board is also considering a replacement for Aubrey Adams as SID and looks forward to announcing the appointment to the market in due course. The Nomination Committee reviewed the current structure, skills and experience of the Board and in light of my intention to retire as Chairman, the Board identified the need to appoint a new Non-Executive Director. The Committee is looking to appoint a specialist NED recruitment firm to assist in the search.

Chairman succession planning process
The Nomination Committee conducted a search to identify my successor as Chairman. Alastair Hughes, a member of the Committee, led the search and I made sure not to participate in decisions dealing with appointing my successor. The Committee agreed a role specification, which included the skills and experience necessary for my successor and engaged Korn Ferry to support the search. Korn Ferry have no connection with the Company or individual Directors. As part of this, Korn Ferry identified a long list of external candidates and Aubrey Adams was identified by the Committee as a potential internal candidate. Korn Ferry held meetings with Alastair Hughes and the Company Secretary to discuss the list of candidates. Korn Ferry then held a series of interviews and benchmarked candidates against the agreed criteria. They then produced a report, shortlisting the most suitable candidates for the role for the Committee's consideration. After much deliberation, the Committee recommended the appointment of Aubrey, due to his extensive experience at Board level including part of his executive career as chief executive of Savills plc for 17 years. He is currently Group Chair of L&Q Housing Trust, one of the largest housing associations in the UK. Aubrey combines this extensive experience of the real estate sector with his first-hand knowledge and understanding of the business and the Manager, having been appointed in September 2017 as Non-Executive Director and in March 2019 as Senior Independent Director. The Board firmly believes that Aubrey Adams is exceptionally qualified for the role and determined him to be the leading candidate for the position.

Policy on tenure and succession planning
The Board has implemented a policy on Tenure and Re-election, and in accordance with the provisions of the AIC Code, all the Directors will offer themselves for re-election at each AGM. We considered the ongoing independence of each of the Directors, their respective skills, experience and time commitment, as well as any other external appointments held by the Directors. We believe that each Director has contributed a significant amount over a particularly challenging year, following the Covid-19 outbreak. Following the advice of the Committee and in line with the AIC Code, the Board will recommend the re-election, of each Director (other than me as Chairman, due to my intention to retire) at the forthcoming AGM.

Directors are appointed for an initial period of two years and their performance evaluated at least annually during the Board evaluation. In accordance with the principles of the AIC Code, we do not consider it necessary to mandatorily replace a Director after a predetermined period of tenure. We are, however, mindful of the circumstances of each Director and implement succession planning accordingly.

Board diversity and inclusion
The Company does not have any employees. In respect of appointments to the Board, we consider that each candidate should be appointed on merit to make sure that the best candidate for the role is appointed every time. We support diversity and inclusion at Board level and encourage candidates from all educational backgrounds and walks of life. What is important to us is professional achievement and the ability to be a successful Director based on the individual's skill set and experience.

Qualifications are considered when necessary to ensure compliance with regulation such as in relation to appointments to the Audit & Risk Committee. We regularly review the Company's Diversity and Inclusion Policy and believe that the Board has a balance of skills, qualifications and experience which are relevant to the Company. As at the date of this report the Board consisted of four male and two female members meaning we have achieved the 33% female Board representation target as set out by the Hampton-Alexander initiative. We support the recommendations of the Hampton-Alexander and Parker Reports and recognise the value and importance of cognitive diversity in the boardroom.

Board performance and evaluation
In 2020, the Board engaged Lintstock to undertake the Board evaluation. Lintstock has no connection with the Company apart from conducting the Board evaluation. The previous Board evaluations provided a benchmark for the 2020 evaluation and enabled Lintstock to understand the Board, the relationships between the Directors and between the Board and the Manager, the Company Secretary and other key stakeholders to the Company as well as the Company's shareholders.

The 2020 Board evaluation took the form of comprehensive questionnaires which were sent to each of the Directors and two key representatives of the Manager. It contained a section designed specifically as an appraisal of the Chairman.

The Board were asked to consider: Board composition and dynamics; stakeholder engagement; management and focus of meetings; Board support; Board Committees; strategic oversight; risk management and internal control; succession planning; Tritax Symmetry integration; and learnings from Covid-19. The outcome of the 2020 Board evaluation was positive, displaying a strong working relationship between the Board members and the Manager, which is reflected in the effective challenge by the Board and a constructive atmosphere in Board meetings.

The Board notes the recently published ICSA principles of good practice for listed companies using external board reviewers in January 2021, and confirms compliance with all principles.

The Board met in February 2021 to discuss Lintstock's 2020 Board Evaluation Report and the following top three priorities for 2021 were identified:

- **Strategy:** The Board agreed to spend more time addressing strategy and refining the Board's strategy sessions to ensure clear and focused decision making.
- **Chairman Succession:** The Board agreed that the successful transition of Chairmanships would be paramount to ensure minimal operational impact on the Company so that it remains well positioned for its next phase of evolution.
- **The Investment Management Agreement:** The Management Engagement Committee on behalf of the Board are in the process of completing their review of the Investment Management Agreement between the Company and the Manager to ensure that the Company remains well positioned for the future and continues to represent an attractive investment for existing shareholders and future investors.

Other priorities included:
- In light of ASI's acquisition of a 60% interest in the Manager and the Covid-19 pandemic restrictions during the period, an increased focus is placed on informal interactions between the Board and the Manager as well as amongst individual Board Directors outside of Board meetings.
- The appointment of an additional new Non-Executive Director.
- Continued investment and support of the Company's ESG resource and embedding the newly established sustainability strategy.

Led by Aubrey Adams, the Senior Independent Director, the Directors met without me present to appraise my performance as Chairman. The review was very positive and the other Directors appreciated that I had led the Company very well during the pandemic and concluded that I continue to chair the Board of the Company effectively.

Director training programme
We recognise that it is essential to keep abreast of regulatory and compliance changes. Accordingly, a bespoke training programme is agreed and arranged each year. During the period, the Board received regular training on corporate governance developments and financial regulatory changes, an example being ESG training. The Board received formal training sessions and updates from some of the Company's external service providers as well as the Manager's Head of Risk and Compliance and Head of Research. The 2020 Board evaluation confirmed that the training programme is well structured and highly informative for the Directors.

In addition to the bespoke training programme, each Director is expected to maintain their individual professional skills and is responsible for identifying any training needs to help them ensure that they maintain the requisite knowledge to be able to consider and understand the Company's responsibilities, business and strategy. All Directors have access to the advice and services of the Company Secretary.

The Directors are also entitled to take independent advice at the Company's reasonable expense at any time.

Committee evaluation
The overall performance of the Nomination Committee was rated highly, particularly its performance in reviewing the composition of the Board and leading the search for my successor. The Committee was seen to have worked diligently to produce a good outcome.

Priorities for 2021
2021 will see the Nomination Committee continue to focus on succession planning including the recruitment of a new Non-Executive Director and on the facilitation of Aubrey Adams as the new Chairman.

Sir Richard Jewson KCVO, JP
Chair of the Nomination Committee
9 March 2021

Audit, risk and internal control

The Board is responsible for delivering robust and sustainable value to its shareholders and wider stakeholders by setting and working toward strategic objectives. In order to do so we undertake robust assessments of the risks which the Group faces and ensure controls and mitigations are in place to manage those risks. The Company's key risks are set out on pages 44 to 50 of the Strategic Report. The Audit & Risk Committee reviewed the principal and emerging business risks of the Company on behalf of the Board, as described on pages 76 to 78.

The Board and Audit & Risk Committee regularly review the financial position of the Company and perform an assessment of any risks in relation to the Company's business model, the Group's future performance, liquidity and solvency as well as any risks relating to specific or proposed investments and tenants or initiatives relating to assets. To facilitate this process, the Manager produces financial reports, which include the latest management accounts, a review and report on the Company's financial forecast, a report on proposed and existing investment and asset management initiatives, substantiation of any dividend payments and a general update on the financial health of the Company.

As the Company's AIFM, the Manager is subject to reporting and ongoing compliance under the AIFMD. As part of this regulatory process, Langham Hall UK Depositary LLP has been retained by the Company and is responsible for cash monitoring, asset verification and oversight of the Company and the Manager. Langham Hall UK Depositary LLP report quarterly to the Board and the Manager.

The Manager also employs a Head of Risk & Compliance to assist with the discharge of the Manager's obligations in accordance with the AIFMD.

Risk management and internal controls review
The Company's internal control and risk management systems and processes are designed to identify, manage and mitigate the financial, operational and compliance risks that are inherent to the Group and safeguard the Group's assets. These safeguards and systems in place are designed to manage (rather than eliminate) the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board and the Manager have, together, reviewed all financial performance and results notifications. Non-financial internal controls include the systems of operational and compliance controls maintained by the Company's administrator, Link Asset Services (the "Administrator"), and by the Manager in relation to the Company's business, as well as the management of key risks referred to in the Strategic Report on pages 44 to 50.

The Board has contractually delegated responsibility for administrative and accounting services to the Administrator and for company secretarial services to the Manager. These entities have their own internal control systems relating to these matters, which we have reviewed as part of the Company's Financial Position and Prospects Procedures document, which was reviewed, updated and approved in January 2021.

The Company has engaged Grant Thornton to provide internal audit services. During the year, Grant Thornton undertook an internal controls review on specific operations of Tritax Symmetry. For further details on the review please see page 77.

The Company is managed externally by the Manager. All payments of Company funds are authorised by the Manager in accordance with the duties delegated to it pursuant to the terms of the Investment Management Agreement ("IMA") and in accordance with the provisions of the AIFMD. The Manager instructs the Administrator to make the duly authorised payment and Langham Hall UK Depositary LLP, as part of its role as Depositary, reviews each material payment in relation to the specific test areas as mentioned in the report overleaf. The Audit & Risk Committee considers that the internal controls in place and the function undertaken by Langham Hall UK Depositary LLP, alongside the external audit provides the appropriate rigour and assurance over the managing of Company funds. In addition to this, the Administrator has its own internal audit performed on an annual basis by BDO, from which the Company reviews any findings. The 2020 audit did not raise any significant findings to discuss.

Internal control and risk assessment process
In accordance with the AIC Code, the Board has established a continuing process for identifying, evaluating and managing the risks the Company faces and has reviewed the effectiveness of the internal control systems.

This includes reviewing reports from the Auditor (details of which are included in the Audit & Risk Committee Report), regular reports from the Company Secretary (outlining corporate activity within the Group and outlining the Company's compliance with the AIC Code) and proposed future initiatives relating to the Company's governance and compliance framework. The Audit & Risk Committee also receives quarterly compliance reports prepared by Langham Hall UK Depositary LLP and review the formal risk assessment conducted by the Audit & Risk Committee and the Manager twice a year. Furthermore, we actively consider investment opportunities, asset management initiatives, debt and equity fundraisings and other financial matters against the requirements of the Company's Investment Objectives and Investment Policy.

The Audit & Risk Committee also conducts a robust assessment of the emerging and principal risks to the business model, future performance, solvency and liquidity of the Company at least twice a year and reports its findings to the Board. The Manager is asked to analyse and report on the risks which the Company may encounter on specific transactions including, for example, an adverse decision regarding the development of an asset at the planning stages or a sudden change in market conditions before the launch of an equity raise or debt issue. We then consider each risk in turn, probing the Manager's assumptions and analysing whether the risk factors attributed to each individual risk are fair and accurate, and the effect of any mitigating factors. We also consider this as part of our biannual risk review and at each strategy meeting, and challenge the Manager to actively review the risks it includes. Please see pages 44 to 50 for more details on emerging and principal risks.

The Manager also reports to the Board twice a year on the Company's longer-term viability which includes financial sensitivities and stress testing of the business to ensure that the adoption of the going concern basis and longer-term viability are appropriate.

The Manager maintains a risk register, where perceived risks and associated actions are recorded and this is regularly shared with the Board for approval.

Anti-bribery and corruption
The Board has a zero tolerance policy towards bribery and corruption and is committed to carrying out business fairly, honestly and openly.

In considering the Bribery Act 2010, at the date of this report, the Board had assessed the perceived risks to the Company arising from bribery and corruption and identified aspects of the business, which may be improved to mitigate such risks. The Manager actively reviews and monitors perceived risks. Responsibility for anti-bribery and corruption has been assigned to the Head of Risk and Compliance within the Manager. The Head of Risk and Compliance reports to the Committee biannually on any compliance matters.

Employees of the Manager are required to undertake certain e-training on anti-bribery and other topics such as conflicts of interests and anti-money laundering which is provided through Thistle.

Modern slavery and human trafficking policy
The Group is committed to maintaining the highest standards of ethical behaviour and expects the same of its business partners. Slavery and human trafficking are entirely incompatible with the Group's business ethics. We recognise that the real estate and construction sectors rank highly for modern slavery risks. We believe that every effort should be made to eliminate slavery and human trafficking in the Group's supply chain. We seek to mitigate the Group's exposure by engaging with reputable professional service firms based in the United Kingdom, who adhere to the Modern Slavery Act 2015. We also regularly request formal governance information from the Group's suppliers, to enable ongoing monitoring of business and supply chain risk and conduct due diligence and risk assessment on potential new suppliers. We will continue to monitor and collaborate with the Group's suppliers, customers and developers, to ensure that they have systems and controls that reduce the risk of facilitating modern slavery and human trafficking.

Depositary statement

Established in 2013, Langham Hall UK Depositary LLP is an FCA regulated firm that works in conjunction with the Manager and the Company to act as depositary. Consisting exclusively of qualified and trainee accountants and alternative specialists, the entity represents net assets of US$100 billion and we deploy our services to over 100 alternative investment funds across various jurisdictions worldwide. Our role as depositary primarily involves oversight of the control environment of the Company, in line with the requirements of the Alternative Investment Fund Managers Directive (AIFMD).

Our cash monitoring activity provides oversight of all the Company held bank accounts with specific testing of bank transactions triggered by share issues, property income distributions via dividend payments, acquisitions and third-party financing. We review whether cash transactions are appropriately authorised and timely. The objective of our asset verification process is to perform a review of the legal title of all properties held by the Company, and shareholding of special purpose vehicles beneath the Company. We test whether on an ongoing basis the Company is being operated by the Manager in line with the Company's prospectus, and the internal control environment of the Manager. This includes a review of the Company's and its subsidiaries' decision papers and minutes.

We work with the Manager in discharging our duties, holding formal meetings with senior staff on a quarterly basis and submit quarterly reports to the Manager and the Company, which are then presented to the Board of Directors, setting out our work performed and the corresponding findings for the period.

In the year ended 31 December 2020 our work included the review of one Ordinary and two management share issues, one investment property acquisition, four investment property disposals, one Green Bond issue and four property income distributions. Based on the work performed during this period, we confirm that no issues came to our attention to indicate that controls are not operating appropriately.

Joe Hime
Head of UK
For and on behalf of
Langham Hall UK Depositary LLP, London, UK
09 March 2021

Langham Hall UK Depositary LLP is a limited liability partnership registered in England and Wales (with registered number OC388007).

Audit & Risk Committee Report

Richard Laing FCA
Chair of the Audit & Risk Committee

"The Committee continues to support the Board by taking a rigorous approach to risk and ensuring accuracy of financial reporting, which have been particularly important this year in light of Covid-19."

Membership
Richard Laing, Chair
Susanne Given
Aubrey Adams
Karen Whitworth

For full details on Committee attendance please refer to page 68.

Key areas of focus in 2020
- Recommended to the Board that the Annual Report and Accounts for 2020, taken as whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- Reviewed the Interim Report for 2020 and recommended it to the Board for approval;
- Monitored the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewed any significant financial reporting judgements contained in them;
- Monitored the effectiveness of the Group's assessment of risk to ensure actions are being taken to mitigate the Group's exposure to risk;
- Reviewed the robustness of the Company's internal financial controls and the efficiency of the internal control and risk management systems used by the Company;
- Assessed the quality of the annual and interim property valuations prepared by the Company's independent valuers and challenged the assumptions used by the Valuers in preparing the valuation;
- Reviewed and considered the basis of the Viability and Going Concern Statements made by the Directors;
- Reviewed and monitored the Company's relationship with its Auditor;
- Reviewed the accounting and reporting implications of changes in standards or best practice, including changes to EPRA's financial reporting recommendations; and
- Reviewed the impact of Covid-19 on the performance of the Company and its customers.

Dear shareholders,
I am pleased to present the Audit & Risk Committee Report for the year ended 31 December 2020. The Audit & Risk Committee's role is to oversee the Company's financial reporting process, including the risk management and internal financial controls in place within the Manager, the valuation of the property portfolio, the Group's compliance with accepted accounting standards and other regulatory requirements as well as the activities of the Auditor.

We operate within defined Terms of Reference, which are available on the Company's website and on request from the Company Secretary. All Audit & Risk Committee members are independent Non-Executive Directors of the Company, not connected to the Manager nor the Auditor. The Committee believes that its members have the right balance of skills and experience to be able to function effectively. Further details of each Director's experience can be found in the biographies on pages 70 to 71. We met for six scheduled and one ad hoc meeting during 2020, following the Company's corporate calendar, which ensures that the meetings are aligned to the Company's financial reporting timetable. The Company Secretary and I ensure that the meetings are of sufficient length to allow the Committee to consider all important matters and the Committee is satisfied that it receives full information in a timely manner to allow it to fulfil its obligations. These meetings are attended by the Committee members, as well as representatives of the Manager, the Company Secretary and where necessary the Auditor, BDO LLP, and, on occasion, the Company's Chairman. We also met with the Auditor without any representative of the Manager present. The Committee also met with the Company's independent valuers, CBRE and Colliers, in July 2020 and January 2021 as part of the interim and year-end audit process. As the Committee Chair, I have had regular communications with the Company Secretary, the Company's Finance Director and the Auditor. In addition, the Committee has discussions throughout the year outside of the formal Committee meetings.

Financial reporting and significant judgements
We monitor the integrity of the financial information published in the Interim and Annual Reports and consider whether suitable and appropriate estimates and judgements have been made in respect of areas which could have a material impact on the financial statements. We also consider the processes undertaken by the Manager to ensure that the financial statements are fair, balanced and understandable.

A variety of financial information and reports were prepared by the Manager and provided to the Board and to the Committee over the course of the year. These included budgets, periodic re-forecasting following acquisitions or corporate activity, papers to support raising of additional finance, general compliance, and following Covid-19 a regular update on rent collection and the financial impact thereof on the Company.

We also regularly review the Company's ability to continue to pay a progressive dividend. This financial information was fully reviewed and debated both at Committee and Board level across a number of meetings.

The Manager and the Auditor update us on changes to accounting policies, legislation and best practice and areas of significant judgement by the Manager. They pay particular attention to transactions which they deem important due to size or complexity.

One of the main areas covered was the changes to EPRA's financial reporting best practice recommendations and the impact, particularly on EPRA net asset value, of these changes. The Company concluded that the adoption of EPRA NTA was the most appropriate net asset value metric to measure performance.

The Company also issued its first Green Bond, raising £250 million. The Committee and the Board reviewed the Green Financing Framework and agreed that the contents were in line with the Green loan principles. The Company will be reporting against this for the first time in 2021.

Valuation of property portfolio
We have separated the valuation appointments, such that CBRE value our investment assets and Colliers value our development assets, both on a bi-annual basis. The Group's portfolio value was £4.41 billion (31 December 2019: £3.94 billion), reflecting a valuation uplift of 9.5% for the period, net of costs.

Following production of the draft valuation by the valuers, the Manager meets with the valuers to discuss and challenge various elements of the property valuation, if necessary. The Auditor, in fulfilling its function as independent auditor to the Company, also meets with the valuers to discuss, and where necessary, challenge the assumptions within the property valuations. The Committee meets with both valuers to discuss and challenge the valuation and to ensure it was conducted properly, independently and could be fully supported. Subject to reviewing and agreeing any subsequent changes, the Committee also receives a copy of the property valuations for the portfolio once they have been reviewed by the Manager and after the Auditor has met with the valuers. The performance of the valuers is assessed on an annual basis by the Management Engagement Committee in its report on pages 79 to 81.

As explained in note 15 to the financial statements, CBRE and Colliers independently valued the properties in accordance with IAS 40: Investment Property. We have reviewed the assumptions underlying the property valuations and discussed these with the Manager and the valuers, and have concluded that the valuation is appropriate with a particular regard to the current environment and any short-term impacts from Covid-19.

The Board approved both the CBRE and the Colliers valuations in August 2020 and March 2021 in respect of the interim and annual valuations.

B and C Shares
Subject to certain conditions, the B and C Shares of Tritax Symmetry entitle the holders to 13% of the adjusted NAV of Tritax Symmetry. These conditions include bad leaver provisions which, as a result, has led to 50% of Adjusted NAV being recognised as contingent consideration in accordance with IFRS 3. Any further value paid to the B and C shareholders will therefore be accounted for as a payment for post-combination services and therefore recognised as a share-based payment.

Land options
As we consider that land options do not meet the definition of investment property, land options will be classified as a non-financial asset and measured at cost less provision for impairment under IFRS in the Group Statement of Financial Position. Land options are measured at fair value and included as such within EPRA NTA.

Fair, balanced and understandable financial statements
The production and audit of the Group's Annual Report is a comprehensive process, requiring input from a number of contributors. To reach a conclusion on whether the Annual Report is fair, balanced and understandable, as required under the AIC Code, the Board has requested that the Committee advise on whether it considers that the Annual Report fulfils these requirements. In outlining our advice, we have considered the following:

- the comprehensive documentation that outlines the controls in place for the production of the Annual Report, including the verification processes to confirm the factual content;
- the detailed reviews undertaken at various stages of the production process by the Manager, Administrator, Joint Financial Advisers, Auditor and the Committee, which are intended to ensure consistency and overall balance;
- controls enforced by the Manager, Administrator and other third-party service providers, to ensure complete and accurate financial records and security of the Company's assets;
- the satisfactory ISAE 3402 control report produced by the Administrator for the year ended 31 December 2019, which has been reviewed and reported upon by the Administrator's external auditor, to verify the effectiveness of the Administrator's internal controls; and
- a letter provided by the Administrator that there have been no changes to its control environment since 31 December 2020 and that all internal controls in place at the time of the last review remain active.

As a result of the work performed, we have concluded and reported to the Board that the Annual Report for the year ended 31 December 2020, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Covid-19
Following the outbreak of Covid-19, the Committee considered the short and long-term risks to the business as a result of the pandemic as part of its formal assessment of risk. The Committee and Board also considered its financial impact including an assessment of rent collection, cash flow projections, property values alongside the financial impact on the Group's customers at regular intervals throughout the period. This is also something we have considered as part of the assessment over going concern and viability and continue to monitor on a regular basis.

Internal audit
The Company does not have an internal audit function but has engaged Grant Thornton UK LLP to perform certain internal audit services. In the year Grant Thornton performed a review over the following operational areas of Tritax Symmetry: management controls (including contract, procurement & risk), governance and reporting, and knowledge and resources. The findings report was based on information received from discussions with the Manager and Tritax Symmetry Management as well as walk through testing of processes and controls. All findings were rated as low in terms of severity and recommendations to current practices will be implemented.

External audit

The Audit & Risk Committee recommended that BDO be re-appointed following a re-tender in 2017. The period of total uninterrupted engagement is seven years, covering the years ending 31 December 2014 to 31 December 2020.

Geraint Jones took over the position as Lead Audit Partner in 2018. Chris Young is an Audit Partner and has worked on the audit of the Company across this seven-year period, initially as Audit Manager, and for the past five years as a Key Audit Partner. We note that Chris will be subject to mandatory rotation after the 2020 audit.

The Committee has met with the key members of the Audit team over the course of the year and BDO has formally confirmed its independence as part of the reporting process.

We consider that the Audit team assigned to the Company by BDO has a good understanding of the Company's business which enables it to produce a detailed, high-quality, in-depth audit and permits the team to scrutinise and challenge the Company's financial procedures and significant judgements. We ask the Auditor to explain the key audit risks and how these have been addressed. We also considered BDO's internal quality control procedures and transparency report and found them to be sufficient. Overall, the Committee is satisfied that the audit process is transparent and of good quality and that the Auditor has met the agreed audit plan.

Please refer to note 8 in the financial statements for a summary of fees paid to the Auditor.

The Company confirms that it has complied with the provisions of the Competition and Markets Authority statutory audit services order for the financial year under review.

Audit process

We meet with the Auditor and the Manager before the preparation of each of the Interim and Annual results, to plan and discuss the scope of the audit or review as appropriate, and challenge where necessary to ensure its rigour. At these meetings the Auditor prepares a detailed audit or review plan which is discussed and questioned by us and the Manager to ensure that all areas of the business are appropriately reviewed and that the materiality thresholds are set at the appropriate level, which varies depending on the matter in question. We also discuss with the Auditor its views over significant risk areas and why it considers these to be risk areas. The Audit & Risk Committee, where appropriate, continues to challenge and seek comfort from the Auditor over those areas which drive audit quality. The timescale for the delivery of the audit or review is also set at these meetings. We meet with the Auditor again just prior to the conclusion of the review or audit to consider, challenge and evaluate findings in depth.

We continue to believe that, in some circumstances, the external Auditor's understanding of the Company's business can be beneficial in improving the efficiency and effectiveness of advisory work. For this reason we continue to engage BDO as reporting accountants on the Company's issues of equity and debt capital in the normal course of the Company's business. PwC are appointed to assist with financial and tax due diligence on corporate acquisitions and to provide general tax compliance advice.

The Non-Audit Services Policy requires approval by the Committee above a certain threshold before the external Auditor is engaged to provide any permitted non-audit services.

The Company paid £77,500 in fees to the Auditor for non-audit services during 2020. These fees are set out in the table below.

Work undertaken	Rationale for using the external Auditor	Fee (£)
Interim Review	Work is normally performed by an external auditor.	42,000
Agreed upon procedures over the adjusted NAV	Extension of audit procedures.	10,500
Reporting accountant services	Knowledge of the Group.	25,000
Total		**£77,500**

The ratio of audit to non-audit services received in the year was 23% (2019: 26%). The Committee periodically monitors the ratio to ensure that any fees for permissible non-audit services do not exceed 70% of the average audit fees paid in the last three years.

Committee evaluation

The overall performance of the Audit & Risk Committee was rated highly, in particular its review and assessment of the work of the external Auditors, financial reporting, internal control and risk management systems and the independent property valuations.

Priorities for 2021

The Committee will continue to review and assess the work of the external Auditor, financial reporting, internal control and risk management systems including the ongoing impact of Covid-19 and the independent property valuations.

Richard Laing, FCA
Chair of the Audit & Risk Committee
9 March 2021

Management Engagement Committee Report

Susanne Given
Chair of the Management Engagement Committee

"The Committee will seek to finalise the review of the IMA in 2021, to ensure that it remains well positioned for the future and the Company continues to represent an attractive investment for existing shareholders and future investors."

Membership
Susanne Given, Chair
Sir Richard Jewson
Aubrey Adams
Richard Laing
Alastair Hughes
Karen Whitworth

Key areas of focus in 2020
- The review of the Investment Management Agreement between the Company and the Manager: and
- The review of the Manager's performance.

For full details on Committee attendance please refer to page 68.

Dear shareholders,
I am pleased to present the Management Engagement Committee Report for the year ended 31 December 2020. The Management Engagement Committee's role is to review the performance of the Manager and the Company's key service providers and if required to recommend the re-tender of their services for consideration by the Board. The Committee is also responsible for overseeing any amendments to the Investment Management Agreement ("IMA"). As no material concerns were raised in regards to the Company's retained suppliers, the Committee decided to defer the annual review of each service provider until the conclusion of the IMA review.

During the period we met for three scheduled and three ad hoc meetings. The Committee conducted a comprehensive review of the IMA in order to future-proof it and ensure that total fees and other costs continue to position the Company as an attractive investment opportunity in the market. The Committee met several times and enlisted the help of Akur and Jefferies in providing various market comparison reports to assist in their discussions. The Committee plans to conclude this review in due course.

Under the terms of the IMA and in accordance with the ESMA guidance, as to the interpretation of the rules under AIFMD, the Board has delegated the day-to-day responsibility for running the Company to the Manager. The Manager is responsible for making investment and divestment decisions in accordance with the Company's Investment Policy and Board strategy, asset management of the existing portfolio, negotiation of debt facilities within the parameters of the Company's policy on gearing and liaising with the Company's advisers on equity fundraisings. All of the Company's subsidiaries and therefore all of its assets are wholly owned and controlled by the Company as at 31 December 2020, except certain Tritax Symmetry assets which are held in joint venture vehicles, and the Board exercises direct control in respect of the Group's holdings.

The Board continues to review all investment and divestment decisions as well as the asset management policy established by the Manager and remains responsible for ensuring that these decisions are made in accordance with the Company's Investment Policy.

To ensure open and regular communication between the Manager and the Board, the Manager is invited to attend all Board meetings to update the Board on the Company's portfolio activity and discuss the general market conditions and the financial performance and strategy of the Company. Details of the Company's performance in 2020 have been set out in the Strategic Report on pages 1 to 23.

The Manager

The Committee also reviews the Manager's culture and organisational structure. The Manager increased the number of employees during 2020 to ensure that the Company is well served, including the Head of Research, the Head of Investor Relations, Assistant Fund Manager, Company Secretarial Assistant, the Head of Occupational Leasing and the Director of Investment Strategy.

The Manager appointed three new equity partners and two salaried partners on 1 October 2020, followed by a further two new equity partners on 1 February 2021 in order to further strengthen the partnership. Following the completion of ASI's acquisition of a 60% interest in the Manager, Mark Shaw will retire from the partnership.

Throughout 2020, the Committee focused on the annual assessment of the Manager's performance and reviewing the terms of the IMA between the Company and the Manager to ensure the IMA continues to offer good value for shareholders in a market, which has changed considerably since the agreement was put in place.

The IMA review was paused due to Covid-19 in Q1 2020 and was restarted in October 2020 and is currently ongoing.

IMA terms

The IMA continues on a rolling basis, with either party having the right to terminate the Investment Management Agreement by giving at least 24 months' notice. There are provisions allowing the parties to terminate without notice in certain circumstances, including material breach and/or loss of key personnel.

Conflict management

The IMA contains robust conflict provisions and the Manager is not permitted in any circumstance to manage another fund with an exclusive investment strategy focusing on distribution or logistics assets in excess of 300,000 sq ft located within the UK. The Manager is permitted to acquire and manage UK distribution or logistics assets which provide less than 300,000 sq ft of accommodation on behalf of other funds subject to certain caveats designed to ensure that any assets which may be of interest to the Company are offered to the Company in priority to other funds managed by the Manager.

We will review the continuing appointment of all of the Company's principal service providers and the performance of the Manager on an annual basis, in order to ensure they are in the best interest of the Company.

Management fee

Under the terms of the IMA, the Manager is entitled to a management fee in consideration for its services. This is payable in cash by the Company each quarter and is calculated based on a percentage of the Company's Net Asset Value ("NAV"), disregarding cash or cash equivalents. The fee is payable quarterly in arrears and the Manager is obliged to apply 25% of the fee in shares of the Company ("Management Shares") (see below for further detail). If the Group buys or sells any assets after the date at which the relevant NAV is calculated, the NAV is adjusted pro rata for the net purchase or sale price, less any third-party debt drawn or repaid whilst remaining capped at NAV.

The management fee as a percentage of NAV is as set out below:

NAV	Relevant percentage
Up to and including £500 million	1.0%
Above £500 million up to and including £750 million	0.9%
Above £750 million up to and including £1 billion	0.8%
Above £1 billion up to and including £1.25 billion	0.7%
Above £1.25 billion up to and including £1.5 billion	0.6%
Above £1.5 billion	0.5%

During specified periods after publication of the Company's annual or interim results the members of the Manager are obliged to use 25% of the management fee (net of any VAT, personal taxation liabilities and dealing costs, including stamp duty or stamp duty reserve tax) (the "net cash amount"), to subscribe for Ordinary Shares in the Company. This is done at a price equivalent to the prevailing NAV per share, adjusted for any dividend declared after the NAV per share is announced if the new shares do not qualify for receipt of this dividend. In the circumstance where NAV is below the prevailing share price, new Ordinary Shares will be issued. Where the NAV is above the prevailing share price, the Company's Broker will be instructed to acquire Ordinary Shares in the market for those persons, to the value as near as possible equal to the net cash amount.
The Management Shares may be allocated to any Partners of the Manager or, at the discretion of the Manager, to any employee of the Manager.

On 17 March 2020, the Manager purchased shares in the market and allocated 1,342,643 Ordinary Shares to the Manager's Partners and its staff in respect of the net cash amount, relating to the six-month period to 31 December 2019. The purchase price was 88.02 pence per Ordinary Share compared to the prevailing and latest published audited basic NAV of 150.04 pence per Ordinary Share.

On 10 September 2020, the Manager purchased shares in the market and allocated 762,014 Ordinary Shares to the Manager's Partners and its staff in respect of the net cash amount, relating to the six-month period to 30 June 2020. The purchase price was 152.76 pence per Ordinary Share compared to the prevailing and latest published NAV of 152.81 pence per Ordinary Share.

Partners of the Manager and its staff had the following beneficial interests as at the date of this report:

Tritax Partner or person closely associated	Number of Ordinary Shares held	Percentage of issued share capital as at 9 March 2021
Mark Shaw[1]	2,150,720	0.125%
Colin Godfrey	2,110,115	0.123%
James Dunlop	2,047,754	0.119%
Henry Franklin	1,541,860	0.090%
Bjorn Hobart	266,144	0.015%
Petrina Austin	246,057	0.014%
Frankie Whitehead[2]	107,090	0.006%
Tritax Management LLP	95,030	0.006%
Staff of Tritax Management LLP[3]	451,860	0.026%
Total	**9,016,630**	**0.524%**

1 Mark Shaw will cease to be a Person Discharging Managerial Responsibilities ("PDMR") of the Company on completion of the ASI transaction.
2 Frankie Whitehead was appointed as PDMR of the Company with effect from 7 December 2020.
3 The figure comprises Ordinary Shares issued to staff of Tritax Management LLP under the terms of the IMA and at IPO, and does not include other shares that may have otherwise been acquired by staff.

Suppliers
One new appointment was made during the period, being the Company's dedicated solar PV provider Syzygy in November 2020.

We agree with the Manager that the performance of the Company's current service providers for the past year continued to be satisfactory, and in several cases exceptional, and agreed with the Manager's recommendation that each be retained until the next review. We are satisfied that the Company is benefiting from added value in respect of the services it procures.

AIFM Directive
The AIFMD became part of UK law in 2013. It regulates AIFMs and imposes obligations on managers of alternative investment funds ("AIFs") in the EU or who market shares in AIFs to EU investors. Under the AIFMD, the AIFM must comply with various organisational, operational and transparency obligations.

The Manager is authorised by the FCA as an AIFM and provides all relevant investment management and advisory services to the Company, including regulated activities. The Manager is responsible for making investment and divestment decisions in respect of the Company's assets as part of its regulatory responsibility for the overall portfolio and risk management of the Company. This is in line with published ESMA guidance on the application of the AIFMD.

AIFM remuneration policy applied by the Manager
As a full scope AIFM, the Manager must apply a remuneration policy in line with its business strategy, objectives, values and interests, as well as those of the AIFs it manages or its investors. The policy must include measures to avoid conflicts of interest. This ensures that the Partners have a vested interest in ensuring the Manager remains financially sound.

The annual fee paid by the Company is based on a percentage of its NAV, as set out on page 80. In addition, the Manager's Partners are required to apply 25% of that fee (net of tax and certain other costs, as described on the previous page) to the purchase of Management Shares. Management Shares are subject to a 12-month lock-in period. This aligns the interests of the Manager's Partners with the strategy and interests of the Company and its shareholders. The Manager's Partners are able to allocate a proportion of the Management Shares to key members of staff, which they have once again done in respect of both Management Share purchases in 2020.

The Manager's partnership board meets at least twice a year to discuss the remuneration of its entire staff. Staff are remunerated in accordance with their seniority, expertise, professional qualifications, responsibilities and performance. They are paid salaries in line with market rates and, in profitable years, awarded a discretionary bonus from a bonus pool worth, in aggregate, at least 5% of the Manager's profits. The discretionary bonus may consist of cash or Ordinary Shares in the Company allocated to certain members of staff out of the Management Shares. This means that staff remuneration is predominantly fixed and the variable element is determined by the Manager's overall profitability, rather than the performance of a particular AIF.

The Manager's Partners are entitled to their partnership share of its profits and losses. None of the Partners are entitled to additional partnership drawings that depend on the performance of any AIF managed by the partnership. The Partner's remuneration therefore depends on the Manager's overall profitability, rather than the performance of any AIF.

Committee evaluation
The overall performance on the Management Engagement Committee for the period was positively rated, in particular its oversight of the performance and retention of key service providers and the IMA review.

Priorities for 2021
The Committee will focus on completing the IMA review and on the review of the performance of all key suppliers, with a focus on the Manager's performance.

Susanne Given
Chair of the Management Engagement Committee
9 March 2021

Directors' Remuneration Report

Annual statement
The Company only has Non-Executive Directors and therefore does not consider it necessary to establish a separate Remuneration Committee. No remuneration decisions have taken place in the year. The Directors' remuneration is disclosed below. The Remuneration Report and Remuneration policy will be presented at the AGM on 5 May 2021 for shareholder consideration and approval.

Directors' Remuneration Policy
The Company's policy is to determine the level of Directors' fees with regard to those payable to Non-Executive Directors of comparable REITs and the time each Director dedicates to the Company's affairs. The Directors' Remuneration Policy was last approved at the Company's AGM on 16 May 2018 and will be presented for shareholder approval at the Company's AGM in 2021. The remuneration policy, if approved, shall take effect from the end of that meeting.

The Directors are entitled to their annual fee and reasonable expenses. No element of the Directors' remuneration is performance-related, nor does any Director have any entitlement to pensions, share options or any long-term incentive plans from the Company. Under the Company's Articles, all Directors are entitled to the remuneration determined from time to time by the Board. There were no revisions to the policy during the period.

Each Director has been appointed pursuant to a Letter of Appointment. All Directors are appointed for a two-year term, subject to annual re-election at the Company's AGM. No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the notice provisions and the Articles and, in certain circumstances, without compensation. The terms of appointment of the Directors are set out in the below table.

Director	Letter of appointment dated	Expected and actual date of expiry	Unexpired term as at 31 December 2020	Notice period
Sir Richard Jewson (Chairman)	18 November 2013 13 September 2016 13 September 2018 13 September 2020	13 September 2022	21 months	3 months
Susanne Given	13 September 2016 13 September 2018 13 September 2020	13 September 2022	21 months	3 months
Aubrey Adams	11 September 2017 11 September 2019	11 September 2021	9 months	3 months
Richard Laing	16 May 2018 16 May 2020	16 May 2022	17 months	3 months
Alastair Hughes	1 February 2019 1 February 2021	1 February 2023	25 months	3 months
Karen Whitworth	21 October 2019	21 October 2021	10 months	3 months

Statement of consideration of shareholder views
The Board will seek shareholder views when evaluating and setting ongoing remuneration strategy and prior to any significant changes to the remuneration policy, where appropriate. The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes.

Annual report on remuneration
The fees paid to the past and current Directors in the year to 31 December 2020, which have been audited, are set out below. In addition, each Director is entitled to recover all reasonable expenses incurred in connection with performing his or her duties as a Director. Directors' expenses for the year to 31 December 2020 totalled £4,273 (2019: £10,386). No other remuneration was paid or payable during the year to any Director.

	Annual fee		Expenses		Total Fixed Remuneration		
Director	**For year ended 31.12.2020 (£)**	For year ended 31.12.2019[1] (£)	**For year ended 31.12.2020 (£)**	For year ended 31.12.2019 (£)	**For year ended 31.12.2020 (£)**	For year ended 31.12.2019 (£)	% change in Directors' remuneration
Sir Richard Jewson	**120,000**	111,667	**3,459**	8,465	**123,459**	120,132	0%
Susanne Given	**55,000**	52,917	**N/A**	N/A	**55,000**	52,917	0%
Aubrey Adams	**55,000**	52,917	**N/A**	N/A	**55,000**	52,917	0%
Richard Laing	**60,000**	55,833	**814**	1,921	**60,814**	57,754	0%
Alastair Hughes	**50,000**	45,833	**N/A**	N/A	**50,000**	45,833	0%
Karen Whitworth	**50,000**	10,064	**N/A**	N/A	**50,000**	10,064	0%

1 NED fee changes effective from 1 June 2019.

External advisers
The Board and its Committees have access to sufficient resources to discharge their duties. No remuneration advisers were used in the period.

Statement of voting at general meeting

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. If there are substantial votes against any resolutions, the Company will consult with shareholders in order to understand the reasons for any such vote. The Company will provide an update on the views received from shareholders no later than six months after the meeting and any resulting action will be detailed in the next Annual Report.

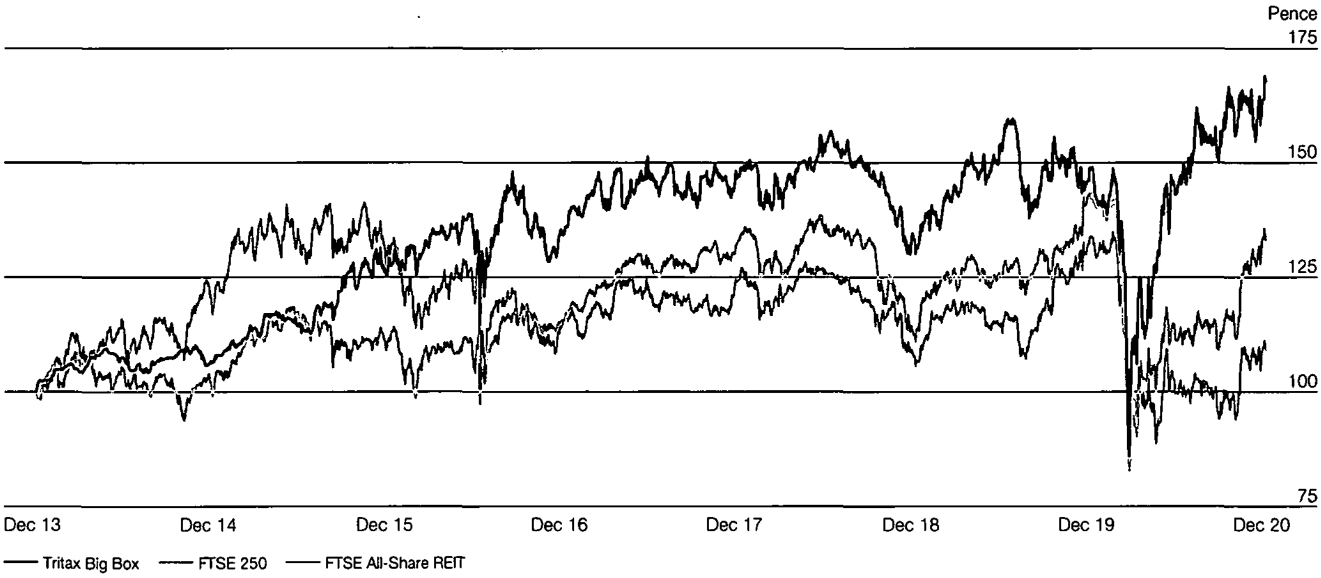
The Directors' Remuneration Policy and the Directors' Remuneration Report were approved by shareholders at the Company's AGMs held on 16 May 2018 and 13 May 2020 respectively. The voting on the respective resolutions was as shown below:

Resolution	For %*	Against %	Votes withheld
Directors' Remuneration Policy[1]	99.98%	0.02%	566,224
Directors' Remuneration Report[2]	99.99%	0.01%	2,857,047

* Including votes in favour and discretion.
1 Voting as at AGM held 16 May 2018.
2 Voting as at AGM held 13 May 2020.

Total shareholder return

The graph below shows the total shareholder return (as required by company law) of the Company's Ordinary Shares relative to a return on a hypothetical holding over the same period in the FTSE 250 and the FTSE All-Share REIT Index.



Total Shareholder Return is the measure of returns provided by a Company to shareholders reflecting share price movements and assuming reinvestment of dividends.

Directors' shareholdings (audited)

There is no requirement for the Directors of the Company to own shares in the Company. As at 9 March 2021, the Directors and their persons closely associated held the shareholdings listed below.

Director	Number of shares held	Percentage of issued share capital	Dividends received 31 December 2020 £
Sir Richard Jewson (Chairman)	87,249	0.005%	5,584
Susanne Given	–	–	–
Aubrey Adams	200,000	0.012%	11,944
Richard Laing	45,828	0.003%	2,933
Alastair Hughes	35,000	0.002%	2,240
Karen Whitworth	16,000	0.001%	750

Includes Directors and persons closely associated (as defined by the UK Market Abuse Regulation) shareholdings. The shareholdings of these Directors are not significant and, therefore, do not compromise their independence.

Relative importance on spend on pay

	2020 £m	2019 £m	Change %
Directors' remuneration	**0.4**	0.4	0%
Investment management fees	**17.9**	17.5	2%
Dividends paid to shareholders	**109.2**	116.3	-6%

Other items

The Company maintains Directors' and Officers' liability insurance cover, at its expense, on the Directors' behalf.

Sir Richard Jewson KCVO, JP
Chairman
9 March 2021

Directors' Report

Introduction
The Directors are pleased to present the Annual Report, including the Company's audited financial statements as at, and for the year ended, 31 December 2020.

The Directors' Report and the Strategic Report comprise the "Management Report" for the purposes of Disclosure Guidance and Transparency Rule 4.1.5R.

Statutory information contained elsewhere in the Annual Report
Information required to be part of this Directors' Report can be found elsewhere in the Annual Report and is incorporated into this report by reference, as indicated in the relevant section.

Information	Location in Annual Report
Directors	Pages 70 to 71
s172	Page 52
Business relationships	Page 6
Directors' interest in shares	Page 84
Future developments of the Company	Page 24 to 31
Financial instruments	Note 26 on page 119
Corporate governance statement	Pages 60 to 61
Going concern and viability	Page 51
Disclosure of information to Auditor	Page 87
Share capital	Page 85

Incorporation by reference
The Governance Report (pages 56 to 81 of this Annual Report and Accounts for the year ended 31 December 2020) is incorporated by reference into this Directors' Report.

Financial results and dividends
The financial results for the year can be found in the Group Statement of Comprehensive Income on page 96.

The following interim dividends amounting to, in aggregate, 6.40 pence per share were declared in respect of the year ended 31 December 2020:

On 8 April 2020, we declared an interim dividend in respect of the period from 1 January 2020 to 31 March 2020 of 1.5625 pence per Ordinary Share, paid on 21 May 2020 to shareholders on the register on 24 April 2020.

On 6 August 2020, we declared an interim dividend in respect of the period from 1 April to 30 June 2020 of 1.5625 pence per Ordinary Share, paid on 28 August 2020 to shareholders on the register on 14 August 2020.

On 12 October 2020, we declared an interim dividend in respect of the period from 1 July to 30 September 2020 of 1.5625 pence per Ordinary Share, paid on 13 November 2020 to shareholders on the register on 23 October 2020.

A fourth interim dividend in respect of the three months ended 31 December 2020 of 1.7125 pence per share, will be declared on 10 March 2021, payable on 1 April 2021.

Political donations
No political donations were made during the year.

Employees
The Group has no employees and therefore no employee share scheme or policies on equal opportunities and disabilities.

Share capital
On 16 November 2020, the Company issued 12,166,930 Ordinary Shares as part of the consideration for the acquisition of a property located in Nursling, Southampton.

As at 31 December 2020, there were 1,719,141,878 Ordinary Shares in issue.

Ordinary Shares	Number	Gross proceeds (£)
Balance at the start of the year	1,706,974,948	N/A
Shares issued in relation to share consideration	12,166,930	N/A[1]
Balance at end of the year	**1,719,141,878**	

1 The Company issued 12,166,930 Ordinary Shares as part consideration for the acquisition of an asset in Nursling, Southampton.

Restrictions on transfer of securities in the Company
There are no restrictions on the transfer of securities in the Company, except as a result of:

- the FCA's Listing Rules, which require certain individuals to have approval to deal in the Company's shares; and
- the Company's Articles of Association, which allow the Board to decline to register a transfer of shares or otherwise impose a restriction on shares, to prevent the Company or the Manager breaching any law or regulation.

The Company is not aware of any agreements between holders of securities that may result in restrictions on transferring securities in the Company.

Securities carrying special rights
No person holds securities in the Company carrying special rights with regard to control of the Company.

Streamlined Energy and Carbon Reporting (SECR)
In line with the Streamlined Energy and Carbon Reporting Regulations, the Company is disclosing its energy use and scopes 1, 2 and 3 emissions for the 2020 financial reporting year. The Company operates in the UK only.

	2019	**2020**
Energy consumed (kWh)	579,821	**519,806**
Scope 1 Location-based emissions – tonnes of carbon (TCO2e)	0	**0**
Scope 1 Market-based emissions – tonnes of carbon (TCO2e)	0	**0**
Scope 2 Location-based emissions – tonnes of carbon (TCO2e)	148	**121**
Scope 2 Market-based emissions – tonnes of carbon (TCO2e)	0	**0**
Scope 3 Location-based emissions – tonnes of carbon (TCO2e)	Not calculated	**5,423**
Scope 3 Market-based emissions – tonnes of carbon (TCO2e)	Not calculated	**5,417**

Methodology
The GHG emissions data was compiled in accordance with the GHG Protocol methodology and the 2019 HM Government Environmental Reporting Guidelines.

The Company takes the operational control approach, which covers two assets with landlord supplies for outdoor car park lighting ('managed assets'): M&S Stoke and ITS/Wincanton Harlow.

Scope 1 emissions relate to gas consumption, Scope 2 emissions relate to purchased electricity, Scope 3 relates to emissions associated with business travel and energy consumed for the Head Office of the Manager and the emissions associated with construction undertaken by Tritax Symmetry. The Company uses no gas in its operations, therefore Scope 1 emissions are zero.

GHG emissions are reported on a location and market-based scenario to reflect the activity undertaken to reduce the emissions from the location-based scenario. Scope 1 and 2 GHG emissions have been calculated using the Defra 2020 Conversion Factors.

The Company has modelled the Scope 3 construction emissions for DPD Bicester to the ISO14044 and EN15978 standards.

The Company will report on actual emissions for Scope 3 construction impacts from 2021. The reported Scope 3 construction emissions are modelled emissions and not actual emissions. These modelled emissions relate only to the DPD development, which commenced in June 2020.

Energy efficiency action in the year
The Company supplies electricity for the management of car park lighting for managed assets. This lighting is supplied with 100% renewable energy and is fitted with LED lighting to ensure efficient use of energy. The Manager has offset emissions associated with business travel relating to activities of the Company. These emissions totalled 5.5 tonnes of carbon equivalent in 2020, and have been offset through a verified provider, Carbon Footprint.

Business travel in the year has been significantly lower than expected due to the restrictions of Covid-19.

The Board recognises the importance of understanding the risks and opportunities presented by climate change and the impacts it could have on its business operations.

The Group has in the last year made a commitment to achieve net zero carbon for its direct activities by 2030 and for its total Scope 3 emissions by 2040. The Group will publish its Net Zero Carbon Pathway in 2021 and has made progress on aligning with TCFD recommendations ahead of reporting in 2022.

Substantial shareholdings
As at 17 February 2021, the Company is aware of the following substantial shareholdings, which were directly or indirectly interested in 3% or more of the total voting rights in the Company's issued share capital. As at 17 February 2021, the issued share capital remained the same as at 31 December 2020 with 1,719,141,878 shares in issue.

Shareholder name	Holding as at 17 February 2021	%
BlackRock	142,465,259	8.29
Aviva Investors	87,394,567	5.08
Vanguard Group	80,094,889	4.66
Brewin Dolphin, stockbrokers	71,177,412	4.14
Baillie Gifford	64,493,981	3.75
Legal & General Investment Management	58,193,941	3.39
Hargreaves Lansdown, stockbrokers (EO)	56,343,626	3.28
Mondrian Investment Partners	51,695,255	3.01

Amendment of Articles of Association
The Articles may be amended by a special resolution of the Company's shareholders.

Powers of the Directors
The Board will manage the Company's business and may exercise all the Company's powers, subject to the Articles, the Companies Act and any directions given by the Company by special resolution.

Powers in relation to the Company issuing its shares
At the AGM held on 13 May 2020, the Directors were granted a renewed general authority to allot Ordinary Shares in accordance with section 551 of the Companies Act 2006, up to an aggregate nominal amount of £11,379,833. Of those Ordinary Shares, the Directors were granted authority to issue up to an aggregate nominal amount of £853,487 (which is equivalent to 5% of the Company's issued share capital as at that date) non pre-emptively and wholly for cash and authority to issue up to an aggregate nominal amount of £853,487 to be used only for the purpose of financing (or refinancing, if the authority is to be used within six months after the original transaction), a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights. These authorities replaced the equivalent authorities given to the Directors at the AGM held on 13 May 2020.

These authorities expire at the next AGM in Q2 2021.

Change of control
Under the Group's financing facilities, any change of control at the borrower or immediate Parent Company level may trigger a repayment of the outstanding amounts to the lending banks or institutions.

In certain facilities including the issue of recent loan notes, the change of control provisions also include a change of control at the ultimate Parent Company level.

Appointment and replacement of Directors
Details of the process by which Directors can be appointed or replaced are included in the Nomination Committee Report on pages 72 to 73.

Disclosure of information to the Auditor
The Directors, who were members of the Board at the time of approving the Directors' Report, have confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is not aware; and
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Events subsequent to the year-end date
For details of events since the year-end date, please refer to note 34 on page 123 to the consolidated financial statements.

Independent Auditor
BDO LLP has expressed its willingness to continue as Auditor for the financial year ending 31 December 2021.

Manager and service providers
The Manager during the year was Tritax Management LLP. Details of the Manager and certain elements of the Investment Management Agreement are set out in the Management Engagement Committee Report on pages 79 to 81.

Additional information
In accordance with Listing Rule (LR) 9.8.4C R, the only disclosure requirement required under LR 9.8.4 R is the disclosure of capitalised interest, which is disclosed in note 11, page 107.

Annual General Meeting
It is planned for the Company's AGM to be held on 5 May 2021 subject to the ongoing Covid-19 restrictions. Further details will be provided in the Notice of Meeting.

This report was approved by the Board on 9 March 2021.

Tritax Management LLP
Company Secretary
9 March 2021

Company Registration Number: 08215888

Responsibilities statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group and Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation, subject to any material departures disclosed and explained in the financial statements;
- state whether the Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") subject to any material departures disclosed and explained in the Company financial statements; and
- prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4
The Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face.

Directors statement as to the disclosure of information to auditors
All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Signed on behalf of the Board by:

Sir Richard Jewson KCVO, JP
Chairman
9 March 2021

Independent auditor's report

to the members of Tritax Big Box REIT plc

Opinion on the financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements of Tritax Big Box REIT plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2020 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Balance Sheet, the Group and Company Statement of Changes in Equity, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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

Independence
We were reappointed as auditors by the members at the Annual General Meeting on 13 May 2020 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including re-tenders and reappointments is seven years, covering the years ending 31 December 2014 to 31 December 2020. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

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

We have reviewed the forecasts that support the Going Concern Statement and also the long-term Viability Statement. Our review work included agreeing the Group's available borrowing facilities and the related covenants, assessing the forecasted cash flows with reference to budgeted and historic performance and considering the covenant compliance headroom for sensitivity to both future changes in property valuations and the Group's future financial performance. We have considered whether the period over which the long-term Viability Statement has been prepared is sufficient and the certainty with which the Directors are able to forecast the prospects over that period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage[1]	100% (2019: 100%) of Group profit before tax 100% (2019: 99.9%) of Group revenue 100% (2019: 100%) of Group total assets		
Key audit matters ("KAM")		**2020**	**2019**
	KAM 1	Valuation of investment property portfolio, including properties under construction (forward funded assets)	Valuation of investment property portfolio, including properties under construction (forward funded assets)
	KAM 2	Carrying value of land options	Carrying value of land options
	KAM 3	–	Treatment and accounting for business combination
	KAM 3 is no longer considered to be a key audit matter because the business combination was a transaction in the prior year		
Materiality	Group financial statements as a whole		
	£43.0 million (2019: £38.5 million) based on 1% (2019: 1%) of gross assets		

1 These are areas which have been subject to a full scope audit by the Group engagement team.

An overview of the scope of our audit
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates solely in the United Kingdom, and all audit procedures are performed by the Group audit team. During the prior year the Group acquired Tritax Symmetry Limited (previously named db Symmetry Limited), which holds a portfolio of land option agreements. We identified two significant components, in addition to the Parent Company:

- The investment property component of the Group directly managed by the Tritax Manager, consisting of 68 subsidiaries.
- The Tritax Symmetry component of the Group, which is managed directly by the TSL Manager and overseen by the Tritax Manager, consisting of 22 subsidiaries.

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

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of investment property portfolio, including properties under construction (including forward funded assets) Refer to notes 3 and 4 in relation to accounting policies over significant estimates and judgements and accounting policies. Refer to note 15 in relation to investment property	The Group's investment property portfolio includes: - Standing assets: these are existing properties that are currently let or available to let. They are valued using the income capitalisation method. - Properties under construction: these are properties being built, some of which are under forward funded agreements with developers and which have agreed pre-lets with tenants. Properties under construction have a different risk and investment profile to the standing assets. They are valued using the residual method (i.e. by estimating the fair value of the completed project using the income capitalisation method less estimated costs to completion). The valuation of investment property requires significant judgement and estimates by the Directors and the independent valuer ("the Valuer") and is therefore considered a significant risk due to the subjective nature of certain assumptions inherent in each valuation. Any input inaccuracies or unreasonable bases used in the valuation judgements (such as capitalisation yields, future lease income, and in the case of properties under construction, costs to complete) could result in a material misstatement of the income statement and balance sheet. Additionally, properties under construction may involve licence fees receivable from the developer during the construction phase and lease incentives to the pre-let tenant. Accounting for such assets is typically more complex than for standing assets. There is also a risk that the Directors may influence the significant judgements and estimates in respect of property valuations in order to achieve property valuation and other performance targets to meet market expectations.	We read the Valuer's report and checked that the approaches used were consistent with the requirements of relevant accounting standards. We assessed the Valuer's competence and capabilities and read their terms of engagement with the Group, determining that there were no matters that affected their independence and objectivity, including any influence from Directors over the significant judgements and estimates, or imposed scope limitations upon their work. We checked the data provided to the Valuer by the Group and found that it was consistent with the information we audited. This data included inputs such as current rent and lease terms, which we have agreed on a sample basis to executed lease agreements as part of our audit work. Alongside our internal valuations specialists we met with the Valuer and gained an understanding of the valuation methods and assumptions used. We challenged the assumptions utilised by the Valuer within the valuation by benchmarking the valuation to our expectations developed using independent data around the year end. We assessed the licence fee receivable, project costs and progress of development for properties under construction by agreeing relevant details to the underlying agreement, and verified the forecast costs to complete included in the valuations to third-party Quantity Surveyor reports. Receipts of licence fees during the year were verified to the bank. We checked that the property valuations have been properly included in the financial statements. We also assessed whether the disclosures in the financial statements are appropriate and in accordance with relevant accounting standards. **Key observation** Our testing indicated that the estimates and assumptions used were appropriate in the context of the Group's investment property portfolio.

Key audit matter		How the scope of our audit addressed the key audit matter
Carrying value of land options Refer to notes 3 and 4 in relation to significant estimates and judgements and accounting policies. Refer to note 16 in relation to land options	The Group carries its investment in land options at cost less provision for impairment and as such must consider potential impairment at each reporting date under IAS 36. This poses a significant risk due to the significant judgement and subjective nature of certain assumptions inherent in the impairment review by the directors and the independent valuer ("the Valuer"). Any input inaccuracies or unreasonable bases used in the impairment judgements (such as future rental rates, capitalisation yields, build costs, land utilisation and risk deductions) could result in a material misstatement of the income statement and balance sheet.	As part of the Group's assessment of potential impairments it obtained valuations from an external valuer of each land option at 31 December 2020. We read the Valuer's report and assessed the Valuer's competence and capabilities and read their terms of engagement with the Group, determining that there were no matters that affected their independence and objectivity or imposed scope limitations upon their work. We tested a sample of the data provided to the Valuer by the Group and found that it was consistent with the information we audited. Alongside our internal valuations specialists we met with the Valuer and gained an understanding of the valuation methods and assumptions used. We challenged the assumptions utilised by the Valuer within the valuation by benchmarking data used in the valuations to our expectations developed using independent data around the period end. We compared the closing cost basis for each asset to the independent valuation report to check for indicators of potential impairment and challenged the justification for the carrying value of any individual land options being above its 31 December 2020 valuation. **Key observation** Based on the work performed, we are satisfied that the Group's land options have been appropriately accounted for in all material respects.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2020 £m	2019 £m	**2020 £m**	2019 £m
Materiality	**43.0**	38.5	**32.0**	29.0
Basis for determining materiality	1% of total assets	1% of total assets	Based on total assets but capped at 95% of Group materiality	Based on total assets but capped at 95% of Group materiality
Rationale for the benchmark applied	We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be one of the principal considerations for users of the financial statements in assessing the financial performance of the Group.		We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be one of the principal considerations for users of the financial statements in assessing the financial performance of the Parent.	
Performance materiality	**32.3**	28.9	**24.0**	21.8
Basis for determining performance materiality	75% of materiality – it is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.		75% of materiality – it is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.	

Specific materiality
We consider that for both the Group and Parent, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. For the Group we consider specific materiality to apply to all financial statement areas that would impact European Public Real Estate Association ("EPRA") earnings and we determined specific materiality on the basis of 5% of EPRA earnings, being £5.2 million (2019: £4.3 million). We consider EPRA earnings to be a key performance measure of the Group. EPRA earnings excludes the impact of the net surplus on revaluation of Investment properties, any impairment of land options and interest rate derivatives.

For the Company we determined specific materiality to be 5% of profit before tax, being £7.2 million (2019: £4.1 million).

We further applied a performance materiality level of 75% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Component materiality
Two components were identified within the Group; (1) the investment property component of the Group directly managed by the Tritax Manager, and (2) the Tritax Symmetry component of the Group, which is managed directly by the TSL Manager and overseen by the Tritax Manager. The former has a materiality based on a percentage of 90% of Group materiality. The Tritax Symmetry component has a materiality based on 75% of Group financial statement materiality.

In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold
We agreed with the Audit Committee that we would report to them individual audit differences in excess of £1.2 million (2019: £0.8 million) for financial statement differences, and for specific items differences in excess of £0.26 million (2019: £0.09 million). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement
The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	– The Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 51; and – The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 51.
Other Code provisions	– Directors' statement on fair, balanced and understandable set out on page 88; – Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 75; – The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 74 and 75; and – The section describing the work of the Audit Committee set out on pages 76 and 78.

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic Report and Directors' Report	In our opinion, based on the work undertaken in the course of the audit: – the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and – the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.
Directors' remuneration	In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: – adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or – the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or – certain disclosures of Directors' remuneration specified by law are not made; or – we have not received all the information and explanations we require for our audit.

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The procedures carried out included:

- Agreement of the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements;
- Enquiries of management and the Audit Committee as to their identification of any non-compliance with law or regulations, or any actual or potential claims;
- Review of minutes of board meetings throughout the period;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations and performing our own checks of compliance with relevant requirements, including the Companies Act 2006, the UK Listing Rules, the REIT tax regime requirements and legislation relevant to the rental of properties; and
- In relation to the risk of management override of internal controls, by undertaking procedures to review journal entries processed during and subsequent to the year end and evaluating whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report
This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
9 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial statements

Other information

Group statement of comprehensive income

For the year ended 31 December 2020

	Note	**Year ended 31 December 2020 £m**	Year ended 31 December 2019 £m
Gross rental income	6	**161.6**	144.4
Service charge income	6	**4.6**	4.1
Service charge expense	7	**(4.7)**	(4.2)
Net rental income		**161.5**	144.3
Gross operating income		**28.3**	6.6
Other operating costs		**(19.7)**	(2.5)
Other operating income	6	**8.6**	4.1
Administrative and other expenses	8	**(22.6)**	(21.7)
Acquisition-related costs	8	**-**	(4.2)
Operating profit before changes in fair value and other adjustments[1]		**147.5**	122.5
Changes in fair value of investment properties	15	**351.1**	54.5
Gain on disposal of investment properties		**0.1**	–
Share of loss from joint ventures	17	**(0.1)**	–
Impairment of intangible and other property assets		**(0.4)**	(0.6)
Gain on bargain purchase	22	**-**	7.8
Share-based payment charge	23	**(5.9)**	(3.3)
Changes in fair value of contingent consideration payable	23	**(2.9)**	(0.5)
Operating profit		**489.4**	180.4
Finance income	10	**-**	0.4
Finance expense	11	**(37.6)**	(34.4)
Changes in fair value of interest rate derivatives	25	**(2.3)**	(5.2)
Profit before taxation		**449.5**	141.2
Taxation	12	**(0.1)**	–
Profit and total comprehensive income		**449.4**	141.2
Earnings per share – basic	13	**26.30p**	8.40p
Earnings per share – diluted	13	**26.30p**	8.38p

1 Operating profit before changes in fair value of investment properties and contingent consideration, gain on bargain purchase, gain on disposal of investment properties, share of loss from joint ventures, impairment of intangible and other property assets and share-based payment charges.

Group statement of financial position

As at 31 December 2020

	Note	At 31 December 2020 £m	At 31 December 2019 £m
Non-current assets			
Intangible assets		**2.0**	2.3
Investment property	15	**4,053.5**	3,541.2
Investment in land options	16	**228.1**	226.0
Investment in joint ventures	17	**28.5**	30.1
Other property assets	22	**9.4**	13.9
Trade and other receivables	19	**2.0**	–
Interest rate derivatives	25	**0.1**	1.3
Total non-current assets		**4,323.6**	3,814.8
Current assets			
Trade and other receivables	19	**25.1**	25.7
Cash at bank	20	**57.8**	21.4
Total current assets		**82.9**	47.1
Total assets		**4,406.5**	3,861.9
Current liabilities			
Deferred rental income		**(36.1)**	(35.3)
Trade and other payables	21	**(69.3)**	(76.1)
Tax liabilities	12	**(1.9)**	(18.7)
Total current liabilities		**(107.3)**	(130.1)
Non-current liabilities			
Trade and other payables	21	**(2.0)**	–
Interest rate derivatives	25	**(1.1)**	–
Bank borrowings	24	**(206.7)**	(256.2)
Loan notes	24	**(1,136.4)**	(891.5)
Amounts due to B and C shareholders	23	**(31.7)**	(22.9)
Total non-current liabilities		**(1,377.9)**	(1,170.6)
Total liabilities		**(1,485.2)**	(1,300.7)
Total net assets		**2,921.3**	2,561.2
Equity			
Share capital	28	**17.2**	17.1
Share premium reserve	28	**466.5**	446.7
Capital reduction reserve	28	**1,078.9**	1,188.1
Retained earnings	28	**1,358.7**	909.3
Total equity		**2,921.3**	2,561.2
Net asset value per share – basic	29	**169.92p**	150.04p
Net asset value per share – diluted	29	**169.92p**	150.04p
EPRA net tangible asset per share – basic and diluted[1]	29	**175.61p**	151.79p

1 Note the prior periods have been restated in line with the EPRA guidance over Net Asset Value.

These financial statements were approved by the Board of Directors on 9 March 2021 and signed on its behalf by:

Sir Richard Jewson KCVO, JP
Chairman

Group statement of changes in equity

For the year ended 31 December 2020

	Note	**Share capital £m**	**Share premium £m**	**Capital reduction reserve £m**	**Retained earnings £m**	**Total £m**
1 January 2020		**17.1**	**446.7**	**1,188.1**	**909.3**	**2,561.2**
Profit for the year and total comprehensive income		**–**	**–**	**–**	**449.4**	**449.4**
		17.1	**446.7**	**1,188.1**	**1,358.7**	**3,010.6**
Contributions and distributions:						
Shares issued in relation to equity consideration	28	**0.1**	**19.9**	**–**	**–**	**20.0**
Share issue costs		**–**	**(0.1)**	**–**	**–**	**(0.1)**
Share-based payments		**–**	**–**	**–**	**2.4**	**2.4**
Transfer of share-based payments to liabilities to reflect settlement		**–**	**–**	**–**	**(2.4)**	**(2.4)**
Dividends paid	14	**–**	**–**	**(109.2)**	**–**	**(109.2)**
31 December 2020		**17.2**	**466.5**	**1,078.9**	**1,358.7**	**2,921.3**

	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total €m
1 January 2019		14.8	153.6	1,304.4	768.1	2,240.9
Profit for the year and total comprehensive income		–	–	–	141.2	141.2
		14.8	153.6	1,304.4	909.3	2,382.1
Contributions and distributions:						
Shares issued in relation to equity issue	28	1.9	248.1	–	–	250.0
Shares issued in relation to equity consideration	28	0.4	51.9	–	–	52.3
Share issue costs		–	(6.9)	–	–	(6.9)
Share-based payments		–	–	–	2.3	2.3
Transfer of share-based payments to liabilities to reflect settlement		–	–	–	(2.3)	(2.3)
Dividends paid	14	–	–	(116.3)	–	(116.3)
31 December 2019		17.1	446.7	1,188.1	909.3	2,561.2

Group cash flow statement

For the year ended 31 December 2020

	Note	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Cash flows from operating activities			
Profits for the period (attributable to the shareholders)		**449.4**	141.2
Add: tax charge		**0.1**	–
Add: changes in fair value of contingent consideration payable		**2.9**	0.5
Add: finance expense		**37.6**	34.4
Add: changes in fair value of interest rate derivatives		**2.3**	5.2
Add: share-based payment charges		**5.9**	3.3
Add: impairment of intangible and other property assets		**0.4**	0.6
Add: amortisation of other property assets		**4.5**	–
Add: share of loss from joint ventures		**0.1**	–
Less: *changes in fair value of investment properties*		**(351.1)**	(54.5)
Less: gain on disposal of investment properties		**(0.1)**	–
Less: gain on bargain purchase		**-**	(7.8)
Less: finance income		**-**	(0.4)
Accretion of tenant lease incentive	15	**(9.3)**	(6.1)
(Increase)/decrease in trade and other receivables		**(4.0)**	2.3
Increase in deferred income		**0.7**	5.1
Increase/(decrease) in trade and other payables		**15.0**	(7.9)
Cash generated from operations		**154.4**	115.9
Taxation paid	12	**(16.8)**	(22.6)
Net cash flow generated from operating activities		**137.6**	93.3
Investing activities			
Additions to investment properties		**(279.0)**	(286.6)
Additions to land options		**(7.6)**	(10.9)
Additions to joint ventures		**(0.7)**	(0.1)
Net proceeds from disposal of investment properties		**132.3**	–
Licence fees received		**2.5**	15.8
Interest received		**0.1**	0.5
Dividends received from joint ventures		**2.2**	–
Amount transferred out of restricted cash deposits		**-**	0.7
Acquisition of subsidiary, net of cash acquired		**-**	(194.0)
Net cash flow used in investing activities		**(150.2)**	(474.6)
Financing activities			
Proceeds from issue of Ordinary Share capital		**-**	249.9
Cost of share issues		**-**	(6.9)
Bank borrowings drawn	24	**289.5**	135.0
Bank and other borrowings repaid	24	**(339.5)**	(273.7)
Amounts received on issue of loan notes	24	**246.2**	400.0
Loan arrangement fees paid		**(2.1)**	(4.1)
Bank interest paid		**(35.5)**	(28.2)
Interest rate cap premium paid	25	**-**	(1.3)
Dividends paid to equity holders		**(109.6)**	(115.5)
Net cash flow generated from financing activities		**49.0**	355.2
Net increase/(decrease) in cash and cash equivalents for the year		**36.4**	(26.1)
Cash and cash equivalents at start of year	20	**21.2**	47.3
Cash and cash equivalents at end of year	20	**57.6**	21.2

Notes to the consolidated accounts

1. Corporate information
The consolidated financial statements of the Group for the year ended 31 December 2020 comprise the results of Tritax Big Box REIT plc ("the Company") and its subsidiaries (together, "The Group") and were approved by the Board for issue on 9 March 2021. 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.

The nature of the Group's operations and its principal activities are set out in the Strategic Report.

Accounting policies

2. Basis of preparation
The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The comparative information disclosed relates to the year ended 31 December 2019.

The Group's financial statements have been prepared on a historical cost basis, other than as explained in the accounting policies below.

The consolidated financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest 0.1 million (£m), except where otherwise indicated.

The Group has chosen to adopt EPRA (European Public Real Estate Association) best practice guidelines for calculating key metrics such as net asset value and earnings per share (www.epra.com/finance/financial-reporting/guidelines).

2.1. Going concern
Given the impact of Covid-19, the Board has paid particular attention to the appropriateness of the going concern basis in preparing these financial statements. Any going concern assessment considers the Group's financial position, cash flows, liquidity and capital commitments including its continued access to its debt facilities and headroom under financial loan covenants.

The Directors have considered the cash flow forecasts for the Group for a period of at least 12 months from the date of approval of these financial statements. These forecasts include the Directors' assessment of the impact of Covid-19 on the Group and include various levels of stress testing of financial forecasts with consideration over downside scenarios. The Directors have reviewed the current and projected financial position of the Group, making varying assumptions about its future trading performance including the impact of Covid-19. Various forms of sensitivity analysis have been performed having a particular regard to the current financial performance of the Group's customers, taking into account any discussions held with the customer surrounding their rental obligations. The analysis also included sensitivities over the following's portfolio valuation movements through the market volatility, rent collection, customer default and interest rate movements.

To date, the impact on the Group from Covid-19 has been limited. Whilst the Group has a greater level of arrears than it would ordinarily expect with regards to rental income, the arrears are not significant in the context of the portfolio as a whole. The Group has received 99% of all rent falling due in 2020. Whilst a number of the Group's tenants have opted to move from quarterly in advance rental payments to monthly in advance rental payments for a short period, there have been no agreements to grant rent-free periods or rent holidays. The Group has agreed rent deferrals over only a small number of leases and expects to recover these rent arrears during 2021. Such requests are considered on a case by case basis and based on the merits of such request and the circumstances of the tenant. The Directors have also considered the arrears position in light of IFRS 9, expected credit loss model, see note 19 for further details.

As at 31 December 2020, the Group had an aggregate £550 million of undrawn commitments under its senior debt facilities, of which £93.9 million was committed under various pre-let development contracts. The Group's loan to value ratio stood at 30.0%, with the debt portfolio having an average maturity term of approximately 7.4 years. As at the date of approval of this report, the Group has substantial headroom within its financial loan covenants, which include loan to value covenants at 60% on its tightest loans. The Group's financial covenants have also been complied with for all loans throughout the period and up to the date of approval of these financial statements. As at 31 December 2020, property values would have to fall by approximately 50% and there would need to be a loss of income of approximately 60% before loan covenants on its unsecured facilities are breached.

The Directors have assessed the Group's ability to continue as a going concern and are not aware of any material uncertainties that may cast significant doubt upon Group's ability to continue as a going concern. Therefore the Directors are satisfied that the Group has the resources to continue in business for at least 12 months from the date of approval of these financial statements.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions 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 assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The Group has reassessed its related circumstances in the light of Covid-19, and there is no material impact in respect of judgements, estimates and assumptions made in the year.

3.1. 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:

Land options

Classification

A number of land options were acquired as part of the Tritax Symmetry acquisition in the prior year. These were bought for the potential to exercise the option, subject to receiving planning permission, and develop the land into a pipeline of logistics assets. The Directors have considered whether the land options meet the definition of Investment property and concluded that as the options do not represent a current direct interest in land they cannot be classified as Investment property and carried at fair value. The Directors have concluded that the land options should be classified as a non-financial asset and measured at cost less provision for impairment in accordance with IAS 36.

Measurement

Land options, and other non-financial assets, are initially capitalised at cost and considered for any impairment indication annually. The impairment review includes consideration of the resale value of the option, likelihood of achieving planning consent and current recoverable value as determined by an independent valuer. In the calculation of the resale value or recoverable value of land options, several estimates are required which includes the expected size of the development, expected rental and capitalisation rates, estimated build costs, the time to complete the development and anticipated progress with achieving planning consent, as well as the associated risks of achieving the above.

B and C Shares

As part of the acquisition of Tritax Symmetry, shares were issued in Tritax Symmetry Limited to the management shareholders of Tritax Symmetry ("Symmetry Management Shareholders") in the form of B and C Shares (the "B and C Shares"). The terms of these shares are complex and as a result the Directors have had to make a number of judgements in order to conclude on the appropriate accounting treatment. The significant judgements applied in relation to the B and C Shares were as follows:

1. Subject to remaining in continued employment these shares entitle the holders to 13% of the Adjusted NAV of Tritax Symmetry Limited. Were an individual to leave employment and be deemed a bad leaver, the amount payable is the lower of the value of the shares on the completion date and 60% of Adjusted NAV. The Directors have therefore concluded that the unconditional amount payable to the B and C shareholders, being 60% of the value of the B and C Shares on acquisition, should be treated as contingent consideration in accordance with IFRS 3. The fair value of the contingent consideration is remeasured at each reporting date. Any additional amounts paid to the B and C shareholders as a result of their continued service is accounted for as payment for the provision of post-combination services.

2. The B and C Shares have put options in place at various points in time over an eight-year period from completion, along with a put and call option at the end of eight years from the completion date. The B and C Shares are not considered to represent a present ownership interest in the Group as an element of the amount due to the B and C shareholders is dependent on them continuing to remain in employment and provide services to the Group. Therefore, the Directors have concluded that the B and C Shares do not represent a non-controlling interest and the amounts owed to the B and C shareholders should instead be presented as a financial liability.

3. When settled the B and C Shares are settled 25% in cash with the remaining 75% settled in either cash or shares at the discretion of the Company. Both elements are considered to represent share-based payments as the amounts due are based on the Adjusted NAV of the underlying business of Tritax Symmetry Limited. The Directors will endeavour to settle all of the B and C Shares in cash, subject to sufficient funds being available to the Group at the time of settlement without adversely impacting the operations of the Group. In accordance with IFRS 2 this is accounted for as a cash settled share-based payment. In conformity with the requirements of IFRS 2 for cash settled share-based payments, the share-based payment charge is the fair value of the settlement value of the B and C Shares in Tritax Symmetry Limited, established by a Monte Carlo simulation model and reassessed at each reporting date.

Business combinations

The Group acquires subsidiaries that own property and other property interests. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or deferred tax arises. The fair value of assets and liabilities are established using industry-leading third-party professionals, instructed by the Company.

On 19 February 2019, the Group completed the acquisition of db Symmetry Group Ltd and db Symmetry BVI Limited together with their subsidiary undertakings and joint venture interests ("db Symmetry"), subsequently rebranded to Tritax Symmetry. The Directors have reviewed the terms of the acquisition and determined that a business, as defined by IFRS 3, was acquired. In the context of the Tritax Symmetry acquisition the principal consideration was whether substantive processes were acquired. As part of the acquisition a Development Management Agreement ("DMA") was entered into with Symmetry ManCo allowing for the management team to continue to manage the development activities of Tritax Symmetry. These activities are determined to be substantive processes.

3. Significant accounting judgements, estimates and assumptions continued

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. As it is a balancing figure of the assets and liabilities acquired, it is a judgement, as a result of the fair value of some of the other assets and liabilities acquired also being estimated. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Group profit or loss on the acquisition date as a gain on bargain purchase or negative goodwill. The fair value of assets and liabilities are established using industry-leading third-party professionals, instructed by the Company. Ultimately, the negative goodwill recognised is a judgement applied to various balances recognised within fair value of net assets acquired (see note 22 Business Combination for further details).

Estimates

Fair valuation of Investment property

The market value of Investment property is determined by an independent property valuation expert (see note 15) 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 expert uses recognised valuation techniques and the principles of both IAS 40 and IFRS 13.

The valuations have been prepared in accordance with the RICS Valuation – Global Standards July 2017 ("the Red Book"). Factors reflected comprise current market conditions including net initial yield applied, annual rentals, lease lengths and location. The net initial yield, being the most significant estimate, is subject to changes depending on the market conditions which are assessed on a periodic basis. The significant methods and assumptions used by the valuers in estimating the fair value of Investment property, together with the sensitivity analysis on the most subjective inputs, are set out in note 15.

4. Summary of significant accounting policies

4.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, as at the year-end date.

4.2. Subsidiaries

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is reassessed wherever facts and circumstances indicate that there may be a change in any of these elements of control.

4.3. Segmental information

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in Big Box assets and land options in the United Kingdom. The Directors consider that these properties have similar economic characteristics in nature and as a result they have been reported as a single reportable operating business. All of the Group's revenue and assets are based in the United Kingdom.

4.4. Investment property and Investment property under construction

Investment property comprises completed property that is held to earn rentals or for capital appreciation, or both. Property held under a lease is classified as Investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

The corresponding entry upon recognising lease incentives or fixed/minimum rental uplifts is made to Investment property. For further details see Accounting Policy note 4.15.1.

Investment property is recognised once practical completion is achieved and is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and other costs incurred in order to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, Investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the Group profit or loss in the year in which they arise under IAS 40 Investment property.

Long leaseholds are accounted for as Investment property as they meet the criteria for right of use assets.

Investment properties under construction are financed by the Group where the Group enters into contracts to forward-fund the development of a pre-let property. All such contracts specify a fixed amount of consideration. The Group also directly enters into construction contracts to develop logistics assets, in the form of pre-let development, with an allowance of up to 5% of GAV in speculative development (with no pre-let secured). Investment properties under construction are initially measured at cost (including the transaction costs), which reflect the Group's investment in the assets. Subsequently, the assets are remeasured to fair value at each reporting date. The fair value of investment properties under construction is estimated as the fair value of the completed asset less any costs still payable in order to complete, which include an appropriate developer's margin.

Additions to properties include costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits, which are expected to accrue to the Group. All other property expenditure is expensed in the Group profit or loss as incurred.

Investment properties cease to be recognised when they have been disposed of or withdrawn permanently from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of Investment property. Any gains or losses are recognised in the Group profit or loss in the year of retirement or disposal.

4. Summary of significant accounting policies continued
4.5. Financial instruments
Fair value hierarchy
Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

4.5.1. Financial assets
The Group classifies its financial assets into one of the categories discussed below. The Group's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the Group Statement of Financial Position at fair value with changes in fair value recognised in the Group profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. 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 being the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from tenant default (being the failure of a tenant to timely pay rent due) to determine the lifetime expected credit loss for the trade receivables. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

4.5.2. Financial liabilities
The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

The Group's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises out-of-the-money derivatives where the time value does not offset the negative intrinsic value; and the amounts due to B and C shareholders. They are carried in the Group Statement of Financial Position at fair value with changes in fair value recognised in the Group profit or loss. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities
Other financial liabilities include the following items:
Bank borrowings and the Group's loan notes 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 ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Group 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 payment while the liability is outstanding.

4.6. Forward funded pre-let investments
The Group enters into forward funding development agreements for pre-let investments. The Group will enter into a forward funding agreement with a developer and simultaneously enter into an agreement for lease with a prospective tenant willing to occupy the building once complete.

4.6.1. Licence fees receivable
During the period between initial investment in a forward funded agreement and the rent commencement date under the lease, the Group receives licence fee income. This is payable by the developer to the Group throughout this period and typically reflects the approximate level of rental income that is expected to be payable under the lease, as and when practical completion is reached. IAS 40.20 states that Investment Property should be recognised initially at cost, being the consideration paid to acquire the asset, therefore such licence fees are deducted from the cost of the investment and are shown as a receivable. Any economic benefit of the licence fee is reflected within the Group profit or loss as a movement in the fair value of Investment property and not within gross rental income. Licence fees received are treated as gross receipts within the Group Cash Flow Statement. In addition, IAS 16.21 indicates that income and expenses from operations that are not to bring an asset to the location and condition necessary for it to be capable of operating in the manner intended, should be recognised in profit or loss.

4. Summary of significant accounting policies continued

4.7. Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).

The Group does not have any joint operations.

Joint ventures are initially recognised in the Group Statement of Financial Position at cost. Subsequently joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the Group profit or loss.

Profits and losses arising on transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Provision for impairment in value is made where there is objective evidence that the investment in a joint venture has been impaired.

4.8. Goodwill

Goodwill is capitalised as an intangible asset, with any impairment in carrying value being charged to the Group profit or loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Group profit or loss on the acquisition date as a gain on bargain purchase or negative goodwill.

In relation to the purchase of Tritax Symmetry, a gain on bargain purchase had arisen. See note 22, Business combination for further details.

4.9. Intangible assets

As a result of the acquisition of Tritax Symmetry, the DMA is assessed as a favourable contract. It is recognised as an intangible asset on the Group Statement of Financial Position and is amortised over the original eight year term of the DMA. The favourable element of the DMA was assessed with reference to a reasonable mark-up that may be expected for these services if the agreement were set up at arm's length, discounted over the eight-year period.

4.10. Land options

Land options are classified as non-financial assets as they are non-liquid assets with no active market and they cannot be readily converted into cash. The options are exercisable at a future date subject to receiving planning consent. They are initially carried at cost and are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (the higher of value in use and fair value less costs to sell), the option is written down accordingly as a charge to the Group profit or loss. Once the options are exercised and the land is drawn down, they are transferred into Investment property.

4.11. Impairment of assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets including intangible assets, investment in joint ventures and land options are subject to annual impairment tests, or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (the higher of value in use and fair value less costs to sell), the asset is impaired accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash-generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in Group profit or loss. An impairment loss recognised for goodwill is not reversed.

4. Summary of significant accounting policies continued

4.12. Business combination

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Under the Definition of a Business (Amendments to IFRS 3 "Business Combinations"), to be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The optional 'concentration test' is also applied, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. Therefore the Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

Where an acquisition is considered to be a business combination the consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Group Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. Any excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired is treated as goodwill. Where the fair value of identifiable assets, liabilities and contingent liabilities acquired exceeds the fair value of the purchase consideration, the difference is treated as gain on bargain purchase and credited to the Group profit or loss. The results of acquired operations are included in the Group profit or loss from the date on which control is obtained until the date on which control ceases.

Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.

Where amounts payable for the acquisition of a business are subject to a contingent consideration arrangement in which the payments are automatically forfeited if employment terminates, the amounts are treated as remuneration for post-combination services rather than consideration for the acquisition of a business.

4.13. Share-based payments

The Company has entered into an agreement with the Symmetry Management shareholders where future amounts payable are based on the Adjusted NAV of the underlying business and subject to certain provisions around continuing employment. 25% of the amounts payable are to be settled in cash with the remaining 75% settled in cash or shares at the discretion of the Company. Where the Company has a present obligation to settle the amounts in cash, either through its stated intention or past practice, the Company accounts for the amounts as cash settled share-based payments. The fair value of the cash settled obligation is recognised over the vesting period and presented as a liability in the Group Statement of Financial Position. The liability is remeasured at each reporting date with the charge to the profit or loss updated over the vesting period.

4.14. Dividends payable to shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

4.15. Property income

4.15.1. Rental income

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 Group profit or loss. A rental adjustment is recognised from the rent review date in relation to unsettled rent reviews, where the Directors are reasonably certain that the rental uplift will be agreed. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Rental income is invoiced, either monthly or quarterly in advance, and for all rental income that relates to a future period this is deferred and appears within current liabilities on the Group Statement of Financial Position.

For leases, which contain fixed or minimum uplifts, the rental income arising from such uplifts is recognised on a straight-line basis over the lease term.

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.

When the Group enters into a forward funded transaction, the future tenant signs an agreement for lease. No rental income is recognised under the agreement for lease, but once practical completion has taken place the formal lease is signed, at which point rental income commences to be recognised in the Group profit or loss from the rent commencement date.

4.15.2. Other operating income

The other operating income is generated through the Group providing development management services to third parties. It is recognised on an accruals basis in the period in which the services have been rendered, performance obligations have been satisfied and a significant reversal is not expected in future periods.

4.16. Finance income

Finance income is recognised as interest accrues on cash balances held by the Group. Interest charged to a tenant on any overdue rental income is also recognised within finance income.

4.17. Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with bank and other borrowings. Any finance costs that are separately identifiable and directly attributable to the acquisition or construction of an asset that takes a period of time to complete are capitalised as part of the cost of the asset. All other finance costs are expensed to the Group profit or loss in the period in which they occur.

4. Summary of significant accounting policies continued

4.18. Taxation

Taxation on the profit or loss for the period not exempt under UK REIT regulations comprises current and deferred tax. Current tax is expected tax payable on any profit not relating to the property rental business for the year, using tax rates enacted or substantively enacted at the year-end date, including any adjustment to tax payable in respect of previous years.

5. New standards issued

5.1. New standard issued and effective from 1 January 2020

The following new accounting amendment has been applied in preparing the consolidated financial statements:

Amendments to IFRS 3 "Business Combinations", definition of a business

The amendment provides a revised framework for evaluating a business and introduces an optional "concentration test" and impacts the assessment and judgements used in determining whether future property transactions represent an asset acquisition or business combination. As a result of the amendment it is expected that future transactions are more likely to be treated as an asset acquisition.

There was no material effect from the adoption of other amendments to IFRS effective in the year. They have no impact to the Group significantly as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

5.2. New standards issued but not yet effective

Amendments to IAS 1 on Classification of liabilities as Current or Non-Current are effective for the financial years commencing on or after 1 January 2023 and are to be applied retrospectively. It is not expected that the amendments may have an impact on the presentation and classification of liabilities in the Group Statement of Financial Position based on rights that are in existence at the end of the reporting period.

IFRS Phase 2 amendments for interest rate benchmark (IBOR) reform provide a practical expedient to account for changes in the basis for determining contractual cash flows of financial assets and financial liabilities as a result of IBOR reform. Under the practical expedient, entities will account for these changes by updating the effective interest rate using the guidance in paragraph B5.4.5 of IFRS 9 without the recognition of an immediate gain or loss. This practical expedient applies only to such a change and only to the extent that it is necessary as a direct consequence of interest rate benchmark reform, and the new basis is economically equivalent to the previous basis.

There are no other standards that are not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods and on the foreseeable future transactions.

6. Total property income

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Rental income – freehold property	**122.8**	108.9
Rental income – long leasehold property	**29.4**	29.2
Spreading of tenant incentives and guaranteed rental uplifts	**9.3**	6.1
Other income	**0.1**	0.2
Gross rental income	**161.6**	144.4
Property insurance recoverable	**3.6**	3.2
Service charges recoverable	**1.0**	0.9
Total property insurance and service charge income	**4.6**	4.1
Total property income	**166.2**	148.5

There was one individual tenant representing more than 10% of gross rental income present during either year.

Included in the £8.6 million of other income, was a charge of £4.5 million (2019: £0.4 million) being amortisation of other property assets. The other operating income is generated through the Group providing development management services to third parties.

7. Service charge expenses

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Property insurance expense	**3.7**	3.4
Service charge expense	**1.0**	0.8
Total property expenses	**4.7**	4.2

8. Administrative and other expenses

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Investment management fees	**17.9**	17.5
Directors' remuneration (note 9)	**0.4**	0.4
Auditor's fees		
Fees payable for the audit of the Company's annual accounts	**0.3**	0.2
Fees payable for the review of the Company's interim accounts	**0.1**	0.1
Fees payable for the audit of the Company's subsidiaries	**0.1**	0.1
Total Auditor's fee	**0.5**	0.4
Development management fees	**0.7**	0.7
Corporate administration fees	**0.5**	0.5
Regulatory fees	**0.1**	0.1
Legal and professional fees	**1.3**	1.1
Marketing and promotional fees	**0.5**	0.4
Other costs	**0.7**	0.6
Total administrative and other expenses	**22.6**	21.7
Acquisition-related costs[1]	**-**	4.2

1 Acquisition-related costs have been incurred in the prior year, due to the one-off nature of these costs which have been expensed in accordance with IFRS 3: Business combinations.

The Auditor has also received £nil (2019: £0.1 million) in respect of providing reporting accountant services in connection with the equity issuance occurring during the year.

The Auditor provided audit services in respect of joint ventures of £7,500 (2019: £12,500).

9. Directors' remuneration

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Directors' fees	**0.3**	0.3
Employer's National Insurance	**0.1**	0.1
	0.4	0.4

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

10. Finance income

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Interest received on bank deposits	**-**	0.4

11. Finance expense

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Interest payable on bank borrowings	**7.6**	6.1
Interest payable on loan notes	**26.3**	24.1
Commitment fees payable on bank borrowings	**1.6**	1.8
Swap interest payable	**0.2**	-
Amortisation of loan arrangement fees	**1.9**	2.4
	37.6	34.4

None of the interest payable on financial liabilities and amortisation of loan arrangement fees were capitalised in the current and preceding year.

12. Taxation
a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
UK corporation tax	**0.1**	–

The UK corporation tax rate for the financial year is 19%. Accordingly, this rate has been applied in the measurement of the Group's tax liability at 31 December 2020.

b) Factors affecting the tax charge for the year
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Profit on ordinary activities before taxation	**449.5**	141.2
Theoretical tax at UK corporation tax rate of 19.00% (31 December 2019: 19.00%)	**85.4**	26.8
REIT exempt income	**(19.0)**	(18.7)
Non-taxable items	**(66.7)**	(11.0)
Transfer pricing adjustment	**–**	1.8
Permanent differences/tax losses not recognised	**(1.8)**	–
Residual losses	**2.2**	1.1
Total tax charge	**0.1**	–

Non-taxable items include income and gains that are derived from the property rental business and are therefore exempt from UK corporation tax in accordance with Part 12 of CTA 2010.

REIT exempt income includes property rental income that is exempt from UK corporation tax in accordance with Part 12 of CTA 2010.

The current year tax liability of £1.9 million (2019: £18.7 million) relates to appropriation tax charges in relation to the business combination as well as tax payable on non-property profits arising in the year (see note 22). During the year nil (2019: £22.6 million) was payable relating to the appropriation tax charges.

13. Earnings per share

Earnings per share (EPS) are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are dilutive instruments outstanding, basic and diluted earnings per share are shown below.

In relation to the dilutive shares to be issued in respect of the B and C Shares, the Directors have indicated a current intention to settle these 100% in cash. The calculation of basic and diluted earnings per share is based on the following:

For the year ended 31 December 2020	Net profit attributable to Ordinary Shareholders £m	Weighted average number of Ordinary Shares[1] '000	Earnings per share pence
Basic EPS and diluted EPS[2]	**449.4**	**1,708,504**	**26.30**
Adjustments to remove:			
Changes in fair value of Investment property	**(351.1)**		
Changes in fair value of interest rate derivatives	**2.3**		
Gain on disposal of investment properties	**(0.1)**		
Amortisation of other property assets	**4.5**		
Share of loss from joint ventures	**0.1**		
Impairment of intangible contract	**0.4**		
EPRA EPS and EPRA diluted EPS[2]	**105.5**	**1,708,504**	**6.17**
Adjustments to include:			
Licence fee receivable on Forward Funded Developments	**12.9**		
Fixed rental uplift adjustments	**(6.4)**		
Share-based payments charges	**5.9**		
Changes in fair value of contingent consideration payable	**2.9**		
Amortisation of loan arrangement fees and intangibles (see note 11)	**1.8**		
Adjusted EPS and Adjusted diluted EPS	**122.6**	**1,708,504**	**7.17**

1 Based on the weighted average number of Ordinary Shares in issue throughout the year.
2 Based on the weighted average number of Ordinary Shares in issue throughout the year, plus potentially issuable dilutive shares (see below).
3 Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C shareholders that could potentially be settled as equity. The share-based payments charges are non-dilutive at year end.

13. Earnings per share continued

For the year ended 31 December 2019	Net profit attributable to Ordinary Shareholders £m	Weighted average number of Ordinary Shares[1] '000	Earnings per share pence
Basic EPS	141.2	1,681,525	8.40
Adjustment for dilutive shares:			
Changes in fair value of contingent consideration payable	0.5		
Dilutive shares in respect of B and C shareholders[3]		8,521	
Diluted EPS[2]	141.7	1,690,046	8.38
Adjustments to remove:			
Changes in fair value of contingent consideration payable	(0.5)		
Changes in fair value of Investment property	(54.5)		
Changes in fair value of interest rate derivatives	5.2		
Costs associated with a business combination	4.2		
Gain on bargain purchase and impairment of intangible contract	(7.2)		
EPRA EPS	88.9	1,681,525	5.29
Add back: Changes in fair value of contingent consideration payable	0.5		
EPRA diluted EPS[2]	89.4	1,690,046	5.29
Adjustments to include:			
Licence fee receivable on Forward Funded Developments	21.4		
Fixed rental uplift adjustments	(4.9)		
Share-based payments charges	3.3		
Amortisation of loan arrangement fees and intangibles (see note 11)	2.4		
Adjusted EPS	111.6	1,681,525	6.64
Adjusted diluted EPS	111.6	1,690,046	6.60

1 Based on the weighted average number of Ordinary Shares in issue throughout the year.
2 Based on the weighted average number of Ordinary Shares in issue throughout the year, plus potentially issuable dilutive shares (see below).
3 Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C shareholders that could potentially be settled as equity. The share-based payments charges are dilutive at year end.

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric reduces EPRA earnings by other non-cash items credited or charged to the Group Statement of Comprehensive Income, such as fixed rental uplift adjustments and amortisation of loan arrangement fees. Licence fees received during the period are added to earnings on the basis noted below as the Board sees these cash flows as supportive of dividend payments. The Board compares the Adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

The adjustment for licence fees receivable is calculated by reference to the proportion of the total period of completed construction during the year, multiplied by the total licence fee receivable on a given forward funded asset. Licence fees will convert into rental income once practical completion has occurred and therefore rental income will flow into EPRA and Adjusted earnings from this point.

Fixed rental uplift adjustments relate to adjustments to net rental income on leases with fixed or minimum uplifts embedded within their review profiles. The total minimum income recognised over the lease term is recognised on a straight-line basis and therefore not supported by cash flows during the early term of the lease, but this reverses towards the end of the lease.

Share-based payment charges relate to the B and C shareholders. Whilst impacting on earnings, this value is considered capital in nature from the perspective it relates to an equity holding in Tritax Symmetry Limited. It is therefore removed from Adjusted earnings.

14. Dividends paid

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Fourth interim dividend in respect of period ended 31 December 2019 at 1.7125 pence per Ordinary Share (fourth interim for 31 December 2018 at 1.675 pence per Ordinary Share)	**29.2**	28.6
First interim dividend in respect of year ended 31 December 2020 at 1.5625 pence per Ordinary Share (31 December 2019: 1.7125 pence)	**26.6**	29.2
Second interim dividend in respect of year ended 31 December 2020 at 1.5625 pence per Ordinary Share (31 December 2019: 1.7125 pence)	**26.7**	29.2
Third interim dividend in respect of year ended 31 December 2020 at 1.5625 pence per Ordinary Share (31 December 2019: 1.7125 pence)	**26.7**	29.3
Total dividends paid	**109.2**	116.3
Total dividends paid for the year	**4.69p**	5.138p
Total dividends unpaid but declared for the year	**1.713p**	1.713p
Total dividends declared for the year	**6.40p**	6.85p

On 10 March 2021, the Company will announce the declaration of the fourth interim dividend in respect of the year ended 31 December 2020 of 1.7125 pence per share payable on 1 April 2021. In relation to the total dividends declared for the year of 6.40 pence, 4.69 pence is a property income distribution (PID) and 1.71 pence is an Ordinary dividend.

15. Investment property

In accordance with IAS 40: Investment property are stated at fair value as at 31 December 2020. The Investment property has been independently valued by CBRE Limited ("CBRE") and Colliers International Valuation UK LLP ("Colliers"), both accredited independent valuers with recognised and relevant professional qualifications and with recent experience in the locations and categories of the investment properties being valued. CBRE value all Investment property with leases attached or assets that have reached practical completion. Colliers value all land holdings and assets under construction with no pre-agreed letting. The valuations have been prepared in accordance with the RICS Valuation – Global Standards July 2017 ("the Red Book") and incorporate the recommendations of the International Valuation Standards and the RICS valuation – Professional Standards UK January 2014 (Revised April 2015) which are consistent with the principles set out in IFRS 13.

The Valuer in forming its opinion make a series of assumptions, which are typically market-related, such as net initial yields and expected rental values and are based on the Valuer's professional judgement. The Valuer has sufficient current local and national knowledge of the particular property markets involved and has the skills and understanding to undertake the valuations competently. There has been no changes to the assumptions made in the year as a result of Covid-19 or other factors.

The valuations are the ultimate responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuation are reviewed by the Board.

	Investment property freehold £m	**Investment property long leasehold £m**	**Investment property under construction £m**	**Total £m**
As at 1 January 2020	**2,578.0**	**640.8**	**322.4**	**3,541.2**
Property additions[1]	**73.1**	**0.1**	**210.6**	**283.8**
Property disposed in the year	**(131.9)**	**-**	**-**	**(131.9)**
Fixed rental uplift and tenant lease incentives[2]	**7.5**	**1.8**	**-**	**9.3**
Transfer of completed property to Investment property	**203.0**	**-**	**(203.0)**	**-**
Change in fair value during the year	**155.6**	**53.4**	**142.1**	**351.1**
As at 31 December 2020	**2,885.3**	**696.1**	**472.1**	**4,053.5**

	Investment Property freehold £m	Investment property long leasehold £m	Investment property under construction £m	Total £m
As at 1 January 2019	2,053.7	635.6	349.0	3,038.3
Property additions[1]	16.1	0.7	297.1	313.9
Property acquired through business combination (see note 22)	–	–	128.4	128.4
Fixed rental uplift and tenant lease incentives[2]	4.3	1.8	–	6.1
Transfer of completed property to Investment property	503.3	–	(503.3)	–
Change in fair value during the year	0.6	2.7	51.2	54.5
As at 31 December 2019	2,578.0	640.8	322.4	3,541.2

1 Licence fees deducted from the cost of Investment property under construction totalled £14.2 million in the year (2019: £0.6 million).
2 Included within the carrying value of Investment property is £52.3 million (2019: £43.0 million) in respect of accrued contracted rental uplift income. This balance arises as a result of the IFRS treatment of leases with fixed or minimum rental uplifts and rent-free periods, which requires the recognition of rental income on a straight-line basis over the lease term. The difference between this and cash receipts change the carrying value of the property against which revaluations are measured. Also see note 6.

15. Investment property continued

	31 December 2020 £m	31 December 2019 £m
Investment property at fair value per Group Statement of Financial Position	**4,053.5**	3,541.2
Licence fee receivable	**-**	2.5
Capital commitments	**87.7**	128.1
Total Investment property valuation*	**4,141.2**	3,671.8

* Including costs to complete on forward funded development assets.

Capital commitments represent costs to bring the asset to completion under the developer's funding agreements which include the developer's margin. These commitments could also represent commitments made in respect of asset management initiatives and development land. These costs are not provided for in the Group Statement of Financial Position (refer to note 33).

Cash received in respect of future rent-free periods represents amounts that were topped up by the vendor on acquisition of the property to cover future rent-free periods on the lease. The valuation assumes the property to be income generating throughout the lease and therefore includes this cash in the value.

Licence fees that have been billed but not received from the developer in relation to the property are included within trade and other receivables. The valuation assumes the property to be income generating and therefore includes this receivable in the value.

Fees payable under the DMA totalling £3.3 million (2019: £3.7 million) have been capitalised in the year being directly attributable to the ongoing development projects.

The valuation summary is set out in the Strategic Report.

Fair value hierarchy
The Group considers that all of its investment properties fall within Level 3 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

The valuations have been prepared on the basis of Market Value (MV), 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 relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques
The yield methodology approach is used when valuing the Group's properties which uses market rental values capitalised with a market capitalisation rate. This is sense-checked against the market comparable method (or market comparable approach) where a property's fair value is estimated based on comparable transactions in the market.

For Investment property under construction and the majority of land held for development, properties are valued using a residual method approach. Under this approach, the valuer initially assesses the investment value (using the above methodology for completed properties). Then, the total estimated costs to complete (including notional finance costs and developer's profit) are deducted from the value to take into account the hypothetical purchaser's management of the remaining development process and their perception of risk with regard to construction and the property market (such as the potential cost overruns and letting risks). Land values are sense-checked against the rate per acre derived from actual market transactions.

The key unobservable inputs made in determining fair values are as follows:

Unobservable input: estimated rental value (ERV)
The rent per square foot at which space could be let in the market conditions prevailing at the date of valuation.

Passing rents are dependent upon a number of variables in relation to the Group's property. These include: size, location, tenant covenant strength and terms of the lease.

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

15. Investment property continued

	Unobservable Inputs	
	ERV range £ pa sq m	net initial yield range %
2020	**3.91 – 12.85**	**3.15 – 6.28**
2019	3.80 – 10.75	3.67 – 6.22

Sensitivities of measurement of significant unobservable inputs
As set out within significant accounting estimates and judgements above, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature.

As a result the following sensitivity analysis has been prepared:

	-5% in passing rent £m	+5% in passing rent £m	+0.25% net initial yield £m	-0.25% net initial yield £m
(Decrease)/increase in the fair value of investment properties as at 31 December 2020	**(201.3)**	**201.3**	**(226.7)**	**255.5**
(Decrease)/increase in the fair value of investment properties as at 31 December 2019	(175.6)	175.6	(187.1)	209.4

16. Investment in land options

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Opening balance	**226.0**	–
Land options acquired in business combination	**–**	217.4
Costs capitalised in the year	**9.1**	16.8
Transferred to Investment property	**(5.4)**	(2.7)
Disposals	**(1.6)**	(5.5)
Closing balance	**228.1**	226.0

The average maturity date across land options held is approximately eight years (2019: nine years) term remaining.

17. Investment in joint ventures

As at 31 December 2020 the Group has two joint ventures which have been equity accounted for. There were no equity accounted joint ventures prior to the acquisition of Tritax Symmetry in February 2019.

The Group has the following joint ventures as at 31 December 2020:

	Principal activity	Country of incorporation	Ownership	Joint venture partner
HBB (J16) LLP	Property development	UK	50%	HB Midway Limited
Magnitude Land LLP (previously known as DBS Pochin LLP)	Property investment	UK	50%	Pochin Midpoint Limited

The registered office for the above joint ventures is: Unit B, Grange Park Court, Roman Way, Northampton, England NN4 5EA.

Net investment	Total 100% £m	Group's share £m
At beginning of year	60.2	30.1
Total comprehensive income	(0.2)	(0.1)
Capital introduced	0.4	0.2
Cash contributed	1.0	0.5
Cash received	(4.4)	(2.2)
As at 31 December 2020	**57.0**	**28.5**
50% share	**28.5**	

17. Investment in joint ventures continued
The joint ventures have a 31 December year end. The aggregate amounts recognised in the Group Statement of Financial Position and Statement of Comprehensive Income are as follows:

Comprehensive Income Statement

Year ended 31 December 2020	Total 100% £m	Group's share £m
Administrative expenses	(0.2)	(0.1)
Loss before taxation	(0.2)	(0.1)
Taxation	–	–
Total comprehensive loss	(0.2)	(0.1)

Statement of Financial Position

As at 31 December 2020	Total 100% £m	Group's share £m
Investment property	4.0	2.0
Options to acquire land	51.6	25.8
Non-current assets	**55.6**	**27.8**
Other receivables	1.4	0.7
Cash	0.2	0.1
Current assets	**1.6**	**0.8**
Trade and other payables	(0.2)	(0.1)
Current liabilities	**(0.2)**	**(0.1)**
Net assets	**57.0**	**28.5**

The Group's share of contingent liabilities in the joint ventures is £nil (December 2019: £nil).

18. Investments
The Group comprises a number of Special Purpose Vehicle (SPV) subsidiaries. All SPV subsidiaries that form these financial statements are noted within the Company financial statement in note 5.

19. Trade and other receivables

Non-current trade and other receivables	**Year ended 31 December 2020 £m**	Year ended 31 December 2019 £m
Cash in public institutions	**2.0**	–

The cash in public institutions is a deposit of £2.0 million paid by certain tenants to the Company, as part of their lease agreements.

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Trade receivables	**21.8**	7.8
Licence fee receivable	**–**	2.5
Prepayments, accrued income and other receivables	**1.7**	3.3
VAT	**1.6**	12.1
	25.1	25.7

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The expected credit loss provision as at 31 December 2020 was £0.2 million (31 December 2019: £nil). No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

20. Cash held at bank

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Cash and cash equivalents to agree with cash flow	**57.6**	21.2
Restricted cash	**0.2**	0.2
	57.8	21.4

Restricted cash is cash where there is a legal restriction to specify its type of use, i.e. this may be where there is a joint arrangement with a tenant under an asset management initiative.

Cash and cash equivalents reported in the Consolidated Statement of Cash Flows totalled £57.6 million (2019: £21.2 million) as at the year end, which excludes long-term restricted and ring-fenced cash deposits totalling £0.2 million (2019: £0.2 million). Total cash held at bank as reported in the Group Statement of Financial Position is £57.8 million (2019: £21.4 million).

21. Trade and other payables

Non-current trade and other payables	**Year ended 31 December 2020 £m**	Year ended 31 December 2019 £m
Other payables	**2.0**	–

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Trade and other payables	**52.7**	62.6
Bank loan interest payable	**6.0**	5.7
Accruals	**10.6**	7.8
	69.3	76.1

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

22. Business combination

On 19 February 2019, the Group acquired an 87% economic interest in Tritax Symmetry, a development group with ownership of a combination of land and land options. The portfolio was acquired for a total consideration of £273.1 million. The gain on bargain purchase was a result of the fair value determined for the assets purchased exceeding the fair value of consideration transferred. The gain on bargain purchase of £7.8 million had been recognised in the Group profit or loss in 2019. This gain on bargain purchase arose partly in relation to the accounting treatment of the Band C Shares, which is detailed in note 23.

The B and C Shares issued to Symmetry Management shareholders are treated as a combination of both contingent consideration for the acquisition of a 13% economic interest in the Symmetry Portfolio and a 13% economic right held to their share of future performance of the Tritax Symmetry Development assets. This is as a result of certain vesting conditions attached to the B and C Shares over the first five years of the contract (see note 23 below).

A non-controlling interest has not been recognised at the acquisition date for the 13% economic interest held by the Symmetry Management shareholders due to the put and call options attached to the shares issued, which are expected to be exercised on or around the eighth anniversary of the acquisition at the latest. The Symmetry Management shareholders have a put option, on the third to eighth anniversary of the acquisition allowing them to sell 1.5% of their 13% economic interest to the Company at each date. The Company has a call option, to buy any remaining economic interest still due to the Symmetry Management shareholders on the eighth anniversary.

During the year, other property assets were amortised by a charge of £4.5 million (2019: £0.4 million) resulting in a net position on the Group Statement of Financial Position of £9.4 million (2019: £13.9 million).

23. Amounts due to B and C shareholders

Amounts due to B and C shareholders comprise the fair value of the contingent consideration element of B and C Shares along with the fair value of the obligation under the cash settled share-based payment element of B and C Shares.

Amounts due to B and C shareholders are detailed in the table below:

31 December 2020	**Contingent consideration £m**	**Share-based payment £m**	**Fair value £m**
Opening balance	**19.6**	**3.3**	**22.9**
Fair value movement recognised	**2.9**	**–**	**2.9**
Share-based payment charge	**–**	**5.9**	**5.9**
Closing balance	**22.5**	**9.2**	**31.7**

31 December 2019	Contingent consideration £m	Share-based payment £m	Fair value £m
Contingent consideration recognised on acquisition	19.1	–	19.1
Fair value movement recognised	0.5	–	0.5
Share-based payment charge	–	3.3	3.3
Closing balance	19.6	3.3	22.9

The Group considers that the amounts due to the B and C shareholders fall within Level 3 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

1. Contingent consideration

The B and C Shares vest over a five-year period and require the Symmetry Management shareholders to, amongst other things, remain in the employment of the Symmetry ManCo for the vesting period. The value of the amount due (subject to certain vesting conditions) is the lower of 50% of the adjusted NAV of Tritax Symmetry at the relevant future point in time and the value of the B and C Shares at the original completion date. Based on the above, the range of possible outcome is between £nil to £38 million. In accordance with IFRS 3 "Business Combinations" the unconditional amount due under shareholders agreement is accounted for as contingent consideration.

The adjusted NAV of Tritax Symmetry is the NAV of Tritax Symmetry at the reporting date, adjusted for various matters impacting on the fair value of those land options where planning permission has been obtained but the land has not been acquired along with the elimination of profits created from the Tritax Symmetry investment assets.

2. Share-based payment

In accordance with IFRS 3 "Business Combinations" the requirement to remain in continued employment in order to realise the full value of the B and C Shares has resulted in the excess value (over and above the amount recognised as contingent consideration) being accounted for as payments for post combination services which reflect the 13% economic right held to their share of future performance of the Tritax Symmetry Development assets over and above the completion NAV. The amount due to Symmetry Management shareholders is based on the adjusted NAV of Tritax Symmetry and is settled in cash to the value of 25% with the balance settled in either cash and/or shares in the Company, at the sole discretion of the Company.

The fair value of the B and C Shares has been calculated using a Monte Carlo simulation model, for the cash settled element of the liability. This approach has the benefits of being flexible, not reliant on a single case scenario and removes the inherent difficulties with determining discount rate to assign to a particular class of share as the risk would change every time the NAV moved. The change in volatility assumptions does not lead to a significant change in the resulting fair values of the B and C Shares because there are limited hurdles attached to them and it is assumed that all will be exercised at some point over the eight year horizon. The key unobservable inputs for the Monte Carlo simulation purposes are the net initial yield of completed developments, future costs of debt and the timing of the completion of the developments.

The Company has the legal option of settling the share-based payment either via cash or equity, with a minimum of 25% being settled in cash. The Directors have a current intention to maximise the cash element of the settlement as they believe this would minimise dilution to existing shareholders. The Directors will endeavour to settle all of the B and C Shares in cash, subject to sufficient funds being available to the Group at the time of settlement without adversely impacting the operations of the Group.

Amounts due to B and C shareholders are shown as a liability at fair value in the Group Statement of Financial Position. The liability is fair valued at each reporting date with a corresponding charge recognised in the Group profit or loss over the vesting period. For the year ended 31 December 2020, £5.9 million (2019: £3.3 million) was charged in the Group profit or loss for the share-based payment.

24. Borrowings

The Group has a £200 million unsecured revolving credit facility ("RCF") with a syndicate of relationship lenders comprising Banco Santander S.A. London Branch, Barclays Bank plc, BNP Paribas London Branch, HSBC UK Bank plc, The Royal Bank of Scotland International Limited London Branch and Wells Fargo Bank N.A. London Branch. In June 2020, the termination date in respect of £190 million of the £200 million RCF was extended from 14 June 2024 to 14 June 2025.

The Group also has a second RCF of £350 million which provides the Group with a significant level of operational flexibility. The syndicate for the £350 million unsecured RCF comprises Barclays Bank plc, BNP Paribas London Branch, HSBC Bank plc, Sumitomo Mitsui Banking Corporation, The Royal Bank of Scotland plc, Santander UK plc and Wells Fargo Bank N.A. London Branch. The termination date of £300 million of the £350 million RCF is 10 December 2024, and the remaining £50 million is 10 December 2023.

On 23 November 2020, the Group priced £250 million of unsecured green bonds, maturing on 27 November 2033. The notes have an interest rate of 1.5%. An amount equivalent to the net proceeds of each Green Finance Transaction ("GFT") will be used to acquire, finance or refinance, in whole or in part, new or existing Eligible Green Projects ("EGPs") that meet the Eligibility Criteria. The Group will publish an Annual Green Finance Report that will detail the allocation of net proceeds of Green Finance Transactions and associated impact metrics until the full allocation of net proceeds.

As at 31 December 2020, 69% (2019: 64%) of the Group's debt facility commitments are fixed term, with 31% floating term (2019: 36%). When including interest rate hedging the Group has fixed term or hedged facilities totalling 100% of drawn debt (see note 25).

As at 31 December 2020, the weighted average running cost of debt was 2.17% (2019: 2.52%) and the Group's average capped cost of debt was 2.49% (2019: 2.68%). As at the same date the Group had undrawn debt commitments of £550.0 million.

The Group has been in compliance with all of the financial covenants across the Group's bank facilities as applicable throughout the period covered by these financial statements.

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

Bank borrowings

	Bank borrowings drawn £m	**Bank borrowings undrawn £m**	**Total £m**
As at 1 January 2020	**262.9**	**500.0**	**762.9**
Bank borrowings drawn in the year under existing facilities	**289.5**	**(289.5)**	**–**
Bank borrowings repaid in the year under existing facilities	**(339.5)**	**339.5**	**–**
As at 31 December 2020	**212.9**	**550.0**	**762.9**

	Bank borrowings drawn £m	Bank borrowings undrawn £m	Total £m
As at 1 January 2019	333.9	879.0	1,212.9
New bank borrowings agreed in the year	–	200.0	200.0
Bank borrowings drawn in the year under existing facilities	135.0	(135.0)	–
Bank borrowings repaid in the year under existing facilities	(206.0)	206.0	–
Cancellation of bank borrowing facility	–	(250.0)	(250.0)
Loan notes drawn in the year	–	(400.0)	(400.0)
As at 31 December 2019	262.9	500.0	762.9

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

Bank borrowings drawn

	31 December 2020 £m	31 December 2019 £m
Bank borrowings drawn: due in more than one year	**212.9**	262.9
Less: unamortised costs on bank borrowings	**(6.2)**	(6.7)
	206.7	256.2

24. Borrowings continued
Loan notes

Bonds	31 December 2020 £m	31 December 2019 £m
2.625% Bonds 2026	**249.3**	249.2
3.125% Bonds 2031	**247.3**	247.1
2.860% USPP 2028	**250.0**	250.0
2.980% USPP 2030	**150.0**	150.0
1.500% Green Bonds 2033	**246.2**	–
Less: unamortised costs on loan notes	**(6.4)**	(4.8)
	1,136.4	891.5

The weighted average term to maturity of the Group's debt as at the year end is 7.4 years (31 December 2019: 7.5 years).

Maturity of borrowings

	31 December 2020 £m	31 December 2019 £m
Repayable between one and two years	**–**	–
Repayable between two and five years	**50.9**	50.0
Repayable in over five years	**1,304.8**	1,109.2
	1,355.7	1,159.2

25. Interest rate derivatives
To mitigate the interest rate risk that arises as a result of entering into variable rate loans, the Group has entered into a number of interest rate derivatives. A number of interest rate caps and one interest rate swap have been taken out in respect of the Group's variable rate debt to fix or cap the rate to which three-month Libor can rise. Each runs coterminous to the initial term of the respective loans.

The weighted average capped rate, excluding any margin payable, for the Group as at the year end was 1.10% (2019: 1.26%), which effectively caps the level to which Libor can rise to, therefore limiting any effect on the Group of an interest rate rise. The interest rate derivatives mean that the Group's borrowing facilities at the year end have an all-inclusive capped interest rate payable of 2.17% (2019: 2.52%). The total premium payable in the year towards securing the interest rate caps was £nil (2019: £1.3 million).

	31 December 2020 £m	31 December 2019 £m
Non-current assets: interest rate derivatives	**0.1**	1.3
Non-current liabilities: interest rate derivatives	**(1.1)**	–

The interest rate derivatives are valued by the relevant counterparty banks on a quarterly basis in accordance with IFRS 9. Any movement in the mark-to-market values of the derivatives are taken to the Group profit or loss.

	31 December 2020 £m	31 December 2019 £m
Interest rate derivative valuation brought forward	**1.3**	5.2
Interest rate cap premium paid	**–**	1.3
Changes in fair value of interest rate derivatives	**(2.3)**	(5.2)
	(1.0)	1.3

It is the Group's target to hedge at least 90% of the total debt portfolio either using interest rate derivatives or entering fixed rate loan arrangements. As at the year-end date the total proportion of drawn debt either hedged via interest rate derivatives or subject to fixed rate loan agreements equated to 100.00%, as shown below:

	31 December 2020 Drawn £m	31 December 2019 Drawn £m
Total borrowings drawn (note 24)	**1,355.7**	1,159.2
Notional value of effective interest rate derivatives and fixed rate loans	**1,355.7**	1,157.6
Proportion of hedged debt	**100.00%**	99.87%

25. Interest rate derivatives continued

Fair value hierarchy

The fair value of Group's interest rate derivatives is recorded in the Group Statement of Financial Position and is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the year end. This valuation technique falls within Level 2 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the years, nor have there been any transfers between Level 2 and Level 3 during any of the years.

26. Financial risk management

Financial instruments

The Group's principal financial assets and liabilities are those that arise directly from its operations: trade and other receivables, trade and other payables and cash held at bank. The Group's other principal financial assets and liabilities are amounts due to B and C shareholders, bank borrowings and interest rate derivatives. The main purpose of bank borrowings and derivatives is to finance the acquisition and development of the Group's Investment property portfolio and hedge against the interest rate risk arising.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements:

	Book value 31 December 2020 £m	**Fair value 31 December 2020 £m**	Book value 31 December 2019 £m	Fair value 31 December 2019 £m
Financial assets				
Interest rate derivatives	**0.1**	**0.1**	1.3	1.3
Trade and other receivables[1]	**21.8**	**21.8**	10.3	10.3
Cash held at bank	**57.8**	**57.8**	21.4	21.4
Financial liabilities				
Interest rate derivatives	**(1.1)**	**(1.1)**	–	–
Trade and other payables[2]	**71.3**	**71.3**	76.1	76.1
Amounts due to B and C shareholders	**31.7**	**31.7**	22.9	22.9
Borrowings	**1,355.7**	**1,496.9**	1,159.2	1,212.2

1 Excludes certain VAT, prepayments and other debtors.
2 Excludes tax and VAT liabilities.

Interest rate derivatives and amounts due to B and C shareholders are the only financial instruments measured at fair value through profit and loss. All other financial assets and all financial liabilities are measured at amortised cost. All financial instruments were designated in their current categories upon initial recognition.

The following table sets out the fair value of those financial liabilities measured at amortised cost where there is a difference between book value and fair value.

	Date of valuation	Total £m	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m
Borrowings	**31 December 2020**	**1,446.1**	**1,271.7**	**174.4**	**–**
Borrowings	31 December 2019	1,110.9	943.1	167.8	–

The Group has two fixed rate loans totalling £162 million, provided by PGIM (£90 million) and Canada Life (£72 million). The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 1.5% 2026 Gilt and Treasury 4.75% 2030 Gilt respectively, with an implied margin that is unchanged since the date of fixing. The loans are considered to be a Level 2 fair value measurement. For all other bank loans there is considered no other difference between fair value and carrying value.

The fair value of financial liabilities traded on active liquid markets, including the 2.625% Bonds 2026, 3.125% Bonds 2031, 1.5% Bonds 2033, 2.860% USPP 2028 and 2.980% USPP 2030, is determined with reference to the quoted market prices. These financial liabilities are considered to be a Level 1 fair value measure.

The fair value of the financial liabilities at Level 1 fair value measure were £1,271.7 million (2019: £943.1 million) and the financial liabilities at Level 2 fair value measure were £174.4 million (2019: £167.8 million).

Risk management

The 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 that are summarised below.

26. Financial risk management continued

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 Group that are affected by market risk are principally the Group's cash balances, bank borrowings along with a number of interest rate derivatives entered into to mitigate interest rate risk.

The Group monitors its interest rate exposure on a regular basis. A sensitivity analysis performed to ascertain the impact on the Group profit or loss and net assets of a 50 basis point shift in interest rates would result in an increase of £0.3 million (2019: £0.4 million) or a decrease of £0.3 million (2019: £0.5 million). The difference between the increase and decrease absolute figure is due to the interest rate caps in place.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions. Credit risk is mitigated by tenants being required to pay rentals in advance under their lease obligations. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement.

Outstanding trade receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. We conduct ongoing covenant analysis of our customers and strengthened our team to support this work during the period. The analysis combines publicly available financial and trading information with our own observations and customer conversations as well as the opinions of third-party professionals to form a view over the credit risk of counter-parties under our leases.

Trade receivables

Trade receivables, primarily tenant rentals, are presented in the Group 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 and on an ongoing annual basis. A small number of tenants have entered into payment plans during the year as a result of the impact of Covid-19. All payments have currently been received in line with the payment plans. Therefore we do not currently foresee any issues with the recoverability of the remaining payment plan balances.

Credit risk related to financial instruments and cash deposits

One of the principal credit risks of the 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 is limited because the counterparties are banks, who are committed lenders to the Group, with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk arises from the Group's management of working capital, the finance charges, principal repayments on its borrowings and its commitments under forward funded development arrangements. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due, as the majority of the Group's assets are property investments and are therefore not readily realisable. The Group's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management, ensuring it has appropriate levels of cash and available drawings to meet liabilities as they fall due.

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

	<3 months £m	3-12 months £m	Between 1-2 years £m	Between 2-5 years £m	More than 5 years £m	Total £m
31 December 2020						
Borrowings	**8.7**	**26.1**	**34.8**	**154.9**	**1,437.5**	**1,662.0**
Amounts due to B and C shareholders	**-**	**-**	**-**	**-**	**31.7**	**31.7**
Trade and other payables	**69.3**	**-**	**-**	**-**	**2.0**	**71.3**
	78.0	**26.1**	**34.8**	**154.9**	**1,471.2**	**1,765.0**
31 December 2019						
Borrowings	8.1	24.3	32.4	147.0	1,239.6	1,451.4
Amounts due to B and C shareholders	–	–	–	–	22.9	22.9
Trade and other payables	76.1	–	–	–	–	76.1
	84.2	24.3	32.4	147.0	1,262.5	1,550.4

Included within the contracted payments is £299.2 million (2019: £286.1 million) of loan interest payable up to the point of maturity across the facilities.

27. Capital management

The Board, with the assistance of the Investment Manager, 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. The Group considers proceeds from share issuances, bank borrowings and retained earnings as capital. The Group's policy on borrowings is as set out below:

The level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds, while maintaining flexibility in the underlying security requirements, and the structure of both the portfolio and the REIT Group.

The Directors intend that the Group will maintain a conservative level of aggregate borrowings with a medium-term limit of 40% of the Group's gross assets.

The Group has complied with all covenants on its borrowings up to the date of this report. All of the targets mentioned above sit comfortably within the Group's covenant levels, which include loan to value ("LTV"), interest cover ratio and loan to projected project cost ratio. The Group LTV at the year end was 30.0% (2019: 29.9%) and there is substantial headroom within existing covenant.

Debt is drawn at the asset and corporate level, subject to the assessment of the optimal financing structure for the Group and having consideration to key metrics including lender diversity, debt type and maturity profiles.

28. Equity reserves

Share capital

The share capital relates to amounts subscribed for share capital at its nominal value:

Issued and fully paid at 1 pence each	**31 December 2020 Number**	**31 December 2020 £m**	31 December 2019 Number	31 December 2019 £m
Balance at beginning of year – £0.01 Ordinary Shares	**1,706,974,948**	**17.1**	1,474,233,401	14.8
Shares issued in relation to further Equity issuance	**–**	**–**	192,291,313	1.9
Shares issued in relation to the consideration for a corporate acquisition	**12,166,930**	**0.1**	40,450,234	0.4
Balance at end of year	**1,719,141,878**	**17.2**	1,706,974,948	17.1

Share premium

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

Capital reduction reserve

In 2015 and 2018, the Company by way of Special Resolution cancelled the then value of its share premium account, by an Order of the High Court of Justice, Chancery Division. As a result of this cancellation, £422.6 million and £932.4 million respectively were transferred from the share premium account into the capital reduction reserve account. The capital reduction reserve account is classed as a distributable reserve. Movements in the current year relate to dividends paid.

Retained earnings

Retained earnings relates to all net gains and losses not recognised elsewhere.

29. Net asset value (NAV) per share

Basic NAV per share is calculated by dividing net assets in the Group Statement of Financial Position attributable to Ordinary equity holders of the Parent by the number of Ordinary Shares outstanding at the end of the year. As there are no dilutive instruments outstanding, both basic and diluted NAV per share are shown below.

	31 December 2020 £m	31 December 2019 £m
Net assets per Group Statement of Financial Position	**2,921.3**	2,561.2
EPRA NTA (see Additional Information)	**3,019.1**	2,578.6
Ordinary Shares:		
Issued share capital (number)	**1,719,141,878**	1,706,974,948
Basic net asset value per share	**169.92p**	150.04p
Dilutive shares in issue (number)	**–**	–
Diluted net asset value per share	**169.92p**	150.04p

29. Net asset value (NAV) per share continued
In October 2019, EPRA introduced three new measures of net asset value: EPRA Net Tangible Assets (NTA), EPRA Net Reinvestment Value (NRV) and EPRA Net Disposal Value (NDV). These are applicable for accounting periods starting on or after 1 January 2020. The Group considers EPRA NTA to be the most relevant NAV measure for the Group and we are now reporting this as our primary NAV measure, replacing our previously reported EPRA NAV and EPRA NAV per share metrics. The prior year comparative figures have also been restated in line with the new EPRA methodology. Also refer to EPRA disclosures section for the bridge between the new and the previous set of EPRA NAV metrics.

	31 December 2020			31 December 2019		
	EPRA NTA £m	**EPRA NRV £m**	**EPRA NDV £m**	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders	**2,921.3**	**2,921.3**	**2,921.3**	2,561.2	2,561.2	2,561.2
Revaluation of land options	**80.1**	**80.1**	**80.1**	14.7	14.7	14.7
Mark-to-market adjustments of derivatives	**19.7**	**19.7**	**–**	17.4	17.4	–
Intangibles	**(2.0)**	**–**	**–**	(2.3)	–	–
Fair value of debt	**–**	**–**	**(141.3)**	–	–	(53.0)
Real estate transfer tax[1]	**–**	**304.0**	**–**	–	266.2	–
NAV	**3,019.1**	**3,325.1**	**2,860.1**	2,591.0	2,859.5	2,522.9
NAV per share	**175.61p**	**193.41p**	**166.36p**	151.79p	167.52p	147.80p
Dilutive NAV per share	**175.61p**	**193.41p**	**166.36p**	151.79p	167.52p	147.80p

1 EPRA NTA and EPRA NDV reflect IFRS values which are net of RETT (real estate transfer tax). RETT are added back when calculating EPRA NRV.

At 31 December 2019, the EPRA NAV and the EPRA triple NAV as previously reported were £2,578.6 million and £2,508.2 million respectively (Dilutive EPRA NAV per share and dilutive EPRA NNNAV per share were 151.06 pence and 146.94 pence respectively). See Notes to EPRA NAV calculations for further details.

30. Operating leases
The future minimum lease payments under non-cancellable operating leases receivable by the Group are as follows:

	<1 year £m	2-5 years £m	>5 years £m	Total £m
31 December 2020	**157.8**	**615.4**	**1,499.1**	**2,272.3**
31 December 2019	148.7	588.1	1,484.3	2,221.1

The Group's investment properties are leased to single tenants, with the exception of one asset which is leased to two separate tenants, some of which have guarantees attached, under the terms of a commercial property lease. Each has upward-only rent reviews that are linked to either RPI/CPI, open market or with fixed uplifts. The weighted average unexpired lease term is 13.8 years (2019: 14.1 years).

31. Transactions with related parties
For the year ended 31 December 2020, all Directors and some of the Members of the Manager are considered key management personnel. The terms and conditions of the Investment Management Agreement are described in the Management Engagement Committee Report. Details of the amount paid for services provided by Tritax Management LLP ("the Manager") are provided in note 8.

The total amount outstanding at the year end relating to the Investment Management Agreement was £4.5 million (2019: £4.5 million).

The total expense recognised in the Group profit or loss relating to share-based payments under the Investment Management Agreement was £2.4 million (2019: £2.3 million), of which £1.2 million (2019: £1.2 million) was outstanding at the year end.

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report. £0.3 million were paid to SG Commercial in the year ended 31 December 2020 (31 December 2019: £nil) in respect of agency services for the year; this represents a total of 11% (2019: 0%) of agency fees paid by the Group during the year and £0.2 million was outstanding as at the year ended 31 December 2020 (31 December 2019: £nil).

On 1 October 2020, there were three new Members of the Manager, namely Nick Preston, Frankie Whitehead and James Watson.
On 1 February 2021, Alasdair Evans and Phil Redding were also appointed as new Members of the Manager. They are also Members of SG Commercial. Only Frankie Whitehead is considered as key management personnel. The other six Members of the Manager were Mark Shaw, Colin Godfrey, James Dunlop, Henry Franklin, Petrina Austin and Bjorn Hobart, who are also Members of SG Commercial.

During the year the Directors who served during the year received the following dividends: Richard Jewson: £5,584 (2019: £5,944), Aubrey Adams: £11,944 (2019: £8,334), Susanne Given: £nil (2019: £nil), Alastair Hughes: £2,240 (2019: £2,384), Richard Laing: £2,933 (2019: £3,122) and Karen Whitworth £750 (2019: £nil). See note 9 and Directors' Remuneration Report for further details.

During the year the Members of the Manager received the following dividends: Mark Shaw: £121,639 (2019: £90,225), Colin Godfrey: £119,353 (2019: £90,650), James Dunlop: £115,362 (2019: £86,402), Henry Franklin: £86,776 (2019: £64,415), Petrina Austin: £13,338 (2019: £9,123), Bjorn Hobart: £14,624 (2019: £10,946) and Frankie Whitehead £6,097 (2019: £3,425).

32. Reconciliation of liabilities to cash flows from financing activities

	Borrowings £m	**Derivative financial instruments £m**	**Loan notes £m**	**Total £m**
Balance on 1 January 2020	**256.2**	**(1.3)**	**891.5**	**1,146.4**
Cash flows from financing activities:				
Bank borrowings advanced	**289.5**	**-**	**-**	**289.5**
Bank borrowings repaid	**(339.5)**	**-**	**-**	**(339.5)**
Amounts received on the issue of loan notes	**-**	**-**	**246.2**	**246.2**
Loan arrangement fees paid	**(0.4)**	**-**	**(1.7)**	**(2.1)**
Loan arrangement written off	**0.1**	**-**	**-**	**0.1**
Non-cash movements:				
Change in creditors for loan arrangement fees payable	**-**	**-**	**(0.5)**	**(0.5)**
Amortisation of loan arrangement fees	**0.9**	**-**	**1.0**	**1.9**
Fair value movement	**-**	**2.3**	**-**	**2.3**
Balance on 31 December 2020	**206.8**	**1.0**	**1,136.5**	**1,344.3**

	Borrowings £m	Derivative financial instruments £m	Loan notes £m	Total £m
Balance on 1 January 2019	327.9	(5.3)	492.7	815.3
Cash flows from financing activities:				
Bank borrowings advanced	202.7	–	–	202.7
Bank borrowings repaid	(273.7)	–	–	(273.7)
Amounts received on the issue of loan notes	–	–	400.0	400.0
Interest rate cap premium paid	–	(1.2)	–	(1.2)
Loan arrangement fees paid	(2.1)	–	(2.0)	(4.1)
Non-cash movements:				
Change in debtors for loan receipts	(0.1)	–	–	(0.1)
Change in creditors for loan arrangement fees payable	–	–	(0.1)	(0.1)
Amortisation of loan arrangement fees	1.5	–	0.9	2.4
Fair value movement	–	5.2	–	5.2
Balance on 31 December 2019	256.2	(1.3)	891.5	1,146.4

33. Capital commitments

The Group had capital commitments of £93.9 million in relation to its pre-let development assets, asset management initiatives and commitments under development land, outstanding as at 31 December 2020 (31 December 2019: £129.9 million). All commitments fall due within one year from the date of this report.

34. Subsequent events

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

Company statement of financial position

As at 31 December 2020

Company Registration Number: 08215888

	Note	At 31 December 2020 £m	At 31 December 2019 £m
Fixed assets			
Investment in subsidiaries	5	**2,188.3**	1,973.9
Total fixed assets		**2,188.3**	1,973.9
Current assets			
Trade and other receivables	6	**1,069.0**	976.5
Cash held at bank	7	**10.2**	3.4
Total current assets		**1,079.2**	979.9
Total assets		**3,267.5**	2,953.8
Current liabilities			
Trade and other payables	8	**(14.3)**	(13.7)
Loans from Group companies		**(71.0)**	(58.7)
Total current liabilities		**(85.3)**	(72.4)
Non-current liabilities			
Loan notes	9	**(1,136.4)**	(891.5)
Total non-current liabilities		**(1,136.4)**	(891.5)
Total liabilities		**(1,221.7)**	(963.9)
Total net assets		**2,045.8**	1,989.9
Equity			
Share capital	10	**17.2**	17.1
Share premium reserve		**466.5**	446.7
Capital reduction reserve		**1,078.9**	1,188.1
Retained earnings		**483.2**	338.0
Total equity		**2,045.8**	1,989.9

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit attributable to the Parent Company for the year ended 31 December 2020 amounted to £145.2 million (31 December 2019: £97.3 million).

These financial statements were approved by the Board of Directors on 9 March 2021 and signed on its behalf by:

Sir Richard Jewson KCVO, JP
Chairman

Company statement of changes in equity

For the year ended 31 December 2020

	Note	Undistributable reserves		Distributable reserves		
		Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2020		**17.1**	**446.7**	**1,188.1**	**338.0**	**1,989.9**
Profit for the year and total comprehensive income		**–**	**–**	**–**	**145.2**	**145.2**
		17.1	**446.7**	**1,188.1**	**483.2**	**2,135.1**
Contributions and distributions						
Shares issued in relation to equity consideration	10	**0.1**	**19.9**	**–**	**–**	**20.0**
Share issue costs		**–**	**(0.1)**	**–**	**–**	**(0.1)**
Share-based payments		**–**	**–**	**–**	**2.4**	**2.4**
Transfer of share-based payments to liabilities to reflect settlement		**–**	**–**	**–**	**(2.4)**	**(2.4)**
Dividends paid	4	**–**	**–**	**(109.2)**	**–**	**(109.2)**
31 December 2020		**17.2**	**466.5**	**1,078.9**	**483.2**	**2,045.8**

	Note	Undistributable reserves		Distributable reserves		
		Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2019		14.8	153.6	1,304.4	240.7	1,713.5
Profit for the year and total comprehensive income		–	–	–	97.3	97.3
		14.8	153.6	1,304.4	338.0	1,810.8
Contributions and distributions						
Shares issued in relation to further equity issue	10	1.9	248.1	–	–	250.0
Shares issued in relation to equity consideration	10	0.4	51.9	–	–	52.3
Share issue costs		–	(6.9)	–	–	(6.9)
Share-based payments		–	–	–	2.3	2.3
Transfer of share-based payments to liabilities to reflect settlement		–	–	–	(2.3)	(2.3)
Dividends paid	4	–	–	(116.3)	–	(116.3)
31 December 2019		17.1	446.7	1,188.1	338.0	1,989.9

Notes to the Company accounts

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The balance sheet heading relating to the Company's investments in subsidiaries has been amended to "Fixed assets" from "Non-current assets" to be consistent with the Company's presentation of its balance sheet in accordance with the balance sheet formats of the Companies Act 2006. Assets are classified in accordance with the definitions of fixed and current assets in the Companies Act instead of the presentation requirements of IAS 1 Presentation of Financial Statements.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- Certain comparative information as otherwise required by adopted IFRS;
- Certain disclosures regarding the Company's capital;
- A statement of cash flows;
- The effect of future accounting standards not yet adopted;
- The disclosure of the remuneration of key management personnel; and
- Disclosure of related party transactions with other wholly owned members of Tritax Big Box REIT plc.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's consolidated financial statements. These financial statements do not include certain disclosures in respect of:

- Share-based payments;
- Financial instruments;
- Fair value measurement other than certain disclosures required as a result of recording financial instruments at fair value.

Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

These financial statements have been presented as required by the Companies Act 2006 and have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and policies in the United Kingdom ("UK GAAP").

Currency

The Company financial statements are presented in Sterling which is also the Company's functional currency and all values are rounded to the nearest 0.1 million (£m), except where otherwise indicated.

Other income

Other income represents dividend income which has been declared by its subsidiaries and is recognised when it is received.

Dividends payable for shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the Company Balance Sheet at fair value with changes in fair value recognised in the profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (such as trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. 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 being the effective interest rate method, less provision for impairment.

Impairment provisions for current receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables 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. 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 receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For those for which 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.

1. Accounting policies continued

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Company Balance Sheet.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Investments in subsidiaries

The investments in subsidiary companies are included in the Company's Balance Sheet at cost less provision for impairment.

Share-based payments

The expense relating to share-based payments is accrued over the year in which the service is received and is measured at the fair value of those services received. The extent to which the expense is not settled at the reporting period end is recognised as a liability as any shares outstanding remain contingently issuable. Contingently issuable shares are treated as dilutive to the extent that, based on market factors prevalent at the reporting year end, the shares would be issuable.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements require management to make judgements, estimates and assumptions 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 assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years. There were no significant accounting judgements, estimates or assumptions in preparing these financial statements.

2. Standards issued and effective from 1 January 2020

There was no material effect from the adoption of other amendments to IFRS effective in the year. They have no impact to the Company significantly as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

3. Taxation

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
UK corporation tax	**–**	–

The UK corporation tax rate for the financial year is 19%. Accordingly, this rate has been applied in the measurement of the Group's tax liability at 31 December 2020.

4. Dividends paid

For detail of dividends paid by the Company during the year, refer to note 14 of the Group's financial statements.

5. Investment in subsidiaries

	Shares £m	Loan £m	Total £m
As at 1 January 2020	**1,973.9**	**–**	**1,973.9**
Increase in investments via share purchase	**214.4**	**–**	**214.4**
As at 31 December 2020	**2,188.3**	**–**	**2,188.3**
As at 1 January 2019	1,319.3	–	1,319.3
Increase in investments via share purchase	654.6	–	654.6
As at 31 December 2019	1,973.9	–	1,973.9

The increase in investments were as a result of capitalisation of inter-company loans and to fund the acquisitions made in the periods.

The Company has the following subsidiary undertakings as at 31 December 2020:

	Principal activity	Country of Incorporation	Ownership %
TBBR Holdings 1 Limited	Investment holding company	Jersey	100%*
TBBR Holdings 2 Limited	Investment holding company	Jersey	100%
Baljean Properties Limited	Property investment	Isle of Man	100%
Tritax Acquisition 2 Limited	Investment holding company	Jersey	100%
Tritax Acquisition 2 (SPV) Limited	Investment holding company	Jersey	100%
The Sherburn RDC Unit Trust	Property investment	Jersey	100%
Tritax Acquisition 4 Limited	Property investment	Jersey	100%
Tritax Acquisition 5 Limited	Property investment	Jersey	100%
Sonoma Ventures Limited	Property investment	BVI	100%
Tritax REIT Acquisition 8 Limited	Investment holding company	UK[1]	100%*
Tritax REIT Acquisition 9 Limited	Investment holding company	UK[1]	100%*
Tritax Acquisition 9 Limited	Property investment	Jersey	100%
Tritax Acquisition 10 Limited	Property investment	Jersey	100%
Tritax Acquisition 11 Limited	Property investment	Jersey	100%
Tritax Acquisition 12 Limited	Property investment	Jersey	100%
Tritax Acquisition 13 Limited	Property investment	Jersey	100%
Tritax Acquisition 14 Limited	Property investment	Jersey	100%
Tritax Worksop Limited	Property investment	BVI	100%
Tritax REIT Acquisition 16 Limited	Investment holding company	UK[1]	100%*
Tritax Acquisition 16 Limited	Property investment	Jersey	100%
Tritax Acquisition 17 Limited	Property investment	Jersey	100%
Tritax Acquisition 18 Limited	Property investment	Jersey	100%
Tritax Harlow Limited	Property investment	Guernsey	100%
Tritax Lymedale Limited	Property investment	Guernsey	100%
Tritax Acquisition 21 Limited	Property investment	Jersey	100%
Tritax Acquisition 22 Limited	Property investment	Jersey	100%
Tritax Acquisition 23 Limited	Property investment	Jersey	100%
Tritax Acquisition 24 Limited	Property investment	Jersey	100%
Tritax Knowsley Limited	Property investment	Isle of Man	100%
Tritax Burton Upon Trent Limited	Property investment	BVI	100%
Tritax Acquisition 28 Limited	Property investment	Jersey	100%
Tritax Peterborough Limited	Property investment	Jersey	100%
Tritax Littlebrook 2 Limited	Property investment	Jersey	100%
Tritax Littlebrook 4 Limited	Property investment	Jersey	100%
Tritax Atherstone (UK) Limited	Property investment	UK[1]	100%
Tritax Stoke DC1&2 Limited	Investment holding company	Jersey	100%*
Tritax Stoke DC3 Limited	Investment holding company	Jersey	100%*
Tritax Holdings CL Debt Limited	Investment holding company	Jersey	100%*
Tritax Portbury Limited	Property investment	Jersey	100%
Tritax Newark Limited	Property investment	Jersey	100%

5. Investment in subsidiaries continued

	Principal activity	Country of Incorporation	Ownership %
Tritax Carlisle Limited	Investment holding company	Jersey	100%*
Tritax Worksop 18 Limited	Property investment	Jersey	100%*
Tritax Stoke Management Limited	Management company	UK[1]	100%
Tritax Holdings PGIM Debt Limited	Investment holding company	Jersey	100%*
Tritax Merlin 310 Trafford Park Limited	Property investment	Jersey	100%*
Tritax West Thurrock Limited	Property investment	Jersey	100%
Tritax Tamworth Limited	Property investment	Jersey	100%
Tritax Acquisition 35 Limited	Property investment	Jersey	100%
Tritax Acquisition 36 Limited	Property investment	Jersey	100%*
Tritax Acquisition 37 Limited	Property investment	Jersey	100%*
Tritax Acquisition 38 Limited	Property investment	Jersey	100%*
Tritax Acquisition 39 Limited	Property investment	Jersey	100%*
Tritax Acquisition 40 Limited	Property investment	Jersey	100%*
Tritax Acquisition 41 Limited	Property investment	Jersey	100%*
Tritax Littlebrook 1 Limited	Property investment	Jersey	100%
Tritax Littlebrook 3 Limited	Property investment	Jersey	100%
Tritax Atherstone Limited	Investment holding company	Jersey	100%*
Tritax Acquisition 42 Limited	Property investment	Jersey	100%*
Tritax Acquisition 43 Limited	Property investment	Jersey	100%*
Tritax Carlisle UK Limited	Investment holding company	UK[1]	100%
Tritax Edinburgh Way Harlow Limited	Property investment	Jersey	100%*
Tritax Crewe Limited	Investment holding company	Jersey	100%*
Tritax Acquisition 44 Limited	Property investment	Jersey	100%*
Tritax Acquisition 45 Limited	Property investment	Jersey	100%*
Tritax Acquisition 46 Limited	Property investment	Jersey	100%*
Tritax Acquisition 47 Limited	Property investment	Jersey	100%*
Tritax Acquisition 48 Limited	Property investment	Jersey	100%*
Tritax Acquisition 49 Limited#	Property investment	Jersey	100%*
Tritax Littlebrook Management Limited#	Property investment	UK[1]	100%*
Tritax Symmetry Limited	Investment holding company	Jersey	100%*
db Symmetry Group Ltd	Investment holding company	UK[2]	100%
db Symmetry Ltd	Investment holding company	UK[2]	100%
Tritax Symmetry Power Limited#	Investment holding company	UK[2]	100%
Tritax Symmetry Power Biggleswade Limited#	Investment holding company	UK[2]	100%
Tritax Symmetry (BVI) Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Holdings (Biggleswade) Co Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Biggleswade) Co Ltd	Property investment	British Virgin Islands	100%
Tritax Symmetry Holdings (Blyth) Co Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Blyth) Co. Ltd	Property investment	British Virgin Islands	100%
Tritax Symmetry Holdings (Middlewich) Co. Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Middlewich) Co. Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Development (Blyth) UK Ltd	Property development	UK[2]	100%
Tritax Symmetry Development (Biggleswade) UK Ltd	Property development	UK[2]	100%
Tritax Symmetry Ardley Limited	Property investment	Jersey	100%
Tritax Symmetry Bicester 2 Limited	Property investment	Jersey	100%
Tritax Symmetry Northampton West Ltd (formerly known as Tritax Symmetry Flore Ltd)	Property investment	Jersey	100%
Tritax Symmetry Rugby South Ltd	Property investment	Jersey	100%
Tritax Symmetry St Helens Ltd	Property investment	Jersey	100%
Tritax Symmetry Wigan Ltd	Property investment	Jersey	100%
Tritax Symmetry Oxford North Ltd	Property investment	Jersey	100%
Tritax Symmetry Northampton Ltd	Property investment	Jersey	100%

5. Investment in subsidiaries continued

	Principal activity	Country of Incorporation	Ownership %
Tritax Symmetry Merseyside 1 Ltd (formerly known as Tritax Symmetry Huyton Ltd)	Property investment	Jersey	100%
Tritax Symmetry South Elmsall Ltd	Property investment	Jersey	100%
Tritax Symmetry (Goole) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Midlands) Ltd	Investment holding company	UK[2]	100%
Tritax Symmetry (Aston Clinton) Ltd	Property investment	UK[2]	100%
Tritax Symmetry Leicester South Ltd	Property investment	Jersey	100%
Tritax Symmetry Gloucester Ltd	Property investment	Jersey	100%
Tritax Symmetry (Speke) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Barwell) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Rugby) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Hinckley) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Darlington) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Blyth) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Bicester Reid) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Wigan) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Land) LLP	Investment holding company	UK[2]	100%
Tritax Symmetry (Kettering) LLP	Property investment	UK[2]	100%
Tritax Symmetry (Lutterworth) LLP	Property investment	UK[2]	100%
Tritax Symmetry (Northampton) LLP	Investment holding company	UK[2]	100%
Symmetry Park Darlington Management Company Ltd	Management company	UK[2]	100%
Symmetry Park Aston Clinton Management Company Limited	Management company	UK[2]	100%
Tritax Symmetry Glasgow East Limited#	Property Investment	Jersey	100%
Symmetry Park Biggleswade Management Company Limited#	Management company	UK[2]	100%
Tritax Symmetry Biggleswade 2 Limited#	Property Investment	Jersey	100%
Tritax Symmetry Biggleswade 3 Limited#	Property Investment	Jersey	100%
Tritax Symmetry Middlewich 1 Limited#	Property Investment	Jersey	100%

* These are direct subsidiaries of the Company.
\# These are new investments of the Company in the year.

The registered addresses for subsidiaries across the Group are consistent based on their country of incorporation and are as follows:

Jersey entities: 26 New Street, St Helier, Jersey JE2 3RA

Guernsey entities: PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 4LY

Isle of Man entities: 33-37 Athol Street, Douglas, Isle of Man IM1 1LB

BVI entities: Jayla Place, Wickhams Cay 1, Road Town, Tortola, BVI VG1110

UK[1] entities: 3rd Floor, 6 Duke Street St James's, London SW1Y 6BN

UK[2] entities: Unit B, Grange Park Court, Roman Way, Northampton, England NN4 5EA

The Company also has interests in the following joint arrangements as at 31 December 2020:

	Principal activity	Country of incorporation	Ownership %
Symmetry Park Doncaster Management Company Limited	Management company	UK[2]	50%
Symmetry Park Bicester Management Company Limited	Management company	UK[2]	33%

All of the companies registered offshore are managed onshore and are UK residents for UK corporation tax purposes, save for the Sherburn Unit Trust.

6. Trade and other receivables

	31 December 2020 £m	31 December 2019 £m
Amounts receivable from Group companies	**1,066.2**	973.6
Prepayments	**0.1**	0.1
Other receivables	**2.7**	2.8
	1,069.0	976.5

All amounts that fall due for repayment within one year and are presented within current assets as required by the Companies Act. The loans to Group companies are repayable on demand with no fixed repayment date although it is noted that a significant proportion of the amounts may not be sought for repayment within one year depending on activity in the group companies. Interest is charged between 0%–10% (2019: 0%–10%).

7. Cash held at bank

	31 December 2020 £m	31 December 2019 £m
Cash held at bank	**10.2**	3.4

8. Trade and other payables

	31 December 2020 £m	31 December 2019 £m
Trade and other payables	**8.5**	4.0
Accruals	**5.8**	9.7
	14.3	13.7

9. Loan notes

Bonds	31 December 2020 £m	31 December 2019 £m
2.625% Bonds 2026	**249.3**	249.2
3.125% Bonds 2031	**247.3**	247.1
2.860% USPP 2028	**250.0**	250.0
2.980% USPP 2030	**150.0**	150.0
1.500% Green Bonds 2033	**246.2**	–
Less: unamortised costs on loan notes	**(6.4)**	(4.8)
Non-current liabilities: net borrowings	**1,136.4**	891.5

On 23 November 2020, the Group priced £250 million of unsecured green bonds, maturing on 27 November 2033. The notes have an interest rate of 1.5%.

Maturity of loan notes	31 December 2020 £m	31 December 2019 £m
Repayable between one and two years	**–**	–
Repayable between two and five years	**–**	–
Repayable in over five years	**1,142.8**	896.3
	1,142.8	896.3

10. Equity reserves
Refer to note 28 of the Group's financial statements.

11. Related party transactions
The Company has taken advantage of the exemption not to disclose transactions with other members of the Group as the Company's own financial statements are presented together with its consolidated financial statements.

For all other related party transactions make reference to note 31 of the Group's financial statements.

12. Directors' remuneration
Refer to note 9 of the Group's financial statements.

13. Subsequent events
Refer to note 34 of the Group's financial statements.

Notes to the EPRA and other key performance indicators

1. EPRA earnings per share

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Total comprehensive income (attributable to shareholders)	**449.4**	141.2
Adjustments to remove:		
Changes in fair value of investment properties	**(351.1)**	(54.5)
Changes in fair value of interest rate derivatives	**2.3**	5.2
Share of loss from joint ventures	**0.1**	–
Gain on disposal of investment properties	**(0.1)**	–
Amortisation of other property assets	**4.5**	–
Impairment of intangible and other property assets	**0.4**	0.6
Gain on bargain purchase	**–**	(7.8)
Costs associated with a business combination	**–**	4.2
Profits to calculate EPRA earnings per share	**105.5**	88.9
Add back: Changes in fair value of contingent consideration payable	**–**	0.5
Profits to calculate EPRA diluted earnings per share	**105.5**	89.4
Weighted average number of Ordinary Shares	**1,708,504,125**	1,681,525,273
EPRA earnings per share – basic	**6.17p**	5.29p
Dilutive shares to be issued	**–**	8,520,625
EPRA earnings per share – diluted	**6.17p**	5.29p

2. EPRA NAV per share

In October 2019, EPRA issued new best practice recommendations (BPR) for financial guidelines on its definitions of NAV measures: EPRA net tangible assets (NTA), EPRA net reinvestment value (NRV) and EPRA net disposal value (NDV). The Group has adopted these new guidelines with effect from 1 January 2020 and applies them in the 2020 Annual Report. The Group considered EPRA Net Tangible Assets (NTA) to be the most relevant NAV measure for the Group and we are now reporting this as our primary NAV measure, replacing our previously reported EPRA NAV and EPRA NAV per share metrics. EPRA NTA excludes the intangible assets and the cumulative fair value adjustments for debt-related derivatives which are unlikely to be realised.

		Current measures			**Previously reported measures**	
31 December 2020	Note	**EPRA NTA £m**	**EPRA NRV £m**	**EPRA NDV £m**	**EPRA NAV £m**	**EPRA NNNAV £m**
NAV attributable to shareholders		**2,921.3**	**2,921.3**	**2,921.3**	**2,921.3**	**2,921.3**
Revaluation of land options		**80.1**	**80.1**	**80.1**	**–**	**–**
Mark-to-market adjustments of derivatives		**19.7**	**19.7**	**–**	**19.7**	**–**
Intangibles		**(2.0)**	**–**	**–**	**–**	**–**
Fair value of debt		**–**	**–**	**(141.3)**	**–**	**(141.3)**
Real estate transfer tax[1]		**–**	**304.0**	**–**	**–**	**–**
At 31 December 2020	29	**3,019.1**	**3,325.1**	**2,860.1**	**2,941.0**	**2,780.0**
NAV per share		**175.61p**	**193.41p**	**166.36p**	**171.07p**	**161.71p**
Dilutive NAV per share		**175.61p**	**193.41p**	**166.36p**	**171.07p**	**161.71p**

		Current measures			Previously reported measures	
31 December 2019	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m	EPRA NAV £m	EPRA NNNAV £m
NAV attributable to shareholders		2,561.2	2,561.2	2,561.2	2,561.2	2,561.2
Revaluation of land options		14.7	14.7	14.7	–	–
Mark-to-market adjustments of derivatives		17.4	17.4	–	17.4	–
Intangibles		(2.3)	–	–	–	–
Fair value of debt		–	–	(53.0)	–	(53.0)
Real estate transfer tax[1]		–	266.2	–	–	–
At 31 December 2019	29	2,591.0	2,859.5	2,522.9	2,578.6	2,508.2
NAV per share		151.79p	167.52p	147.80p	151.06	146.94p
Dilutive NAV per share		151.79p	167.52p	147.80p	151.06	146.94p

1 EPRA NTA and EPRA NDV reflect IFRS values which are net of RETT. RETT are added back when calculating EPRA NRV.

3. EPRA net initial yield (NIY) and EPRA "topped up" NIY

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Investment property – wholly owned	**4,026.9**	3,511.9
Investment property – share of joint ventures	**2.0**	–
Less: development properties	**(480.7)**	(297.2)
Completed property portfolio	**3,548.2**	3,214.7
Allowance for estimated purchasers' costs	**240.6**	218.0
Gross up completed property portfolio valuation (B)	**3,788.8**	3,432.7
Annualised passing rental income	**180.2**	166.6
Less: contracted rental income in respect of development properties	**(19.1)**	(13.9)
Property outgoings	**(0.4)**	(0.1)
Less: contracted rent under rent-free period	**(2.5)**	(3.6)
Annualised net rents (A)	**158.2**	149.0
Contractual increases for fixed uplifts	**7.6**	8.8
Topped up annualised net rents (C)	**165.8**	157.8
EPRA net initial yield (A/B)	**4.18%**	4.34%
EPRA topped up net initial yield (C/B)	**4.38%**	4.60%

4. EPRA vacancy rate

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Annualised estimated rental value of vacant premises	**–**	2.0
Portfolio estimated rental value[1]	**172.5**	165.2
EPRA vacancy rate	**0%**	1.22%

1 Excludes land held for development.

5. EPRA cost ratio

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Property operating costs	**0.2**	0.1
Administration expenses	**22.6**	21.7
Service charge costs recovered through rents but not separately invoiced	**0.2**	–
Total costs including and excluding vacant property costs (A)/(B)	**23.0**	21.8
Vacant property cost	**(0.2)**	–
Total costs excluding vacant property costs (B)	**22.8**	21.8
Gross rental income – per IFRS	**161.6**	144.4
Less: Service charge cost components of gross rental income	**–**	–
Gross rental income (C)	**161.6**	144.4
Total EPRA cost ratio (including vacant property costs)	**14.2%**	15.1%
Total EPRA cost ratio (excluding vacant property costs)	**14.1%**	15.1%

6. Total Accounting Return (TAR)

	Year ended 31 December 2020	Year ended 31 December 2019[1]
Opening EPRA NTA	**151.79p**	152.83p
Closing EPRA NTA	**175.61p**	151.79p
Change in EPRA NTA	**23.82p**	(1.04p)
Dividends paid	**6.40p**	6.81p
Total growth in EPRA NTA plus dividends paid	**30.22p**	5.77p
Total return	**19.91%**	3.77%
One-off transactional costs	**-**	3.83p
Total return excluding one-off transactional costs	**19.91%**	6.28%

1 Restated for change in NAV measures from EPRA Net Assets to EPRA NTA. Total return as at 31 December 2019 based on EPRA NAV per share as previously reported was 3.77% and Total return excluding one-off transactional costs as at 31 December 2019 was 5.80%.

7. Total expense ratio

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Total operating costs	**22.6**	21.8
Average net assets over the period	**2,619.4**	2,519.7
Total expense ratio	**0.86%**	0.87%

Five year summary

Group Statement of Comprehensive Income

	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m
Gross rental income	**161.6**	144.4	133.9	108.0	74.7
Service charge income	**4.6**	4.1	3.9	2.9	2.2
Service charge expense	**(4.7)**	(4.2)	(5.0)	(3.0)	(2.3)
Net rental income	**161.5**	144.3	132.8	107.9	74.6
Other operating income	**8.6**	4.1	–		–
Administrative and other expenses	**(22.6)**	(21.7)	(18.1)	(14.1)	(11.7)
Acquisition-related costs	**-**	(4.2)	(1.0)	–	–
Operating profit before changes in fair value of investment properties and contingent consideration, gain on disposal of investment properties, share of loss from joint ventures, impairment of intangible and other property assets and share-based payment charges	**147.5**	122.5	113.7	93.8	62.9
Changes in fair value of Investment properties	**351.1**	54.5	163.0	176.0	47.5
Gain on disposal of investment properties	**0.1**	–	–	–	–
Share of loss from joint ventures	**(0.1)**	–	–	–	–
Impairment of intangible and other property assets	**(0.4)**	(0.6)	–	–	–
Share-based payment charge	**(5.9)**	(3.3)	–	–	–
Changes in fair value of contingent consideration payable	**(2.9)**	(0.5)	–	–	–
Gain on bargain purchase	**-**	7.8	–	–	–
Operating profit	**489.4**	180.4	276.7	269.8	110.4
Finance income	**-**	0.4	0.2	0.4	0.2
Finance expense	**(37.6)**	(34.4)	(23.1)	(20.3)	(11.6)
Changes in fair value of interest rate derivatives	**(2.3)**	(5.2)	(1.2)	(2.1)	(7.1)
Profit before taxation	**449.5**	141.2	252.6	247.8	91.9
Tax on profit for the period	**(0.1)**	–	–	–	–
Profit and total comprehensive income	**449.4**	141.2	252.6	247.8	91.9
Earnings per share – basic	**26.30p**	8.40p	17.54p	19.54p	10.52p
Earnings per share – diluted	**26.30p**	8.38p	17.54p	19.53p	10.51p

Group Statement of Financial Position

	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m
Non-current assets					
Intangible assets	**2.0**	2.3	–	–	–
Investment property	**4,053.5**	3,541.2	3,038.3	2,599.2	1,803.1
Investment in land options	**228.1**	226.0	–	–	–
Investment in joint ventures	**28.5**	30.1	–	–	–
Other property assets	**9.4**	13.9	–	–	–
Trade and other receivables	**2.0**	–	–	–	–
Interest rate derivatives	**0.1**	1.3	5.2	2.0	3.2
Total non-current assets	**4,323.6**	3,814.8	3,043.5	2,601.2	1,806.3
Current assets					
Rent and other receivables	**25.1**	25.7	42.3	10.2	9.1
Cash at bank	**57.8**	21.4	48.3	78.1	170.7
Total current assets	**82.9**	47.1	90.6	88.3	179.8
Total assets	**4,406.5**	3,861.9	3,134.1	2,689.5	1,986.1
Current liabilities					
Deferred rental income	**(36.1)**	(35.3)	(30.2)	(27.6)	(19.5)
Trade and other payables	**(69.3)**	(76.1)	(42.5)	(23.4)	(18.6)
Tax liabilities	**(1.9)**	(18.7)	–	–	–
Total current liabilities	**(107.3)**	(130.1)	(72.7)	(51.0)	(38.1)
Non-current liabilities					
Trade and other payables	**(2.0)**	–	–	–	–
Interest rate derivatives	**(1.1)**	–	–	–	–
Bank borrowings	**(206.7)**	(256.2)	(327.8)	(216.8)	(533.5)
Loan notes	**(1,136.4)**	(891.5)	(492.7)	(492.2)	–
Amounts due to third parties	**(31.7)**	(22.9)	–	–	–
Total non-current liabilities	**(1,377.9)**	(1,170.6)	(820.5)	(709.0)	(533.5)
Total liabilities	**(1,485.2)**	(1,300.7)	(893.2)	(760.0)	(571.6)
Total net assets	**2,921.3**	2,561.2	2,240.9	1,929.5	1,414.5
Equity					
Share capital	**17.2**	17.1	14.8	13.7	11.1
Share premium reserve	**466.5**	446.7	153.6	932.4	589.4
Capital reduction reserve	**1,078.9**	1,188.1	1,304.4	467.9	546.3
Retained earnings	**1,358.7**	909.3	768.1	515.5	267.7
Total equity	**2,921.3**	2,561.2	2,240.9	1,929.5	1,414.5
Net asset value per share – basic	**169.92p**	150.04p	152.00p	141.50p	128.00p
Net asset value per share – diluted	**169.92p**	150.04p	152.00p	141.44p	127.93p
EPRA net tangible asset per share – diluted	**175.61p**	151.79p	152.83p	142.24p	129.00p

Glossary of terms

"Adjusted Earnings"
Post-tax earnings attributable to shareholders, adjusted to include licence fees receivable on forward funded development assets and adjusts for other earnings not supported by cash flows. "Adjusted Earnings per share" or "Adjusted EPS" on a per share basis.

"B and C Shares"
The B and C Shares in Tritax Symmetry issued to the Symmetry Management shareholders.

"Big Box"
A "Big Box" property or asset refers to a specific subsegment of the logistics sector of the real estate market, relating to very large logistics warehouses (each with typically over 500,000 sq ft of floor area) with the primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers, and typically having the following characteristics: generally a modern constructed building with eaves height exceeding 12 metres; let on long leases with institutional-grade tenants; with regular, upward-only rental reviews; having a prime geographical position to allow both efficient stocking (generally with close links to sea ports or rail freight hubs) and efficient downstream distribution; and increasingly with sophisticated automation systems or a highly bespoke fit out.

"Board"
The Directors of the Company.

"BREEAM"
The Building Research Establishment Environmental Assessment Method certification of an asset's environmental, social and economic sustainability performance, using globally recognised standards.

"Company"
Tritax Big Box REIT plc (company number 08215888).

"CPI"
Consumer Price Index, a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care as calculated on a monthly basis by the Office of National Statistics.

"Current development pipeline"
Assets that are in the course of construction or assets for which we have made a construction commitment.

"CVA"
A company voluntary liquidation, a legally binding agreement between a business and its creditors which sets out a debt repayment plan and enables a viable business to avoid insolvency.

"db Symmetry"
db Symmetry Group Ltd and db symmetry BVI Limited, together with their subsidiary undertakings and joint venture interests, which were acquired by the Group in February 2019.

"Directors"
The Directors of the Company as of the date of this report being Sir Richard Jewson, Aubrey Adams, Susanne Given, Alastair Hughes, Richard Laing and Karen Whitworth.

"Development Management Agreement" or "DMA"
An agreement between the Group and a developer setting out the terms in respect of the development of an asset. In particular, the development of the Symmetry Portfolio is the subject of a DMA between Tritax Symmetry and Symmetry ManCo.

"Development portfolio" or "Development assets"
The Group's Development portfolio comprises its property assets which are not Investment assets, including land, options over land as well as any assets under construction on a speculative basis.

"EPC rating"
A review of a property's energy efficiency.

"EPRA"
European Public Real Estate Association.

"EPRA Earnings"
Earnings from operational activities (which excludes the licence fees receivable on our Forward Funded Development assets).

"EPRA NAV" or "EPRA Net Asset Value"
The Basic Net Asset Value adjusted to meet EPRA Best Practices Recommendations Guidelines (2016) requirements by excluding the impact of any fair value adjustments to debt and related derivatives and other adjustments and reflecting the diluted number of Ordinary Shares in issue.

"EPRA Triple Net Asset Value (NNNAV)"
EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.

"EPRA Net Tangible Asset (NTA)"
The Basic Net Asset Value adjusted to meet EPRA Best Practices Recommendations Guidelines (2019) requirements by excluding intangibles and the impact of any fair value adjustments to related derivatives. This includes the revaluation of land options.

"EPRA Net Reinstatement Value (NRV)"
IFRS NAV adjusted to exclude the impact of any fair value adjustments to related derivatives. This includes the revaluation of land options and the Real estate transfer tax (RETT).

"EPRA Net Disposal Value (NDV)"
IFRS NAV adjusted to include the fair values of debt and the revaluation of land options.

"EPRA Net Initial Yield (NIY)"
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser's costs.

"EPRA 'Topped-Up' NIY"
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives, such as discounted rent periods and step rents).

"EPRA Vacancy"
Estimated market rental value (ERV) of vacant space divided by the ERV of the whole portfolio.

"EPRA Cost Ratio"
Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.

"Estimated cost to completion"
Costs still to be expended on a development or redevelopment to practical completion, including attributable interest.

"Estimated rental value" or "ERV"
The estimated annual market rental value of lettable space as determined biannually by the Group's valuers. This will normally be different from the rent being paid.

"FCA"
The United Kingdom Financial Conduct Authority (or any successor entity or entities).

"Forward Funded Development"
Where the Company invests in an asset which is either ready for, or in the course of, construction, pre-let to an acceptable counterparty. In such circumstances, the Company seeks to negotiate the receipt of immediate income from the asset, such that the developer is paying the Company a return on its investment during the construction phase and prior to the tenant commencing rental payments under the terms of the lease. Expert developers are appointed to run the development process.

"Foundation asset"
Foundation assets provide the core, low-risk income that underpins our business. They are usually let on long leases to customers with excellent covenant strength. These buildings are commonly new or modern and in prime locations, and the leases have regular upward-only rent reviews, often either fixed or linked to Inflation Indices.

"FRI Lease"
Full Repairing and Insuring Lease. During the lease term, the tenant is responsible for all repairs and decoration to the property, inside and out, and the building insurance premium is recoverable from the tenant.

"Future development pipeline"
The Group's land bank for future development typically controlled under option agreements which do not form part of the Current or Near Term development pipeline.

"Gearing"
Net borrowings divided by total shareholders' equity excluding intangible assets and deferred tax provision.

"GIA"
Under the RICS Code of Measuring Practice (6th Edition) the Gross Internal Area (GIA) is the basis of measurement for valuation of industrial buildings (including ancillary offices) and warehouses. The area of a building measured to the internal face of the perimeter walls at each floor level (including the thickness of any internal walls). All references to building sizes in this document are to the GIA.

"GAV"
The Group's gross asset value.

"Global Real Estate Sustainability Benchmark (GRESB) Assessment"
GRESB assesses the ESG performance of real estate and infrastructure portfolios and assets worldwide, providing standardised and validated data to the capital markets.

"Gross rental income"
Contracted rental income recognised in the period, in the income statement, including surrender premiums and interest receivable on finance leases. Lease incentives, initial costs and any contracted future rental increases are amortised on a straight-line basis over the lease term.

"Group" or "REIT Group"
The Company and all of its subsidiary undertakings.

"Growth Covenant asset"
Growth Covenant assets are fundamentally sound assets in good locations, let to customers we perceive to be undervalued at the point of purchase and who have the potential to improve their financial strength, such as young e-retailers or other companies with growth prospects. These assets offer value enhancement through yield compression.

"IMA"
The Investment Management Agreement between the Manager and the Company.

"Investment portfolio" or "Investment assets"
The Group's Investment Portfolio comprises let or pre-let (in the case of Forward Funded Developments) assets which are income generating, as well as any speculative development assets which have reached practical completion but remain unlet.

"Investment property"
Completed land and buildings held for rental income return and/or capital appreciation.

"Land asset"
Opportunities identified in land which the Manager believes will enable the Company to secure, typically, pre-let Forward Funded Developments in locations which might otherwise attract lower yields than the Company would want to pay, delivering enhanced returns but controlling risk.

"LIBOR"
London Interbank Offered Rate.

"Link" or "Link Asset Services"
A trading name of Link Market Services Limited (company number 2605568).

"Listing Rules"
The listing rules made by the Financial Conduct Authority under section 73A of FSMA.

"Loan Notes"
The loan notes issued by the Company on 4 December 2018.

"Loan to Value (LTV)"
The proportion of our gross asset value that is funded by net borrowings.

"London Stock Exchange"
London Stock Exchange plc.

"Manager"
Tritax Management LLP (partnership number OC326500).

"Minimum Energy Efficiency Standards (MEES)"
The legal standard for minimum energy efficiency which applies to rented commercial buildings as regulated by the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.

"Near-term development pipeline"
Sites which have either received planning consent or sites where planning applications have been submitted prior to the year end.

"Net equivalent yield"
The internal rate of return from an Investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time.

"Net initial yield"
The annual rent from a property divided by the combined total of its acquisition price and expenses.

"Net rental income"
Gross rental income less ground rents paid, net service charge expenses and property operating expenses.

"Net zero carbon"
Highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset.

"Non-PID Dividend"
A dividend received by a shareholder of the principal company that is not a PID.

"Ordinary Shares"
Ordinary Shares of £0.01 each in the capital of the Company.

"Passing rent"
The annual rental income currently receivable on a property as at the balance sheet date (which may be more or less than the ERV). Excludes rental income where a rent-free period is in operation. Excludes service charge income (which is netted off against service charge expenses).

"PID" or "Property income distribution"
A dividend received by a shareholder of the principal company in respect of profits and gains of the Property Rental Business of the UK resident members of the REIT group or in respect of the profits or gains of a non-UK resident member of the REIT group insofar as they derive from their UK Property Rental Business.

"Portfolio"
The overall portfolio of the Company including both the Investment and Development portfolios.

"Portfolio Value"
The value of the Portfolio which, as well as the Group's standing assets, includes capital commitments on Forward Funded Developments, Land Assets held at cost, the Group's share of joint venture assets and other property assets.

"Pre-let"
A lease signed with a customer prior to commencement of a development.

"REIT"
A qualifying entity which has elected to be treated as a Real Estate Investment Trust for tax purposes. In the UK, such entities must be listed on a recognised stock exchange, must be predominantly engaged in property investment activities and must meet certain ongoing qualifications.

"Rent roll"
See "Passing rent".

"RPI"
Retail price index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated on a monthly basis by the Office of National Statistics.

"SDLT"
Stamp Duty Land Tax – the tax imposed by the UK Government on the purchase of land and properties with values over a certain threshold.

"Shareholders"
The holders of Ordinary Shares.

"Speculative development"
Where a development has commenced prior to a lease agreement being signed in relation to that development.

"sq ft"
Square foot or square feet, as the context may require.

"Symmetry Management shareholders"
The holders of B and C Shares in Tritax Symmetry.

"Symmetry ManCo"
db Symmetry Management Limited, a private limited company incorporated in England and Wales (registered number 11685402) which has an exclusive development management agreement with Tritax Symmetry to manage the development of the Tritax Symmetry Portfolio.

"Topped up net initial yield"
Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent-free period at the valuation date thereby providing the Group with income during the rent-free period. This is in accordance with EPRA's Best Practices Recommendations.

"Total Expense Ratio" or "TER"
The ratio of total administration and property operating costs expressed as a percentage of average net asset value throughout the period.

"Total Accounting Return"
Net total return, being the percentage change in EPRA NTA over the relevant period plus dividends paid.

"Total Shareholder Return"
A measure of the return based upon share price movement over the period and assuming reinvestment of dividends.

"Tritax Symmetry"
Tritax Symmetry Limited, a limited company incorporated in Jersey (registered number 127784).

"Tritax Symmetry Portfolio"
The portfolio of assets held through Tritax Symmetry following the acquisition of db Symmetry in February 2019, including land, options over land and a number of assets under development.

"UK AIFMD Rules"
The laws, rules and regulations implementing AIFMD in the UK, including without limitation, the Alternative Investment Fund Managers Regulations 2013 and the Investment Funds sourcebook of the FCA.

"Value Add asset"
These assets are typically let to customers with good covenants and offer the chance to grow the assets' capital value or rental income, through lease engineering or physical improvements to the property. We do this using our asset management capabilities and understanding of customer requirements. These are usually highly re-lettable. It also includes assets developed on a speculative basis which have reached practical completion but remain unlet at the period end.

"WAULT" or "Weighted Average Unexpired Lease Term"
The income for each property applied to the remaining life for an individual property or the lease and expressed as a portfolio average in years. In respect of Forward Funded Developments, the unexpired term from lease start date.

"Yield on cost"
The expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let or actual rental value for completed developments or those pre-let, as appropriate, divided by the estimated or actual total costs of the development.

Company information

Company Registration Number: 08215888
Incorporated in the United Kingdom

Directors, Management and Advisers

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Sir Richard Jewson KCVO, JP
Non-Executive Chairman

Aubrey Adams OBE, FCA, FRICS
Senior Independent Director

Susanne Given
Non-Executive Director

Alastair Hughes FRICS
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Richard Laing FCA
Non-Executive Director

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Non-Executive Director

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EC4R 9AT

Cautionary statement

This Annual Report and the Tritax Big Box REIT plc website may contain certain 'forward-looking statements' with respect to Tritax Big Box REIT plc's ("Company") financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Company operates. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'will', 'would', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal' or 'estimates' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Company operates; changes in the legal, regulatory and competition frameworks in which the Company operates; changes in the markets from which the Company raises finance; the impact of legal or other proceedings against or which affect the Company; changes in accounting practices and interpretation of accounting standards under IFRS, and changes in interest and exchange rates. Any forward-looking statements made in this Annual Report or Tritax Big Box REIT plc website, or made subsequently, which are attributable to the Company, or persons acting on their behalf, are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements. Nothing in this Annual Report or the Tritax Big Box REIT plc website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

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