

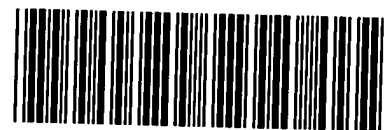
Well Positioned for **Success**

2024

Annual Report and Accounts

Big Yellow Group PLC

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23/07/2024

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This report was approved by the Board of Directors on 20 May 2024
and signed on its behalf by:

Jim Gibson
Chief Executive Officer



John Trotman
Chief Financial Officer



Big Yellow

is the UK's brand leader
in self storage.

We are committed to innovation in customer engagement, harnessing technology and investing in the development of our store teams. This dedication puts exceptional customer service at the heart of what we do, whilst ensuring we continue to operate a sustainable business.

Highlights

Big Yellow has again proved itself to be resilient with a healthy revenue increase and EBITDA growth of 7%.



Store EBITDA up 7%,
Adjusted profit before
tax up 1%

Highlights

Financial metrics

Revenue

£199.6m +6%

£188.8m

Store revenue⁽¹⁾

£197.1m +6%

£186.7m

Like-for-like store revenue^(1,2)

£193.5m +4%

£185.6m

Store EBITDA⁽¹⁾

£143.0m +7%

£134.0m

Adjusted profit before tax⁽¹⁾

£107.3m +1%

£106.0m

Adjusted earnings per share⁽¹⁾

55.9p (1%)

56.5p

Dividend final

22.6p (1%)

22.9p

Dividend total

45.2p

45.2p

■ 2024 ■ 2023

Statutory metrics

Profit before tax

£241.0m (+220%)

£75.3m

Cash flow from operating activities (after net finance costs and pre-working capital movements)⁽³⁾**£110.1m +1%**

£109.2m

Basic earnings per share

127.1p (+217%)

40.1p

Store metrics

Store maximum lettable area ("MLA")⁽¹⁾**6,419,000 +2%**

6,292,000

Closing occupancy (sq ft)⁽¹⁾**5,029,000 (1%)**

5,088,000

Closing occupancy⁽¹⁾**78.3% (2.6 ppts)**

80.9%

Closing occupancy – Big Yellow like-for-like stores (%)^(1,4)**80.9% (2.3 ppts)**

83.2%

Average net rent per sq ft

£33.64 +8%

£31.28

Closing net rent per sq ft⁽¹⁾**£34.14 +5%**

£32.48

Highlights

- Revenue growth of 6%, with like-for-like store revenue up by 4%, driven by increases in average achieved rents
- Big Yellow store like-for-like occupancy decrease of 2.3 ppts to 80.9% (March 2023: 83.2%). Closing occupancy, reflecting the additional capacity from recently opened stores, is down 2.6 ppts
- Average achieved net rent per sq ft increased by 7.5% year on year, closing net rent up 5.1% from March 2023
- Overall store EBITDA margin increased to 72.5% (2023: 71.8%)
- Cash flow from operating activities (after net finance costs and pre-working capital movements) increased by 1% to £110.1 million
- Adjusted profit before tax up 1% to £107.3 million, adjusted earnings per share down 1% to 55.9p
- 45.2 pence per share full year dividend, in line with prior year
- Statutory profit before tax of £241.0 million, up from £75.3 million in the prior year, due to a revaluation gain of £131.2 million in the current year
- £300 million sustainability-linked revolving credit facility put in place during the year
- £6 million invested in the year on solar retrofit, 68 stores now have solar with a 47% increase in capacity in the year to 6.6 Megawatts

Investment in new capacity

- £107 million (net of expenses) raised by way of a placing of 6.3% of the Company's issued share capital to fund the build out of the development pipeline
- Kings Cross opening and one extension added 127,000 sq ft of space; we have committed to build a further seven stores (MLA of 448,000 sq ft) with all due to open by summer 2026
- Acquisition of freehold properties in Leicester and Leamington Spa (the latter post year-end), taking the pipeline to 12 development sites and two replacement stores of approximately 1.0 million sq ft (15% of current MLA), of which 11 are in London or within close proximity. 1.4 million sq ft of fully built vacant space is currently available for future growth
- Planning consent granted for new stores in Wapping (London) and Epsom (London); we now have eight of our 14 pipeline stores with planning

⁽¹⁾ See note 33 for glossary of terms.⁽²⁾ Excluding Aberdeen (acquired June 2022), Harrow and Kingston North (both opened September 2022) and Kings Cross (opened June 2023).⁽³⁾ See reconciliation in Financial Review on page 41.⁽⁴⁾ As per (2), additionally excluding the Armadillo stores.

Building the Pipeline

An important aspect of our future growth is the development of new stores, particularly in London, where there are very few existing assets suitable to be acquired. Over the last year, we added 127,000 sq ft of capacity through opening a new store in Kings Cross (London) and extending our Armadillo store in Stockton South.

Development pipeline with planning

Site	Location	Status	Anticipated capacity
Slough Farnham Road	Prominent location on Farnham Road	Store opening in July 2024.	Replacement for existing leasehold store of a similar size
Staines, London	Prominent location on The Causeway	Construction to commence in June 2024 with a view to opening in summer 2025. We also have consent on the site to develop nine industrial units totalling 99,000 sq ft.	65,000 sq ft
Queensbury, London	Prominent location off Honeypot Lane	Construction to commence in July 2024 with a view to opening in autumn 2025.	70,000 sq ft
Wembley, London	Prominent location on Towers Business Park	Construction to commence in late 2024 with a view to opening in late 2025.	70,000 sq ft
Slough Bath Road	Prominent location on Bath Road	Construction to commence in autumn 2024 with a view to opening in early 2026.	90,000 sq ft
Epsom, London	Prominent location on East Street	Construction to commence in late 2024 with a view to opening in spring 2026.	58,000 sq ft
Wapping, London	Prominent location on The Highway, adjacent to existing Big Yellow	Demolition of existing building in progress, construction expected to commence in autumn 2024 with a view to opening in summer 2026.	Additional 95,000 sq ft
Newcastle	Prominent location on Scotswood Road	Planning consent granted, vacant possession awaited.	60,000 sq ft

Big Yellow Slough Farnham Road under construction – opening July 2024

Development pipeline without planning

Site	Location	Status	Anticipated capacity
Kentish Town, London	Prominent location on Regis Road	Site acquired in April 2021. Planning appeal submitted and due to be heard in May 2024.	68,000 sq ft
West Kensington, London	Prominent location on Hammersmith Road	Site acquired in June 2021. Planning appeal submitted and due to be heard in July 2024.	175,000 sq ft
Old Kent Road, London	Prominent location on Old Kent Road	Site acquired in June 2022. Planning application submitted in October 2023.	75,000 sq ft
Staples Corner, London	Prominent location on North Circular Road	Site acquired in December 2022. Planning application submitted in December 2023.	Replacement for existing leasehold store, additional 18,000 sq ft
Leicester	Prominent location on Belgrave Gate, central Leicester	Site acquired in June 2023. Planning discussions underway with Leicester City Council.	58,000 sq ft
Leamington Spa	Prominent location on Queensway	Site acquired in May 2024.	55,000 sq ft
Total – all sites			957,000 sq ft

Opportunity

We now have an opportunity to generate in excess of £50 million of net operating income from a combination of delivering the income from our pipeline stores and leasing up the existing fully built 1.4 million sq ft of vacant space to previously achieved levels of occupancy, the majority of which would flow through to earnings.

A Unique Development

In June 2023 we opened our 109th store, located in the vibrant heart of Kings Cross, London.

This new 103,000 sq ft store complements the area's industrial heritage and showcases a milestone in our evolution, reflecting a bold stride in innovation. The store has achieved 40,000 sq ft of occupancy growth up to 31 March 2024 and reached break even at the EBITDA level after four months.

Kings Cross: A decade of transformation

Over the past 15 years, Kings Cross has undergone a remarkable transformation, unparalleled in Central London. The area has seen the rise of 8 million square feet of mixed-use development, including 3.4 million square feet of office space and approximately 1,900 new homes and apartments. 20 new streets and public spaces have further invigorated the area.

The new face of Kings Cross

The area now boasts prestigious institutions and companies, including the University of the Arts London, Google, and Louis Vuitton. The Coal Drops Yard, a retail space by Thomas Heatherwick, has become a bustling hub for shopping and dining.

Big Yellow's Kings Cross store

Big Yellow's £50 million investment in Kings Cross posed significant logistical challenges, from constructing temporary structures to creating a double basement with seven-story brick-clad elevations. The inclusion of sprinkler systems, smoke ventilation, stormwater tanks and public realm enhancements added layers of complexity. After four years of planning and over two years of construction, the store opened in June 2023. The store has achieved 40,000 sq ft of occupancy growth up to 31 March 2024 and reached break even at the EBITDA level after four months.

Sustainability and design

The store reflects the area's industrial heritage with its Victorian-inspired design, featuring artisan brickwork and Crittal windows. It's equipped with eco-friendly features, such as a 50 kWp solar PV system, air source heat pumps and water-saving devices. A green roof, bird and bat boxes enhance biodiversity and invite local wildlife. 16 bicycle bays and two EV charging bays are also available.

Flexi offices • Climate-controlled wine cellars • Air source heat pumps • Business hub • 50 kWp solar PV system

Innovative storage and art

This flagship store offers diverse facilities, including 1,600 storage units, climate-controlled wine cellars, 13 flexi offices and a communal business hub, all equipped with state-of-the-art security. It also showcases what is possibly the UK's largest floor art installation by London artist Danny Rolph.

Security Matters

When it comes to self storage, we take security extremely seriously.

Our store teams, who are on site seven days a week alongside our state-of-the-art security systems are crucial in protecting our stores 24/7.

Vigilant staff on site o Customer ID checks o Perimeter fencing o Electronic coded gates o

Balancing automation, customer service and security

As the market-leading self storage operator in the UK, we take the security of our customers and their possessions seriously. This requires an investment in technology and automation, physical security, and in our view most crucially, having team members present in the store during normal retail hours.

Security that sets us apart

We will continue to invest in the security of our stores through providing individually alarmed rooms with unique PIN access, and digital CCTV monitored 24/7. We also restrict which of our customers have access to our stores when there are no team members present.

Extra security checks

We carry out identity checks on every customer. Our onboarding process is online and customers can upload ID prior to arriving at our stores. Our store teams provide an extra layer of security through double checking every customer ID at the point of move in.

Our store teams are able to identify and refuse custom to any suspicious enquiries. They also provide a valuable service to business customers such as online traders, who require deliveries to be taken. Clearly this cannot be done without team members present.

“

Highly appreciated the efforts of the staff and management to keep the things I stored in a safe and secure manner.

Customer at Big Yellow Kingston North

Individually alarmed rooms o PIN access o 24 hour CCTV o Smoke and fire detectors

“

So easy to move in and access a storage room. Excellent security.

Customer at Big Yellow Chelmsford

From Solar to Net Positive

We installed our first solar PV on a Big Yellow store in 2008.

We are now committed to a £25 million solar PV retrofit programme of which £13.6 million has been spent to date. We now have 68 stores generating their own rooftop solar energy.

Solar capacity on our stores

Progress towards self-sufficiency in energy

Over the past year, our solar retrofit programme has successfully upgraded 16 existing stores plus the new Kings Cross store, boosting our solar capacity to 6.6 Megawatts, an increase of 47% over the year. We will be piloting a new battery system at our Slough Farnham Road store to optimise on-site electricity use and minimise how much we sell to the grid. We look forward to rolling out this technology further to enhance energy efficiency and reduce costs.

Energy use remains stable

Our energy consumption has maintained a steady level, even with the expansion of our store network. We use sustainable building practices and incorporate cutting-edge technology in our new store development. We also install solar PV systems on all new stores alongside our retrofit programme. These factors have contributed to this consistency in energy usage.

Pathway to 100% renewable energy and zero carbon emissions

Net Renewable Energy Positive by 2030

Installation of solar PV systems.
Investing in the generation of off-site renewable energy and energy reduction.

Net Zero Scope 1 & 2 Emissions by 2030

Using Big Yellow generated electricity from renewable sources.
Replacing gas with electric alternatives.

Net Zero Scope 3 Emissions by 2032

Improve the embodied carbon of our new stores.
Invest in EV charging pods.

Store solar electricity generation (2008 to 2024)

Our portfolio of stores with roof-mounted solar PV installations generate zero carbon electricity, some of which we use in store with the rest exported. We receive financial payments from the energy companies we export to. We now have 68 stores that generate renewable solar electricity.

Location

Our customers benefit from a choice of 109 modern and purpose-built stores, located in safe and easily accessible locations across the UK.

Expanding our reach

A pivotal element of our expansion strategy is building new stores, with a focus on London. In the past year, we've broadened our operational footprint by 127,000 square feet. This was achieved by opening our 109th store in Kings Cross and expanding our Armadillo store in Stockton South.

Our strategically situated stores with high visibility, help position us as the UK's market-leading self storage brand.

Looking ahead, we have 14 new store locations, with eight already securing planning approval.

Putting Big Yellow on the map

Total stores
109 stores

London stores
48 stores

Stores in the pipeline
14 stores

Armadillo stores
24 stores

% of revenue generated from London stores
60%

New flagship store opened

Kings Cross
June 2023

Chairman's Statement

Big Yellow Group PLC ("Big Yellow", "the Group" or "the Company"), the UK's brand leader in self storage, is pleased to announce its results for the year ended 31 March 2024.

The transition to higher interest rates has had the impact intended by policymakers of subduing activity and Big Yellow has not been immune, although it has again proved itself to be resilient with a healthy revenue increase and EBITDA growth of 7%. The driver of this performance has been an increase in net rents, partially offset by a decline in occupancy. As usual we caution that we have limited visibility beyond a few weeks, but the period since the year end has seen an encouraging pick-up in occupancy growth, closing the gap with the prior year like-for-like occupancy to 0.7 ppts, and we expect occupancy to continue to grow into our seasonally stronger summer trading period.

The increase in revenue and EBITDA did not translate into a commensurate growth in earnings as we absorbed a significant increase in interest expense, but we believe that this impact is now behind us and indeed may well turn from a head to a tailwind.

When we first conceived this business, now over 25 years ago, we were clear that we would piece together a store portfolio of unparalleled quality, largely focused on London and the South East. The performance of our recently opened Kings Cross store, which has achieved 40,000 sq ft of occupancy growth and was cashflow positive after four months, exemplifies the benefit of this strategy.

Financial results

Revenue for the year was £199.6 million (2023: £188.8 million), an increase of 6%. Like-for-like store revenue growth (see note 33) was 4% driven by improvements in average net rent. Like-for-like store revenue excludes new store openings and acquired stores. Store EBITDA was £143.0 million, an increase of 7% from the prior year (2023: £134.0 million).

Store revenue for the fourth quarter was £48.9 million, an increase of 5.4% from £46.4 million for the same quarter last year, with one additional day's trading.

The Group's cash flow from operating activities (after net finance costs and pre-working capital movements) increased by £0.9 million (1%) to £110.1 million for the year (2023: £109.2 million). The adjusted profit before tax in the year was £107.3 million up 1% from £106.0 million in 2023. Adjusted earnings per share decreased by 1% to 55.9p (2023: 56.5p).

The Group's statutory profit before tax was £241.0 million, an increase from £75.3 million in the prior year. There was a revaluation surplus for the current year of £131.2 million, compared to a deficit of £29.9 million in the prior year. The surplus in the current year arises from an improvement in cap rates, reflecting recent transactions in the sector, and operating cash flow growth. The prior year deficit was due to a £57.5 million reduction in the value of our industrial property and land without self storage planning in the development pipeline, reflective of changed financing conditions and the wider market environment for land.



This is the most significant expansion of the Company's footprint for many years, which is largely tangible and deliverable, with the new pipeline stores, even by the high standards of our portfolio, improving the overall quality.

Development pipeline

The pursuit of building first rate stores in first rate locations, particularly in London, is a long and complex process. It has required a good deal of persistence and patience and of course has created a significant drag on earnings as we have held land for redevelopment sometimes for many years. We now have planning consents for eight stores and have started the construction process on seven of those. We have four large London sites in the later stages of planning (including two at appeal) and although the vagaries of the planning system mean we cannot be certain of positive outcomes, we expect clarity by the autumn.

In May 2022, we suspended construction on all projects that were not already on site because conditions in the construction market were unfavourable. Those conditions have improved considerably with steelwork and cladding prices falling, and other material prices stabilising. In addition, we are seeing on recent tenders that main contractors and specialist sub-contractors are pricing new projects more competitively.

This is the most significant expansion of the Company's footprint for many years, which is largely tangible and deliverable, with the new pipeline stores, even by the high standards of our portfolio, improving the overall quality.

Although we are not out of risk both in terms of planning and construction on the existing pipeline, we will increasingly turn our attention to acquiring new sites and to that end have purchased in May 2024 for £3 million a first-class property in Leamington Spa, that will also serve the university town of Warwick.

In June, the Group acquired a 0.8 acre property for development on Belgrave Gate, central Leicester for £1.85 million. We will be seeking planning permission for a 58,000 sq ft self storage centre on the site.

Capital structure

It is our view that elevated levels of debt over cycles destroys value and so it remains our long-term strategy to keep debt at modest levels. We believe it is therefore optimal that future capital expenditure on new sites and the £224 million of construction spend should be funded from cash flow, surplus property sales and equity.

In October 2023 we raised £107 million (net of expenses) by way of a placing of 6.3% of the Company's share capital. The net proceeds will be used to expand capacity in London, our strongest market, and monetise land that we already own. The placing has been marginally accretive to earnings in the short term, and we expect it to be significantly so over the medium to long term.

Net debt was £385.4 million at 31 March 2024 (2023: £486.6 million), and the Group has undrawn committed facilities of £181 million. Approximately 50% of our debt is fixed, with the balance floating, in line with our hedging policy, and our current average cost of drawn debt is 5.4%.

The Group's interest cover for the year (expressed as the ratio of cash generated from operations pre-working capital movements against interest paid) was 5.6 times (2023: 7.7 times). This is currently approximately 6 times, and the Group's net debt to EBITDA ratio is currently 3 times.

The Group owns its assets largely freehold, representing some 99% by value of our portfolio which has shielded us from the significant rise in industrial and warehouse rents that has occurred over the last decade or more. We view rent liabilities as quasi-debt. Following the relocation of Farnham Road, Slough this summer and Staples Corner in due course (subject to planning) to new freehold stores we expect our total rent liability to fall to approximately £1 million per annum.

Dividends

The Group's dividend policy is to distribute a minimum of 80% of full year adjusted earnings per share. The final distribution of PID declared is 22.6 pence per share. This brings the total distribution declared for the year to 45.2 pence per share in line with the prior year.

Our people

Adrian Lee, who joined the business soon after its founding in early 1999, retired from Big Yellow at the end of March. We had limited knowledge of operational businesses at that time, and Adrian was key in establishing what over the years has become a market-leading self storage platform in the UK. After 25 years, any statement is insufficient, but we are grateful for all his efforts and successes over the last quarter of a century, and we have no doubt he will remain in the Big Yellow orbit in the years to come.

We commenced a search to replace Adrian last year, and I am delighted to announce that John Hunter has recently joined the business as our new Chief Operating Officer. John started out in finance, and then moved into more commercial roles, most recently as COO at Homeserve plc. Prior to that he spent several years in operational roles at Dixons Carphone plc. We all look forward to working with John and feel sure that he will make a positive contribution to the continued success of Big Yellow.

Any successful business requires a fully engaged workforce, and our recent engagement survey, with an average score of 88% across the business was very pleasing, although improvement is a perpetual quest.

I would like to thank all of our people for their dedication and support in what for many has been a personally difficult year with the impact of rises in the cost of living and higher interest rates.

Outlook

The successful placing last October has given us the balance sheet strength to commit to building out our pipeline. We now have an opportunity to additionally generate in excess of £50 million of net operating income from a combination of delivering the income from our pipeline stores and leasing up the existing fully built 1.4 million sq ft of vacant space to previously achieved levels of occupancy, the majority of which would flow through to earnings.

We are entirely cognisant that delivering this growth will take time and is to some degree subject to external forces, but we believe that it is achievable and will be our predominant focus over the next few years.



Nicholas Vetch CBE
Executive Chairman

20 May 2024

Chief Executive's Statement

We are pleased to have delivered another year of revenue and EBITDA growth against a weaker demand environment, demonstrating the resilience of our business model.

Trading

Although activity levels were subdued in the first three quarters of the year, we have seen a recovery in the fourth quarter, which has continued into the current year.

Given this weaker demand environment, we continued to use rental growth, both to new and existing customers, to drive revenue, and over the year our average rate growth was 7.5% down from 9.8% in 2023. In addition, we have also reduced our increases to existing customers in the fourth-quarter, reflective of a moderating inflationary environment.

Our principal objective in the current year, in an improving demand environment, is to drive occupancy and have it make a meaningful contribution to revenue growth which has not been the case over the last two years. Since the year end, we have seen continued growth in occupancy, and our total occupied space today is now broadly in line with last year, with current like-for-like occupancy now down 0.7 ppts compared to the same period last year.

The main driver in this current improvement in demand is from domestic customers, who currently represent 68% of revenue and 63% of occupied space. We believe this to be from a combination of improving consumer confidence in a lower inflationary environment with real wage growth and improving activity levels in the housing market since the new year; one barometer being mortgage approvals to the owner-occupied market, which have recovered; in essence more decisions are being made. Our business occupancy is largely flat since the half year, but again we are beginning to see more demand, with prospects largely flat, but move-ins up 2% since the start of January. Demand from national customers (4% of our total revenue) continues to be robust, with revenue growth year-on-year of 13%. Businesses currently occupy 37% of space, unchanged from last year.

Over the year, revenue growth from our London and South East stores (75% of our business) has outperformed the regions, however we saw an improved performance in the regions in the fourth quarter which has continued into the current year.

Investment in our operating platform and systems

Self storage operators are providers of secure storage, and in adopting automation it is important not to lose sight of keeping our customers and their possessions safe and secure. This requires an investment in technology and automation, physical security, and in our view most importantly having team members present in the centre during normal retail hours.

We will continue to invest in the security of our stores through providing individually alarmed rooms/24 hours CCTV, monitoring of our stores overnight and most importantly restricting which of our customers have access to our stores when there are no team members present. About 15% of our customers – typically businesses providing services and online traders – use and pay for out of hours access, the balance of our customers are happy to use the centres during normal trading hours, and all our feedback indicates that they appreciate having team members present at the store.

Our store operating model is analogous to the car rental market. New customers can select and reserve rooms and check-in online, including uploading ID, all prior to arriving at a store. In essence the onboarding process is online, however, our team members double check the customer ID, review insurance, and take payment in store. In addition to dealing with any issues and providing customer service, store team members are also required to carry out due diligence tasks, prepare vacated rooms for new customers, accept deliveries for our business customers, optimise contents cover and packing material sales, follow up on prospects and reservations, and importantly to identify and refuse custom to suspicious prospects.

AI is a technology that enables machines to learn from data and perform tasks that normally require human intelligence. AI can be classified into two types: rules-based and machine learning systems. The rules-based manipulation of data to, for example, manage our dynamic pricing, is something that we have done for several years in our business and will continue to invest in and improve. Other examples would include the manipulation of data to provide reporting and alerts to speed up and improve decision making, leading to efficiencies, and we use this across the business. An example in the stores is the automatic tracking of competitor pricing using an external data supplier providing alerts to both stores and operational management. We are also using the significant data from customer use of stores to provide alerts to us on unusual behaviours that require attention to our overnight monitoring centre and store teams, so improving security.

Generative AI is used throughout the business, particularly in relation to content and ideas creation, examples being in marketing or the development of procedures and training modules. What always must be remembered is that those using these models are still required to be the editor to achieve optimal results, but of no doubt there is the potential for significant and continuing efficiency gains. A more detailed summary of how AI is used within the business is included in the Operating Review.

Examples of using AI to drive operational efficiencies

- Manage our dynamic pricing
- Improve data reporting and decision making
- Tracking and alerting of competitor pricing changes
- Provide security alerts on unusual customer behaviour
- Assist in the creation of customer facing content
- Improve internal communications and training
- Improve the effectiveness of our digital marketing
- Automation of customer communications
- AI is embedded in our cyber security and defense tools
- Improving the onboarding of customers and new employees
- Measuring our call centre performance and improving call quality

We continue to invest in improving our web journey, with more automation of prospect handling through to reservation and check-in, with regular communication both by email and text. 93% of our prospects come through our digital channels (we still have customers whose first contact is at the store or over the phone). 66% of visits are from mobile devices, and the balance is portable and desktop computers. Interestingly, this has remained stable in recent years, and we have not seen the continued drive to smart phones as was expected, which is possibly a reflection of prospects searching using desktop computers or portables either while working from home or during the day while at work.

The cyber threat remains, and we continue to invest in our digital security, and review the effectiveness of all the tools we deploy.

People

Our progress this year once again reflects the steadfast commitment and hard work of our people.

Since January 2023, the level of staff turnover and vacancies in the business started to decline, with a reduction in leavers. Our current staff turnover and level of vacancies continues to be at relatively low levels, which is encouraging.

We have also carried out a review of our store staffing structure and have not been replacing certain positions, reducing our average headcount in stores, with an annualised saving including on-costs of £0.4 million – a benefit of the improved automation in the business. As mentioned above, the delivery of customer service and the security of our stores is paramount, and hence having team members in our stores for part of the day will always be required.

We carried out an employee engagement survey using external consultants last summer and were very pleased with the results. The engagement score across the business was a record 88%, with a significantly improved participation rate of 92% from the previous survey in 2021. This was an excellent result, reflective of a key priority for the business, which is its culture.

Chief Executive's Statement continued

We continue to believe that the customer experience and the service delivered by our store teams is a critical and differentiating success factor, particularly with those customers who are regular users of our facilities. A retail measure is a net promoter score, and our average over the year for move-ins and move-outs was 80.5 (2023: 78.9), a very creditable result.

We continue to make improvements to our culture and practices in respect of diversity, and these are set out in our Gender and Inclusivity Report, which is available on our corporate website, and has been formally filed for 2023. We formalised a Diversity and Inclusivity Committee in 2020, with representation from colleagues from throughout the business, and I am also a standing member of the Committee, as I believe diversity has a positive impact on our culture and performance.

ESG

The Big Yellow Foundation, which was launched in 2018 is our principal vehicle for delivering social good, with the cause being the rehabilitation of vulnerable people into work. The Company matches all money raised from customers at move-in and move-out and from fundraising from our team members. In the year we have raised a record £298,000 for the Foundation, and we provided £256,000 of funding to our seven charity partners, with the total to date now over £1.0 million.

We have an initiative of providing 12 week work placements to candidates from some of our partner charities, and over the year 12 placements were carried out at several of our stores. This can be life changing for some in improving their confidence and work chances, and we have also found it to be particularly rewarding to our store teams.

We have also over the years provided space to local charities and community groups in each of our stores; at present we support on average two charities per store this way. The recent refinancing of our bank facility is aligned with this strategy and includes social targets for both the Foundation and the provision of space to local charities.

I mentioned the solar retrofit programme last year, which is a £25 million investment, of which £13.6 million has been spent to date. Progress has been very good, and as of now we have completed the retrofit of 35 stores. Our current installed solar capacity is 6.6 Megawatts, an increase of 47% over the year. We estimate that this is currently saving the business £0.6 million per year. This will continue to increase as we make further progress towards our objective of being self-sufficient in renewable energy.

We will be trialling a new battery at our Slough Farnham Road store, using the electricity that we generate at our stores more efficiently, with less being sold to the grid. If this is successful we will then look to adopt this in new stores, which will see further battery improvement and reduction in costs. We will also be looking at how we can retrofit it into existing stores, all designed to improve the efficiency of our energy usage. Energy costs represent 5% of operating costs (c. £25,000 per store), and we aim to continue to reduce this:



Our business model, market-leading brand and operating platform has delivered a resilient performance over recent years, and we remain confident that it will continue to deliver attractive and sustainable returns over the medium to long term.

The investment in solar improves the EPC rating in our stores. There is a requirement to have all stores with an EPC rating of A to C by 2025 and A to B by 2030. At present all but one of our stores is A to C, and we have plans in place to install solar at that store to meet the 2025 requirement. For the 2030 requirement, the majority of stores already meet it, and there are plans for all stores to be A or B rated by 2028. Much of the improvement is being driven by the investment in solar and also through removing gas boilers.

Further detail, including progress on our Science Based Targets, is included in the ESG Report.

Summary

Our business model, market-leading brand and operating platform has delivered a resilient performance over recent years, and we remain confident that it will continue to deliver attractive and sustainable returns over the medium to long term. As we enter our historically stronger summer trading period, we are looking forward to another year of growth.

Jim Gibson
Chief Executive Officer

20 May 2024

Our Strategy

Our strategy from the outset has been to develop Big Yellow into the market-leading self storage brand, delivering excellent customer service, investing in sustainability and our market-leading operating platform and digital channels, with a great culture and highly motivated employees.

We concentrate on developing our stores in main road locations with high visibility, where our distinctive branding generates high awareness of Big Yellow.

Creating shareholder value

We continue to believe that the medium-term opportunity to create shareholder value consists of driving revenue and cash flow from our existing portfolio through continued investment in sustainability, our people, culture, and digital operating and marketing platforms. In addition, we aim to deliver external growth as new stores open through continued investment in our development pipeline, and selectively acquiring existing storage centres from smaller operators. As a REIT our key financial objective is to produce sustainable returns for shareholders through a relatively low leverage, low volatility, high distribution business. In addition, any successful business must have an effective sustainability strategy, particularly around climate change, and this continues to be a key strategic focus for our business.

Real estate

The other main plank of our strategy has been to build a portfolio of large purpose-built freehold self storage centres, focussed on London, the South East and other large urban conurbations. We believe that by owning a predominantly freehold estate we are insulating ourselves against economic downturns as we operate at higher margins; adverse rent reviews; and in the long-term possible redevelopment of key stores by the landlord. It also provides us financing flexibility as rent is a form of gearing.

Approximately 60% of our current annualised store revenue derives from within the M25; for London and the South East, the proportion of current annualised store revenue is 75%. With our store development pipeline largely in London and the South East, we would expect these proportions to increase over the medium term.

New supply and competition is a key risk to our business model, hence our weighting to London and its commuter towns, where barriers to entry in terms of competition for land and difficulty around obtaining planning are highest. We continue to see limited new supply growth in our key areas of operation. Looking back over the last five years, we estimate capacity growth in London of approximately 2-3% per annum. In 2023, there have been eight store openings in London (including our Kings Cross store), and we anticipate four new stores in London in 2024.

Our stores are on average 59,000 sq ft, compared to an industry average of approximately 30,000 sq ft (source: UK Self Storage Association 2024 Annual Survey). The upside from filling our larger than average sized stores is, in our view, only possible in large metropolitan markets. As our operating costs are relatively fixed, larger stores in bigger urban conurbations, particularly London, drive higher revenues and higher operating margins.

Capital structure

Following the Global Financial Crisis and the ensuing economic recession, we have materially reduced the financial risk within the business and diversified our sources of debt, whilst at the same time, increasing our store platform by deploying significant capital investment. We measure leverage by looking at our interest cover and that has increased from 1.9 times in 2008 to 5.6 times for the year ended 31 March 2024, and our objective is to not let this fall below 5 times, compared to the consolidated EBITDA covenant of 1.5 times. We also look at our debt to EBITDA ratio, which is currently 3 times, and we seek to maintain this in the range of three to four times. We manage this business on the basis that an external economic shock could potentially happen at any time. This is reinforced by the performance of the business during the pandemic, where we delivered a strong trading performance whilst at the same time continuing to invest and expand.

Self storage demand drivers

Economic activity and change are key drivers of self storage demand and are greatest in the larger urban conurbations, and in particular London and the South East. The structural changes consisting of the conversion of ex-industrial brownfield land to other uses, in particular residential; the reduction in home ownership and increased proportion of those choosing to rent; increasing density of living with new properties being built with optimised living space and very little provision for storage; will continue and are resulting in increased demand for our product. These changes have resulted in a significant shortage of available warehousing space, particularly in London, which has been accentuated by the current crisis. Self storage provides a convenient flexible solution to businesses such as online retailers, importers and exporters, service providers, the public sector, and marketing companies looking for mini-warehousing space.

In addition to domestic customers taking space to declutter their homes, our largest customer base is those using us short-term around an event, such as moving home, refurbishment, inheritance, household formation, separation, relocation, and students.

Resilience

The location of our stores, brand, security, and most importantly customer service, together with the diversity of use in our 73,000 occupied rooms, serve better than any lease contract in providing income security.

The business proved to be relatively resilient, but not immune during the Global Financial Crisis and recession of 2007 to 2009, with London and the South East proving to be less volatile. Since 2020, the Group has grown its revenue by 54%.

80% of our customers pay by direct debit, and our cash collection has remained robust over recent years.

We focus on the following key areas:

1. Digital execution

Leveraging our market-leading brand position to generate new prospects, principally from our digital, mobile and desktop platforms

2. Customer experience

Focusing on training, selling skills, and customer satisfaction to maximise prospect conversion and referrals

3. Driving revenue

Growing occupancy and net rent to drive revenue optimally at each store

4. Cost control

Maintaining a focus on cost control, so revenue growth is transmitted through to earnings growth

5. Increasing footprint

Increasing the footprint of the Big Yellow platform principally through new site development and where possible existing prime freehold stores that meet our quality criteria

6. Expanding Armadillo

Selectively acquiring existing self storage assets into the Armadillo platform

7. Sustainability

Through our environmental initiatives, aim to create a more sustainable business which will increase shareholder and customer value in both the medium and long-term

8. Social initiatives

Through our social initiatives, we support local charities with free storage space and help vulnerable adults get back into the workplace through the Big Yellow Foundation

9. Culture

Maintaining Big Yellow's culture as an accessible, apolitical, inclusive, non-hierarchical, socially responsible, and enjoyable place to work

10. Conservative capital structure

Maintaining a conservative capital structure in the business with Group debt to EBITDA in the range of three to four times

Our Investment Case

In the twenty four years since flotation in May 2000, Big Yellow has delivered a Total Shareholder Return ("TSR"), including dividends reinvested, of 13.6% per annum, in aggregate 1,770.4% at the closing price of 1.064p on 31 March 2024. This compares to 4.8% per annum for the FTSE Real Estate Index and 5.4% per annum for the FTSE All Share index over the same period. We feel this illustrates the power of compounding of consistent incremental returns over the longer term.

Our values

Helpfulness

Big Yellow exists to help people out and relieve pressure in their lives. We constantly strive to make our customers' lives easier.

Empathy

We always listen and put ourselves in the position of the individual we are serving, understanding how exactly we can lighten their load.

Flexibility

We are always flexible and adapt our service to best suit the needs and the desires of our customers.

Innovativeness

We strive to innovate to help drive our business forward and we never accept the status quo.

Integrity

We approach everything we do with a commitment to doing right. This goes beyond our customers to include our people, local communities and the environment.

How we deliver value

Attractive

market dynamics

- UK self storage penetration in key urban conurbations remains relatively low.
- Limited new supply coming onto the market

- Resilient through the last economic downturn and performed well during the pandemic
- Awareness still remains relatively low, with only 40% to 50% having reasonable or good knowledge of self storage

Our competitive

advantage

- UK self storage industry's most recognised brand with 93% of enquiries now online
- Prominent stores on arterial or main roads, with extensive frontage and high visibility

- Continuous innovation and investment into our mobile and desktop digital channels
- Strong customer satisfaction and NPS scores reflecting excellent customer service

- 6.4 million sq ft UK footprint, with development pipeline of 1.0 million sq ft
- Primarily freehold estate concentrated in London and South East and other larger urban conurbations
- Larger average store capacity – economies of scale, higher operating margins

- Secure financing structure with strong balance sheet
- Continued significant investment in sustainability and our culture

In twenty four years Big Yellow has delivered a TSR of 13.6% per annum.

?

Evergreen income streams

- 73,000 occupied rooms, with customers from a diverse base – individuals, SMEs, and national customers
- 38% of customers in stores greater than two-year length of stay, a further 16% for one to two years
- Average length of stay for existing customers of 31 months, for the 54% of customers that have stayed for more than one year, the average length of stay is 53 months
- Low bad debt expense (0.2% of revenue in the year)

Strong growth opportunities

- Opportunities to drive further occupancy growth
- Yield management as occupancy increases
- Densification of living and scarcity of flexible business warehouse space drives demand
- Growth in national customers and business customer base
- Increasing the platform with a conservative capital structure

Conversion into quality returns

High margins

Freehold assets for high operating margins and operational advantage

Sustainable

Low technology and obsolescence product, maintenance capex fully expensed

Annual compound adjusted eps

13%

Annual compound adjusted eps growth of 13% since 2004/5

Cash flow

13%

Annual compound cash flow growth of 13% since 2004/5

Dividend pay-out

80%

Dividend pay-out ratio of a minimum of 80% of adjusted eps

This compares to 4.8% per annum for the FTSE Real Estate Index.

Our Key Performance Indicators

The Group's KPIs are shown in the charts on page 25. The key performance indicators of our stores are occupancy and net rent per sq ft, which together drive the revenue of the business. These are the key measures which are focused on by the Board and are reported on a weekly basis.

Over the course of the past five years, revenue has grown significantly, with Armadillo included in our consolidated results from 1 July 2021. We saw particularly strong growth in 2021 and 2022, after a weaker 2020 following the Brexit uncertainty and the initial impact of the UK lockdown in response to Covid-19. The current year has seen a reduction in occupancy, but revenue has grown by 6%, with improvements in average rate.

In 2020 closing net rent per sq ft increased by 3%, by 2% in 2021, by 4% in 2022, by 9% in 2023 and by 5% in the year to 31 March 2024. We expect revenue growth to be driven by a combination of occupancy increases and growth in net achieved rent per sq ft.

Adjusted profit before tax and adjusted earnings per share ("eps"), as defined in note 33, which drive the distributions to shareholders (as our dividend policy is to pay a minimum of 80% of adjusted earnings as dividends) are also KPIs. The Group focuses on adjusted profit and earnings measures as they give a clearer picture of the Group's trading performance without distortion from external factors such as property valuations and the fair value of derivatives. We have delivered compound adjusted eps and dividend growth of 6% over the past five years.

Compound adjusted eps growth since 2004/5 is 13%. We have illustrated the Group's performance in these measures over the past five years on page 25.

Our non-financial KPIs are the net promoter scores we receive from our customers and the carbon intensity of the Group's business. The Group's net promoter score received from its customers during the year was 80.5 (2023: 78.9). We believe this overall score compares very favourably with other consumer-facing businesses.

The Group has reduced its carbon intensity (our carbon emissions divided by our average occupied space) by 33% over the past five years. This has been achieved through investment in renewable technology, roof mounted solar photo-voltaic systems, and LED lighting across the Group's portfolio.

Closing occupancy (000 sq ft)

5,029,000 sq ft

+33% over 5 years

Closing net rent per sq ft (£)

£34.14

+21% over 5 years

Revenue (£m)

£199.6m

+54% over 5 years

Adjusted profit before tax (£m)

£107.3m

+51% over 5 years

Adjusted earnings per share (pence)

55.9 pence

+33% over 5 years

Dividend per share (pence)

45.2 pence

+34% over 5 years

Net promoter score

80.5Average of 80.6
over 5 years

Carbon intensity

4.8

(33%) over 5 years

kgCO₂e/1000m²

Operating Review

We now have a portfolio of 109 open and trading stores, with a current maximum lettable area of 6.4 million sq ft (2023: 108 stores, MLA of 6.3 million sq ft).

The store platform and demand

Self storage demand is spread across a diverse set of drivers, and is largely driven by need, with security, convenience, quality of product, service and location being key factors. Awareness remains relatively low compared to commoditised products, such as hotel rooms or airline seats, albeit it is increasing slowly year-on-year with increased supply, marketing expenditure and customer use. Over 70% of our domestic customers are in the top 3 ACORN categories: Affluent Achievers, Rising Prosperity, and Comfortable Communities. The largest element of demand into our business each year is customers who use us for relatively short periods driven by a need.

Of our move-ins during the year:

- customers renting storage space whilst moving represented 41% of move-ins during the year (2023: 41%), with homeowners representing 26% and renters 15%. The proportion of renters increased during the year, offsetting some of the slowdown in the owner-occupied market;
- 12% of our customers who moved in took storage space as a spare room for decluttering (2023: 11%);
- 36% of our customers used the product because some event had occurred in their lives generating the need for storage; they may be moving abroad for a job, have inherited possessions, are getting together, or separating, are students who need storage during the holidays, or homeowners developing into their lofts or basements (2023: 37%);
- the balance of 11% of our new customer demand during the year came from businesses (2023: 11%), who stay longer and represent around 20% of our customers in store at any one time, occupying 37% of the space at 31 March 2024.

Of our overall occupied space today, customers who are longer stay, lifestyle users, decluttering into small rooms as an extension to their accommodation, occupy 10% to 15% of our space; approximately 50% of the space is customers using it for less than 12 months, for reasons which are largely event driven, which could be inheritance, moving in the owner-occupied or rental sector, home improvements, travelling; the balance of 37% of our space is businesses.

Our business customer base is comprised of online retailers, B2B traders looking for flexible mini-warehousing for e-fulfilment, service providers, those looking to shorten supply chains, and businesses looking to rationalise their other fixed costs of accommodation. For these customers, who typically are looking for rooms which could be from 50 sq ft to 500 sq ft in facilities that meet their operational requirements, the only supply in big cities is from self storage providers. The average space occupied by business customers at the year-end is 177 sq ft (2023: 179 sq ft).

Domestic customers occupy on average 58 sq ft (2023: 59 sq ft) and pay on average 17% more in rent per sq ft (2023: 18%), however business customers do stay longer, take more space and represent around 32% of revenue (2023: 33%).

The pandemic accelerated many structural changes that were already occurring, such as the move to online retailing and an increase in working from home facilitated by technological advances. The deindustrialisation of big cities with the conversion of commercial space into residential and other uses, has led to a shortage of suitable flexible mini-warehouse space from which to operate small scale storage and e-fulfilment, particularly in London. These developments, along with businesses increasingly seeking flexible office and storage space rather than longer inflexible leases, have been driving our demand. We believe these are long-term structural trends, which will benefit our business going forward.

Reasons people use Big Yellow

From research we have previously carried out, a typical small business using storage employs around three people and 60% of them are early-stage businesses and for 50% of them this is their only space.

In addition, we have a dedicated national customers team for businesses who wish to occupy space in multiple stores. These customers on average occupy approximately 1,000 sq ft, paying £30,000 per annum, and are billed and managed centrally. This area has performed strongly in the year with revenue up 13% compared to the prior year, making up 5% of occupied space.

Activity

Prospect numbers are more in-line with the pre-Covid period on a like-for-like basis, and activity levels within the business have consequently been a little bit slower than last year, with move-ins down 6%, and move-outs also down 6% over the year, reflecting less churn. Our conversion rates over the period have increased, which is indicative of more needs-driven demand. Since the year end we have seen an increase in move-in activity, with move-ins up 5% compared to the same period last year.

Occupancy across all 109 stores fell over the year by 59,000 sq ft (2023: fall of 58,000 sq ft, with an additional 39,000 sq ft of occupancy acquired with Aberdeen in June 2022). Business occupancy dropped by 2.6% or 50,000 sq ft on 1.9 million sq ft occupied at the beginning of the year. Our larger rooms, which are occupied in the main by businesses, remain highly occupied, particularly in London. Domestic occupied space was in line with the prior year.

As we have experienced over the years, there are businesses who outgrow us and move to their own accommodation, others cease operations, some are seasonal, and we continue to replace any vacated space with new move-ins from online traders, e-tailers and service providers. We are not seeing any noticeable further softening in demand from businesses, particularly in London.

The 76 established Big Yellow stores are 81.6% occupied compared to 84.2% at the same time last year. The nine developing Big Yellow stores added 73,000 sq ft of occupancy over the year to reach closing occupancy of 59.8%. The 24 Armadillo stores, representing 10% of the Group's revenue are 74.3% occupied, compared to 76.9% at this time last year (including an additional 20,000 sq ft of capacity added during the year at Stockton South). Overall store occupancy was 78.3% (2023: 80.9%).

	Occupancy 31 March 2024 %	Occupancy change in year 000 sq ft	Occupancy 31 March 2024 000 sq ft	Occupancy 31 March 2023 000 sq ft
76 established Big Yellow stores	81.6%	(124)	3,905	4,029
9 developing Big Yellow stores	59.8%	73	375	302
All 85 Big Yellow stores	79.1%	(51)	4,280	4,331
24 Armadillo stores	74.3%	(8)	749	757
All 109 stores	78.3%	(59)	5,029	5,088

All stores are trading profitably at the EBITDA level, with our most recent opening in Kings Cross reaching break even in September 2023, four months after opening.

Operating Review continued

Rental growth

We continue to manage pricing dynamically, taking account of room availability, customer demand and local competition, with our pricing model reducing promotions and increasing asking prices where individual units are in scarce supply.

We continue to price competitively to win new customers and have moderated our existing customer price increases over the year with the fall in inflation. It must be remembered that some 60% to 70% of our customers move-out within six months, and therefore do not receive any price increases.

The average achieved net rent per sq ft increased by 7.5% compared to the prior year, with closing net rent up 5.1% compared to 31 March 2023. The table below shows the change in net rent per sq ft for the portfolio by average occupancy over the year (on a non-weighted basis). The analysis excludes our most recent store openings.

Average occupancy in the year	Net rent per sq ft growth from April 2023 to March 2024	Net rent per sq ft growth from April 2022 to March 2023
70% to 85%	5.4%	8.3%
85% to 90%	5.5%	8.7%
Above 90%	6.9%	9.7%

The self storage market

In the recently published 2024 Self Storage Association UK Survey, only 43% of those surveyed had a reasonable or good awareness of self storage. Furthermore, only 12% of the 2,076 adults surveyed were currently using self storage or were thinking of using self storage in the next year, which was an improvement from 9% in the survey last year. Self storage is therefore not a commoditised product, such as hotels, taxis, cinemas etc, and it will take many years of use and growing awareness before it becomes so, particularly given the subdued growth in new supply.

Growth in new facilities across the industry has been largely in regional areas of the UK and particularly in smaller towns. Historically, new supply creation in our core markets in London and the South East, has been difficult, with high land values driven by competing uses such as residential and urban industrial. In London in the year to 31 December 2023, there were eight new store openings, including one Big Yellow store. We are aware of four planned store openings in London in calendar year 2024.

The Self Storage Association ("SSA") estimates that the UK industry is made up of approximately 1,700 self storage facilities and 1,000 purely container operations, providing 60 million sq ft of self storage space, equating to 0.9 sq ft per person in the UK. This compares to 12 sq ft per person in the US, 2.2 sq ft per person in Australia and 0.2 sq ft for mainland Europe, where the roll-out of self storage is a more recent phenomenon (sources: UK Self Storage Association Survey May 2024 and FEDESSA European Self Storage Annual Survey 2023).

Marketing and operations

Our marketing strategy focuses on building our market-leading brand awareness further and using it to maximise the cost-efficient generation of enquiries, customer move-ins and user satisfaction through our digital platforms. Our strong brand and continued digital investment and innovation has helped us create a market-leading website which delivers over 90% of our enquiries.

Our annual YouGov survey (published May 2024) again confirmed that the brand awareness of Big Yellow remained significantly ahead of other UK operators in the sector. The survey shows our unprompted brand awareness to be 4.1 times higher than our nearest competitor across the UK (2023: 4.4 times higher).

The Big Yellow website allows users to browse different room sizes, obtain a price, reserve online and check-in online prior to arriving at the stores which are automated in terms of access once a customer moves-in.

The online customer experience also allows customers to communicate with us in real-time via Live Chat, WhatsApp, or Facebook Messenger. The comprehensive online FAQs provide our users with another way to ask questions they may have about the service without needing to call us directly. This is critical, because approximately 60% of our new prospects have not used self storage before.

The seamless digital experience continues with our online check-in platform. This allows customers to complete the majority of their move-in process remotely. They can upload their photo and identity documents, sign the full customer licence, set up authorised persons, complete their storage inventory and set up a paperless Direct Debit – all done remotely. This check-in online capability has significantly cut down the time our customers need to spend in our receptions when they move-in. The process is completed with our in-store digital signature pads.

We also offer the ability to purchase boxes and packing materials through our online BoxShop store. These items can be home delivered or made available for our Click and Collect service from stores, which represents 80% of BoxShop transactions.

Driving online traffic

Self storage is a consumer-facing business, and the development of a strong and sustainable brand is multi-layered and requires a consistency of product, customer service and interaction at all touch points, particularly online.

Search engines are the most important acquisition tool for us, accounting for the majority of traffic to our website. Our focus for a competitive advantage on search continues and search engine optimisation ("SEO") work has helped us to maintain high organic listings for popular generic and local self storage related search terms. This in turn drives the growth and cost efficiencies of acquiring new prospects.

Brand search terms are also a valuable driver of enquiries for Big Yellow and help improve the efficiencies of our cost per enquiry. 41% of all traffic generated from search engines to our website originated from "Big Yellow" brand searches in the year. This clearly indicates that brand is important in driving higher levels of prospects and customer referrals, leading to improved operational efficiencies. We have demonstrated this through significant improvements in the performance of existing storage centres following their acquisition, re-branding, and assimilation into our business.

Search engine marketing remains our largest source of paid for web traffic. Ongoing website optimisation and an engaging user experience through our digital platforms helps ensure we maximise the conversion of these web visits into enquiries and then customers. Digital display advertising enables us to regionally target audiences in the market for self storage, raising consideration of the service and the Big Yellow brand through engaging creatives.

Online customer reviews and social media

Supporting our values of putting the customer at the heart of our business, our online customer reviews generate real-time feedback from customers and provide positive word of mouth referral to our website visitors. Through our 'Big Impressions' customer feedback programme, we ask our new customers to rate our service. With the users' permission, we then publish these independent customer reviews on the Big Yellow website which currently total over 52,000 averaging 4.7 out of 5.

The Big Impressions programme also generates customer feedback on their move-in and move-out experience. These customer reviews and mystery shop results are transparently accessible across the business and helps reinforce our focus on outstanding customer service. Over the year, we have achieved an average net promoter score of 80.5 which is a very strong consumer-facing benchmark result.

We also gain real-time customer feedback from over 23,500 Google Reviews averaging 4.7 out of 5. These help to enhance our visibility within local search listings conveying trust in the Big Yellow brand. Additionally, we have over 4,200 reviews from the independent review site TrustPilot. These reviews average 4.8 out of 5-star rating, labelled as "Excellent" on the TrustPilot ratings scale. We monitor our customer reviews and respond where necessary for customer service reasons or to manage our online reputation and improve our service offering.

Social media continues to be complementary to our existing marketing channels. Big Yellow actively posts content across Twitter, Facebook and Instagram which help to raise awareness of our services and ESG activities. These social channels are also used by customers to connect with us and are monitored in real-time, enabling us to respond promptly to any enquiries. The Big Yellow LinkedIn platform is used to communicate company achievements, ESG initiatives and our company culture and the Big Yellow YouTube channel is used to allow web prospects to experience our stores online through our video guides to self storage.

We will continue to invest in improving the customer experience and user journey across all our digital marketing channels and also in-store operations to achieve higher levels of automation and hence efficiencies in the business.

Market-leading brand awareness

Our YouGov survey (published May 2024) again confirmed Big Yellow's brand awareness remains significantly ahead of our competitors.

“Our brand awareness is over four times higher than our nearest competitor.”

Operating Review continued

AI

Generative AI is now used throughout the business and has been adopted quickly since its launch. We have a variety of tools available including Canva, ChatGPT, Google Gemini and Microsoft 365 CoPilot. These are used to generate content and ideas across social media, SEO, responses to customer reviews, drafting emails, developing training modules, policies, procedures and creating visuals in our communications. We see these large language models continuing to improve and allowing us to increase our productivity and efficiency, particularly at our head office.

Rules-based data manipulation and automation is also something that we have used within Big Yellow for some time and continue to improve. Examples of this include our dynamic pricing system, prospect management, check-in online, digital automation of all customer communications, access control reporting and alerts based on the significant data we have at stores, exception reporting for our store audit processes. Other examples in marketing would be translation AI, optimisation of paid search and targeting of prospects. Although provided by third parties, machine learning AI is the core of all our cyber security and defence, across anti-malware, firewalls, email management, vulnerability testing and Security Information and Event Monitoring. A further example is that we have just invested in a SaaS recruitment platform, which manages the workflow for all recruitment and interaction with candidates through automation. Our CAFM platform in facilities which was implemented three years ago to manage all our interactions between the stores, the facilities team and the various contractors has made a significant difference to productivity and control in that area.

The above is by no means a complete summary of how AI is making a difference to our business, but hopefully provides an insight and it is something that we will continue to invest in.

Cyber security and IT infrastructure

Cyber security and IT infrastructure are vital for the Group's strategy and operations. The Group has a robust cyber security and IT infrastructure framework that covers risk, security, compliance, innovation, and efficiency. The Group has achieved significant results and progress in the past year, but also faces challenges and opportunities in the future. The Group is committed to investing and improving its cyber security and IT infrastructure capabilities, and to maintaining its competitive edge.

We regularly evaluate cyber risk and security status with the help of both internal experts and external consultants and conduct frequent tests on our systems and people, such as penetration tests and phishing simulations. The Group's systems underwent an external audit during the year and retained the IASME Gold certification which includes Cyber Essentials. The Group has cyber insurance in place should a breach occur.

Our Data Compliance Officer oversees our ongoing compliance with GDPR and PCI DSS. The role also includes Business Continuity and Crisis Communication management. Policies and procedures are under regular review and are benchmarked against industry best practice. There are mandatory courses for all staff to complete both for Information Security and Data Protection. Our Infrastructure and Development teams continue to drive innovation and efficiencies throughout the Group.

ESG

We have a long-term strategy to become Net Renewable Energy Positive and deliver Net Zero Scope 1 and 2 Emissions targets, which will be funded with significant investment from the Group over the next few years. The main delivery vehicle for this new strategy will be the installation of solar generation capacity onto our existing store estate.

By 2025, we expect to have completed a multi-million pound investment in renewable energy generation both on the roofs of our estate and also at other locations. We published in 2022 our Strategy document that sets out our Commitments, Actions and Timelines to become 100% Renewable Energy Positive and Net Zero Scope 1 and 2 Emissions by 2030.

The sustainability performance highlights for the year are:

- we have invested £6 million in our solar programme over the year and now have 68 stores with solar and have expanded the programme to all stores. Our current peak capacity has increased over the past three years from 0.9 Megawatts to 6.6 Megawatts;
- we have donated £796,000 in Community Investment. This consists of a combination of free and discounted space to worthy local charitable organisations and not-for-profits and we house different organisations, from foodbanks to small community groups to NHS partners and also BoxShop products donated;
- £298,000 has been raised for the Foundation from customer donations and employee fundraising including the matched contributions from the Company. These funds allowed us to make grants of £256,000 to our partner charities in the year;
- we have delivered 12 successful and all-round enriching work placements with Breaking Barriers, Street League and the Down's Syndrome Association;
- increased our GRESB Green Star rating from 4 to 5, improved from a B to an A- award from CDP and maintained our ISS indices; and
- we obtained our third EPRA sBPR Gold Award.

Portfolio Summary

	March 2024					March 2023				
	Big Yellow Established ⁽¹⁾	Big Yellow Developing	Total Big Yellow	Armadillo	Total	Big Yellow Established	Big Yellow Developing	Total Big Yellow	Armadillo	Total
Number of stores	76	9	85	24	109	76	8	84	24	108
At 31 March:										
Total capacity (sq ft)	4,784,000	627,000	5,411,000	1,008,000	6,419,000	4,784,000	524,000	5,308,000	984,000	6,292,000
Occupied space (sq ft)	3,905,000	375,000	4,280,000	749,000	5,029,000	4,029,000	302,000	4,331,000	757,000	5,088,000
Percentage occupied	81.6%	59.8%	79.1%	74.3%	78.3%	84.2%	57.6%	81.6%	76.9%	80.9%
Net rent per sq ft	£36.38	£33.06	£36.09	£22.98	£34.14	£34.55	£30.70	£34.28	£22.20	£32.48
For the year:										
REVPAR ⁽²⁾	£34.16	£21.30	£32.70	£20.02	£30.71	£32.68	£22.20	£31.84	£20.27	£30.02
Average occupancy	84.0%	56.2%	80.9%	76.4%	80.2%	86.9%	54.1%	84.0%	82.1%	83.7%
Average annual net rent psf	£35.83	£32.46	£35.56	£22.75	£33.64	£33.28	£30.10	£33.10	£21.33	£31.28
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Self storage income	144,418	11,167	155,585	17,562	173,147	136,925	8,809	145,734	17,177	162,911
Other storage related income ⁽²⁾	18,332	1,571	19,903	2,651	22,554	18,523	1,401	19,924	2,691	22,615
Ancillary store rental income	1,108	284	1,392	19	1,411	1,028	155	1,193	20	1,213
Total store revenue	163,858	13,022	176,880	20,232	197,112	156,476	10,375	166,851	19,888	186,739
Direct store operating costs	(38,979)	(5,334)	(44,313)	(7,517)	(51,830)	(38,644)	(4,482)	(43,126)	(7,437)	(50,563)
Short and long leasehold rent ⁽³⁾	(2,112)	—	(2,112)	(169)	(2,281)	(1,983)	—	(1,983)	(170)	(2,153)
Store EBITDA ⁽²⁾	122,767	7,688	130,455	12,546	143,001	115,849	5,893	121,742	12,281	134,023
Store EBITDA margin	74.9%	59.0%	73.8%	62.0%	72.5%	74.0%	56.8%	73.0%	61.8%	71.8%
Deemed cost										
	£m	£m	£m	£m	£m					
To 31 March 2024	739.0	188.0	927.0	145.3	1,072.3					
Capex to complete	—	1.0	1.0	0.1	1.1					
Total	739.0	189.0	928.0	145.4	1,073.4					

⁽¹⁾ The Big Yellow established stores have been open for more than three years at 1 April 2023, and the developing stores have been open for fewer than three years at 1 April 2023.

⁽²⁾ See glossary in note 33.

⁽³⁾ Rent paid for six short leasehold properties and one long leasehold property.

Portfolio Summary continued

The table below reconciles Store EBITDA to gross profit in the statement of comprehensive income.

	Year ended 31 March 2024			Year ended 31 March 2023		
	Store EBITDA £000	Reconciling items £000	Gross profit per statement of comprehensive income £000	Store EBITDA £000	Reconciling items £000	Gross profit per statement of comprehensive income £000
Store revenue/Revenue ⁽⁴⁾	197,112	2,507	199,619	186,739	2,090	188,829
Cost of sales ⁽⁵⁾	(51,830)	(4,164)	(55,994)	(50,563)	(3,744)	(54,307)
Rent ⁽³⁾	(2,281)	2,281	–	(2,153)	2,153	–
Store EBITDA	143,001	624	143,625	134,023	499	134,522

⁽³⁾ Rent paid for six short leasehold properties and one long leasehold property.

⁽⁴⁾ See note 3 of the financial statements, reconciling items are management fees and non-storage income.

⁽⁵⁾ See reconciliation in cost of sales section in Financial Review on page 39.

Reconciliation of APMs

The table below reconciles the reported figures above to the like-for-like metrics the Group reports:

Like-for-like revenue

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Store revenue ⁽⁶⁾	197,112	186,739
Less revenue from non like-for-like stores ⁽⁶⁾	(3,657)	(1,133)
Like-for-like revenue ⁽⁶⁾	193,455	185,606

Like-for-like Big Yellow store occupancy

	Year ended 31 March 2024	Year ended 31 March 2023
Store MLA (sq ft) ⁽⁶⁾	6,419,000	6,292,000
Less MLA from non like-for-like stores (sq ft) ⁽⁶⁾	(1,304,000)	(1,178,000)
Like-for-like MLA (sq ft) ⁽⁶⁾	5,115,000	5,114,000
Store occupancy (sq ft) ⁽⁶⁾	5,029,000	5,088,000
Less occupancy from non like-for-like (sq ft) ⁽⁶⁾	(890,000)	(835,000)
Like-for-like occupancy (sq ft) ⁽⁶⁾	4,139,000	4,253,000
Like-for-like occupancy (%) ⁽⁶⁾	80.9%	83.2%

⁽⁶⁾ See glossary in note 33.

Twickenham 2, April 2016
MLA – 22,000 sq ft

Nine Elms, April 2016
MLA – 65,000 sq ft

Cambridge, January 2016
MLA – 60,000 sq ft

Enfield, April 2015
MLA – 60,000 sq ft

Chester, February 2015
MLA – 69,000 sq ft

Oxford 2, July 2014
MLA – 35,000 sq ft

Gypsy Corner, April 2014
MLA – 70,000 sq ft

Chiswick, April 2012
MLA – 73,000 sq ft

New Cross, February 2012
MLA – 61,000 sq ft

Stockport, September 2011
MLA – 65,000 sq ft

Eltham, April 2011
MLA – 70,000 sq ft

Camberley, January 2011
MLA – 67,000 sq ft

High Wycombe, June 2010
MLA – 60,000 sq ft

Reading, December 2009
MLA – 62,000 sq ft

**Sheffield Bramall Lane,
September 2009**
MLA – 60,000 sq ft

Poole, August 2009
MLA – 55,000 sq ft

Nottingham, August 2009
MLA – 67,000 sq ft

Edinburgh, July 2009
MLA – 63,000 sq ft

Twickenham, May 2009
MLA – 73,000 sq ft

Liverpool, March 2009
MLA – 60,000 sq ft

Bromley, March 2009
MLA – 71,000 sq ft

Birmingham, February 2009
MLA – 60,000 sq ft

Sheen, December 2008
MLA – 64,000 sq ft

**Sheffield Hillsborough,
October 2008**
MLA – 60,000 sq ft

Kennington, May 2008
MLA – 66,000 sq ft

Merton, March 2008
MLA – 70,000 sq ft

Fulham, March 2008
MLA – 138,000 sq ft

Balham, March 2008
MLA – 61,000 sq ft

Barking, November 2007
MLA – 64,000 sq ft

Ealing Southall, November 2007
MLA – 57,000 sq ft

Sutton, July 2007
MLA – 70,000 sq ft

Gloucester, December 2006
MLA – 50,000 sq ft

Edmonton, October 2006
MLA – 75,000 sq ft

Kingston, August 2006
MLA – 62,000 sq ft

Bristol Ashton Gate, July 2006
MLA – 61,000 sq ft

Finchley East, May 2006
MLA – 54,000 sq ft

Tunbridge Wells, April 2006
MLA – 57,000 sq ft

Bristol Central, March 2006
MLA – 64,000 sq ft

North Kensington, December 2005
MLA – 50,000 sq ft

Leeds, July 2005
MLA – 76,000 sq ft

Beckenham, May 2005
MLA – 71,000 sq ft

Tolworth, November 2004
MLA – 56,000 sq ft

Watford, August 2004
MLA – 64,000 sq ft

Swindon, April 2004
MLA – 53,000 sq ft

Orpington, December 2003
MLA – 64,000 sq ft

Byfleet, November 2003
MLA – 48,000 sq ft

Chelmsford, April 2003
MLA – 54,000 sq ft

Finchley North, March 2003
MLA – 62,000 sq ft

Our Big Yellow Stores

An unrivalled portfolio of stores across London, the South East and other large metropolitan cities.

Kings Cross, June 2023
MLA – 105,000 sq ft

Kingston North, September 2022
MLA – 56,000 sq ft

Harrow, September 2022
MLA – 82,000 sq ft

Aberdeen, June 2022
MLA – 54,000 sq ft

Hove, March 2022
MLA – 58,000 sq ft

Hayes, January 2022
MLA – 73,000 sq ft

Uxbridge, June 2021
MLA – 54,000 sq ft

Battersea, November 2020
MLA – 70,000 sq ft

Bracknell, September 2020
MLA – 59,000 sq ft

Camberwell, July 2020
MLA – 75,000 sq ft

Manchester, May 2019
MLA – 60,000 sq ft

Wapping, July 2018
MLA – 26,000 sq ft

Guildford Central, March 2018
MLA – 55,000 sq ft

West Norwood, January 2003
MLA – 57,000 sq ft

Colchester, December 2002
MLA – 54,000 sq ft

Bow, November 2002
MLA – 132,000 sq ft

Brighton, October 2002
MLA – 59,000 sq ft

Guildford Slyfield, June 2002
MLA – 55,000 sq ft

New Malden, May 2002
MLA – 81,000 sq ft

Hounslow, December 2001
MLA – 54,000 sq ft

Ilford, November 2001
MLA – 58,000 sq ft

Cardiff, October 2001
MLA – 74,000 sq ft

Portsmouth, October 2001
MLA – 61,000 sq ft

Norwich, September 2001
MLA – 47,000 sq ft

Dagenham, July 2001
MLA – 51,000 sq ft

Wandsworth, April 2001
MLA – 72,000 sq ft

Luton, March 2001
MLA – 41,000 sq ft

Southend, March 2001
MLA – 57,000 sq ft

Staples Corner, March 2001
MLA – 112,000 sq ft

Romford, November 2000
MLA – 70,000 sq ft

Milton Keynes, September 2000
MLA – 60,000 sq ft

Cheltenham, April 2000
MLA – 50,000 sq ft

Slough, February 2000
MLA – 67,000 sq ft

Hanger Lane, October 1999
MLA – 66,000 sq ft

Oxford, August 1999
MLA – 33,000 sq ft

Croydon, July 1999
MLA – 79,000 sq ft

Richmond, May 1999
MLA – 35,000 sq ft

Our Armadillo Stores

Armadillo is Big Yellow's regional brand in smaller towns and cities with 24 largely freehold stores.

Canterbury
MLA – 35,000 sq ft

Daventry
MLA – 35,000 sq ft

Derby
MLA – 43,000 sq ft

Dundee
MLA – 39,000 sq ft

Exeter
MLA – 34,000 sq ft

Gateshead
MLA – 46,000 sq ft

Grimsby
MLA – 40,000 sq ft

Hull
MLA – 32,000 sq ft

Liverpool Aintree
MLA – 49,000 sq ft

Liverpool Bootle
MLA – 36,000 sq ft

Liverpool South
MLA – 50,000 sq ft

Macclesfield
MLA – 63,000 sq ft

Morecambe
MLA – 50,000 sq ft

Newcastle
MLA – 56,000 sq ft

Peterborough
MLA – 49,000 sq ft

Plymouth
MLA – 25,000 sq ft

Sheffield Parkway
MLA – 48,000 sq ft

Sheffield West Bar
MLA – 29,000 sq ft

Stockton Central
MLA – 43,000 sq ft

Stockton South
MLA – 41,000 sq ft

Stoke
MLA – 39,000 sq ft

Torquay
MLA – 33,000 sq ft

Warrington
MLA – 57,000 sq ft

West Molesey
MLA – 35,000 sq ft

Financial Review

Revenue

Total revenue for the year was £199.6 million, an increase of £10.8 million (6%) from £188.8 million in the prior year. Like-for-like store revenue (see glossary in note 33) for the year was £193.5 million, an increase of 4% from the prior year (2023: £185.6 million).

Revenue growth for the year in our London stores was 7%, our south east commuter stores 5% and our regional stores 3%.

Included in store revenue is other storage related income, from the sale of packing materials, insurance/enhanced liability service ("ELS"), and storage related charges. This amounted to £22.6 million in the year (2023: £22.6 million).

The Group changed the way it sold its contents protection cover to its customers on 1 June 2022 to an Enhanced Liability Service, which is subject to VAT at 20% and not Insurance Premium Tax ("IPT") at 12%, the latter being included in revenue. We estimate the impact of this on the total revenue and like-for-like revenue for the year is 0.2%.

The other revenue earned by the Group is tenant income on sites where we have not started development.

Operating costs

Cost of sales principally comprise the direct store operating costs, including store staff salaries, utilities, business rates, insurance, a full allocation of the central marketing budget and repairs and maintenance.

The table below shows the breakdown of our store operating costs compared to the prior year:

Category	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000	Change	% of store operating costs in 2024
Cost of sales	1,519	2,202	-31%	3%
Staff costs	14,721	14,415	2%	27%
General & admin	1,434	1,691	-15%	2%
Utilities	2,670	2,056	30%	5%
Property rates	18,153	15,498	17%	33%
Marketing	6,438	6,504	-1%	12%
Repairs & maintenance	5,336	4,685	14%	10%
Insurance	3,323	2,757	21%	6%
Computer costs	1,031	1,001	3%	2%
Total before one-off items	54,625	50,809	8%	
One-off items	(2,795)	(246)		
Total per portfolio summary	51,830	50,563	3%	

Store operating costs have increased by £1.3 million (3%). The one-off items in the current year relate to the release of a provision for property rates from the 2017 rating list (£2.3 million), and a reassessment of the Group's bad debt provision (£0.5 million). Store operating costs before these one-off items have increased by £3.8 million (8%) compared to the prior year. New stores accounted for £1.5 million of operating expense increase in the year. Cost of sales has decreased by £0.7 million following the move to selling an ELS rather than insurance (see explanation in revenue above), and also due to a decline in packing material sales during the year.

The remaining increase of £3 million represents an increase of 6%. More specifically, we would comment as follows:

- Staff costs have increased by £0.3 million (2%). The average salary review in the year was 5.6%, which has been partly offset by a reduction in staffing in stores as we continue to invest in automation, and lower bonuses in the year.
- General and admin expenses are down by £0.3 million (15%), following a reassessment of the Group's bad debt provision in the year.
- Marketing is 1% down on the prior year with continued efficiencies being achieved from our digital campaigns.
- Utilities has increased by 30%, with a new fixed rate electricity contract starting on 1 October 2023, which was at a 74% higher rate than our expiring contract. This increased rate has been partly mitigated by our investment in solar.

- Property rates have increased by £2.7 million (17%), following the Rating Revaluation published in November 2022, effective 1 April 2023.
- Insurance has increased by £0.6 million (21%). Overall buildings and loss of income insurance premiums increased from 1 April 2023 by 16%, due to market conditions and higher insured values. In addition, we now insure our customers contents for catastrophe risk, with a Lloyds underwriter, and as a result are responsible for paying for claims up to £250,000 in any one loss. During the year £348,000 was paid in claims (2023: £128,000), with higher claims this year due to the very wet winter.
- The repairs and maintenance expense has increased due to higher store numbers, and an increase in solar panel maintenance costs, with higher numbers of stores now with solar PVs.
- The Group's bad debt expense for the year was 0.2% of revenue, in line with the prior year. The Group has not seen any deterioration in its aged debtors' profile over recent months.

The table below reconciles store operating costs per the portfolio summary to cost of sales in the statement of comprehensive income:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Direct store operating costs per portfolio summary (excluding rent)	51,830	50,563
Rent included in cost of sales (total rent payable is included in portfolio summary)	1,784	1,551
Depreciation charged to cost of sales	569	496
Head office and other operational management costs charged to cost of sales	1,811	1,697
Cost of sales per statement of comprehensive income	55,994	54,307

Store EBITDA

Store EBITDA for the year was £143.0 million, an increase of £9.0 million (7%) from £134.0 million for the prior year (see Portfolio Summary). The overall EBITDA margin for during the year was 72.5%, up from 71.8% in 2023.

All stores are currently trading profitably at the Store EBITDA level. Our store in Kings Cross, which opened in June 2023, reached break even after four months of trading.

Administrative expenses

Administrative expenses in the statement of comprehensive income of £15.2 million were up £0.7 million (5%) compared to the prior year, including increased legal and professional fees and COO recruitment costs. The non-cash share-based payments charge represents £4.0 million of the overall £15.2 million expense (2023: £3.7 million of £14.5 million expense).

Other income

In February 2022 the Group experienced a fire at our Cheadle store, which resulted in a total loss to the store. We have insurance cover in place for both the fit-out and four years loss of income. The loss of income received during the financial year was £1.8 million, which is included in other income (2023: £1.4 million).

The Group also received £4.7 million in the year which was the insurance proceeds for the fit-out of the Cheadle store. This amount is shown in other income but has not been included in the Group's adjusted earnings for the year.

Interest expense on bank borrowings

The gross bank interest expense for the year was £25.6 million, an increase of £7.5 million from the prior year, due to higher average debt levels in the first half of the year, coupled with the Group's higher average cost of debt following the increase in interest rates. The average cost of borrowing during the year was 5.5% compared to 4.2% in the prior year. Capitalised interest on our construction programme was £3.3 million, up from £2.8 million in the prior year.

Total finance costs in the statement of comprehensive income increased to £22.9 million from £16.9 million in the prior year.

Financial Review continued

Profit before tax

The Group made a profit before tax in the year of £241.0 million, compared to a profit of £75.3 million in the prior year. After adjusting for the gain on the revaluation of investment properties and other matters shown in the table below, the Group made an adjusted profit before tax in the year of £107.3 million, up 1% from £106.0 million in 2023.

Profit before tax analysis	2024 £000	2023 £000
Profit before tax	241,035	75,309
(Gain)/loss on revaluation of investment properties	(131,159)	29,861
Movement in fair value on interest rate derivatives	2,146	133
Cheadle fit-out insurance proceeds	(4,723)	–
Refinancing costs	–	732
Adjusted profit before tax	107,299	106,035

The adjustments made to the Group's profit before tax follow guidance issued by EPRA, with additional Company specific adjustments made to give readers a clearer underlying picture of the Group's performance. EPRA profit before tax is disclosed in note 10.

The movement in the adjusted profit before tax from the prior year is illustrated in the table below:

	£m
Adjusted profit before tax – year ended 31 March 2023	106.0
Increase in gross profit	9.1
Increase in administrative expenses	(0.7)
Decrease in other income	(0.4)
Increase in net interest payable	(7.2)
Increase in capitalised interest	0.5
Adjusted profit before tax – year ended 31 March 2024	107.3

Basic earnings per share for the year was 127.1p (2023: 40.1p) and diluted earnings per share was 126.4p (2023: 39.8p). Diluted adjusted earnings per share based on adjusted profit after tax was down 1% to 55.9p (2023: 56.5p) (see note 12).

REIT status

The Group converted to a Real Estate Investment Trust ("REIT") in January 2007. Since then, the Group has benefited from a zero tax rate on the Group's qualifying self storage earnings. The Group only pays tax on the profits attributable to our residual business, comprising primarily of the sale of packing materials and insurance.

REIT status gives the Group exemption from UK corporation tax on profits and gains from its qualifying portfolio of UK stores. Revaluation gains on developments and our existing open stores are exempt from corporation tax on chargeable gains, provided certain criteria are met. The Armadillo stores joined our REIT group on acquisition of the remaining interest, allowing us to write back the deferred tax that had been provided on previous revaluation uplifts.

The Group has a rigorous internal system in place for monitoring compliance with criteria set out in the REIT regulations. On a monthly basis, a report on compliance with these criteria is issued to the Executive. To date, the Group has complied with all REIT regulations, including forward looking tests.

Taxation

There is a £2.3 million tax charge in the residual business for the year ended 31 March 2024 (2023: £2.3 million). The current year tax charge is partly offset in the income statement by an adjustment to the prior year tax estimate.

Dividends

The Board is recommending the payment of a final dividend of 22.6 pence per share in addition to the interim dividend of 22.6 pence, giving a total dividend for the year of 45.2 pence, in line with the prior year. The Group's policy is to distribute a minimum of 80% of our adjusted earnings per share in each reporting period.

REIT regulatory requirements determine the level of Property Income Distribution ("PID") payable by the Group. On the basis of the full year distributable reserves for PID purposes, a PID of 45.2p pence per share is payable (31 March 2023: 45.2 pence). The PID for the year to 31 March 2024 accounts for all of the declared dividend. The table below summarises the declared dividend for the year:

Dividend (pence per share)	31 March 2024	31 March 2023
Interim dividend	22.6p	22.3p
Final dividend	22.6p	22.9p
Total dividend	45.2p	45.2p

Subject to approval by shareholders at the Annual General Meeting to be held on 18 July 2024, the final dividend will be paid on 26 July 2024. The ex-div date is 4 July 2024 and the record date is 5 July 2024.

Cash flow growth

The Group is strongly cash generative and draws down from its longer term committed facilities as required to meet its obligations. The Group's cash flow from operating activities pre-working capital movements for the year was £110.1 million, an increase of 1% from £109.2 million in the prior year, with the growth in line with the increase in the Group's profitability in the year.

These operating cash flows are after the ongoing maintenance costs of the stores, which were on average approximately £49,000 per store (2023: £43,000).

The Group's net debt has decreased over the year to £385.4 million (March 2023: £486.6 million).

There are distortive working capital items in the current period, and therefore the summary cash flow below sets out the free cash flow pre-working capital movements.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Cash generated from operations pre-working capital movements	135.1	126.2
Net finance costs	(24.0)	(16.5)
Interest on obligations under lease liabilities	(0.6)	(0.7)
Loss of income insurance proceeds	1.6	2.0
Tax	(2.0)	(1.8)
Cash flow from operating activities pre-working capital movements	110.1	109.2
Working capital movements	(5.3)	2.8
Cash flow from operating activities	104.8	112.0
Capital expenditure	(30.9)	(106.4)
Disposal of non-current asset	5.4	-
Insurance proceeds on fit-out	4.7	-
Receipt from Capital Goods Scheme	-	0.2
Cash flow after investing activities	84.0	5.8
Ordinary dividends	(85.2)	(79.2)
Issue of share capital	108.0	1.0
Payment of lease liabilities	(1.8)	(1.3)
Receipt from termination of interest rate derivatives	-	0.4
Loan arrangement fees paid	(3.7)	(1.5)
(Decrease)/increase in borrowings	(100.2)	74.5
Net cash inflow/(outflow)	1.1	(0.3)
Opening cash and cash equivalents	8.3	8.6
Closing cash and cash equivalents	9.4	8.3
Closing debt	(394.8)	(494.9)
Closing net debt	(385.4)	(486.6)

The Group's interest cover for the period (expressed as the ratio of cash generated from operations pre-working capital movements against interest paid) was 5.6 times (2023: 7.7 times). This is calculated per below:

	31 March 2024 £000	31 March 2023 £000
Cash generated from operations pre working capital movements (see note 26)	135,086	126,195
Interest paid per cash flow statement	(24,069)	(16,486)
Interest cover	5.6x	7.7x

In the year capital expenditure outflows were £30.9 million, down from £106.4 million in the prior year. This capital expenditure was principally on the construction of new stores, and the continued roll-out of our solar retrofit programme. We expect the amount of capital expenditure to increase next year, as we build out our seven sites with planning consent and vacant possession. The disposal of non-current asset of £5.4 million relates to the proceeds from a land swap at Kings Cross.

The cash flow after investing activities was a net inflow of £84.0 million in the year, compared to a net inflow of £5.8 million in 2023.

Balance sheet

Property

The Group's open stores and stores under development owned at 31 March 2024, which are classified as investment properties, have all been valued individually by JLL.

The external valuation has resulted in an investment property asset value of £2.865 billion, comprising £2.686 billion (94%) for the freehold (including nine long leaseholds) open stores, £32.2 million (1%) for the short leasehold open stores and £146.5 million (5%) for the freehold investment properties under construction.

Financial Review continued

Investment property

The open store portfolio has increased in value by £145.4 million (5.3%). This increase in value arises from an improvement in cap rates, reflecting recent transactions in the sector, and operating cash flow growth.

The weighted average exit capitalisation rate used in the valuations was 5.4% in the current year, compared to 5.6% in the prior year.

Analysis of property portfolio	Value at 31 March 2024 £m	Revaluation movement in the year £m
Investment property	2,718.5	145.4
Investment property under construction	146.5	(14.2)
Investment property total	2,865.0	131.2

The table below provides a further breakdown of the open store valuations:

	Established		Developing		Armadillo
	Freehold	Leasehold	Freehold	Largely Freehold	Total
Number of stores	71	5	9	24	109
MLA capacity (sq ft)	4,473,000	311,000	627,000	1,008,000	6,419,000
Valuation at 31 March 2024 (£m)	£2,082.6m	£274m	£343.1m	£173.8m	£2,626.9m
Value per sq ft	£466	£88	£547	£172	£409
Occupancy at 31 March 2024	81.7%	80.2%	59.8%	74.3%	78.3%
Stabilised occupancy assumed	88.6%	87.3%	86.1%	86.4%	87.8%
Net initial year one NOI yield	5.3%	18.2%	3.2%	6.2%	5.2%

The total store valuation in this table differs to the balance sheet due to the non-self storage investment property that the Group owns, such as the Harrow Industrial Scheme. The net initial year one NOI yield is 5.2% (2023: 5.3%). Note 15 contains more detail on the assumptions underpinning the valuations.

Investment property under construction

The Group spent £15.1 million on investment property under construction in the year, the majority of which was construction expenditure, principally on Kings Cross and Slough Farnham Road. This spend also includes the site purchase of Leicester. Kings Cross transferred to investment property during the year as the store opened, and the Harrow Industrial Scheme has also been transferred to investment property during the year, following the completion of its construction.

The revaluation deficit of £14.2 million on the investment property under construction is largely as a result of a reduction in the value of our land without self storage planning – this deficit all occurred in the first half of the year, with values stable in the second half of the year.

The projected net operating income of the increase in our total capacity of 957,000 sq ft when stabilised is £30.4 million representing an approximate 13.5% return on the incremental capital deployed. On a proforma basis at stabilisation, the projected net operating income for the 12 new stores and two replacement stores is £35.9 million, a return of approximately 8.7% on the total development cost of £412 million, including land already acquired.

Purchaser's cost adjustment

As in prior years, we have instructed an alternative valuation on our assets using a purchaser's cost assumption of 2.75% (see note 15 for further details) to be used in the calculation of our adjusted diluted net asset value. This Red Book valuation on the basis of the special assumption of 2.75% purchaser's costs, results in a higher property valuation at 31 March 2024 of £2.976 billion (£111.1 million higher than the value recorded in the financial statements). This translates to 56.2 pence per share. This revised valuation translates into an adjusted net asset value per share of 1,296.4 pence (2023: 1,237.3 pence) after the dilutive effect of outstanding share options.

Receivables

The Group's bad debt expense in the year represented 0.2% of revenue compared to 0.2% in the prior year, with 80% of our customer base paying by direct debit.

Net asset value

The adjusted net asset value is 1,296.4 pence per share (see note 13), compared to 1,218.5 pence per share at 31 March 2023 (after adjusting for the impact of the placing in October 2023). The table below reconciles the movement:

Movement in adjusted net asset value	£m	Adjusted NAV pence per share
31 March 2023	2,287.2	1,237.3
Adjusted for placing	107.0	(18.8)
31 March 2023 (adjusted)	2,394.2	1,218.5
Adjusted profit after tax	106.1	54.0
Equity dividends paid	(86.0)	(43.8)
Revaluation movements	131.2	66.8
Movement in purchaser's cost adjustment	6.5	3.3
Other movements (e.g. share schemes, insurance fit-out receipt)	9.9	(2.4)
31 March 2024	2,561.9	1,296.4

Borrowings

Our financing policy is to fund our current needs through a mix of debt, equity, and cash flow to allow us to build out, and add to, our development pipeline and achieve our strategic growth objectives, which we believe improve returns for shareholders. We aim to ensure that there are sufficient medium-term facilities in place to finance our committed development programme, secured against the freehold portfolio, with debt serviced by our strong operational cash flows. We maintain a keen watch on medium and long-term rates and the Group's policy in respect of interest rates is to maintain a balance between flexibility and hedging of interest rate risk.

The table below summarises the Group's debt facilities at 31 March 2024, with a current average cost of debt of 5.4% (March 2023: 4.7%).

Debt	Expiry	Facility	Drawn	Average interest cost
Aviva Loan	September 2028	£155.8m	£155.8m	3.3%
M&G loan (£35 million fixed at 4.5%, £85 million floating)	September 2029	£120m	£120m	6.9%
Revolving bank facility (Lloyds, HSBC, Barclays and Bank of Ireland, floating)	December 2026 (option to extend for two further years)	£300m	£119m	6.4%
Total	Average term 4.2 years	£575.8m	£394.8m	5.4%

In addition to the facilities above, the Group has a \$225 million credit approved shelf facility with Pricoa Private Capital ("Pricoa"), to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next two and half years with terms of between 7 and 15 years at short notice, typically 10 days.

During the year the Group put in place a new £300 million sustainability-linked facility for an initial term of three years, with the option to extend the facility by two additional one-year terms through to December 2028, subject to lender approval. The loan is provided by Lloyds Bank plc, HSBC UK Bank plc, Bank of Ireland, and Barclays Bank plc, with Barclays joining the existing three bank syndicate. The margin of 1.25% was unchanged from the existing facility.

The Group has incorporated Sustainability-linked KPIs into the loan, which include annual pre-agreed targets and are based on:

- reductions in Scope 1 and 2 emissions;
- increase in solar generation capacity;
- total annual grants to Big Yellow Foundation charity partners; and
- the value of storage space provided free of charge to local charities in our stores.

Performance against the KPIs will be measured annually, and a margin decrease or increase will be applied to the headline margin on the basis of this performance.

The Group was comfortably in compliance with its banking covenants at 31 March 2024. Further details of the Group's covenants are provided in note 19 of the accounts.

The Group's key financial ratios are shown in the table below:

Metric	31 March 2024	31 March 2023
Net Debt / Gross Property Assets	13%	18%
Net Debt / Adjusted Net Assets	15%	21%
Net Debt / Market Capitalisation	18%	23%
Net debt to Group EBITDA ratio	3.0x	4.1x
Cash generated from operations pre-working capital movements against interest paid	5.6x	7.7x

At 31 March 2024, the fair value on the Group's interest rate derivatives was a liability of £1.8 million. The Group does not hedge account its interest rate derivatives. The fair value movements are eliminated from adjusted profit before tax, adjusted earnings per share, and adjusted net assets per share.

Cash deposits are only placed with approved financial institutions in accordance with the Group's Treasury policy.

Share capital

The share capital of the Company totalled £19.6 million at 31 March 2024 (2023: £18.4 million), consisting of 196,195,287 ordinary shares of 10p each (2023: 184,265,973 shares). 11.6 million shares were issued in October 2023 for a placing, raising £107 million (net of expenses). 0.3 million shares were issued for the exercise of options during the year at an average exercise price of £10.77 (2023: 0.3 million shares at an average price of £13.13).

The Group holds 1.1 million shares within an Employee Benefit Trust ("EBT"). These shares are shown as a debit in reserves and are not included in calculating net asset value per share.

Metric	2024 No.	2023 No.
Opening shares	184,265,973	183,967,378
Shares issued in placing	11,640,212	–
Shares issued for the exercise of options	289,102	298,595
Closing shares in issue	196,195,287	184,265,973
Shares held in EBT	(1,098,686)	(1,122,907)
Closing shares for NAV purposes	195,096,601	183,143,066

111.2 million shares were traded in the market during the year ended 31 March 2024 (2023: 116.3 million). The average mid-market price of shares traded during the year was £10.84 with a high of £12.39 and a low of £9.10.

Principal Risks and Uncertainties

The Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity.

The Group maintains a low appetite to risk, in line with our strategic objectives of providing a low volatility, high distribution business.

The section below details the emerging and principal risks and uncertainties that are considered to have the most material impact on the Group's strategy and objectives. These key risks are monitored on an ongoing basis by the Executive Directors and considered fully by the Board in its annual risk review.

Risk and impact	Mitigation	Change during the year and outlook
Self storage market risk There is a risk to the business that the self storage market does not grow in line with our projections, and that economic growth in the UK is below expectations, which could result in falling demand and a loss of income.	Self storage is a relatively immature market in the UK compared to other self storage markets such as the United States and Australia, and we believe has further opportunity for growth. Awareness of self storage and how it can be used by domestic and business customers is relatively low throughout the UK, although higher in London; awareness increased during the pandemic. The rate of growth of branded self storage on main roads in good locations has historically been limited by the difficulty of acquiring sites at affordable prices and obtaining planning consent. New store openings in London and other large urban conurbations within the sector have slowed significantly over the past few years. Our performance during the past four years has been strong with revenue growing by 54% from £129.3 million in the year ended 31 March 2020 to £199.6 million for this year. We believe that this performance is due to a combination of factors including: – a high quality and growing portfolio of freehold properties delivering higher operating margins; – a focus on London and the South East and other large urban conurbations, where the drivers in the self storage market are at their strongest and the barriers to competition are at their highest; – continuing innovation and automation; – an inclusive and non-hierarchical culture with a highly engaged team; – a focus on delivering the highest levels of customer service; – delivering on our strong ESG commitments; – the UK's leading self storage brand, with high and growing public awareness and online strength; and – strong cash flow generation from a secure capital structure. We have a large current storage customer base occupying approximately 73,000 rooms spread across the portfolio of stores and hundreds of thousands more who have used our stores over the years. In any month, customers move in and out at the margin resulting in changes in occupancy. This is a seasonal business and typically we see growth over the spring and the summer months, with the seasonally weaker period being the winter months.	The past two financial years have seen a challenging geopolitical and macroeconomic backdrop, with the Russian invasion of Ukraine in February 2022, the US regional banking crisis and the collapse of Credit Suisse, the conflict in the Middle East, and the impact of rising inflation and interest rates. The latter has impacted the cost of living in the UK, and the level of housing transactions has fallen as the cost of mortgages has increased. The UK economy briefly entered a recession in the second half of 2023. The Group's move-in activity levels were impacted by this backdrop during the year and were down 6% compared to the prior year. However, since the year end, activity levels have improved and move-ins are up 5% compared to the same period last year. Inflation has moderated over recent months, and most commentators consider that interest rates have peaked and will start to fall towards the end of the year, subject to inflation remaining on its current trajectory.

Risk and Impact	Mitigation	Change during the year and outlook
Property risk		
There is a risk that we will be unable to acquire new development sites which meet management's criteria. This would impact on our ability to grow the overall store platform.	Our management has significant experience in the property industry generated over many years and in particular acquiring property on main roads in high profile locations and obtaining planning consents. We do take planning risk where necessary, although the availability of land, and competition for it makes acquiring new sites challenging.	The Group has acquired thirteen sites over the past five years, taking its total pipeline to 14 sites which, when opened, would expand the Group's current MLA by 15%.
Changing climate and resulting likely changes to planning restrictions will narrow choice of available sites further.	Our in-house development team and our professional advisers have significant experience in obtaining planning consents for self storage centres.	The planning process remains difficult and to achieve a planning consent can take anything from eighteen months to three years. Local planning policy is favouring residential development over other uses, and we don't expect this to change given the shortage of housing in the UK.
The Group is also subject to the risk of failing to obtain planning consents on its development sites, and the risk of a rising cost of development.	We manage the construction of our properties very tightly. The building of each site is handled through a design and build contract, with the fit-out project managed in-house using an established professional team of external advisers and sub-contractors who have worked with us for many years to our Big Yellow specification.	We currently have planning consent on eight of the 14 development sites.
Planning approval is increasingly dependent on Social or Environmental enhanced features (e.g. social enterprise at Battersea, BREEAM standards, local planners demands for green spaces) – adding cost and complexity.	We carried out an external benchmarking of our construction costs and tendering programme during the prior year, which reinforced our current approach, but also gave some areas where further efficiencies and cost savings can be achieved, which we have been implementing this year.	In May 2022, we suspended construction on all projects that were not already on site because conditions in the construction market were unfavourable. Those conditions have improved, considerably with steelwork and cladding prices falling, and other material prices stabilising. In addition, we are seeing on recent tenders that main contractors and specialist sub-contractors are pricing new projects more competitively. We are therefore proceeding with the build-out of our sites with planning and vacant possession.
Valuation risk		
The valuation of the Group's investment properties may fall due to external pressures or the impact of performance.	The portfolio is diverse with approximately 73,000 rooms currently occupied in our stores for a wide variety of reasons.	The revaluation surplus on the Group's open store investment properties was £145.4 million in the year (an uplift of 5%), due to an improvement in cap rates following recent transactions in the sector and growth in underlying cash flows used in the valuations.
Lack of transactional evidence in the self storage sector leads to more subjective valuations.	The valuations are carried out by independent, qualified external valuers who have significant experience in the UK self storage industry.	There have been a number of larger portfolio transactions across Europe over the past four years, notably including the proposed acquisition of Lok'n Store by Shurgard, and there is a weight of institutional money looking to invest in self storage.
		There is significant headroom on our loan to value banking covenants.

Principal Risks and Uncertainties continued

Risk and Impact	Mitigation	Change during the year and outlook
Treasury risk The Group may face increased costs from adverse interest rate movements.	Our financing policy is to fund our current needs through a mix of debt, equity, and cash flow to allow us to selectively build out the remaining development pipeline and achieve our strategic growth objectives, which we believe improve returns for shareholders. We have made it clear that we believe optimal leverage for a business such as ours should be a debt to EBITDA ratio in the range of 3 to 4 times and this informs our management of treasury risk. We aim to ensure that there are sufficient medium-term facilities in place to finance our committed development programme, secured against the freehold portfolio, with debt serviced by our strong operational cash flows. We have a fixed rate loan in place from Aviva Commercial Finance Limited, with 4 and half years remaining. The Group has a £120 million loan from M&G Investments, which is repayable in 2029. For our revolving credit facility, we borrow at floating rates of interest. The Group has a \$225 million credit approved shelf facility with Pricoa Private Capital ("Pricoa"), to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next two and a half years with terms of between 7 and 15 years at short notice, typically 10 days. Our policy is to maintain a flexible borrowing structure, with a long-term average of approximately 50% of our total borrowings fixed, with the balance floating. At 31 March 2024 48% of the Group's total drawn borrowings were fixed or subject to interest rate derivatives. The Group reviews its current and forecast projections of cash flow, borrowing and interest cover as part of its monthly management accounts. In addition, an analysis of the impact of significant transactions is carried out regularly, as well as a sensitivity analysis assuming movements in interest rates and store occupancy on gearing and interest cover. This sensitivity testing underpins the viability statement below. The Group regularly monitors its counterparty risk. The Group monitors compliance with its banking covenants closely. During the year it complied with all its covenants and is forecast to do so for the foreseeable future.	The Bank of England base rate has been increased further during the year, with it currently at 5.25%, up from 4.25% at the start of our financial year, and 0.75% the year before. 52% of the Group's drawn debt is floating, and hence the Group will benefit from any reductions in the base rate. Debt providers currently remain supportive to companies with a strong capital structure, as evidenced by the Group refinancing the RCF during the year at an unchanged margin. The Group's interest cover ratio for the year ended 31 March 2024 was 5.6 times, comfortably ahead of our banking covenants, as disclosed in note 19. We keep our hedging arrangements under review and if the long term cost of borrowing for durations of ten to twelve year falls, we will consider taking out more longer term debt, which would increase the weighting of the fixed element.
Tax and regulatory risk The Group is exposed to changes in the tax regime affecting the cost of corporation tax, property rates, VAT, Stamp Duty and Stamp Duty Land Tax ("SDLT"), for example the imposition of VAT on self storage from 1 October 2012.	We regularly monitor proposed and actual changes in legislation with the help of our professional advisers, through direct liaison with HMRC, and through trade bodies to understand and, if possible, mitigate or benefit from their impact. HMRC have designated the Group as having a low-risk tax status, and we hold regular meetings with them. We carry out detailed planning ahead of any future regulatory and tax changes using our expert advisers. The Group has internal monitoring procedures in place to ensure that the appropriate REIT rules and legislation are complied with. To date all REIT regulations have been complied with, including projected tests.	The Group's property rates bill for the year ended 31 March 2024 has increased by 17% from the prior year, with the 2023 rating list reflecting the rise in industrial rents over the past few years. The corporation tax rate increased with effect from April 2023, and there is a risk that tax rates will rise further in the medium-term to fund the increased government deficits that have arisen from the policy response to the pandemic.

Risk and Impact

Mitigation

Change during the year and outlook

Human resources risk

Our people are key to our success and as such we are exposed to a risk of high staff turnover, and a risk of the loss of key personnel.

We have developed a professional, lively, and enjoyable working environment and believe our success stems from attracting and retaining the right people. We encourage all our staff to build on their skills through appropriate training and regular performance reviews. We believe in an accessible and open culture and everyone at all levels is encouraged to review, and challenge accepted norms, to contribute to the performance of the Group.

The Group carried out an engagement survey of its employees during the prior year, which showed very pleasing results of the level of engagement of our teams.

We have listened to the feedback from our employees raised during our engagement survey and made a number of changes to the Group's operations, included reviewing and relaunching our Bright Ideas Suggestion Scheme, reviewing our salary bands for Store employees, and personal safety training having been provided for all team members within our stores. We also introduced a new Employee Assistance Programme, re-trained our Wellbeing Experts and set up a specific Wellbeing sub-site on our Intranet.

Brand and reputation risk

The Group is exposed to the risk of a single serious incident materially affecting our customers, people, financial performance and hence our brand and reputation, including the risk of a data breach.

We have always aimed to run this business in a professional way, which has involved strict adherence with all regulations that affect our business, such as health and safety legislation, building regulations in relation to the construction of our buildings, anti-slavery, anti-bribery, and data regulations.

We also invest in cyber security (discussed below), and make an ongoing investment in staff training, facilities management, and the maintenance of our stores.

We work closely with our key suppliers to ensure a consistency of service from them.

To ensure consistency of service and to understand the needs of our customers, we send surveys to every customer who moves in and moves out of the business. The results of the surveys and mystery shops are reviewed to continuously improve and deliver consistent performance throughout the business.

We maintain regular communication with our key stakeholders, customers, employees, shareholders, and debt providers.

The Group has a crisis response plan which was developed in conjunction with external consultants to ensure the Group is well placed to effectively deal with a major incident.

We experienced a fire caused by arson at our Armadillo Cheadle store a couple of years ago. Our crisis response team worked effectively in managing the incident.

Security risk

The Group is exposed to the risk of the damage or loss of a store due to vandalism, fire, or natural incidents such as flooding. This may also cause reputational damage.

The safety and security of our customers, their belongings, stores, and our staff remains a key priority. To achieve this, we invest in state-of-the-art access control systems, individual room alarms, digital CCTV systems, intruder and fire alarm systems and the remote monitoring of all our stores outside of our trading hours. We are the only major operator in the UK self storage industry that has every room in every Big Yellow store individually alarmed.

We have implemented customer security procedures in line with advice from the Police and continue to work with the regulatory authorities on issues of security, reviewing our operational procedures regularly. The importance of security and the need for vigilance is communicated to all store staff and reinforced through training and routine operational procedures.

We have continued to run courses for all our staff to enhance the awareness and effectiveness of our procedures in relation to security.

We have further invested in security improvements in our stores during the year. We have also invested in additional automated reports and alerts which notify our overnight monitoring station and the operating team of suspicious customer activity.

We regularly review and implement improvements to our security processes and procedures.

Principal Risks and Uncertainties continued

Risk and impact	Mitigation	Change during the year and outlook
Cyber risk High profile cyber-attacks and data breaches are a regular staple in today's news. The results of any breach may result in reputational damage, fines, or customer compensation, causing a loss of market share and income.	The Group receives specialist advice and consultancy in respect of cyber security, and we have dedicated in-house monitoring and regular review of our security systems. We also limit the retention of customer data to the minimum requirement. Policies and procedures are under regular review and benchmarked against industry best practice by our consultants. These policies also include defend, detect and response policies.	We don't consider the risk to have increased more for the Group than any other business; however, we consider that the threats in the entire digital landscape do continue to increase and evolve. As such we have continued to invest in cyber security upgrading or replacing components as required.
Climate change related risk The Group is exposed to climate-change related transition and physical risks. Physical risks may affect the Group's stores and may result in higher maintenance and repair costs. Failing to transition to a low carbon economy may cause an increase in taxation, decrease in access to loan facilities and reputational damage.	The good working order of our stores is of critical importance to our business model. We visually inspect each of our stores at least once per annum and planned and unplanned work is discussed immediately. Maintenance requirements are discussed at budget reviews; proposals are made to raise climate change related issues to the Board, who may request more holistic adaptation work to be carried out. The key mitigation strategy to address transitional risks is the delivery of our Net Renewable Energy Positive Strategy and the Net Zero Scope 1 and Scope 2 Emissions Strategy. Our investment to decarbonise our business over the next eight years is expected to mitigate fully against taxation (carbon tax) risk and reputational risks (both investors and customers).	Our Sustainability Committee, chaired by a Non-Executive Director, has delivered an ambitious strategic plan to 2032. We appreciate that both physical and transition risks are expected to materialise to lesser or greater extents over the coming years and costs may go up gradually, hidden within what may be perceived as 'natural variations'. Our focus and strong governance will allow us to continue to mitigate the effects.

Internal audit

The Group employs a Head of Store Compliance responsible for reviewing store operational and financial controls. He reports to the Chief Financial Officer, and also meets with the Audit Committee at least once a year. This role is supported by three other team members, enabling additional work and support to be carried out across the Group's store portfolio. The Store Compliance team visits each operational store twice per year to carry out a detailed store audit. These audits are unannounced, and the Store Compliance team carry out detailed tests on financial management, administrative standards, and operational standards within the stores. Part of the store staff's bonus is based on the scores they achieve in these audits. The results of each audit are reviewed by the Chief Financial Officer, the Financial Controller, and the Regional Operations Managers. This is the equivalent of an internal audit function for the Group's store operations.

For the key business cycles conducted at the Group's head office, external consultants are used to review the Group's controls on a rotational basis. The consultants produce a report with recommendations which is discussed with management and reviewed by the Audit Committee. The cycles covered by this activity include construction expenditure, treasury, taxation, and facilities management.

During the year, the Group implemented new software to enable us to better capture risks and controls and implement a formal testing cycle ahead of the new Corporate Governance Code. With the assistance of external consultants, we performed a detailed walk through of key processes. We have developed a detailed Risk and Controls Matrix in these areas and documented the workflows. These are being embedded in the software, and with reference to best practice will highlight any risks we can further develop controls around, or any controls that could be improved.

With the combination of the store internal audit process and the external assessment of the key business cycles, the Audit Committee considers that this provides a robust internal audit assessment for the Group.

Going concern

A review of the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are shown in the balance sheet, cash flow statement and accompanying notes to the financial statements. Further information concerning the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk can be found in this Report and in the notes to the financial statements.

At 31 March 2024 the Group had available liquidity of approximately £190 million, from a combination of cash and undrawn bank debt facilities. The Group additionally has a \$225 million credit approved shelf facility with Pricoa Private Capital to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next two and half years with terms of between 7 and 15 years at short notice, typically 10 days. The Group is cash generative and for the year ended 31 March 2024, had operational cash flow of £110.1 million, with capital commitments at the balance sheet date of £3.9 million.

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements, taking into account the Group's operating plan and budget for the year ending 31 March 2025 and projections contained in the longer-term business plan which cover the 18 month going concern assessment period. After reviewing these projected cash flows together with the Group's and Company's cash balances, borrowing facilities and covenant requirements, and potential property valuation movements over that period, the Directors believe that, taking account of severe but plausible downsides, the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period.

In making their assessment, the Directors have carefully considered the outlook for the Group's trading performance and cash flows as a result of the current economic environment, taking into account the trading performance of the Group over the recent dislocations in the global economy from Covid-19, the Russian invasion of Ukraine and the cost of living crisis. The Directors have also considered the performance of the business during the Global Financial Crisis. The Directors modelled several different scenarios, including material reductions in the Group's occupancy rates and property valuations, and assessed the impact of these scenarios against the Group's liquidity and the Group's banking covenants. The scenarios considered did not lead to breaching any of the banking covenants, and the Group retained sufficient liquidity to meet its financial obligations as they fall due.

Consequently, the Directors continue to adopt the going concern basis in preparing the Group and Company financial statements.

Viability statement

The Directors have assessed the Group's viability over a four-year period to March 2028. This period is selected based on the Group's long-term strategic plan to give greater certainty over the forecasting assumptions used. As in the assessment of going concern, the Directors have modelled a number of different scenarios on the Group's future prospects.

In making their assessment, the Directors took account of the Group's current financial position, including committed capital expenditure. The Directors carried out a robust assessment of the emerging and principal risks and uncertainties facing the business, their potential financial impact on the Group's cash flows, REIT compliance and financial covenants and the likely effectiveness of the mitigating options detailed. The Directors have assumed that funding for the business in the form of equity, bank and insurance company debt will be available in all reasonably plausible market conditions. Whilst the eventual impact of the current economic environment on the Group is uncertain, and may not be known for some time, the Group has a highly cash generative business, good liquidity and has proved resilient in its trading in recent years.

Based on this assessment the Directors have a reasonable expectation that the Company and the Group will be able to continue operating and meeting all their liabilities as they fall due to March 2028.

Climate-Related Risks and Opportunities

TCFD compliance statement

Big Yellow recognises the importance of addressing climate-related risks and opportunities in our business operations and decision-making processes. As such, we are committed to transparently disclosing our approach to managing climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Our disclosures are consistent with the TCFD recommendations and recommended disclosures set out in the report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures' published in 2017 and updated in 2021 by the TCFD. Our disclosures encompass all four pillars outlined by the TCFD framework in line with the UK's Financial Conduct Authority Listing Rules. These are detailed below:

Pillar	Disclosure	Location
Governance	Describe the Board's oversight of climate-related risks and opportunities	Governance I page 50
	Describe management's role in assessing and managing climate-related risks and opportunities	Governance II page 50
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	Strategy I page 50
	Describe the impact of climate-related risks and opportunities have had on the organisation's businesses, strategy and financial planning	Strategy II page 53
	Describe the resilience of the strategy , taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Strategy III page 51
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Risk Management I page 53
	Describe the organisation's process for managing climate-related risks	Risk Management II page 53
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Risk Management III page 53
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics & Targets I page 54
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Metrics & Targets II page 54
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Metrics & Targets III page 54

Principal Risks and Uncertainties continued

Governance

Board Oversight

Our Chief Executive has overall responsibility for climate-related risks and opportunities. Ongoing oversight of climate-related issues is carried out by our Sustainability Committee, chaired by our Non-Executive Director for Sustainability, and attended by our Head of Sustainability and the Executive Leadership Team. The Sustainability Committee meets twice yearly.

The Board is updated on relevant aspects of our sustainability strategy at each meeting. In addition, climate-related risk has been defined as a 'principal risk' and managed as part of our standard business risk process.

Management's role

The Quarterly Environmental Committee has been tasked by the CEO with assessing climate change risk exposure and to feed that back into the Business Risk Process, the Sustainability Committee where it intersects with the Sustainability Strategy, and to the CEO. It will then be available to the CFO, CEO and the Board for discussion. Outputs of the work will be used to submit to external benchmarks and enhance ESG reporting. The progress of the work on the TCFD is guided and monitored by the Head of Sustainability who manages the Quarterly Environmental Committee. As part of the existing business risk process, the Company assesses, amongst other things, the impact the (temporary) loss of a store has on the business. That loss could occur through any number of reasons; the Environmental Committee will provide input into the business risk process with climate-related specific risks and opportunities.

For more detail on our governance structure and management's role in assessing and managing climate-related risks and opportunities, please see the link below. This is kept as an independent document as this is of interest to some of our stakeholders separately from our annual report and accounts.

https://corporate.bigyellow.co.uk/download_file/view/996/236

Strategy

In order to address this pillar, we have identified the material climate-related risks and opportunities, the impact they have on our business and our response to them. We have considered various future scenarios over three different time frames. Finally, we have described how we have incorporated climate change resilience holistically into our organisation.

Identifying climate-related risks and opportunities over our short, medium and long term time horizons.

Big Yellow has assessed the 10 main risk themes defined by the TCFD framework in our 'Managing Climate Risk and Opportunities' document **Managing Climate Related Risks and Opportunities 2022.pdf** (https://corporate.bigyellow.co.uk/application/files/9616/5235/3338/Managing_Climate_Related_Risks_and_Opportunities_2022.pdf).

The 10 topics are: Current regulation; **Emerging Regulation**; Technology; Legal; **Market**; **Reputation**; **Acute physical**; **Chronic physical**; Upstream and **Downstream**. Using COP terminology, seven of the TCFD climate-related risk themes are assessed as 'relevant, always included' (**in bold**); two are assessed as 'relevant, sometimes included'; and one is assessed as 'not relevant, included'.

Climate-related risks are broken down into Physical and Transitional risks and are prioritised based on the potential severity of their impact on the business. The below table illustrates time periods and the importance of the risks identified by the CSR department and Environmental Committee.

Risk Type	Risk Theme	Potential Materiality ⁽¹⁾		
		Short-Term	Medium-Term	Long-Term
Physical Risks				
Heat Stress	Chronic physical		●	●
Flooding ⁽²⁾	Acute physical		●	●
Transition Risks				
Stranded Assets	Market		●	
Reputational Risk	Reputation		●	
An increase in carbon/emission taxation & fines (unlikely that there will be significant incentives.)	Current regulation		●	
An increase in standards, especially for buildings	Emerging regulation	●	●	
A significantly higher financial reporting burden including Scope 3	Emerging regulation	●		

Importance: ● Low ● Medium ● High

Climate-related risks: Physical Risks

Impacts from both flooding and increased heat stress will likely have some financial impact on Big Yellow. It may also have a reputational impact if stored goods are affected and an indirect financial impact through rising insurance costs. Store locations have been identified using either postcodes or 6-digit ONS coordinates. The coordinates are listed in the Appendix of the full ESG report.

Heat stress

To determine heat stress we have used average daytime summer temperatures at +2°C scenario data set as well as current climate in order to test the resilience of the strategies at different temperature points. We have considered the likelihood of stores experiencing more than 5% temp increase on hottest day temp from base year and where there is an increase in days that will experience temperatures of more than 25°C.

Assuming a +2°C scenario, 42 of our stores may experience heat stress, both as an increase in 'hottest summer day temperature' of 5 percentage points or more and from at least a doubling in the number of summer days per month that exceed 25°C.

The financial impact for longer periods of hot weather could come from a range of impacts, such as heat damage to goods being stored, increase in use of ventilation / cooling, potentially retrofitting of air conditioning units, detrimental impact on immediate neighbourhoods through urban island heat effects and community pressure to address heat issues.

Flooding

To determine flood risk we have used three sources of information: planning flood zones; flood risk from rivers and sea; and flood risk from surface water (across 3 websites depending on store location: gov SEPA and Wales). We have looked at the current climate as well as +2°C scenario to test the resilience of the strategy.

We have three Big Yellow stores that are in Flood Zone 3 and that have at least medium to high risk of surface water flooding – all three stores contain measures to minimise impacts, such as flood defences. We anticipate that we will be monitoring the adequacies of these measures going forward.

Assuming a +2°C scenario, 89 of our stores may experience both a reduction in the number of rainy summer days per month and an increase in mm of rainfall on the wettest summer day.

The financial impact of flooding could come from a range of impacts, such as damage to goods stored on the ground and basement floors, unblocking drains, clearing up large scale flooding, more frequent maintenance of the building infrastructure that is exposed to a large amount of rain falling over shorter time frames, such as roofs, gutters, signage, etc.

⁽¹⁾ Short-term is determined to be less than five years, Medium-term between five to ten years and Long-term above ten years.

⁽²⁾ A +2°C scenario was used for identifying Physical risk and has been determined to have a medium-long-term timeline, using IPCC report (SRP3-7.0).

Principal Risks and Uncertainties continued

Climate-related risks: Transition Risks

There are a number of consequences of changing climate that the Sustainability Committee deem likely to occur:

- A focus on electrification and decarbonisation.
- An increase in carbon / emission taxation and fines (unlikely that there will be significant incentives).
- An increase in standards, especially for buildings.
- A significantly higher financial reporting burden including Scope 3.
- The introduction of a price of carbon.

The Environmental Committee has proposed, and the Sustainability Committee agrees, that decarbonising our business is important to allow us to:

- a. avoid the risk of "stranded assets";
- b. maximise the opportunity to invest at the right time, optimising costs;
- c. minimise carbon / emission taxation;
- d. provide EV charging pods for our staff and customers in all new stores.

Stranded assets

The risk of 'stranded assets' is a focus for investors, and so becomes a material concern to us. This has been part of our risk process, considered throughout the year by the Environmental committee as well as by the Board and during the risk management review. We have a clear plan to improve the efficiency of our buildings working on the continual upgrade of all EPCs across the estate. 99.6% of the estate is currently at a C or above with plans to have all stores at a B or above by 2028.

Reputational risk

We believe that not tackling these physical and transitional risks head on has a real potential of damaging our reputation. In the process of undergoing a double materiality assessment this year we have had this reinforced with climate-related topics featuring in four of the nine material topics.

Increase in carbon/emission taxation

An increase in carbon/emission taxation and fines is likely to occur across the longer timeframes of the period. We are continuously horizon scanning for changes in regulation.

Financial reporting burden

There has been a substantial change in the reporting regulations in the EU over the past 12 months. We have made the decision to align ourselves with the reporting requirements. Although they are not mandatory for Big Yellow, we have made the decision to align with the CSRD so that our reporting is comparable to our European REIT peers.

Climate-related opportunities

Opportunities, arising from risks explored above, are also identified where possible and how these will be integrated within the Company's strategy and financial planning. Our internal processes and scenario analysis also identify possible climate-related opportunities, these are listed in the table below.

Climate-related Opportunity	Company Response	Potential Materiality		
		Short-Term ⁽¹⁾	Medium-Term	Long-Term
Growth in demand for renewable energy	Investment into retrofitting existing stores with PV systems	●	○	●
	Aim for all new stores to be fitted with minimum 100kWp PV system	○	○	○
	Purchasing 100% renewable energy	●	○	
Growth in solar and battery markets driven by decarbonisation	Investing in solar battery pilot projects to combat export limitations	●	○	
Transition away from fossil fuelled heating and Natural Gas	Investing into retrofitting existing gas boilers with Heat pumps	○	●	●
Growth of EV transport market	Deploying electric vehicle chargers for all new stores	●	●	●

Importance: ● Low ○ Medium ● High

⁽¹⁾ Short-term is defined as up to five years, medium-term is between five years to ten years and Long-term is above ten years.

Growth in demand for renewable energy

Big Yellow are investing heavily into the retrofit of renewable energy across our estate with solar being installed on all roofs that can feasibly hold the weight of panels. All new stores will have at least 100kWp of solar installed with the roof space being maximised with solar where possible.

Growth in solar and battery markets driven by decarbonisation

The continuation of our battery pilot is allowing us to learn from the issues that have arisen in the first round of the pilot. By the end of the second pilot, we hope to have a project plan that will allow us to couple batteries with solar generation across the estate, reducing our reliance on the national grid further still at the same time as continuing to decarbonise our activities.

Transition away from fossil fuelled heating and Natural Gas

Our Net Zero Emission strategy sets out how we intend to deliver a decarbonised business. Please note that the work to move away from gas boilers is currently being undertaken with a further seven boilers being removed this year. The remaining stores will have their heating swapped to electric over the next two financial years.

Growth of EV transport market

We believe this is becoming an even stronger consumer preference / offering real customer solutions, such as only using renewable energy at our stores and providing EV charging pods for our staff and customers.

Impact of climate-related risks and opportunities have on the organisation's businesses, strategy and financial planning

Both physical and transition risks are expected to materialise to a lesser or greater extent over the coming years and costs may go up gradually, hidden within what may be perceived as 'natural variations'.

The initial view was to establish a 'trigger' metric that will prompt the Company to review current measures taken and therefore allow for strategic decision-making if thresholds are exceeded.

On discussing how this may work on an operational level, we felt that our current processes in place are sufficient to maintain a close watch on increasing costs driven by climate change.

We deem our current understanding of the inherent physical risks to our assets and the unique features of each of our stores to be more than enough to manage future changes.

Physical risk planning process – identifying emerging issues through visual inspection and half yearly budget reviews

The CEO, CFO and COO visually inspect each of our stores at least once per annum; they are usually accompanied by the Head of Estates and Facilities where planned and unplanned work is discussed immediately.

The budgeting process then allows the CFO as well as Head of Estates and Facilities to prioritise both planned and unplanned maintenance. The budget review by the Financial Controller looks at planned costs versus historic years and where costs are changing year on year. This is the point at which trends may be identified and proposals are made to raise climate change related issues to the Board, who may request a more holistic solution and who may charge the Environmental Committee to identify such a solution.

Transitional risk planning process – identifying issues via our internal and external Sustainability community

The Head of Sustainability or the Environmental Committee or the Non-Executive Director for Sustainability may identify aspects that could pose a risk to the Group, and they may raise these either at the Environmental Committee or at the Sustainability Committee. Specific risks, such as those connected to Planning for our future store opening program, may be integrated into the standard Business Risk process.

Where we identify that a larger scale change needs to be considered, such as replacing gas heating with electric or renewable energy heating, depending on the budget implications this will be assessed either by the Environmental Committee or if significant extra budget is required, at the Board level Sustainability Committee.

Risk Management

Identification, assessment and management of climate-related risks

Big Yellow has a rigorous system of risk management and internal control which includes the identification and assessment of climate-related risks. As detailed earlier in this document we have mapped out our seven risk themes and categorised them as transitional or physical. Next understanding and quantifying the impact these could have on our business, strategy and financial planning has been considered.

For more detail on our governance structure and management's role in assessing and managing climate-related risks and opportunities, please see the link below. This is kept as an independent document as this is of interest to some of our stakeholders separately from our annual report and accounts.

https://corporate.bigyellow.co.uk/download_file/view/996/236

Metrics and Targets

Disclosure of metrics to assess climate-related risks and opportunities

We have created a broad range of environmental metrics and targets with the intention of enabling our stakeholders to make informed decisions. The full comprehensive list has been compiled in response to the full Double Materiality Assessment that has been conducted this year.

For full information and detail about our targets, metrics including Scope 1, 2 and 3 GHG emissions please see our full ESG report.

Principal Risks and Uncertainties continued

Metrics

The metrics found below are taken from the Double Materiality Assessment results and are those that are relevant to the main risk themes defined by the TCFD framework detailed at the beginning of the report.

Climate-related risk metrics

Aspect	KPI	22-23	23-24	Target
Regulation	No of EPCs rated F or G	0	0	maintain
Extreme Weather	% of current lettable area (sq ft) located in Planning flood Zone 3 & at least medium to high risk of surface water flooding ⁴	0.68 ⁵	0.67	n/a
	% of at risk current lettable area protected by adaptive measures, such as raised floors or SUDs ⁶	100%	100%	100%

Climate-related opportunities metrics

Aspect	KPI	22-23	23-24	Target
Transitioning to a low carbon economy	% of electricity from renewable energy generation ⁷	16% ⁸	33%	100% + by 2030
	Investment in retrofitting activities to drive decarbonisation (approx.) ⁹	£5.2m ^{10,11}	£6.0m ¹²	£5.5m per annum to 2025
	% of electricity purchased from renewable sources ('market-based') ⁷	100%	100%	100%
	Greenhouse Gas (GHG) emissions intensity from building energy consumption (Scope 1 & 2) – tCO ₂ e/CLA (m ²)	4.1 ¹³	3.8	As per our NREP & Net Zero Strategy
	Greenhouse Gas (GHG) emissions intensity from Scope 3 – tCO ₂ e/CLA (sq ft)	0.0022	0.0021	As per our Science Based Targets

Targets to manage climate-related risks and opportunities

Emissions

We have set out our full pathway for all Scope 1, 2 and 3 Emissions by 2032 in our Net Renewable Energy Positive ("NREP") Strategy and Net Zero Emissions Strategy.

In order to achieve our main Net Zero commitments, we have set a number of sub targets that need to be achieved along our pathways. These are summarised in our annual ESG report, as well as in the Directors' Report.

To track progress against our science-based targets, we have our Scope 3 footprint calculated annually starting with the calculation for the year ended 31 March 2023. For more information on this please refer to our Benchmarks and Standards section in the Full ESG Report.

EPCs

99.6% of EPCs for our store portfolio are in the 'Green' range, i.e. an A, B or C rating. The final store with an EPC rating of D is due for renovation in 2024-5; once those works are completed we hope to be able to say the whole estate is rated C or above. 100% of our stores are covered by an Energy Performance Certificate.

EPC by Number of Stores

We aim to achieve a good balance between disclosing our risks and any mitigating actions we are taking and protecting commercially sensitive information. We trust this section achieves this balance; for any further questions, please contact csr@bigyellow.co.uk.

⁽⁴⁾ Sq ft from ground and below ground level floors.

⁽⁵⁾ Restated as 2022/23 reporting error made, resulting in Hull being reporting not Barking.

⁽⁶⁾ SUDs stands for Sustainable Urban Drainage.

⁽⁷⁾ Import grid use only.

⁽⁸⁾ Restated due to estimated figures being replaced with actuals post year end.

⁽⁹⁾ Figure includes removal of gas boilers, retrofitting of solar installations, all energy efficiency related projects.

⁽¹⁰⁾ Restated to include reclassified project spend.

⁽¹¹⁾ Projects included solar retrofit, gas boiler removal, EV charger installations and solar films.

⁽¹²⁾ Projects included solar retrofit, gas boiler removal and LED light conversions.

⁽¹³⁾ Restated with most up to date emissions factors.

Section 172 Statement

Section 172 of the Companies Act 2006 requires a Director of a Company to act in the way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole.

In performing this Section 172 requires a Director to have regards among other matters to:

- the likely consequences of any decision in the long-term;
- the interests of the Company's 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 the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly with members of the Company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. The Board's obligations under Section 172 are considered at Board meetings within each relevant section of the Board pack. The stakeholders we consider in this regard are our employees, our customers, our shareholders, our suppliers, and the environment. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

The Board regularly receives reports from management on issues concerning customers, the environment, suppliers, employees, and investors, which it takes into account in its discussions and in its decision-making process under Section 172.

Stakeholder engagement

The Board is committed to effective engagement with all of our key stakeholders. The importance of each matter may differ to each stakeholder group, and hence the Group seeks to understand the relevant interests and priorities of each stakeholder Group, and to have regard to these in its decision making. The Board does acknowledge that not every decision that it makes will necessarily result in a positive outcome for all stakeholders.

Information on interaction with our key stakeholders is included in the Corporate Governance Report on **pages 83 to 89**.

Further information

You can read further information on stakeholder engagement and our approach to S172 in the following places:

Employees	Chief Executive's Statement (page 17) Governance (page 89)
Customers	Chief Executive's Statement (page 16) Operating Review (page 26) Governance (page 87)
Suppliers	ESG Report (page 69) Governance (page 88)
Investors	Chairman's Statement (page 14) Chief Executive's Statement (page 19) Our Strategy (page 20) Our Investment Case (page 22) ESG Report (page 72) Governance (page 87)
Environment	Chief Executive's Statement (page 18) Operating Review (page 30) ESG Report (pages 56 to 72)
Long term	Chairman's Statement (page 14) Chief Executive's Statement (page 16) Our Strategy (page 20) Our Investment Case (page 22) Risk Management (page 44) Viability Statement (page 49)

Environmental, Social and Governance Report

Big Yellow Group PLC ("Big Yellow") is committed to responsible and sustainable business practices.

Introduction

The Big Yellow Board recognises that corporate social responsibility ("CSR") – when linked to clear commercial objectives will create a more sustainable business and increase shareholder and customer value, in both the medium and long term. People, Planet and Profit need to be aligned to make a sustainable business.

Big Yellow seeks to meet the demand for self storage from businesses and private individuals by providing the storage space for their commercial and/or domestic needs, whilst aiding local employment and contributing to the local community.

Our CSR Policy covers all Big Yellow's activities, which now includes 85 Big Yellow stores, 24 Armadillo stores, and 14 proposed stores in the development pipeline, as both an operator of self storage facilities and a developer of new self storage facilities. We recognise that our operations can have significant economic, environmental, and social impacts. We are therefore committed to assessing our ESG risks and opportunities, and taking appropriate steps to mitigate negative impacts and, where possible, enhance positive impacts for the benefit of our business, our stakeholders, and our local environment.

The governance of our sustainability activities is delivered by the Board level Sustainability Committee, chaired by Heather Savory. For an update on the activities of the Committee please see the Sustainability Committee Report on **page 94**. Heather, along with the Board, oversees the sustainability agenda delivered by the Environmental Committee and the Head of Sustainability.

The outcome of operating responsibly is the social value that we create and the long-term resilience of our business when faced with external pressures and changes, such as a changing climate and a changing political and legislative environment.

Our full ESG Report and the relevant sections within our Annual Reports and Accounts (the Directors' Report and the ESG section) have been prepared in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implementing the Streamlined Energy and Carbon Reporting ("SECR") requirements. The Greenhouse Gas ("GHG") section of the ESG report has been reported in accordance with the WRI/WBCSD GHG Protocol – a Corporate Accounting and Reporting Standard.

Our health and safety reporting is stated in accordance with the UK Health and Safety Executive guidance. You can read more about our business model on **page 22** of the Annual Report.

1. ESG executive summary

1.1 CEO introduction

Following the external verification of our Science Based Targets last year, this year we have focussed on reporting and improving our understanding of the carbon within our buildings. Following the introduction of the Corporate Sustainability Reporting Directive ("CSRD") in the EU many of our peers will be overhauling the fundamentals of their reporting and auditing process within the ESG space. Although we are not mandated to do this, we have decided to align our reporting with CSRD. We believe this standard will be viewed as best practice also for UK listed companies and we wish our reporting to be directly comparable to our EU peers.

We have partnered with an ESG consultancy and embarked on a Double Materiality Assessment of the business to get an understanding from our stakeholders, both internal and external, of the material environmental issues related to Big Yellow's activities. This set of topics will inform our revised KPIs and reporting structure.

We have also started a detailed review of the design and build of our new construction projects with a clear focus on the embodied carbon. This builds on the reporting needed for BREEAM and includes Whole Lifecycle Assessments on our construction projects during design and post construction. We intend to use the findings to inform our design process in the future with the aim of reducing embodied carbon and improving the sustainability of our buildings.

Given the size of our development programme and our buildings being an important part of our business we have decided to bring all the relevant information about our buildings into its own chapter within this ESG report.

At Board level, our Sustainability Committee, chaired by Heather Savory, are pleased with the progress made with the solar retrofit programme. We have installed solar on new stores since 2008 and started phase 1 of our solar retrofit programme in 2021. In 2023 it was decided to extend the program from the 36 originally identified stores to the whole estate so that, where possible, every store can benefit from renewable onsite power in the future. Phase 3 of this process is almost complete taking the total to 35 stores at a cost of £13.6 million.

Following the pilot installation of a battery project at Guildford we have considered new options and decided to use a different supplier and a larger battery. This will be tested at our Slough Farnham Road centre which is currently under construction and due to open this summer.

The Big Yellow Foundation has had a successful year this year with £255,700 donated to our seven charity partners all of whom are focussed on the rehabilitation of vulnerable young people and adults into meaningful work. The Foundation was set up in 2018 and over the last six years we have donated over £1 million to this cause.

We continue to provide free space to small local charities and community organisations across our network. In the year under review this amounts at current rents to a total of £0.8 million in value of donated space.

At Big Yellow we embrace both the Environmental and Social pillars of our ESG initiatives. We firmly believe that our journey towards achieving Net Zero targets, the impactful efforts of The Foundation, and our donations of space to local charities are all interconnected. Each action we take is not just about making a difference in the environment; it's about fostering stronger, more vibrant communities in the local neighbourhoods of our stores. We are not only doing what is the right thing to do but making a real, tangible impact, both for the local environment and all our stakeholders. I would like to thank all those involved throughout the business.

Jim Gibson
Chief Executive Officer

May 2024

Environmental, Social and Governance Report continued

1.2 Climate Change and our Business – looking forward

We have a well-established strategy which we have been working towards since 2021. Building on this by setting Science-Based Targets ("SBTs") last year, this year we have gone a step further. The announcement of the Corporate Social Reporting Directive ("CSRD") for EU businesses has given us the opportunity to consider our own reporting structure. Although we are not obligated to report under the CSRD, we want our stakeholders to be able to compare us with our REIT and Self Storage peers with ease. We can also see the benefit of the transparent approach the directive has taken, and with these factors in mind, we have aligned ourselves to the directive.

The biggest activity in this area has been to undertake a Double Materiality Assessment to understand how the material topics for the business have changed since the last materiality assessment. This time we have looked both at the impact of the environment on the business as well as the impact the business has on our local environment.

1.3 Sustainability performance overview

This year, after the completion of our Double Materiality Assessment (please see the Materiality section of our full ESG report for more details), we have also reviewed our ongoing Key Performance Indicators ("KPIs"). We have rationalised these to distil them down to the most important areas of focus for us. In the table below are the 14 KPIs and the progress we have made against them during the financial year ended 31 March 2024. The KPIs are derived from the whole range of topics discussed in this report and then related to both the CSRD topic where appropriate and the UN Sustainable Development Goals ("UNSDGs").

Although we are aligning ourselves to the CSRD there is no requirement for us to comply with the directive as we do not have any assets in the EU. We have identified appropriate KPIs for seven of our nine material topics. The remaining two are covered in our ESG Report or Annual Report. Risk Management is handled in our TCFD section and Management, Site Acquisition and Growth Strategy in the Our Buildings section of this document.

The tables below show the Group's performance against Sustainable Development Goals ("SDG").

UN SDG	Topic	CSRD	KPI	Progress
Our Environment				
	Scope 1&2 Emissions	Energy Management	70% reduction to 948 tCO ₂ e by 2032	2,237 tCO ₂ e* A 29% reduction to date
	Total installed solar	Renewable Energy	Total installed capacity increase to 11,479 kWp by March 2028	6,627 kWp* 58% progress towards target
	Scope 3 / Embodied carbon	Carbon Management	This is in early stages of development with the plan to have a KPI in the future	
Our People				
	Turnover of full-time staff		Maintain turn over below average UK Retail levels of 33% ¹⁴	14.0%*, turnover including part-timers is 18.1%
	A staff training KPI		Increase year on year of total hours trained, both male and female	28,088 hours* a 20% increase
Our Communities				
	Free space donation to local charities	Access & Affordability	Trajectory in line with targets in revolving credit facility	£796,123* exceeding this year's target
	Customer donations & matched funds		Raise a minimum of £220k a year	£220,282*

¹⁴ ONS Employee turnover levels and rates by industry section, UK.

UN SDG	Topic	CSRD	KPI	Progress
Our Buildings				
	Estate EPCs	Sustainable Self Storage Design	Have all stores achieve a B or above by 2028	70 stores (64%) with B or above rating.
	Biodiversity		Average Biodiversity Net Gain ("BNG") per new store of over 10%	Kings Cross 2,583% net gain ¹⁵
Our Suppliers				
	Prompt payment		Pay 95% of invoices within 60 days	100%
Our Health, Safety & Information Security				
	Staff annual incident rate		AIIR to stay lower than industry category average of 1,169 ¹⁶	647*
	Information security breaches	Cyber & Data Security	Maintain a minimal level of breaches	No reportable information security breaches in the past 3 years
Our Governance				
	ESG related LTIP vesting criteria – solar retrofit	Board Ownership & responsibility	Retrofitting solar panels on 30-40 stores between 2022 and 2025	35 stores retrofitted to date
	ESG related LTIP vesting criteria – green loan debt facility	Board Ownership & responsibility	30-50% of the group's total debt facilities being green loans by 2025	67% of the Group's total debt facilities at 31 March 2024 are green loans

For our climate-related risk and opportunity metrics, please see the TCFD section on page 49.

⁽¹⁵⁾ 500m² sedum green roof and 10 ornamental trees at street level detailed in BREEAM report – further info in our Our Buildings Section.

⁽¹⁶⁾ Industry – Warehousing and support activities for transportation. SIC 52 – HSE Work-related non-fatal injuries to employees in Great Britain by detailed industry.

Environmental, Social and Governance Report continued

2. Our Governance

Environmental responsibilities

Our ESG Policy sets out the aspects of what we manage. Our ESG Policy Standard and our web content provide further information on how we manage the impact of our business on society and the local environment to control our risks and manage our opportunities in a sustainable manner.

Reporting compliance

Our full ESG Report and the relevant sections within our Annual Reports and Accounts (Directors' Report and ESG section) have been prepared in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implementing the Streamlined Energy and Carbon Reporting ("SECR") requirements. The GHG section of the ESG report has been reported in accordance with the WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard.

Fines, notifications, penalties or settlements

There were no fines, notifications, penalties, or settlements received by the Company that are relevant to sustainability during the financial year ended 31 March 2024.

Approach

We have provided a specific section on energy, emissions, water, and waste, reporting against all environmental European Public Real Estate Association ("EPRA") indicators (and GRI where relevant). Having achieved 'Gold' status in terms of transparency and quality of our reporting during 2022/23 we continue to present our data in this format.

After the Double Materiality Assessment, where we feel further KPIs may be insightful, we have provided these in each subsection too, including a brief narrative to explain variances where applicable.

All the changes we make to our reporting are tabled in our Basis of Reporting document.

Benchmarking and standards

We use the detail in this ESG Report to participate in external/industry benchmarks, such as the annual Carbon Disclosure Project ("CDP"), the Global Real Estate Sustainability Benchmark ("GRESB") and FTSE4Good to engage with our other Ethical Investors.

The GRESB and CDP benchmarks inform our investor community of our general ESG performance, our governance approach, risk management protocols and a range of other indicators that give reassurance that our business is 'sustainable'.

We consider GRESB and FTSE4Good to be particularly relevant to the nature of our business and our continued inclusion forms part of select Big Yellow's senior managers' performance conversations.

We are aware of the limitations we face with taking part in benchmarks designed for traditional Real Estate organisations rather than self storage but value the opportunity to be transparent and are committed to continued participation.

Assurance of data

We have commissioned SGS United Kingdom Ltd to carry out independent assurance of our Greenhouse Gas emissions disclosures and other select voluntary disclosures, predominantly at a limited level of assurance according to the International Organization for Standardization's (2006) ISO 14064-3. The full assurance statement is published in our ESG Report 2023-24. We have made the decision to have one KPI assured to a reasonable level this year. The reason for this is to start to prepare us for the transition of all KPIs so that we can align with the CSRD.

3. Our Environment

3.1 Highlights

- We now have 6.6MWp of solar generating capacity across 68 of our stores.
- Despite the opening of a new store and electrification of store heat in seven stores, our absolute scope 1&2 emissions have reduced.
- We have had REGO accreditation for 41 of our solar installations to enable us to sell the REGO certificates with our solar export.
- We have commissioned the next battery to extend our battery pilot at our new Slough Farnham Road store in July 2024.
- We completed an estate wide water review saving £45,000 per annum.

3.2 Big Yellow Net Renewable Energy Positive (NREP) Strategy and Net Zero Emissions Strategy

Our Net Renewable Energy Positive ("NREP") and Net Zero Emissions strategy are in the 2nd year of delivery since being re-published in 2022.

As part of the NREP Strategy and Net Zero Emissions Strategy, the Sustainability Committee approved budgets to deliver a number of key programmes.

The Company is tracking six initiatives to ensure the delivery of the strategy is on track, the headlines are below with further detail later in the report. The six initiatives are:

- a. **Solar Generation:** deliver retrofitting of 36 Big Yellow stores that currently do not have solar. This commitment has been further extended to cover all suitable roofs on the estate. *On track*
- b. **Science-Based Targets:** our Science-Based Targets have been set and externally verified by the SBTi. *Complete*
- c. **Storage Batteries:** first battery installed. We are working with a new battery provider for a second phase of the pilot, to be installed at our new Slough Farnham Road store. *On track*
- d. **Estate Decarbonisation:** first and second steps of our gas boiler replacement programme completed: seven gas boilers replaced with electric boilers in the year; a final four scheduled for the year ending 31 March 2025. *On track*
- e. **Sustainable Construction:** the Sustainability Committee reviewed the upfront investment the Company made to ensure all newly constructed stores were aligned with the retrofitted stores. From our Kingston North development onwards, all new stores are being equipped with the optimal capacity in the range 50kWp-200kWp subject to suitability of store roofs. *On track*
- f. **Embodied Carbon** of our construction projects: this is now being considered and assessed at RIBA 4 and 6 on a project by project basis. *In progress*

In a constantly developing landscape, we are faced with a number of variables in delivering the NREP Strategy and Net Zero Emissions Strategy through to 2032; we intend to report on progress on an annual basis as part of our ESG Report. We may also update the strategy document from time-to-time, as we continue to develop the strategy for the Armadillo stores and as the progression of our work is likely to uncover new options becoming available to us.

We have created a number of environmental communications to help our customers understand what we are doing and why. These include our Big Yellow Green campaign with a short video of the various sustainability features on our estate. During our customers' online journey, we have several ESG facts on holding screens to share the detail. In all our solar stores there are displays showing how much energy has been created in the store that day rather than bought from the grid. We also use social media to share our sustainability messaging. We understand this is important to our customers and so we share our journey with them.

3.3 Energy

Our portfolio of stores with roof-mounted solar PV installations generates low carbon electricity that is monitored for performance and receives financial payments from the energy companies that we export to. We now have 68 stores that generate renewable solar electricity, with 17 new systems commissioned this year.

Environmental, Social and Governance Report continued

Long Term Solar Electricity Generation

Having generated over 3 million kWh of power on our stores this year, we have saved over £400,000 in grid electricity bills. Once an export connection is established, which takes some time after the panel installation is complete, we are also able to sell any unused power back to the grid. Below is a summary of this year's financial benefits from our solar generation. This year we have also started to apply for Renewable Energy Guarantees of Origin ("REGO") accreditation for our stores. This means that we can receive certificates for every megawatt of electricity generated on our sites, adding another revenue stream to the business. This year we have managed to secure accreditation for 41 sites. This has generated additional revenue of £5,764. As the majority of these accreditations were granted midyear this number is set to grow further next year.

Financial benefits of solar generation

Year ended 31 March	2021	2022	2023 restated	2024
Solar Generation (MWh)	681	865	1,688	3,396
Store solar use (MWh)	391	557	1,514	2,600
Displaced grid energy savings (£)	£93,116	£121,065	£236,375	£438,447
FiT & PPA payments (£)	£108,951	£115,735	£135,352	£204,182
REGO payments (£)	New 2024	New 2024	New 2024	£5,764
Total savings (£)	£202,068	£236,800	£371,727	£648,392

Notes:

- March 2024 FiT payments have been estimated using March 2023 data as current year not available until Q2.
- The process of setting up PPAs once a solar installation is complete can take some time, so the split of used compared to exported does change over time.
- Supplied UK Network displaced electricity savings = solar generated kWh x 14p Grid kWh charges for any power generated up to 30 September 2023 and the price of 23.8p/kWh from our new energy contract which started on 1 October 2023.

Long-term Electricity Use

The chart below shows how grid bought electricity plus solar energy used in our stores between 2008 and 2024 has changed over time.

Despite increasing store numbers, our long-term electricity use remains relatively stable. This is because new stores coming on board are more energy efficient and built to our updated sustainable construction standards, using the best technology available and come ready equipped with solar PV installations. This has been furthered by our investment in retrofitted solar across the estate.

Long-term store electricity

Note: chart shows the used solar energy from the year ended 31 March 2020 included in the total MWh number

Note: some of our stores rent out roof space to a company that installs and operates telecom masts. The telecom masts are powered via our stores' electricity supply, increasing the total store energy consumption. This additional energy became a material percentage of our emissions during 2018/19 and, as the masts are not within our control, their electricity consumption has been removed from our total Scope 2 and reported as part of Scope 3.

3.4 Emissions

In addressing the environmental impacts of our operations, we recognise the significance of emissions management as a key component of our sustainability strategy. We are committed to minimising our carbon footprint and mitigating the effects of climate change.

Absolute Scope 1 & 2 Greenhouse Gas Emissions

The UK government has made several commitments on the behalf of UK companies to reduce emissions, primarily aimed at addressing climate change and achieving net-zero greenhouse gas emissions by 2050. In addition to the government commitment, we have made a further Science Based Target commitment to reduce our Scope 1 & 2 emissions by 70% of our FYE 2020 baseline by 2032. The following graph shows our absolute Scope 1 & 2 emissions reduction since our baseline year in yellow. The red line shows a projection of what is needed to hit our Science Based Target by 2032. The orange bars show the emission levels of the past five years under the straight trajectory from our baseline year to our target to show that to date we have done more than the minimum needed year-on-year to meet our target.

Absolute Scope 1 & 2 GHG emissions progress to target

For further information about our emissions and for all mandatory SECR and GHG reporting, please refer to the Directors' Report on page 124.

Environmental, Social and Governance Report continued

3.5 Water

We benchmark our water consumption against the Better Building Partnership's ("BBP") Real Estate Environmental Benchmarks (Water). We have selected: 'Water Benchmarks – Enclosed Shopping Centres' – 'Water Intensity' – Water Intensity by space (litres/m² CPA / year).

At '77' (35,940m³ of water / 467,209m² occupied space), we are very pleased to share that our water consumption remains significantly lower than BBP 'Good Practice'.

This year our utilities bureau consultants undertook a comprehensive review of our water suppliers/meters and billing processes. They audited our water charges and tendered the supply to make sure we obtained the most competitive contract possible. We have also set up an ongoing bill validation process with them to ensure we are only paying for what is used. The procurement exercise realised a £3,000 annual saving, alongside the audit work uncovering approximately £45,000 of annual savings.

A number of ongoing leaks have been identified and repaired during this process, saving a further circa £28,000 per year.

3.6 Waste

Our main source of waste is from the operational activities of our stores. Our store staff apply best practice waste segregation for general and mixed dry recyclable materials. Also, our waste contractor provides further waste segregation and recycling services post collection. We report waste for our Big Yellow store portfolio but the occupied office space at our head office site is excluded as waste collection there is our landlord's responsibility.

We have now had a full year of service with our new waste contractor. Since their instruction we have far better oversight of our waste data with a much better handle on the quantities of waste generated as well as their processing route. Our contractor now gives us clear monthly collection data with associated emission information. This improves our emissions reporting and enables us to focus our efforts on waste reduction where possible.

3.7 Resources use

As we are looking towards other potential opportunities, we are likely to focus our efforts on other areas of our business, such as paper use and will report on individual initiatives over time.

Avoidance of unnecessary material helps to reduce carbon emissions; minimise waste going to landfill and demonstrates a commitment to sustainability. We have around 13 key processes left that involve the printing of paper, which we are trying to address by finding acceptable and compliant online solutions. We have graded each process by difficulty in terms of finding an alternative solution and intend to work our way through these over the next few years to reduce our paper consumption as much as possible.

Most of our products are perfect for re-use or recycling – we have amended our online Box Shop to make the composition of individual products clearer, under the heading 'Environmental Attributes' and we have introduced a 'Your bit' section to inform customers if products can be recycled.

Our longstanding relationship with TreePoints allows us to give back a little, for every box bought on our online Box Shop TreePoints plant a tree for us. Although there will be a positive carbon impact for this event, accounting for it can be difficult and not all that accurate, so we do not count the carbon for this process. We do this because it is the right thing to do and goes some way to replacing some of the trees used in our box making process.

Our customer move-ins are paper-free which saves approximately 800,000 pieces of paper each year.

4. Our people

We remain committed to our strategy of delivering excellent customer service through a great working culture and highly motivated team members. We aim to achieve this by recruiting, retaining and motivating individuals with talent and integrity and ensuring that we understand and maximise the skills and performance of our people.

We believe that we have a strong culture of inclusivity and diversity within the Company and recruit based on personality over CV. We invest significantly in the training of our team members to ensure that they deliver our high customer service standards and have the opportunity to progress their career.

We continue to encourage a culture of partnership within the business and believe in staff participating in corporate performance through benefits such as bonus schemes, share incentives, sales and service awards and our Bright Ideas Suggestion Scheme. We recognise and reward the exceptional performance, achievements, and ideas from our people through a Recognition Points Scheme and allocated points with a value of just under £66,300 for the year ended 31 March 2024.

In May 2023, we ran our fifth externally managed Employee Engagement Survey and are delighted to have achieved a 92% response rate, which is our highest score ever, as well as an engagement score of 88%, up from 85% in our last survey in 2021. 89% of our team members said that they were proud to work for the Company with our highest scoring areas being Our Values 92% (2021: 90%), Management Style 92% (2021: 89%), Inclusion and Diversity 91% (2021: 90%) and Working Environment 91% (2021: 89%).

The results of the survey have provided us with the opportunity to review our lower scoring areas such as Communication, Wellbeing and Employee Voice, albeit that these still scored very well, with results falling between 77% and 81%. Our actions resulting from the survey were incorporated into Implementation Plans which have been communicated across the business, with progress reviews and updates being issued on an on-going basis throughout the year.

4.1 Highlights

- Implemented a number of Resourcing and Talent Policies to include Internal and External Resourcing, Recruiting People with Convictions and Work Placements for People with Convictions.
- Launched a new On-Boarding Policy to ensure that all team members receive a planned, well organised and structured on-boarding experience when they join the Company.
- Integrated our recruitment and people management databases to fully automate our on-boarding process for new team members.
- Introduced a Fertility Treatment Policy, to support team members who are receiving treatment.
- Introduced a Sabbatical Leave Policy, allowing employees the time to pursue personal interests to enhance their overall wellbeing and engagement at work.
- Re-trained our Wellbeing Experts with Mental Health First Aid England, to ensure that they maintain their knowledge and skills; to provide support to team members as required.
- Introduced a new Employee Assistance Programme which provides counselling services, as well as advice and support on a range of issues such as health, relationships, caring responsibilities, financial guidance and work-related matters.
- 20 of our managers attended a Personal Safety and Lone Trading Course with the Suzy Lamplugh Trust and we subsequently wrote our own Personal Safety and Lone Trading module which was uploaded to our training platform for all team members.
- 53% of eligible team members were participating in our Sharesave Scheme as at 31 March 2024 (March 2023: 53%).

Environmental, Social and Governance Report continued

Some of the changes resulting from the survey have included reviewing and relaunching our Bright Ideas Suggestion Scheme, reviewing our salary bands for store employees, and a review of personal safety and call outs, with personal safety training having been provided for all team members within our stores. We also introduced a new Employee Assistance Programme, re-trained our Wellbeing Experts and set up a specific Wellbeing sub-site on our Intranet.

In order to improve communication and the sharing of ideas, we have introduced a weekly "Anchor Day" within our Head Office, where all team members are present on a regular day each week, with the aim of promoting communication, collaboration and involvement. In addition, we have also introduced a new Intranet to facilitate improved communication both within Head Office and across our stores.

5. Our communities

Our communities are made up of all the people who work and store in our facilities and everyone who lives around us. Our aim is to positively contribute to the local communities of our stores through community investments and engagement as well as with our Big Yellow Foundation. We do this in a number of ways, through free space provided at each store to local charities, fundraising by our employees with Big Yellow matching the funds raised by their endeavours and partnering with the Foundation's charity partners.

5.1 Highlights

- Big Yellow's community investment for the year, delivered via free space, was £796,123.
- Our employees raised £4,366, which was matched by Big Yellow totalling £8,732 being donated to the Foundation.
- Big Yellow enabled the Foundation to deliver 12 successful and all-round enriching work placements with Breaking Barriers, Street League, Back Up Trust and the Down's Syndrome Association, by welcoming each of the placement candidates into our stores.
- We provided a permanent role in our Cardiff store to a young man with Down's Syndrome who had successfully completed an extended work placement there.
- We continued our financial support of The Big Yellow Inner City Schools Rugby Programme in South London. This initiative, in partnership with Southwark Rugby Club aims to get local children, many from disadvantaged backgrounds, from local urban schools who do not offer the sport, playing rugby as part of their P.E curriculum. The programme now consists of players from 12 local secondary schools and offers the benefits of team building, fitness, and healthy competition.

5.2 Community investments

Free Space donated for community or charity use	£796,123*
Total employee Big Yellow Foundation fundraising & Big Yellow matched funds	£8,732*
Customer Donations & Foundation matched funds	£220,282*
Total Community Investment	£1,025,137*

Notes to the table:

- Any KPI marked with an * has been independently verified by SGS.
- Definition of free space: space given to the charitable organization completely for free for the whole of their stay during the reporting period.

Big Yellow commits to donate a minimum of £1 for every customer move-in, and our store teams invite our customers to join us and in turn donate to our Foundation. We have made the commitment this year that through this mechanism there will be a total minimum donation of £220,000 to the Foundation. If this is not achieved through donations Big Yellow will top up the difference so that the Foundation receives the full £220,000.

5.3 Work placements at Big Yellow

Our work placement programme in conjunction with the Foundation was launched in July 2021 to help individuals with disabilities, or who are excluded from mainstream work for other reasons, with the opportunity to gain work experience. These individuals are often highly motivated and want to work, but face barriers that most of us do not.

These work experience placements allow an individual to work in a supported, structured environment that allows them to develop their work-base skills and hopefully leads to the kind of future employment that meets their needs. Big Yellow are working with our Foundation and a selection of our Big Yellow Foundation charity partners to actively make work placements happen. We have currently been able to secure work placements from the Foundation for individuals through the Down's Syndrome Association, Street League, Back Up Trust and Breaking Barriers to offer their clients work placements.

We are really pleased to be able to share that having completed a successful extended work placement in our Cardiff store, a young man from the Down's Syndrome Association has progressed to a permanent role with Big Yellow.

5.4 Big Yellow Foundation

In June we were pleased to announce a new Big Yellow Foundation charity partner, Supporting Wounded Veterans, who provide six comprehensive pathways including sporting events, mentoring, pain management and employment to enable former UK servicemen and women, who have been physically or mentally wounded, to move forward from rehabilitation to employment.

During 2023-24 we worked with our seven charity partners: Back Up Trust, Breaking Barriers, Down's Syndrome Association, St Giles Trust, Street League, Supporting Wounded Veterans and Working Chance.

The Foundation has filed its annual report and accounts for March 2023, which can be found on the charity commission website.

You can find out more about all our partners and the Big Yellow Foundation on our website <https://www.bigyellow.co.uk/foundation/>.

Big Yellow and our customers and employees provide the income to the Big Yellow Foundation. The Big Yellow Foundation Steering Committee, who meet on a quarterly basis, determines how best to raise funds, and promote the Foundation to our employees, customers, and suppliers.

The Foundation is Big Yellow's main vehicle to deliver a consistent customer and employee facing community programme.

The Foundation paid out £255,700 to its seven charity partners in the year ended 31 March 2024. Most of the grants made are unrestricted funds, helping our charity partners to pay for everyday necessities to keep the organisation going.

In addition to the Trustees' time and the Steering Committee's time, Big Yellow also supports the Big Yellow Foundation with donations in kind, by providing financial and accountancy services plus the secretariat to the Big Yellow Foundation Board of Trustees.

6. Our buildings

Our buildings are one of the core parts of our business structure. Without our storage facilities we would have no business. We take pride in the buildings we design; significant environmental consideration goes into each of our new stores from the acquisition of land through to the opening and operation of a new store. Although we have been sharing our progress on this for several years, we now feel that this has become material enough to be discussed as a topic in its own right.

6.1 Highlights

- There are currently 14 sites in our property pipeline
- We have achieved planning permission on eight of our pipeline developments so far.
- This year's new store – Kings Cross achieved:
 - BREEAM Excellent
 - 39 on Considerate Constructor Scheme
 - An A rated EPC
- All stores, bar one, across the estate now have an EPC of C or above.

6.2 Acquisitions

There are 14 sites in our current development pipeline. Prior to the acquisition of these sites several environmental considerations are made. Once a potential new site has been identified, satisfying a number of initial business criteria, including development yield, the Group will undertake a number of inspections. These inspections include, but are not limited to, Flood Risk Assessment, conservation and canal assessments, Contamination surveys, daylight analysis of future self storage developments to assess the potential impact on adjoining properties, the current use and heritage of the site and the surrounding residence and businesses that may become neighbours.

We have developed a number of thresholds that need to be met in order for us to proceed with a purchase. We prioritise brownfield redevelopment and infill sites whenever feasible, never developing on greenfield sites to preserve valuable ecosystems. Our design process incorporates principles of sustainable urban planning, such as compact development, green infrastructure, and biodiversity enhancement, to create vibrant and resilient stores.

Environmental, Social and Governance Report continued

6.3 Planning

Once the procurement of the site has been completed the process of preparing for the planning application begins. The planning process varies across the country but common threads run through all applications. These include highways assessments drainage surveys, habitat surveys to inform our biodiversity net gain plan, Air Quality assessments and travel plans, to name just a few.

Urban regeneration is a key focus of our planning efforts. We seek to revitalise urban areas, enhancing community connectivity and liveability. Our Stores aim to create an inclusive space that contributes to the social, economic, and environmental well-being of the surrounding area. As part of the planning process, we must demonstrate to the planning department the local economic benefits of the self storage facility in terms of job creation, business opportunities, and local economic development.

Biodiversity Net Gain ("BNG")

We are committed to achieving biodiversity net gain in all our developments. This is reinforced by the mandatory planning requirement that all developers must deliver a minimum BNG of 10%. This means a development will result in more or better-quality natural habitat than there was before development. Enhancing green spaces through green walls and roofs, creating additional wildlife habitats, and planting hedgerows and trees, we strive to increase biodiversity value beyond the pre-development baseline. Our aim is to leave a positive legacy by conserving and enhancing natural ecosystems for future generations. As part of the Ecology Report conducted at pre-planning for the Kings Cross site 132 units were recorded. This was then used post completion of the store to calculate the biodiversity net gain. With an additional 3,410.58 units deemed to be created an overall post-development score of 2,583% of the pre-development score was awarded. We were awarded an exemplary credit to be awarded for this as part of the BREEAM certification.

6.4 Design

We design our stores to prioritise energy efficiency and sustainability by incorporating green building standards and best practices into our designs. Big Yellow has set an external minimum commitment of BREEAM Very Good, as standard for all new builds, even where local planning does not demand a specific standard. A number of our stores have been built to BREEAM Excellent standard.

As part of this commitment, we consider optimising building orientation, including high-performance insulation, implementing energy-efficient lighting systems, and integrating renewable energy technologies where feasible. Our goal is to minimise energy consumption, reduce greenhouse-gas emissions, and enhance the long-term sustainability of our properties.

6.5 Construction

During the construction of our stores, where possible, we select sustainable materials with low environmental impact where possible, such as concrete with increased aggregate and recycled content, recycled steel, and non-toxic materials. Additionally, we implement construction practices that minimise waste generation, optimise material use, and prioritise responsible sourcing and disposal.

We have been required to complete Whole Life Carbon Assessments ("WLCA") at RIBA Stages 2 and 4. This year we have decided to take this analysis a step further, by engaging our lifecycle consultants to complete full WLCAs at both RIBA stage 4 (detailed design) and RIBA stage 6 (post practical completion). We are making a commitment to reduce our embodied carbon in future construction and will be able to use the findings in these reports to find real world opportunities for carbon saving measures on future buildings designs.

6.6 Store Sustainability and Green Store Portfolio

Along with the environmental consideration of our new stores we also take pride in the ongoing sustainability of our whole estate. We share the details of this in our full ESG report in the appendix, which details all of the environmental credentials of each of our stores. We are continuously upgrading our older buildings through the removal of gas and upgrading of lighting as examples. We have been retrofitting solar to our stores for a number of years and hope that, at the end of a successful second phase of our battery pilot on our Slough Bath Road store next year, we will be able to start to deliver wider spreading battery storage alongside our solar installations.

7. Our suppliers

Big Yellow recognises that it can have a significant impact on its suppliers and that its suppliers are an important asset to help Big Yellow to deliver its own environmental and social responsibilities.

We manage our suppliers on a decentralised basis, with each Department Head overseeing the onboarding, contracting and in-life management of their suppliers. Many of our suppliers have become trusted partners, having worked with us for many years.

In addition, our construction partners source a broad variety of materials from companies all over the world on our behalf. Whilst these goods are not sourced directly by us, some may be specified by us. We place great value on using recycled materials in our construction process and all materials are procured in accordance with our guidelines.

7.1 Highlights

- No issues were raised to us via our confidential Whistleblowing Helpline in the last financial year.
- We have been scored an A- in the Supplier Engagement Ratings by the Carbon Disclosure project.
- We have updated our spend-based Scope 3 Footprint assessment.
- We continue to deliver strong payment performance:
 - We paid 92% of invoices within 30 days and the remaining 8% between 30 and 60 days
 - Our average time to pay an invoice was 23 days.

7.2 Supplier payment performance

We measure our payment performance to our suppliers on a quarterly basis. Prompt payment is especially important to our smaller suppliers, who may not have the cash flow to manage with very long payment terms.

Year ended 31 March	2022	2023	2024
Within 30 days	88%	89%	92%
Between 30 and 60 days	11%	10%	8%
Over 60 days	1%	1%	0%
Average time to pay an invoice	25 days	24 days	23 days

7.3 Supply chain risk

No issues were raised to us via our confidential Whistleblowing Helpline in the last financial year.

Supply Chain Engagement

Following the successful solution found for the concerns raised about the potential of human rights breaches within our solar panel supply chain we have engaged SGS to work with us on a Supply Chain Risk framework and assess a number of our key suppliers. We have focused on the top 80% of our value chain. We continue to engage with these suppliers on topics including their approach to ESG, environmental management, health and safety and general governance and succession planning. We continue to deliver our plan to work with our suppliers in more detail across some of the areas.

We have identified approximately 27 key Construction, Facilities, IT and Stock suppliers who are part of this ongoing structured Supply Chain Risk review.

We will continue to provide updates as part of our UK Modern Slavery Act Statement.

CDP Supplier Engagement Rating ("SER")

Background to the SER: Following CDP's 2021 global score release, companies responding to the full version of the CDP climate change questionnaire also receive a Supplier Engagement Rating (SER) in addition to their climate change score.

The SER provides a rating for how effectively companies are engaging their suppliers on climate change.

CDP assesses performance on supplier engagement using a company's response to selected questions in the CDP climate change questionnaire on governance, targets, Scope 3 emissions, and value chain engagement. The SER Introduction and SER methodology 2021 is available on CDP's guidance page for more information. An organisation's average upstream emissions are around 11.4 times greater than their direct operations – which shows how vital supplier engagement is to achieve ambitious climate goals, such as Science-Based Targets.

We are pleased to confirm we have achieved an A- rating in the Supplier Engagement Rating.

Environmental, Social and Governance Report continued

8. Our health & safety and information security

Big Yellow recognises the importance of maintaining high standards of Health & Safety for our customers, staff, contractors, and any visitors to our stores.

Health & Safety

Our Health & Safety Committee reviews Policies, Risk Assessments, performance, and records on a quarterly basis. The Policies cover two distinct areas – our routine store operations and our fit-out construction activities.

The Health & Safety Committee discuss and review any issues reported from our regular meetings held at Bagshot (our head office), Maidenhead (our distribution warehouse), the stores and our construction sites. Our Health & Safety Policy states that all employees have a responsibility for Health & Safety, but that managers have special responsibilities. The responsibilities of our CEO are to keep the Board advised on Health & Safety issues and to ensure compliance with the Policy in respect of Construction (via the Construction Director) and store operations (via the Head of Facilities and Store Operations Managers). Externally, other interested stakeholders include the Health & Safety Executive ("HSE") and Local Government Authorities.

8.1 Highlights

- There were no "Fatal Injuries, Notices or Prosecutions" in any part of our operations during the year ended 31 March 2024.
- There were no reportable Information Security breaches this year.

Data Protection and Information Governance

Big Yellow is committed to upholding information security and protecting personal data. Our Data Compliance Officer and the Head of IT ensure that staff are adequately trained in UK GDPR, Data Protection and Information Security.

We are certified to IASME Cyber Assurance Level 1 due to the Cyber Assurance accreditation cycle. Level 2 can only be achieved on the three yearly basis, and we are currently positioned to pass Level 2 in 2024.

Our library of policies on UK GDPR and Information Security are reviewed and updated on an annual basis to ensure they remain relevant, fit for purpose and, in the ever-changing world of Data Protection legislation and technological advances, legally accurate.

The Group has not experienced a reportable information breach in the past three years and has cyber insurance in place in the event a breach should occur in the future.

9. Benchmarks and standards

We have a number of Benchmarks and standard that we submit each year. Below is a summary of this year's rankings:

Report	2020/21 score	2021/22 score	2022/23 score
GRESB	84%	86%	89%
EPRA	Gold	Gold	Gold
CDP	B	B	A-
FTSE4Good	3.1	3.1	3
ISS	C with Prime status	C with Prime status	C with Prime status
MSCI	AA	A	BBB

There are a number of factors that have impacted our MSCI score, including the way we disclose some of our metrics. We have completed a full review of our ESG content to ensure that we use the language MSCI are looking for in their review.

We have updated our risk and opportunities assessment as part of our commitment to implement the TCFD recommendations – for more information, please see the 'Managing Risks and Opportunities' section.

For Construction activities, we also sign up to BRExAM standards and the Considerate Constructor Scheme (CCS). Kings Cross achieved an Excellent rating.

9.1 Science-based targets

Science-based targets (SBT) have increased in popularity as a way of businesses showing genuine commitment to reducing their emissions and impact on the wider world. The process of target verification is a rigorous one, completed by qualified individuals at the Science Based Targets initiative. Our public commitment is as follows.

Our commitment
Big Yellow Group PLC commits to:

- Reduce absolute scope 1 and 2 GHG emissions 70% by FY2032 from a FY2019 base year.
- Reduce scope 3 GHG emissions from purchased goods and services, capital goods, and fuel and energy related activities 61.1% per square foot within the same time frame.

Scope of emission	Coverage of baseline	Type of target	2020 baseline	2032 target %	2032 target
Scope 1 & 2	100%	absolute	3,160 tCO ₂ e	-70%	948 tCO ₂ e
Scope 3	78%	intensity	3.3 kgCO ₂ e/sq ft	-61.1%	1.3 kgCO ₂ e/sq ft

Our Progress

To date we have been mainly focusing on our Scope 1&2 reductions with a big drive for gas removal and an increase in onsite solar generation. This is shown in our result last year, with our Scope 1&2 absolute figures reducing, however, our Scope 3 figure is increasing in the short term. We are making steady progress towards our Scope 1&2 SBT and looking towards what we should focus on next year. Once we have removed gas from the estate we will need to re-focus our efforts in new areas for improvement across the estate.

Our Scope 3 figures are an intensity target. This means that any emissions that are generated through the construction of new storage space are somewhat abated by the increased square footage created. However, when a large amount of money is spent on the bettering of existing building stock this has a negative impact on our scope 3 emissions. This has been the case with our solar retrofit programme. This year we have spent £6 million on the solar retrofit programme. This equates to 1.7 tCO₂e additional emissions, now sitting in our scope 3. We understand that this is exactly where these emissions should sit, and consider these as a necessary backwards step in our Scope 3 for the overall long-term benefit of our buildings' environmental operation and performance.

We have started the process of calculating our Scope 3 emissions for this year. We intend to report our Scope 3 results at the half year when we have a full understanding of the calculations and emissions conversion factors.

Environmental, Social and Governance Report continued

10. Legislation

Big Yellow has obligations under several regimes and regulations, namely:

- The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SECR');
- EU Energy Efficiency Directive, The UK Energy Savings Opportunities Scheme ('ESOS');
- Energy Performance Certificate ('EPCs') – please see 'asset list & green store portfolio' section in the full ESG report for more information.

11. Our stakeholders

This year, the Board of Directors has set out in the Governance section of our Annual Report and Accounts an overview of engagement activities with our key stakeholder groups. These are identified as (1) our employees, (2) our shareholders, (3) our customers, (4) our suppliers and (5) our communities. Please note that in our ESG Stakeholder assessment we also name 'the Environment' as well as local and national Government as further stakeholder groups, and their needs and our engagement activities are set out here.

As mentioned earlier we have undertaken a double materiality assessment this year which has included engagement with all of our stakeholder groups. Through tailored questionnaires followed by interviews with a number of the stakeholders. These have been used to get into the detail of the questions answered in the questionnaire stage. We have been able to get a detailed understanding of what our stakeholders feel to be material both from the point of view of how the environment impacts Big Yellow but also how Big Yellow impacts its immediate environment and communities. Ten material topics were identified through the process. These are detailed at the beginning of this report and in detail in the full ESG report.

Investors

The GRESB and CDP benchmarks inform our investor community of our general ESG performance, our governance approach, risk management protocols and a range of other indicators that give reassurance that our business is 'sustainable'.

For more information on these benchmarks, please see the 'Benchmarks, Legislation and Standards' section above.

We have seen a shift in the level of environmental detail our investors are interested in over the past 12 months. This is one of the reasons we have decided to align ourselves with the CSRD. We have also decided to conduct CRREM pathway analysis from the year ending 31 March 2025 to give ourselves and our investors as much transparency about the impact our sustainability and environmental efforts are having on our estate.

Our Directors run a programme of face-to-face investor engagement activities by holding roadshows following annual and interim reporting cycles and attend investor conferences and other ad-hoc meetings with investors, both in the UK and internationally.

We also provide specific information on request to other investor benchmarks, where available.

Assurance Statement

SGS United Kingdom Ltd's report on selected KPIs pertaining to sustainability activities in the sustainability report 2023/24 of Big Yellow Group PLC for the review period 1st April 2023 to 31st March 2024.

Nature and purpose of the assurance

SGS United Kingdom Ltd (hereinafter referred to as SGS) was commissioned by Big Yellow Group PLC (hereinafter referred to as Big Yellow) to conduct an independent assurance of selected KPIs included in the report 'Sustainability Report 2023/24' (herein referred to as the report).

Intended users of this assurance statement

This Assurance Statement is provided with the intention of informing all of Big Yellow Group PLC's Stakeholders.

Responsibilities

The information in the Report and its presentation are the responsibility of the directors and the management of Big Yellow Group PLC, and SGS has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all of Big Yellow Group PLC's stakeholders.

Assurance standards, type and level of assurance

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail and the guidance on levels of assurance contained within the ISAE3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B ISAE3000	Limited
C ISO14064-3	Limited & Reasonable

Assurance has been conducted at a limited level of scrutiny for all KPIs except for 'Store electricity emissions (tCO₂e)' which was at reasonable level.

Scope of assurance

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below:

Reporting Criteria – GHG & Environmental KPIs

- 1 GHG Protocol – A Corporate Accounting & Reporting Standard.

Reporting Criteria – Social & Governance KPIs

- 1 None selected (Specified Performance Information as detailed in proposal).

Assurance Statement continued

Specified performance information and disclosures included in scope

The scope of the assurance included data only for the following KPIs:

GHG & Environmental KPIs

FY2023/24

- Store electricity emissions (tCO₂e)
- Store flexi-offices gas emissions (tCO₂e)
- Refrigerant emissions (tCO₂e)
- Absolute Operational carbon dioxide emissions (tCO₂e)
- Store Electricity use (MWh)
- Like for like Store Electricity use (MWh)
- Absolute carbon dioxide emissions (tCO₂e) (Store and non-store portfolio) – location-based
- Absolute carbon dioxide emissions (tCO₂e) (Store and non-store portfolio) – market-based
- Carbon intensity (kgCO₂e/m² Current Lettable Area)
- Carbon intensity (kgCO₂e/m² Occupied Space)
- Carbon intensity (kgCO₂e/£000 revenue) – location based
- Carbon intensity (kgCO₂e/£000 revenue) – market based
- Total renewable energy (kWh) generated
- Total installed renewables capacity (kWp)
- Store Water supply and treatment (tCO₂e)
- Solar energy deemed or metered 'export' (kWh)
- Solar used (not exported) (kWh)
- Van fuel emissions (tCO₂e)

Social & Governance KPIs

FY2023/24

Community investment data:

- Free space donated for community or charity use (£)
- Foundation matched funds from customer donations (£)
- Total employee Big Yellow Foundation fundraising & Big Yellow matched funds (£)
- One-off donations (£)
- Total community investment (£)

People data:

- Total number of employees
- % female employees at each management level (total, board, executive & management)
- Number of new employees (stores, head office, and total)

- Proportion of new employees
- Number of leavers (stores, head office, and total)
- Proportion of leavers
- Training hours (total, and average hours by gender)

Safety data:

- Minor injuries (staff, customer, contractor, and visitor)
- Reportable injuries RIDDOR (staff, customer, contractor, and visitor)
- Staff annual injury incidence rate (AIIR) per 100,000 staff
- Construction 'fit-out' minor injuries (total and Kings Cross)
- Construction 'fit-out' reportable injuries (total and RIDDOR)
- Reportable injuries per 100,000 move-ins (RIDDOR)
- Fatal injuries, notices, or prosecutions (total)

Assurance methodology

GHG & Environmental KPIs

CO₂ emissions from own operations and value chain were verified at a limited level of assurance except from purchased electricity which was verified to a reasonable level according to standard EN ISO14064-3:2019 Specification with guidance for the validation and verification of Greenhouse Gas assertions, to establish conformance with the requirements of Big Yellow's reporting methodology as stated in its 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard ('The WRI/WBCSD GHG Protocol'), within the scope of the verification. The materiality required of the verification was considered by SGS to be below 10% for all KPIs except for 'Store electricity emissions (tCO₂e)' which was below 5%, based on the needs of the intended user.

The engagement included verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary and meeting the requirements of Big Yellow's 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol. The organisational boundary was established following the operational control approach.

- Description of activities: Self Storage services
- Location/boundary of the activities: United Kingdom
- Physical infrastructure, activities, technologies and processes of the organisation: Self storage stores and administrative offices
- GHG sources, sinks and/or reservoirs included:
 - Scope 1 – stationary combustion, mobile combustion and fugitive emissions;
 - Scope 2 – purchased electricity and solar generation;
 - Scope 3 – Store water.
- Types of GHGs included: CO₂, N₂O, CH₄ (HFCs, PFCs, SF₆ and NF₃ are excluded)
- Directed actions: none

Social & Governance KPIs

The assurance comprised a combination of:

- Pre-assurance research.
- Remote interviews with the Head of Sustainability, Project Director, Head of Finance, and Head of Marketing, the managers with responsibility for risk assessment, control, and reporting processes associated with the KPIs, metrics, and disclosures.
- Review of documentation and evidence for materiality and stakeholder engagement processes.
- Remote interviews with the managers responsible for internal data collection for each KPI.
- Document review of relevant management systems, policies and procedures.
- Remote interrogation of and testing of relevant data collection systems and procedures, including interviews with relevant data analysts and data accuracy checking.
- Final data verification checks to ensure KPI data is accurate and aligns with expectations.
- Reviewing Report content against our findings and making recommendations for improvement.

Verification was conducted upon all KPIs within the verification scope as an evaluation of historical data and information to determine whether the reported KPI data is materially correct and conforms to the criteria described above. SGS' approach is risk-based, drawing on an understanding of the risks associated with modelling KPI information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of KPIs, including emission information. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limitations and mitigations

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitations.

Statement of independence and competence

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Big Yellow Group PLC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors with relevant qualifications, expertise and experience.

Findings and conclusions

Assurance/verification opinion

GHG & Environmental KPIs

SGS concludes with limited assurance that there is no evidence to suggest that the presented CO₂ equivalent assertion except for purchased electricity is not materially correct and is not a fair representation of the CO₂ equivalent data and information and is not prepared following the requirements of Big Yellow's 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol.

SGS concludes with reasonable assurance that the presented CO₂ equivalent assertion of purchased electricity is materially correct and is a fair representation of the CO₂ equivalent data and information and is prepared following the requirements of Big Yellow's 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol.

We planned and performed our work to obtain the information, explanations, and evidence that we considered necessary to provide a limited level of assurance that the CO₂ equivalent emissions for the period 1st April 2023 to 31st March 2024 for all KPIs except for 'Store electricity emissions (tCO₂e)' which was to reasonable level of assurance are fairly stated. This statement shall be interpreted with the CO₂ equivalent assertion of Big Yellow as a whole.

Big Yellow provided the GHG assertion based on the requirements of its 'Basis of Reporting 2023/24' and the WRI/WBCSD GHG Protocol. The GHG information for the period 1st April 2023 to 31st March 2024 disclosing gross emissions of 2,237 metric tonnes of CO₂ equivalent (Location-Based) and 115 metric tonnes of CO₂ equivalent (Market-Based) are verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives, and criteria.

Verified emissions by scope are as follows:

Scope 1 – (Direct) (store and non-store): 115 tCO₂e

Scope 2 – Location-based (Indirect) (store and non-store): 2,122 tCO₂e

Scope 2 – Market-based (Indirect): 0 tCO₂e

Scope 3 – Water (excludes non store facilities) – 13 tCO₂e

Assurance Statement continued

Social & Governance KPIs

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria. Overall, the communication and presentation of information is appropriate to the size of the business, and its ESG impacts, risks and opportunities. We believe that the organisation has chosen an appropriate level and scope of assurance for this stage in their reporting. Assured KPIs and the verified values;

KPI	Unit of Reporting	Indicator / Sub KPI – Title	Verified Figure 2023/24
Community Investment	£	Free space donated for community or charity use	796,123
	£	Total employee Big Yellow Foundation fundraising and Big Yellow matched fund	8,732
	£	One-off donations	0
	£	Foundation matched funds from customer donations	220,282
	£	Total Community Investment	1,025,137
People Data	Employee #	Total number of employees	508
	Percentage	Female employees at each mgmt. level: Board	37.5%
	Percentage	Female employees at each mgmt. level: Executive	45.5%
	Percentage	Female employees at each mgmt. level: Managers	33.6%
	Percentage	% female employees at each mgmt. level: All	44.7%
	Employee #	Number of new employees: stores	129
	Employee #	Number of new employees: head office	3
	Employee #	Number of new employees: total	132
	Percentage	Proportion of new employees	26.0%
	Employee #	Number of leavers: stores	63
	Employee #	Number of leavers: head office	8
	Employee #	Number of leavers: total	71
	Percentage	Proportion of leavers	13.9%
	Hours	Training hours: total	28,088
	Hours	Training hours: average hours by woman	45.0
	Hours	Training hours: average hours by man	63.6
Health & Safety Data	Incidents	Minor injuries: customer, contractor & visitor	41
	Incidents	Minor injuries: staff	21
	Incidents	Reportable injuries (RIDDOR): customer, contractor & visitor	5
	Incidents	Reportable injuries (RIDDOR): staff	3
	Incidents	RIDDOR per 100,000 move ins	6.0
	Incidents	Staff Annual Incidence Injury Rate (AIIR) per 100,000 staff	647
	Incidents	Fatal Injuries, Notices or Prosecutions	0
	Incidents	Construction Fit out minor injuries – Kings Cross	1
	Incidents	Construction Fit out minor injuries – Total	1
	Incidents	Construction Fit out Reportable injuries (RIDDOR) – Kings Cross	0
	Incidents	Construction Fit out Reportable injuries (RIDDOR) -Total	0

Quality and reliability of specified performance information

During the verification process some examples of good practice as well as some opportunities for improvement in underlying processes were identified and reported to Big Yellow Group PLC with the aim of enabling a process of continual improvement in collection and reporting KPI data. It may be possible to roll out examples of good practice to other KPIs, or parts of the business and the opportunities for improvement identified may be considered for implementation during future reporting cycles.

Good Practices

- Big Yellow operates a robust data collection process and the GHG data reporting platform used was found to be robust enough to provide accurate and consistent data reporting when tested. There has been a large improvement in water data quality and reporting from the previous reporting period.
- Overall readiness of data managers and data owners for this assurance engagement was found to be high and at a mature level. Processes and procedures in place for data collection, manipulation, and reporting are combinations of automated/manual systems, with good risk management procedures.

Opportunities for Improvement

- In line with best practice, Big Yellow Group PLC should consider a formal review of material impacts and issues, to ensure consideration and inclusion of issues that are of core concern to key stakeholders.
- It is recommended to integrate sustainability and ESG KPIs into business and corporate objectives for further dissemination through functional levels for accountability at all levels. Current KPIs and metrics are void of short, medium, or long-term objectives and targets.
- We recommend that in designing its 2024/25 report Big Yellow Group PLC takes the opportunity to review report content – including KPIs – against accepted sustainability reporting standards/frameworks.

Signed:

For and on behalf of SGS United Kingdom Ltd

Terry Coyle
Business Enhancement Manager

SGS United Kingdom Ltd
15 May 2024
www.sgs.com

Executive Chairman's Introduction

Dear Shareholder,

I am pleased to present the Corporate Governance Report for 2024. This report should be read in conjunction with the report on pages 83 to 89, which set out how we have complied with the UK Corporate Governance Code in 2024.

As outlined in my report on pages 14 to 15, 2024 has been another year of growth for the Company, with revenue, cash flow and adjusted profit all up on the prior year.

Governance

The Board believes that the effective delivery of the Company's strategy requires the underpinning of strong corporate governance. The governance of the Group is supported by a robust structure which allows for constructive debate and challenge by its members. This allows the Directors to make effective decisions.

Engagement with our stakeholders

The Board is conscious that there are a number of stakeholders in our business and considers the interests of each of our stakeholder groups in its discussions.

We have a comprehensive investor relations programme in place, with the Executive team carrying out a significant number of meetings with our shareholders during the year. The Non-Executive Directors engage with our shareholders as appropriate. Independent feedback on presentations by the Executive Board Directors to major shareholders is provided to the Non-Executive Directors on a regular basis.

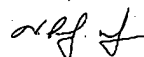
The culture of the business is a key part of our success. In the year to 31 March 2024, the Executive Board Directors have continued to visit each of the Group's stores and maintain a flat, apolitical, non-hierarchical culture within the business.

We continue to monitor the Net Promoter Score that we receive from our customers, which remains at a very high level of 80.5 (2023: 78.9).

Looking ahead

Following our performance this year, our attention for the coming year is focussed on continuing to drive the operating performance of the business to deliver shareholder value. We will continue to invest in our Big Yellow Foundation and its partner charities and also work with local charities throughout our network assisting with space which they need to deliver their programmes.

We will continue to focus on delivering attractive long-term shareholder returns, behaving responsibly to our stakeholders including employees, customers, suppliers, and the community, and appropriately managing risk.



Nicholas Vetch CBE
Executive Chairman

20 May 2024

How We Are Structured

The Board has overall responsibility for the manner in which the Company runs its affairs.

Position	Responsible for	More Information
The Board Nicholas Vetch Executive Chairman	– setting the strategic direction of the business – setting the culture and the values of the Big Yellow – overseeing the internal control system of the Group and its risk management – approving the annual business plan for the Group – approving site and store acquisitions and major items of capital expenditure – approving the Group's financing structure – ensuring a positive dialogue with our stakeholders is maintained	
Executive Directors	– implementing the Group's business plan and strategy – managing the risk of the business – focussing on financial performance	See page 84 for more info.
Nomination Committee	– reviewing the structure, size and composition of the Board – succession planning for Directors and other senior Executives – promoting diversity	See pages 90 to 93 for more info.
Audit Committee	– overseeing the Group's financial reporting – overseeing the Group's internal control framework and risk management process – overseeing the relationship with the external auditor and monitoring their independence	See pages 120 to 123 for more info.
Remuneration Committee	– setting, reviewing and recommending the policy on the remuneration of the Executive Directors – overseeing the senior management team and general workforce remuneration approach – monitoring the implementation of the Remuneration policy – overseeing the alignment of reward, incentives and culture	See pages 96 to 119 for more info.
Sustainability Committee	– overseeing the Group's sustainability framework and strategy – monitoring sustainability performance – providing guidance on emerging environmental issues, including environmental risks, and their impact on the Group's business – overseeing the Group's ESG reporting, including external audit/assurance mechanisms	See page 94 to 95 for more info.

Directors, Officers and Advisers

Executive Directors

Nicholas Vetch CBE

Executive Chairman

Appointment to the Board

Nicholas was a co-founder of Big Yellow in September 1998 and held the position of CEO until July 2003, when he became Executive Chairman.

Background and relevant experience

Prior to Big Yellow, Nicholas was joint Chief Executive of Edge Properties plc, which he co-founded in 1989, was subsequently listed on the Official List of the London Stock Exchange in 1996 and then sold to Grantchester Properties plc in 1998. Nicholas was appointed a Commander of the British Empire ("CBE") in the 2023 New Year's Honours List.

Other appointments

Nicholas is a Trustee of Global Human Rights, Global Human Rights UK, the Royal Drawing School, and the Ukrainian Sponsorship Pathway UK, and a Non-Executive Director of Conduit Holdco Limited.

Committee Membership

None.

Skills and contribution

The Company under Nicholas Vetch's leadership has an outstanding track record for delivering consistently strong returns and share price outperformance. Nicholas, along with his co-founder Jim Gibson, developed the strategy of the business and this continues to this day. He is also responsible for leading the property team and has over 35 years' experience working within the UK property sector. Further details on Nicholas' contribution to the business is included in the annual report on page 83.

Jim Gibson

Chief Executive Officer

Appointment to the Board

Jim was a co-founder of Big Yellow in September 1998, initially as Finance Director and he was subsequently appointed Chief Executive in July 2003.

Background and relevant experience

Jim is a Chartered Accountant by background having trained with Arthur Andersen & Co. where he specialised in the property and construction sectors, before leaving in 1989. He was Finance Director of Heron Property Corporation Limited and then Edge Properties plc which he joined in 1994. Edge Properties was listed on the Official List of the London Stock Exchange in 1996 and then sold to Grantchester Properties plc in 1998.

Other appointments

Jim is a Non-Executive Director and shareholder of AnyJunk Limited, a Non-Executive Director and shareholder of CityStasher Limited, an investor in Moby Self Storage, a Brazilian Self Storage business, and is the Chairman of Trustees of the London Children's Ballet, and a Trustee of the Bede's Development Foundation.

Committee Membership

None.

Skills and contribution

Jim has been with Big Yellow since its formation, and along with his co-founder Nicholas Vetch, has been instrumental in developing the strategy of the business. He leads the day-to-day running of the business and brings substantial knowledge of self storage to the Board, which is invaluable to Big Yellow as it continues to grow. As CEO, the Board believes Jim has demonstrated outstanding leadership and drive, notably in managing the business through the recent geo-political uncertainties. He will continue to be instrumental in maintaining Big Yellow's market-leading position.

John Trotman

Chief Financial Officer

Appointment to the Board

John joined Big Yellow in June 2007 and was appointed to the Board in September 2007.

Background and relevant experience

John is a Chartered Accountant having trained with Deloitte LLP, where he specialised in the real estate sector and self storage. On leaving Deloitte in 2005, John worked for a subsidiary of the Kajima Corporation until he joined Big Yellow.

Other appointments

None.

Committee Membership

None.

Skills and contribution

John brings strong financial experience to the Group from his 17 years with Big Yellow and prior to that in his previous roles. As CFO, in addition to dealing with the traditional aspects of the role, John is involved in strategy, and in all aspects of the day-to-day operations of the business. He has extensive knowledge of the self storage sector.

Committee key

N Nominations Committee A Audit Committee R Remuneration Committee S Sustainability Committee ● Committee Chair

Non-Executive Directors

Dr Anna Keay OBE

Non-Executive Director

N A R S

Appointment to the Board

Anna joined the Board in March 2018.

Background and relevant experience

Anna has been CEO of the Landmark Trust since 2012, operating a portfolio of 200 historic buildings let for holidays. She has a PhD from London University, starting her career at Historic Royal Palaces and from 2002 to 2012 she was Curatorial Director of English Heritage. She was a trustee of Leeds Castle Foundation from 2009 to 2016 and was a Governor and Chair of the Buildings and Projects Committee at Bedales School until November 2021.

She writes and broadcasts widely, presenting on history and buildings for Channel 4.

Other appointments

Anna is a Trustee of the Royal Collection Trust, a Director of Architrave Historical Services and of the Lundy Company.

Committee Membership

Member of Audit, Nominations, Remuneration and Sustainability Committees. Anna is the designated Non-Executive Director for workforce engagement.

Skills and contribution

Anna, as a historian, and with significant experience in the third sector, adds another dimension to the Board alongside her operational experience from her current role as CEO of the Landmark Trust. In her role as the designated Non-Executive Director for workforce engagement, she has worked closely with the HR team in all aspects of employee engagement reporting back to the Board on a regular basis.

Vince Niblett

Senior Independent Non-Executive Director

N A R S

Appointment to the Board

Vince was appointed to the Board in June 2017.

Background and relevant experience

Vince was the Global Managing Partner Audit for Deloitte. He previously held a number of senior leadership roles within Deloitte including as a member of the UK Board of Partners and of the Global Executive Group and the UK Executive Group before his retirement from Deloitte in May 2015.

Other appointments

Vince is also a Non-Executive Director and Chair of the Audit Committee of Forterra plc, a Non-Executive Director of Target Healthcare REIT plc, and a Trustee of the Ruth Strauss Foundation.

Committee Membership

Senior Independent Non-Executive Director, Chair of the Nominations Committee and Member of the Audit, Remuneration and Sustainability Committees.

Skills and contribution

Vince has many years of financial and commercial experience gained from his leadership roles at Deloitte, which he brings to his role as Senior Independent Non-Executive Director.

Laela Pakpour Tabrizi

Non-Executive Director

N A R S

Appointment to the Board

Laela was appointed to the Board in July 2020.

Background and relevant experience

Laela has 17 years' experience in corporate finance and is currently the Finance Director of Consumer Converged at Virgin Media O2. She was previously the Chief Financial Officer of OpenClassrooms, an online educational platform, the Group Chief Financial Officer of MotorK, a venture-backed software as a service tech scale-up, the Group CFO of VistaJet, the global private jet operator, and before that worked in Structured Finance for BNP Paribas. She is a graduate of the Institut d'Etudes Politiques de Paris (Sciences-Po) and the London School of Economics.

Other appointments

Laela also currently serves as a Non-Executive Director of an award-winning East London women's refuge charity called Ashiana Network and as a Trustee of the British Library, where she sits on the audit Committee and Remuneration Committee.

Committee Membership

Chair of Audit Committee and Member of Nominations, Remuneration and Sustainability Committees.

Skills and contribution

Laela has significant corporate and financial experience in high growth businesses. She is the Chair of the audit committee, which involved monitoring KPMG LLP as auditors to the Company, and meeting with the external valuers of the Company. She has maintained close dialogue with the external auditors and the senior finance team throughout the year.

Directors, Officers and Advisers continued

Heather Savory

Non-Executive Director



Appointment to the Board

Heather joined the board of the Big Yellow in March 2021.

Background and relevant experience

Heather was Vice President of Engineering and Operations for 3Dlabs, a high-tech start-up delivering the world's first semiconductor 3D-graphics accelerators for consumer devices and moved on into leadership and advisory roles for high-tech UK SMEs. Heather then worked in various senior government roles including as Director General for Data Capability at the Office for National Statistics which she modernised through a cross-organisation digital, data and workforce transformation. She was also co-Chair of the United Nations Global Working Group on Big Data, developing innovative global data solutions to assist with the measurement and delivery of the United Nations 2030 Agenda for Sustainable Development.

Other appointments

Heather serves as a Non-Executive Director of the UK House of Lords Information Authority, as a Non-Executive Director and Chair of the Audit and Risk Assurance Committee for His Majesty's Prison and Probation Service (HMPPS), as a Non-Executive Director on the Ministry of Justice Audit and Risk Assurance Committee, as a Trustee of the Ukrainian Sponsorship Pathway Charity (USPUK) and on several Not-for-Profit Advisory Boards.

Committee Membership

Chair of the Sustainability Committee, Member of Audit, Nominations and Remuneration Committees.

Skills and contribution

Heather brings a track record on sustainability to Big Yellow, following her work with the UN. She has a wealth of experience in the private and public sectors.

Michael O'Donnell

Non-Executive Director



Appointment to the Board

Michael joined the board of the Big Yellow in September 2021.

Background and relevant experience

Michael is a former Managing Director of LGV Capital, a private equity firm. He has a particular focus on the healthcare and business services sectors. Past roles include as a Non-Executive Director, and chair of the Remuneration Committee, of Helical plc.

Other appointments

Through his company, Ebttide Partners, which he started in 2009, Michael acts as a consultant/director to, and investor in, private companies. He is also the Chair of Home REIT plc with effect from January 2024.

Committee Membership

Chair of the Remuneration Committee and Member of Audit, Nominations, and Sustainability Committees.

Skills and contribution

Michael has a wealth of experience in the private equity sector, with a focus on high growth businesses.

Company Secretary and registered office

Shauna Beavis
2 The Deans
Bridge Road
Bagshot
Surrey
GU19 5AT

Company Registration No.
03625199

Bankers

Aviva Commercial Finance Limited
Bank of Ireland
Barclays Bank plc
HSBC Bank plc
Lloyds Bank plc
M&G Investments Limited
Pricoa Private Capital

Solicitors

CMS Cameron McKenna Nabarro Olswang LLP
Lester Aldridge LLP
Slaughter and May

Financial advisers and stockbrokers

Barclays Bank plc
J P Morgan Cazenove

Statutory Auditor

KPMG LLP
Chartered Accountant and Statutory Auditors

Valuers

Jones Lang LaSalle

Corporate Governance Report

The Company is committed to the principles of corporate governance contained in the UK Corporate Governance Code issued by the Financial Reporting Council in 2018.

Introduction

The Board also takes account of the Corporate Governance guidelines of institutional shareholders and their representative bodies.

The Board continues to monitor external governance developments and in particular, oversees the Company's preparations to ensure compliance with, and effective reporting against, the new UK Corporate Governance Code, which was published by the FRC in January 2024. The new Code will first apply to the Company in its financial year beginning on 1 April 2025.

At Big Yellow, we aim to create a culture in which integrity, openness and fairness are rewarded.

We continue to review the composition of the Board to ensure that it has the appropriate skills, knowledge, and balance for the effective stewardship of the Company. The Board has overall responsibility for the manner in which the Company runs its affairs.

Statement of compliance with the Code

Throughout the year ended 31 March 2024, the Company has been in compliance with the Code provisions set out in section 1 of the 2018 UK Corporate Governance Code, with the exception of Provision 19 in that the Executive Chairman of the Company has served in position for longer than the recommended period of nine years.

Chairman's position

During the year ended 31 March 2020, which was the Company's first operating under the principles of the new UK Corporate Governance Code, Richard Cotton (then Senior Independent Non-Executive Director) and Vince Niblett consulted with a number of the Company's largest shareholders about the length of Nicholas Vetch's tenure as Executive Chairman (21 years), which is in contravention of the UK Corporate Governance Code. It is advised as governance best practice that the Chairman should serve for a maximum of nine years. It is the view of the Board that it is in the Company's best interest for Nicholas Vetch to continue as Executive Chairman for the foreseeable future.

In arriving at this conclusion, the Non-Executive Directors have carefully considered the leadership position that Nicholas Vetch fulfils in the Company and also his leadership of the property team. Moreover, they looked at the governance checks and balances, which are, in their opinion, strong and effective. It is recognised that having a founder Director in post as Chairman for considerably longer than advised, needs justification and the reasons detailed below should inform shareholders that this has been given very thorough scrutiny.

1. The Company under Nicholas Vetch's leadership has an outstanding track record for delivering consistently strong returns and share price outperformance. In the twenty four years since flotation in May 2000, Big Yellow has delivered a Total Shareholder Return ("TSR"), including dividends reinvested, of 13.6% per annum, in aggregate 1,770.4% at the closing price of £10.64 on 31 March 2024. This compares to 4.8% per annum for the FTSE Real Estate Index and 5.4% per annum for the FTSE All Share index over the same period. He has been an integral part of the business since inception.
2. Big Yellow has a strong culture, which has benefited from stable and consistent leadership of the business.
3. The Board has five independent NEDs, three of whom have been appointed within the past four years, providing fresh perspective and challenge. The NEDs have a wide range of corporate experience and provide effective challenge to the Chairman and the other Executive Directors, which was endorsed by the external appraisal undertaken by Simon Robertson Associates in the prior year.
4. The Board has separate committees for Audit, Nomination, Remuneration and Sustainability, each of which are chaired by a Non-Executive Director, and we have a Senior Independent Director who is considered important in sharing the role of Chairman's duties. Specific examples of the board discussion include examination and engagement in the acquisition of new sites, funding decisions, and the Group's net zero carbon plan.
5. As a Board, we have contingency plans in place in the event one of the Executive Directors cannot fulfil their responsibilities, with a matrix of who would step in to cover their roles. Considerable thought has been given by the Board to succession, which has been approached in the context of a very successful senior team of whom the majority have been in post since the Company was listed in 2000. More detail is provided in the Nominations Committee Report.

The Board has been encouraged by the support of its major independent shareholders as it chooses to explain rather than comply with the Code on this issue.

The FRC has made it very clear in its guidance that departures from the Code are acceptable, specifically stating in a guidance paper the following: "The Code establishes best practice, but importantly it offers flexibility. This flexibility is an opportunity, not a threat; it allows boards to take a thoughtful approach to governance. Where companies depart from the Provisions of the Code they need to provide clear and compelling explanations for why the approach taken is the right one for the particular circumstances of the company." (Source: FRC Review of Corporate Governance Reporting November 2020). The Company believes that the reasons set out above for Nicholas Vetch serving as Executive Chairman do provide that clear and compelling explanation.

Corporate Governance Report continued

Statement about applying the principles of the Code

The Company has applied the principles set out in the Code, including both the main principles and the supporting principles, by complying with the Code as reported above. Further explanation of how the principles and supporting principles have been applied is set out below and in the Nominations Committee Report, the Remuneration Report, and the Audit Committee Report.

Leadership

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed.

Chairman and Chief Executive

The division of responsibilities between the Chairman and the Chief Executive has been agreed by the Board and encompasses the following parameters:

- the Chairman's role is to provide continuity, experience, governance, and strategic advice, while the Chief Executive provides leadership, drives the day-to-day operations of the business, and works with the Chairman on overall strategy;
- the Chairman, working with the Senior Independent Non-Executive Director, is viewed by investors as the ultimate steward of the business and the guardian of the interests of all the shareholders;
- the Board believes that the Chairman and the Chief Executive work together to provide effective and complementary stewardship;
- the Chairman:
 - takes overall responsibility for the composition and capability of the Board;
 - takes overall executive responsibility for the property development team; and
 - consults regularly with the Chief Executive and is available on a flexible basis for providing advice, counsel, and support to the Chief Executive;
- the Chief Executive:
 - manages the CFO and Operations Director and the Group's day-to-day activities;
 - prepares and presents to the Board strategic options for growth in shareholder value;
 - sets the operating plans and budgets required to deliver agreed strategy; and
 - ensures that the Group has in place appropriate risk management and control mechanisms.

The Directors believe it is essential for the Group to be led and controlled by an effective Board that provides entrepreneurial leadership within a framework of sound controls which enables risk to be assessed and managed. The Board is responsible for setting the Group's strategic aims, its values and standards and ensuring the necessary financial and human resources are in place to achieve its goals. The Board ensures that its obligations to shareholders and other stakeholders are understood and met. The Board also regularly reviews the performance of management.

Effectiveness

Composition of the Board

The Nominations Committee is responsible for reviewing the Board Composition and makes recommendations to the Board on the appointment of Directors. There are presently five independent Non-Executive Directors on the Board, with Vince Niblett being the Senior Independent Director. The Company complies with the UK Corporate Governance Code in that at least half of the Board, excluding the Chair, is comprised of independent Non-Executive Directors.

All of the Non-Executive Directors bring considerable knowledge, judgement, and experience to Board deliberations. Non-Executive Directors do not participate in any of the Company's share option or bonus schemes and their service is non-pensionable. The Non-Executive Directors are encouraged to communicate directly with Executive Board Directors between formal Board meetings. The Non-Executive Directors meet at least once a year without the Executive Board Directors being present.

The Non-Executive Directors scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They are required to satisfy themselves on the integrity of the financial information and that financial controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration for Executive Board Directors and have a prime role in appointing and, where necessary, removing Executive Board Directors, and in succession planning.

The tenure of the independent Non-Executive Directors at 31 March 2024 is set out below:

Changes to the Board and its Committees

There have been no changes to the composition of the Board and its Committees during the year.

The board and its committees

Standing committees of the Board

The Board has Audit, Remuneration, Nominations and Sustainability Committees, each of which has written terms of reference. They deal clearly with the authorities and duties of each Committee and are formally reviewed annually. Copies of these terms of reference are available on the Company's website. Each of these Committees is comprised of Independent Non-Executive Directors of the Company who are appointed by the Board on the recommendation of the Nominations Committee.

All the Committees are authorised to obtain legal or other professional advice as necessary; to secure, where appropriate, the attendance of external advisers at its meetings and to seek information required from any employee of the Company in order to perform its duties.

The Chair of each Committee reports the outcome of the meetings to the Board. The Company Secretary is secretary to each Committee.

Attendance at meetings of the individual Directors at the Board Meetings that they were eligible to attend is shown in the table below:

Director	Position	Number of meetings attended
Jim Gibson	Chief Executive Officer	●●●●●●●●
Anna Keay	Non-Executive Director	●●●●●●●●
Vince Niblett	Non-Executive Director	●●●●●●●●
Michael O'Donnell	Non-Executive Director	●●●●●●●●
Laela Pakpour Tabrizi	Non-Executive Director	●●●●●●●●
Heather Savory	Non-Executive Director	●●●●●●●●
John Trotman	Chief Financial Officer	●●●●●●●●
Nicholas Vetch	Executive Chairman	●●●●●●●●

● attended ○ absent not applicable

Other members of the senior leadership team attend Board meetings on invitation.

The Board meets approximately once every two months to discuss a whole range of significant matters including strategic decisions, major asset acquisitions and performance. A procedure to enable Directors to take independent professional advice if required has been agreed by the Board and formally confirmed by all Directors.

There is a formal schedule of matters reserved for the Board's attention including the approval of Group strategy and policies; major acquisitions and disposals, major capital projects and financing, Group budgets and material contracts other than in the normal course of business. The Board also considers matters such as cyber security, reputational risks, and other non-financial risks as part of its review of the Group's risk register.

At each Board meeting, the latest available financial information is produced which consists of detailed management accounts with the relevant comparisons to budget. A current trading appraisal is given by the Executive Board Directors.

Information and professional development

All Directors are provided with detailed financial information throughout the year. On a weekly basis they receive a detailed occupancy report showing the performance of each of the Group's open stores. Management accounts are circulated to the Executive monthly and a detailed Board pack is distributed a week prior to each Board meeting.

All Directors are kept informed of changes in relevant legislation and changing commercial risks with the assistance of the Company's legal advisers and auditor where appropriate. All Directors have access to the advice of the Company Secretary on governance matters.

The professional development requirements of Executive Board Directors are identified and progressed as part of each individual's annual appraisal. All new Directors are provided with a full induction programme on joining the Board.

Non-Executive Directors are encouraged to attend seminars and undertake external training at the Company's expense in areas they consider to be appropriate for their own professional development. Each year, the programme of senior management meetings is tailored to enable meetings to be held at the Company's stores. During the year, the Executive Board Directors made visits to all the Group's stores.

Corporate Governance Report continued

Accountability

Risk management and internal control

The Group operates a rigorous system of risk management and internal control, which is designed to ensure that the possibility of misstatement or loss is kept to a minimum. There is a comprehensive system in place for financial reporting and the Board receives a number of reports to enable it to carry out these functions in the most efficient manner. These procedures include the preparation of management accounts, forecast variance analysis and other ad hoc reports. There are clearly defined authority limits throughout the Group, including those matters which are reserved specifically for the Board.

The Board has established a continuous process for identifying, evaluating, and managing the significant risks the Group faces and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board regularly reviews the process, which has been in place from the start of the year to the date of approval of this report and which is in accordance with the FRC's guidance on risk management, internal control and related reporting that was issued in September 2014. The Board is also responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board regularly reviews the effectiveness of the Group's risk management and internal control systems. The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. It is based principally on reviewing reports from management to consider whether significant risks are identified, evaluated, managed, and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The Board has also performed a specific assessment for the purpose of this annual report. This assessment considers all significant aspects of risk management and internal control arising during the period covered by the report, including the work carried out by the Group's Store Compliance team. The Audit Committee assists the Board in discharging its review responsibilities.

A formal risk identification and assessment exercise has been carried out resulting in a risk framework document summarising the key risks, potential impact and the mitigating factors or controls in place. The key risks the Group faces are detailed on **pages 44 to 48** in the Operating and Financial Review. The Board has a stated policy of reviewing this risk framework at least once a year or in the event of a material change. The risk identification process also considered significant non-financial risks.

During the reviews in the year, the Directors:

- challenged the framework to ensure that the list of significant risks to business objectives is still valid and complete;
- considered new and emerging risks to business objectives and included them in the framework if significant;
- ensured that any changes in the impact or likelihood of the risks are reflected in the risk framework; and
- ensured that there are appropriate action plans in place to address unacceptable risks.

The results of this exercise have been communicated to the Board and the Audit Committee. This was in the form of a summary report which included:

- a prioritised summary of the key risks and their significance;
- any changes in the list of significant risks or their impact and likelihood since the last assessment;
- new or emerging risks that may become significant to business objectives in the future;
- progress on action plans to address significant risks; and
- any actual or potential control failures or weaknesses during the period (including "near misses").

During the course of its review of the risk management and internal control systems, the Board has not identified, nor been advised of any failings or weaknesses which it has determined to be significant, consistent with the prior year. Therefore, a confirmation in respect of necessary actions has not been considered appropriate.

All management are encouraged to stay abreast of all technical and other competitive advances that could impact the business.

Going concern

The Group's activities, and a fair review of the business, are included in the Strategic Report on **pages 16 to 30**. The financial position of the Group, including its cash flow, liquidity, and committed debt facilities are discussed in the Financial Review on **pages 38 to 43**.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue operations for the foreseeable future. They have therefore continued to adopt the going concern basis in preparing the financial statements.

Engagement with stakeholders

The long-term success of our business is dependent on the way we work with our various stakeholders. The table below shows our key stakeholder groups, how we engage with them, and how the results of this engagement are reported up to the Board and influence the decision making with the business. Not all the information is reported directly to the Board, however it informs business-level decisions with an overview of developments being reported on a regular basis to the Board.

The Board has identified a number of key stakeholders which it seeks to engage with on a regular basis. The key stakeholders are our employees, our shareholders, our customers, our suppliers, and our communities.

Stakeholder Group	Form of engagement	How this influenced the Board during the year
Our employees	We carried out an engagement survey of our staff in May 2023, which showed a very pleasing engagement score of 88% and a response rate of 92%. The Directors have continued to visit every store in the portfolio over the course of the year. Further detail is provided below on how Anna Keay, the designated Workforce Engagement Director has carried out her role during the year.	Some of the changes resulting from the survey have included reviewing and relaunching our Bright Ideas Suggestion Scheme, reviewing our salary bands for Store employees, and personal safety training having been provided for all team members within our stores. We also introduced a new Employee Assistance Programme, re-trained our Wellbeing Experts and set up a specific Wellbeing sub-site on our Intranet. In order to improve communication and the sharing of ideas, we have introduced a weekly "Anchor Day" within our Head Office, where all team members are present on a regular day each week, with the aim of promoting communication, collaboration and involvement. In addition, we have also introduced a new Intranet to facilitate improved communication both within Head Office and across the Stores. There is further detail on how the Board engage with our people on page 89.
Our shareholders	The Company has an active dialogue with its shareholders through a programme of investor meetings which include formal presentation of the full and half year results. The Executive Board Directors have participated in a number of investor conferences and meetings during the year. During the year ended 31 March 2024, the Chief Executive and other Executive Board Directors carried out 230 meetings with UK and overseas institutional shareholders and potential investors. These meetings comprised group and individual presentations. The Board also welcomes the interest of private investors and believes that, in addition to the Annual Report and the Company's website, the Annual General Meeting is an ideal forum at which to communicate with investors and the Board encourages their participation.	The Board receives regular feedback on investor perceptions about the Company. After each set of results, key investors are interviewed on their perceptions of the performance of the business and management. The findings are reviewed by the Board. At each Board Meeting, the Board is updated on any shareholder meetings that have taken place, and any views expressed, or issues raised by the shareholders in these meetings.
Our customers	The Group sends surveys to all customers who have moved in and moved out of the business. A high response rate is received to these surveys, which show a net promoter score of 80.5.	The net promoter scores are reported to the Board at each Board meeting and any recurring themes highlighted to allow discussion around the approach to our customers. The Directors discuss net promoter scores and customer feedback with store teams on their regular visits to the Group's stores. The net promoter scores achieved from our customers are used as one of the metrics in the bonus plan of the Executive Board Directors.

Corporate Governance Report continued

Stakeholder Group	Form of engagement	How this influenced the Board during the year
Our suppliers	Regular meetings are held between suppliers and their Big Yellow contact. Appropriate external tendering is carried out for any new suppliers. On anti-corruption and anti-bribery matters, we expect all our suppliers to be compliant with the Modern Slavery Act and we work closely with our suppliers to promote best practice. During the year this included engaging with suppliers we had identified as being within potentially high-risk categories and carrying out audits of their compliance with these regulations and providing support to them.	The Board annually approves the Group's Modern Slavery statement. The Group is a member of the Prompt Payment Code, supporting our smaller suppliers with on time payments. During the prior year we worked with 27 of our suppliers, representing 80% of our supply chain value, on supply chain ethics. No material issues were noted, albeit we have been working with them during the year to improve standards further. We have also engaged with a number of our suppliers during the year as part of our double materiality assessment for CSRD alignment.
Our communities	We demonstrate Big Yellow's culture and commitment to our communities through the work of the Big Yellow Foundation which aims to help vulnerable people lead better lives, working in partnership with several charities. Big Yellow matches any donations from our customers at move-in and move-out. We also match any funds raised by our employees and allow each member of our team one paid day per year for volunteering. We also support approximately 200 local charities with free or discounted space throughout our network.	The Board receives regular updates regarding the Foundation's activities. The Board endorses the culture of giving back time to support these charities and the financial commitment made by Big Yellow. Jim Gibson, CEO, is the Chair of the Trustees of the Big Yellow Foundation.
Our Environment	We engage relevant subject matter experts to assess the impact our business has in the first instance as part of the planning and construction process. Our partners perform detailed assessment on likely impacts on land, water, biodiversity, air quality and other key aspects. It is our aim to not just minimize any negative aspects, but also 'listen' carefully and enhance where possible, through the installation of green roofs or bird or bat nesting boxes for example. We extensively report on our Operational impacts, such as energy consumption, carbon emissions, waste we create and water we use as part of our Full ESG Report and have systems and processes in place to manage material aspects, such as energy.	The Board receives regular updates on our environmental performance and activities. The Board endorses the Group's commitment to investing at all stages of our stores' lifespan to ensure our impact on the Environment is minimised. It signs off on the budgets to deliver solar installations and electric vehicle charging pods for example. The Board established a formal Sustainability Committee in 2020 chaired by Non-Executive Director Heather Savory.

Employee relations and company culture

Our teams are a key resource of the business. From the start we have always aimed to create a culture which is accessible, apolitical, inclusive, non-hierarchical, socially responsible, and very importantly, an enjoyable place to work. We believe in the employees benefiting from the success of the business. All staff are eligible for an annual bonus; a Sharesave scheme is open to all employees; and the Company's Long Term Incentive Plan is provided to a significant number of employees.

The Executive Board Directors spend a considerable amount of time meeting with the Group's employees and visit every store at least once a year. We recognise the value of the culture of the business and these visits create an opportunity for it to be cascaded from the boardroom. The Group's Non-Executive Directors also participate in some of these visits, allowing them to develop and maintain a greater insight into the business, producing an informed and higher quality Board discussion on employee matters.

The Group carries out regular engagement surveys of its staff and carried out a full survey in May 2023. These surveys tell us what our staff value about the business and the importance of continued personal development. Detailed action plans are created following these engagement surveys and a number of changes to the way we operate have been made as a result of these surveys. The level of employee engagement evidenced by these surveys remained very high.

Regular training is provided to the Group's employees, and detailed courses are provided to allow employees to further their careers and seek promotion opportunities within the business.

The Board has, in conjunction with the work of the Audit Committee, reviewed the whistleblowing policies that are in place for the Group's employees. There have been no significant issues raised under the Group's whistleblowing arrangements during the financial year.

Workforce Engagement Director

The Code requires that the Board should understand the views of its key stakeholders, with a particular reference to engagement with the workforce. Specifically, it states that for engagement with the workforce, one or a combination of the following methods should be used:

- A Director to the main Board should be appointed from the workforce;
- A formal workforce advisory panel should report to the Board; and / or
- A designated Non-Executive Director should sit on the workforce advisory panel.

A designated Non-Executive Director, Anna Keay, has been chosen as the primary method of workforce engagement for Big Yellow.

She oversees and is responsible for the following:

- Involvement in the Workforce Engagement Group discussions and occasional attendance at Workforce Engagement Group meetings;
- Involvement in key employee project groups where for example employee views are sought on the business or policy and procedural changes;
- Maintaining an awareness of the suggestions made under the Company's Bright Ideas Scheme to include key trends and awards made;
- Along with all the Company's Non-Executive Directors, participation on store tours (pre-planned visits to individual stores);
- Along with all the Company's Non-Executive Directors attending the Annual Sales Conference;
- Provision of feedback to the Board on the bi-annual employee engagement survey, with assistance from the Human Resources team and our survey partner;
- Receiving detailed feedback from the Executive Board Directors on their interaction with employees;
- Regular meetings with the Head of HR to discuss employee relations and issues;
- Annual face-to-face sessions with groups of employees in different areas of the business to hear views and concerns;
- Acting as an alternative contact to whom employees can report confidential matters and raise concerns under the Company's Whistleblowing Policy; and
- Reporting back to the Board and Non-Executive Directors on the above.

Nominations Committee Report

The Committee is responsible for reviewing the Composition of the Board. It also makes recommendations for membership of the Board and considers succession planning for Directors. The Committee is also responsible for evaluating Board and Committee performance.

Committee members and attendance

Member	Number of meetings attended
Vince Niblett – Chair and Senior Independent Director	●
Anna Keay – Member	●
Michael O'Donnell – Member	●
Laela Pakpour Tabrizi – Member	●
Heather Savory – Member	●

● attended
 ○ absent
 not applicable

Introduction

The Nominations Committee is responsible for reviewing the structure, size and composition of the Board and giving consideration to succession planning for Directors and other senior Executives. Where changes are required, it is also responsible for the identification, selection and proposal to the Board for approval of persons suitable for appointment or reappointment to the Board, whether as Executive or Non-Executive Directors and to seek approval from the Remuneration Committee of the remuneration and terms and conditions of service of any proposed Executive Director appointment. The Chair of the Committee reports to the Board as appropriate to enable the Board as a whole to agree the appointments of new Directors. The Committee meets at least once a year and otherwise as required and as determined by its members.

The terms and conditions of appointment for the Non-Executive Directors are available for inspection at the Company's Head Office during normal working hours. They are also available for inspection at the Company's AGM.

Board performance evaluation

During 2023, the effectiveness of the Board and its Committees was evaluated by Simon Robertson Associates LLP ("SRA"). Simon Robertson Associates have no other business relationship with the Group or any of the Company's Directors. SRA met each Director individually, the Company Secretary, many of the senior management team and certain external advisers to the Company. They also attended Board and Committee meetings, with the results of the evaluation presented to the full Board.

This was the second consecutive external Board evaluation that SRA has undertaken for the Company. The decision to use SRA again was to provide continuity and context for their observations given material changes to the Board in recent years. There had been three new NED appointments and a new SID. Consequently, the dynamics of the Board have altered but SRA noted that it operates just as effectively, with the new NEDs strengthening skills and experience, particularly around the ESG agenda. SRA was positive about the implementation of recommendations made following the last review.

Findings

The overall conclusion was that the Board operates with a high degree of efficiency, with a good level of leadership and in a way that promotes honest discussion and healthy debate. High-priority business is unanimously recognised and given the appropriate allocation of time for detailed discussion. This does not detract from other tabled business which is well covered; conversations are straightforward and substantive. SRA was complimentary of the comprehensive approach to governance, noting that the Board is appropriately structured and balanced, with its Committees both well-defined and purpose-driven. SRA noted that a distinct entrepreneurial culture and set of values are evident at Board level, a sentiment echoed by others who were part of the review process.

SRA's main recommendations were:

- consider internal deep-dive exercises on risk management systems and financial controls to test the robustness of current processes;
- continue open dialogue around Board evolution to help with succession planning;
- nurture board dynamics through opportunities for the Board to meet independently of main meetings; and
- restructure the NEDs induction process to allow for a more extensive introduction to senior management and continue the NEDs education and visibility around the business.

Current year board evaluation

During the current year, the Senior Independent Director led an internal evaluation of the Board's performance. This consisted initially of a round table discussion on the Board's performance. The Senior Independent Director then sent a detailed questionnaire to each of the Board asking them to assess the effectiveness of the Board and its discussions, and to raise any suggestions for improvement. As part of this review the recommendations from SRA in the prior year were revisited to ensure these had been implemented. The Senior Independent Director provided a paper summarising the results of these exercises to the Board. It was considered that the Board was operating effectively, with some minor areas identified for improvement.

Director evaluation

During the current year, the Executive Chairman evaluated the performance of the other Executive Board Directors, and the performance of the Chairman was evaluated by the Senior Independent Non-Executive Director. It was considered that the individuals were operating effectively, with appropriate procedures put in place for minor areas identified for improvement.

Succession planning

It is a key responsibility of the Committee to advise the Board on succession planning. The Committee ensures that any future changes in the Board's composition are foreseen and effectively managed.

The Board comprises a team of three Executive Board Directors, two of whom were co-founders of the Company, complemented by Non-Executive Directors who have wide business experience and skills as well as a detailed understanding of the Group's philosophy and strategy. The Executive Board Directors have worked together for a significant length of time. Continuity of experience and knowledge, particularly of self storage, within the executive team is important in a long-term focussed business such as Big Yellow.

The team has confirmed individually and collectively that they all remain committed to the business for the foreseeable future. Each Executive has a significant personal financial interest in the Company. The risk of unforced succession within the business is therefore low.

Given the financial interest of each member of the team in the Company, any planned change in the team in the medium-term (e.g. upon retirement) will be staggered to ensure there is not significant disruption to the overall team. This will be in a similar way to how the Company has managed the replacement of the Non-Executive Directors over recent years.

The Directors work closely together across the various departments that each manages, and so each carries knowledge of the way the whole business operates and would be able to take over the running of that department in the short-term should a vacancy arise. Equally important is the strength of the Senior Management team within the business. The majority of department heads have worked for the business for a substantial period of time and are highly capable individuals. The Committee has confidence that they would be able to step up if there is a gap in the Executive Director team at any point.

In the event of unforeseen changes, the Committee ensures that management and oversight of the Group's business and long-term strategy will not be affected.

The Committee also addresses the development and continuity of the Senior Management team below Board level and has considered succession planning for this team during the year.

Nominations Committee Report continued

Big Yellow Executive team

Big Yellow operates with a leadership team of fourteen, comprising of three Executive Board Directors, supported by eleven key executives within the business. The Group does not have a formal Executive Committee or formal Operating Board, as a more flexible approach to the day-to-day management of the business is used within a relatively flat management structure.

In addition to the three Executive Board Directors, the other members of the Executive team cover finance, sales and marketing, operations, facilities, construction, property acquisitions, human resources, information technology and digital security, and ESG.

The business is run through small sub-groups of decision-making committees, which meet regularly throughout the year around particular key delivery areas which contribute to our growth and success. These committees are attended by members across the leadership team and other employees as required. All of these meetings are also attended by at least one of the Executive Board Directors, and in many cases more than one Executive Director. All strategic and acquisition decisions are made at the PLC Board level and then the Committees implement and take the detailed decisions to drive operational performance and deliver growth. There are also specific thematic executive committees, such as an Environmental Committee and a Health and Safety Committee.

Gender identity reporting under LR9.8.6R(9) and LR9.8.GR(10)

All aspects of diversity, including gender are considered at every level of recruitment. All appointments to the Board are made on merit. The Board's policy states that the Board seeks a composition with the right balance of skills and diversity to meet the demands of the business. The listing rules set out a target of 40% representation of the Board as women. The Company at 31 March 2024 had 38% of the Board as women, and this requirement will be an important consideration in future board level appointments. The listing rules also target Boards to have at least one woman in the roles of Chair, Senior Independent Director ("SID") and/or as CEO or CFO. It is our intention to have at least one woman in one of the defined roles above by 2025.

Gender diversity of the Board, Key Executives and Company at 31 March 2024 is set out below:

	Number of board members	% of the board	Number of senior positions (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	62.5%	4	6	55%
Women	3	37.5%		5	45%
Not specified/ prefer not to say					

The data in the table was collected via written submissions completed by each relevant individual within scope of the reporting requirements set out in Listing Rule 9.8.6R(10).

Ethnic background identity reporting under LR9.8.6R(9) and LR 9.8.6R(10)

As at 31 March 2024, being the relevant reference date for the purposes of Listing Rule 9.8.6R(9)(a), two of the Board's eight members identified as non-white (25%), exceeding the target set in the Listing Rules and the Parker Review.

	Number of board members	% of the board	Number of senior positions (CEO, CFO, SiD and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	6	75%	3	11	100%
Mixed/Multiple Ethnic Groups	1	12.5%	1		
Asian/Asian British					
Black/African/Caribbean/Black British					
Other ethnic group, including Arab	1	12.5%			
Not specified/prefer not to say					

The data in the table was collected via written submissions completed by each relevant individual within scope of the reporting requirements set out in Listing Rule 9.8.6R(10).

External appointments

On making new appointments, the Board takes into account the other demands on a Director's time. Prior to any appointment, significant commitments are disclosed with an indication of the time involved. Any additional external appointments are only undertaken with prior approval of the Board. The Group's Executive Board Directors may not take on more than one non-executive Directorship within a FTSE 350 company or other significant and time-consuming appointment.

Directors standing for re-election

All of the Directors will retire in accordance with the UK Corporate Governance Code and will offer themselves for re-election at the Annual General Meeting.

Following a performance appraisal process, the Board has concluded that the Directors retiring are effective, committed to their roles and operate as effective members of the Board.

The Board, on the advice of the Committee, therefore recommends the re-election of each Director standing for re-election. Full biographical details of each Director are available on [pages 80 to 82](#).

Vince Niblett
Nominations Committee Chair
20 May 2024

Sustainability Committee Report

Committee members and attendance

Member	Number of meetings attended
Heather Savory – Chair	●●
Anna Keay – Member	●●
Vince Niblett – Member	●●
Michael O'Donnell – Member	●●
Laela Pakpour Tabrizi – Member	●●

●

 attended

○

 absent

not applicable

Introduction

The Sustainability Committee is responsible for:

- overseeing the Group's sustainability framework and strategy;
- monitoring the sustainability performance;
- providing guidance on emerging environmental issues, including environmental risks, and their impact on the Group's business; and
- overseeing the Group's ESG reporting, including external audit and assurance mechanisms.

The Sustainability Committee has determined its scope as:

- material, covering all environmental aspects of Big Yellow's business, i.e. the 'E' in ESG; and
- comprehensive, from energy to waste, considered in order of their impact on the business.

The scope of the Sustainability Committee excludes:

- social and personnel aspects of ESG, which the Big Yellow Board considers elsewhere, under the guidance of Non-Executive Director Anna Keay; and
- governance aspects of ESG which are considered directly by the Big Yellow Board.

Overview

The Sustainability Committee meets twice a year: in September and in March, attended by all Big Yellow Board Members and the Head of Sustainability.

The Head of Sustainability and the delivery of Big Yellow's Sustainability Strategy are supported through an executive-level, cross-disciplinary Environmental Committee of Big Yellow staff, with external experts called in to assist as and when required.

Big Yellow's Sustainability Strategy, setting out pathways to become Net Renewable Energy Positive by 2030 and Net Zero Emissions by 2032, remains unchanged since it was updated in 2022 to include full Science-Based Targets.

The Sustainability Committee commends the excellent progress made against the Sustainability Strategy during the year ended 31 March 2024.

Big Yellow now has two Science-Based Targets set and verified by the Science-Based Target initiative (SBTi). These have been put in place to help us decarbonise our Scope 1, 2 and 3 activities.

In addition to the work to gain formal approval for the Science-Based Targets this year we have also seen:

- Strong progress on the Solar Retrofit programme – now standing at 35 retrofit installations, which contribute to a total generating capacity of 6.6 Megawatts across 68 stores.
- Extension of the Battery Pilot – although the initial battery pilot was successfully installed, aspects of its operation have been challenging as the battery was designed for domestic use, making it difficult to collect the data we need. A second phase of the pilot has been commissioned with a second, commercial use, battery going into our new store at Slough Farnham Road next year.
- The recent achievement of the improved CDP score of an A with an A- for our Supplier Engagement Score.

This year we have continued to work to understand our Scope 3 emissions. We have carried out multistage Life Cycle Assessments of our construction activities and, moving forward, we are committed to having our Scope 3 footprint externally calculated and verified. The information we gather from these activities will be used to understand how our design decisions impact our carbon emissions and influence future construction specifications.

In July 2023 the European Commission adopted the European Sustainability Reporting Standards for use by all companies subject to the Corporate Sustainability Reporting Directive ("CSRD"). We have taken the decision to align to these requirements to be as transparent as possible in our sustainability reporting.

I am pleased to confirm that Big Yellow is continuing to deliver well against its Sustainability Strategy, whilst maintaining a flexible approach in light of new developments in the sustainability space. The business is continually seeking to innovate and make the best of new opportunities as they arise, in its work to meet the long-term targets of the strategy.

Heather Savory
Sustainability Committee Chair

20 May 2024

Remuneration Committee Report

This report has been prepared by the Remuneration Committee and approved by the Board. It has been prepared in accordance with Schedule 8 of the Large and Medium-size Companies and Groups (Accounts and Report) (Amendment) Regulations 2013 (the "Regulations").

Attendance at Remuneration Committee meetings

Attendance at meetings of the individual Directors at the Remuneration Committee Meetings that they were eligible to attend is shown in the table below:

Committee members and attendance

Member	Number of meetings attended
Michael O'Donnell – Chair	●●●●
Anna Keay – Member	●●●●
Vince Niblett – Member	●●●●
Laela Pakpour Tabrizi – Member	●●●●
Heather Savory – Member	●●●●

●

 attended

○

 absent

○

 not applicable

Introduction

The report is divided into three main sections:

- **The Annual Statement** – which summarises the remuneration outcomes in the year ended 31 March 2024 and how the Remuneration Policy will be operated in the year ending 31 March 2025;
- **The Remuneration Policy Report** – which sets out a summary of the current Remuneration Policy which was approved by shareholders at the 2022 AGM and which remains unchanged; and
- **The Annual Report on Remuneration** – which sets out how the Committee intends to operate the Remuneration Policy for the year ending 31 March 2025, the link between Company performance and remuneration and payments and awards made to the Directors in respect of the year just ended.

The Companies Act 2006 requires the auditor to report to the shareholders on certain parts of the Remuneration Report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the Annual Report on Remuneration that are subject to audit are indicated in the report.

The Committee and its Work During the Year

Committee Chair: Michael O'Donnell

Current Committee members: Vince Niblett, Anna Keay, Laela Pakpour Tabrizi and Heather Savory

Terms of Reference: <https://corporate.bigyellow.co.uk/investors/corporate-governance>

The Committee met three times during the year under review. The Committee's main activities during the year ended 31 March 2024 (full details are set out in the relevant sections of this report) included:

- Agreeing Executive Director base salary increases from 1 April 2024;
- Agreeing the cash annual bonus awards for the year ended 31 March 2023 and setting the targets for the year ended 31 March 2024;
- Agreeing the deferred annual bonus plan awards for the year ended 31 March 2023 and setting the targets for the year ended 31 March 2024;
- Reviewing the EPS and Total Shareholder Return ("TSR") performance targets and determining the percentage vesting for the 2020 LTIP awards which vested in 2023;
- Reviewing the CEO Pay Ratio calculations and disclosures;
- Reviewing the Company's Gender Pay calculations and disclosures;
- Reviewing the Company's Ethnicity Pay calculations and disclosures; and
- Reviewing the 2023 AGM voting results and considering shareholder feedback received.

In addition, during the year ended 31 March 2024, the Committee has considered how the Policy and practices are consistent with the six factors set out in Provision 40 of the UK Corporate Governance Code:

Clarity

Our Policy is understood by our senior executive team and is clearly articulated to our shareholders and representative bodies (both on an ongoing basis and when changes are proposed).

Simplicity

The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our executive remuneration policies and practices continue to be straightforward to communicate and operate.

Risk

Our Policy has been designed to ensure that inappropriate risk-taking is discouraged and will not be rewarded via: (i) the balanced use of annual and long-term pay which employ a blend of financial, non-financial and shareholder return targets; (ii) the significant role played by equity in our incentive plans; and (iii) malus/clawback provisions.

Predictability

Our incentive plans are subject to individual caps, our share plans are also subject to market standard dilution limits.

Proportionality

There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/'at-risk' pay, together with the structure of the Executive Board Directors' service contracts, ensures that poor performance is not rewarded.

Alignment to culture

Our executive pay policies are fully aligned to Big Yellow's culture through the use of metrics in both the annual bonus, deferred bonus and LTIP that measure how we perform against our KPIs.

Remuneration Committee Report continued

Annual Statement

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2024.

Performance, Decisions and Reward Outcomes for the year ended 31 March 2024

The business conditions and performance of the Group in the year ended 31 March 2024 are described more fully in the Chairman's Statement and the Operating and Financial Review of this Annual Report. In summary:

- The business of the Group performed strongly despite the current economic headwinds;
- Big Yellow remains the clear UK brand leader in self storage and delivered growth in revenue, cash flow and adjusted profit for the fifteenth year in a row;
- Revenue, operating cash flow and adjusted profit before tax increased 6%, 1% and 1% respectively; and
- Dividends are in line with the prior year.

Payments made to the Executive Board Directors under the cash annual bonus plan for the year ended 31 March 2024 amounted to 8.5% of salary (out of a maximum of 25% of salary), based on performance against pre-set targets for occupancy, store profitability, store audits and customer satisfaction. The targets set, and the out-turn, were identical to the average bonus awarded across the stores and head office.

Awards made to the Executive Board Directors under the deferred annual bonus plan for the year ended 31 March 2024 amounted to 67.25% of salary (out of a maximum of 125% of salary), based on performance against financial and non-financial performance targets linked to the business plan.

In respect of the Long Term Incentive Plan ("LTIP") awards granted in 2022, which vested in July 2023, three-year EPS and TSR performance resulted in 95% of awards vesting.

Further details of the targets, and performance against the targets, for cash and deferred annual bonus plans and share award vesting levels are set out in the Annual Report on Remuneration.

Operation of the Policy and use of discretion

The Remuneration Policy operated as intended for the year ended 31 March 2024, and no discretion was applied.

Implementing the Policy for the Year Ending 31 March 2025

Base salary

The Committee continues to operate a policy of targeting base salaries "close to (but generally just below) median" although current base salary levels are well below the market level for a FTSE 250 company of Big Yellow's size and complexity.

From 1 April 2024, Executive Director salary levels were increased by 4% which was in line with the increase across the wider workforce (albeit a proportion of lower paid team members received a higher increase).

	Chief Executive (Jim Gibson)	Executive Chairman (Nicholas Vetch)	Chief Financial Officer (John Trotman)
From 1 April 2023	£490,100	£417,700	£362,000
From 1 April 2024	£509,725	£434,425	£376,500
% increase	4%	4%	4%

Pension and benefits

Pension provision for the Executive Directors will continue at 6% of salary, which is in line with the pension offered to the general workforce. Benefit provision will remain unchanged (private fuel, private medical insurance, permanent health insurance, life assurance and relocation allowances, where relevant).

Annual bonus

Annual bonus potential will continue to be capped at 150% of salary for the year ending 31 March 2025.

Up to 25% of salary will continue to be aligned to the workforce annual bonus (measured against store performance, through occupancy growth, store profitability, store audits and customer satisfaction scores). Any bonus earned under this part will be payable in cash, following the year ending 31 March 2025.

The remaining 125% of salary will continue to be measured against financial, operational, real estate and strategic targets measured over the financial year ending 31 March 2025. Any award under this part will be deferred into Big Yellow shares for three years (with vesting subject to continued employment).

LTIP

The LTIP will continue to operate in its current form with the award potential at up to 200% of salary (albeit award levels will remain below market in value terms given the below market salary levels). As per the 2023 LTIP awards, 80% of awards will be measured against Earnings Per Share ("EPS") and relative Total Shareholder Return ("TSR") and 20% will be based on ESG related performance metrics. Details of the proposed targets for the 2024 LTIP awards are set out in the Annual Report on Remuneration.

Shareholding guidelines – in employment

The guideline to build and maintain a holding of at least 200% of salary in shares of the Company will continue to apply and has been met by all of the current Executive Board Directors. Where a newly appointed Executive Director does not meet the 200% of salary 'in employment' shareholding guideline in the future, 100% of the net of tax shares which vest under any discretionary share award are to be retained.

Shareholding guidelines – post employment

The post-cessation shareholding guideline whereby Executive Directors will need to retain shares equal to 100% of the shareholding guideline (or the actual number of shares held against the guideline if the guideline is not met at cessation) up until the second anniversary of cessation will continue to apply.

Conclusion

I hope that, at the AGM on 18 July 2024, you will support the resolution on the remuneration paid to the Directors in the last financial year, and the implementation of the new Remuneration Policy for the forthcoming year.

I would like to extend my thanks to my fellow colleagues on the Committee for their support and work in 2023/24.

Michael O'Donnell
Chair of the Remuneration Committee
20 May 2024

Directors' Remuneration Policy

This section of the Remuneration Report contains a summary of the Company's Directors' Remuneration Policy (the "Policy") which governs the Company's approach to remuneration. The full Policy as approved by shareholders is set out in the Annual Report and Accounts for the year ended 31 March 2022.

It is the policy of the Company to ensure that the executive remuneration packages are designed to attract, motivate, and retain Directors of a high calibre and reward the executives for enhancing value to shareholders.

As a result, a substantial element of the remuneration of the Executive Board Directors is structured to be dependent on the performance of the Company. The policy aims to support a performance culture where there is appropriate reward for the achievement of strong Company performance without creating incentives which will encourage excessive risk-taking or unsustainable Company performance.

Policy scope

The Policy applies to the Executive Board Directors and Non-Executive Directors.

Policy duration

The current Directors' Remuneration Policy Report was approved by a binding shareholder vote at the AGM on 21 July 2022.

Remuneration Committee Report continued

Summary Policy table (Executive Board Directors)

The main components of the Directors' Remuneration Policy, and how they are linked to and support the Company's business strategy are summarised below:

Executive Board Directors

	Purpose and link to strategy	Operation	Maximum potential value	Performance conditions and assessment
Base salary	To provide competitive fixed remuneration that will attract and retain key employees and reflect their experience and position in the Company.	Base salary is normally set annually on 1 April. When considering any increases to base salaries in the normal course (as opposed to a change in role or responsibility), the Committee will take into consideration: - level of skill, experience, scope of responsibilities and performance; - business performance, economic climate, and market conditions; - pay and employment conditions of employees throughout the Group, including increases provided to staff; - inflation; and - increases provided to Executive Board Directors in comparable companies (although such data would be used with caution).	Salaries are typically set after considering the salary levels in companies of a similar size and complexity in the FTSE 250. Our overall policy is normally to target salaries at close to (but generally just below) median levels. Base salaries are intended to increase in line with inflation and general employee increases in salary. Higher increases may apply if there is a change in role, level of responsibility or experience or if the individual is new to the role. There is no maximum salary cap in place.	None
Annual bonus	The annual bonus aligns reward to key Group strategic objectives and drives short-term performance.	Executive Board Directors participate in an annual performance-related bonus scheme. Up to 25% of salary will be paid in cash. Up to 125% of salary will be deferred into shares for three years. Dividend equivalents may be payable on deferred share awards. The annual bonus plan rules contain clawback and malus provisions.	150% of salary.	Assessed annually and determined by the Committee based on financial, strategic and/or personal performance against the Group's business plan for each financial year.
Long Term Incentive Plan	The Long Term Incentive Plan aligns Executive Director interests with those of shareholders and rewards value creation.	Awards are made annually to the Executive Board Directors (and certain senior managers who are in a position to significantly influence the performance of the Group) in the form of nil-paid options. The awards granted under the Long Term Incentive Plan are subject to performance conditions to be met over a performance period of three years. Dividend equivalents may be payable on LTIP awards during the vesting period, to the extent awards vest. The LTIP contains malus and clawback provisions. A two year post vesting holding period applies to LTIP awards granted to Executive Directors following the 2018 AGM.	200% of salary, albeit actual award levels may be lower.	Vesting under the LTIP will be based on financial, share-price, strategic and/or ESG related performance measures.
Pension	To provide competitive levels of retirement benefit.	Contribution made into Executive Director's personal pension plan, or a cash supplement of equivalent value paid in lieu of pension contribution.	Workforce aligned (currently 6% of salary)	None

	Purpose and link to strategy	Operation	Maximum potential value	Performance conditions and assessment
Other benefits	To provide competitive levels of employment benefits.	Benefits include: • Private fuel; • Private medical insurance; • Permanent health insurance; • Company car via salary sacrifice; • Life assurance of four times base salary; and • Relocation allowances (where relevant). Other benefits may be provided where appropriate. The type and level of benefits provided is reviewed annually to ensure they remain market competitive.	Maximum opportunity is the total cost of providing the benefits. There is no monetary cap on benefits.	None
Shareholding policy – in employment	To ensure that Executive Board	Requirement to build and maintain a holding of shares in the Company, through retaining at least 100% of shares vesting in discretionary share-based incentive plans if this guideline has not been met.		
Shareholding policy – post employment	Directors' interests are aligned with those of shareholders over a longer time horizon.	Requirement to retain shares equal to 100% of the shareholding guideline (or the actual number of shares held against the guideline if the guideline is not met at cessation) up until the second anniversary of cessation. Own shares purchased and share awards granted prior to the 2021 AGM are excluded from the post-cessation guideline.	200% of salary.	N/A
All Employee Scheme	To encourage share ownership by all employees. This allows them to align their interests with those of investors and to share in the long-term success of the Company.	Executive Board Directors may participate in any HMRC tax favoured all employee arrangements.	In line with the prevailing HMRC limits:	None

Remuneration Committee Report continued

Notes to the policy table

The key principle for the short and long-term incentives is to provide a strong link between reward and individual and Group performance to align the interests of Executive Board Directors with those of shareholders.

1. Annual bonus performance measures and targets

Annual bonuses for the Executive Board Directors are based on:

- 25% of salary cash bonus: the average of the stores' performance against their quarterly targets providing direct alignment of the Directors' bonuses to performance (and the bonus levels) of the staff. The four Key Performance Indicators used to assess store performance are occupancy growth, store profitability, store audits and customer satisfaction. Store targets are set every quarter and an average of the four quarters is taken.
- 125% of salary deferred share bonus: measured against pre-set financial, operational, real estate, strategic and ESG-related targets.

2. Long Term Incentive Plan performance measures and targets

Performance metrics and targets for LTIP awards will provide a direct link between the incentive for the Executive Board Directors and the long-term value created for shareholders. The main two performance metrics, which may be supplemented by strategic and/or ESG-related metrics are:

- Relative TSR against the constituents of the FTSE Real Estate Index, given that Big Yellow's historic performance has been closely aligned to the performance of this Index.
- Adjusted EPS figure as reported in the audited results of the Group for the last complete financial year ending before the start of the performance period and the last complete financial year ending before the end of the performance period.

3. Malus and clawback

The cash annual bonus, deferred annual bonus plan and LTIP include malus and clawback provisions.

Malus is the adjustment of outstanding deferred bonus and LTIP awards as a result of the occurrence of one or more of the circumstances listed below. The adjustment may result in the value being reduced to zero. Malus will apply for the three year period from grant to vesting for the deferred bonus and LTIP awards.

Clawback is the recovery of payments/vestings under the cash bonus and LTIP as a result of the occurrence of one or more circumstances listed below. Clawback will apply for three years post payment of a cash bonus/grant of deferred share awards and three years post vesting for LTIP awards.

The circumstances in which malus and clawback could apply are as follows:

- discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company;
- the assessment of any performance target or condition in respect of an award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine the amount of an award was based on error, or inaccurate or misleading information;
- corporate failure or the occurrence of an insolvency event;
- action or conduct of an award holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and
- events or behaviour which have led to the censure of the Company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Company.

4. Discretion

The Committee has discretion in several areas of policy as set out in this report. The Committee may also exercise operational and administrative discretion under relevant plan rules approved by shareholders as set out in those rules. In addition, the Committee has the discretion to amend policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

In certain circumstances, the Committee will be required to exercise its discretion, taking into consideration the particular circumstances of an Executive Director's departure and/or the recent performance of the Company in determining the specific level of payments to be made.

In addition to the discretion under the terms of the annual bonus plan (both cash and deferred shares) and LTIP, the Committee has discretion to determine whether an individual is classified as a "good leaver".

It should be noted that it is the Committee's policy to only apply its discretion if the circumstances at the time are, in its opinion, sufficiently exceptional, and to provide a full explanation to shareholders where discretion is exercised. The Committee does not currently intend to amend or waive any performance conditions.

5. Differences in remuneration policy for all employees

All employees are currently entitled to base salary, benefits, pensions, and the Sharesave Scheme. Additionally, all employees are eligible for annual bonuses with the maximum opportunity available based on the seniority and responsibility of the role held.

The Company's LTIPs are granted to a number of key team members within Head Office, the area manager team and also to store managers.

Illustrations of application of Remuneration Policy

The graphs below seek to demonstrate how pay varies with performance for the Executive Board Directors based on the current Remuneration Policy.

The assumptions used in determining the level of pay out under given scenarios are as follows:

Scenario	Description	Chief Executive	Executive Chairman	Chief Financial Officer
Fixed Pay				
	Base salary (from 1 April 2024)	£509,725	£434,425	£376,500
	Estimated Benefits	£5,000	£5,000	£2,000
	Pension (% of salary)	6%	6%	6%
On-target	50% of annual bonus award being paid and 50% vesting of the LTIP.			
Maximum	100% of annual bonus award being paid (i.e. 150% of salary) and 100% vesting of the LTIP (i.e. 200% of salary, albeit actual awards levels may be lower).			
Maximum Plus 50% share price growth	As per the Maximum scenario but assuming 50% share price growth on LTIP awards.			

Chief Executive

Executive Chairman

Chief Financial Officer

Remuneration Committee Report continued

Summary Policy table (Non-Executive Directors)

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Fees	To attract Non-Executive Directors with the requisite skills and experience.	Fee levels are normally reviewed annually in March. The Non-Executive Director fee structure is a matter for the full Board. Non-Executive Directors may be entitled to benefits relating to travel and office support and such other benefits as may be considered appropriate. The fees may be paid in the form of shares.	Fee levels are normally set at broadly median levels for comparable roles at companies of a similar size and complexity within the FTSE 250. Fees are normally intended to increase in line with inflation.	N/A

Non-Executive Directors' fees comprise of a base fee, with an additional fee for Committee Chairs, the Senior Independent Non-Executive Director and the Employee Representative Director.

Approach to recruitment remuneration

The table below summarises our key policies with respect to recruitment remuneration:

Salary and benefits	- Set by reference to market and taking account of individual experience and expertise in the context of the role. - Salary would also be set with reference to the salary of any departing Executive Director and the remaining Executive Board Directors. - The Executive Director would be eligible to receive benefits in line with Big Yellow Group's benefits policy as set out in the remuneration policy table – this includes either a contribution to a personal pension scheme or cash allowance in lieu of pension benefits in line with the policies set out in the policy table.
Maximum variable incentive	- Annual bonus of up to 150% of base salary. - Long term incentive plan award of equivalent to 200% of base salary.
Sign-on payments	The Company does not provide sign-on payments to Executive Board Directors.
Share buy-outs	- Any previous outstanding share awards which the Executive Director holds which would be forfeited on cessation of his or her previous employment may be compensated. - Where this is the case, the general principle is that the outstanding award will be valued based on the consideration of the following factors: - The proportion of the performance period completed on the date of the Director's cessation of employment; - The performance conditions attached to the vesting of the incentives and the likelihood of them being satisfied; and - Any other terms and conditions having a material impact on their value. - The valuation will be conducted using a recognised valuation methodology by an independent party and the equivalent 'fair value' may be awarded as a one-off LTIP on date of joining under the Company's existing long-term incentive plan. To the extent that this is not possible, a bespoke arrangement will be used. - To ensure effective retention of the Executive Director upon recruitment, any new award will be granted subject to performance conditions and vesting may be over the same period as those forfeited from the previous employer or a new three year period. - The exact terms will be determined by the Remuneration Committee on a case-by-case basis taking into account all relevant factors.
Relocation policies	- In instances where the new Executive Director is relocating from one work location to another, the Company may provide, as a one-off or otherwise, a relocation allowance as part of the Director's relocation benefits. - The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost of living differences, housing allowance and schooling.

Service contracts

The Company's policy on Directors' service contracts is that they should be on a rolling basis without a specific end-date providing for one year's notice. All Executive Board Directors have contracts which reflect this policy.

The Non-Executive Directors do not have service contracts with the Company. Their appointments are governed by letters of appointment which are available for inspection on request at the Company's registered office and which will be available for inspection at the Company's AGM. Each appointment is for a period of up to three years, although the continued appointment of all Directors is put to shareholders at the AGM on an annual basis. In addition, the appointment is terminable by either party giving notice of three months.

Payments for loss of office

Element	Approach
Salary and benefits	Salary and benefits may be paid in lieu of notice. In cases where a contract is terminated other than on the terms of the service contract, the Company will seek to mitigate any damages payable. There will be no compensation for normal resignation or in the event of termination by the Company due to misconduct.
Annual bonus	If the individual is a good leaver, any bonus will be paid/awarded on a pro-rata basis in respect of the period from the start of the financial year. Deferred share awards would normally vest at the normal vesting date (although may vest at the date of cessation). A good leaver is defined as an individual ceasing employment due to ill-health, disability, redundancy, or retirement or in any other circumstances which the Committee permits. A bad leaver is an Executive Director who does not fall within the category of "good leaver" and bad leavers will forfeit any entitlement to a bonus payment in respect of the current financial year or any completed financial year in respect of which the bonus has not been paid at the cessation date.
Long term incentives (LTIP)	A proportion of the LTIP awards held by good leavers will vest at the Committee's discretion determined by taking into account whether, and to what extent, any performance conditions have been satisfied and the length of time the LTIP award has been held at the date of cessation of employment. The LTIP awards will not normally vest until the end of the performance period with performance tested at that time, although exceptionally such awards may, at the discretion of the Committee, vest at cessation of employment. A good leaver is defined as an individual ceasing employment as a result of ill-health, injury, disability, redundancy, retirement, or the sale out of the Group of his employing business or any other reason which the Committee in its absolute discretion permits. A bad leaver is an Executive Director who does not fall within the category of good leaver, and bad leavers will forfeit any unvested awards.
Other	The Group may meet relocation and other incidental expenses on termination of employment, the fees of legal or other professional advisers, outplacement, compensation in respect of statutory rights under relevant employment protection legislation and accrued but untaken holiday. It may also elect to continue to provide certain benefits rather than making payment in lieu of the benefit in question.

Statement of consideration of shareholders' views

The views of our shareholders are very important to the Committee and we actively consulted with our major shareholders and the main representative bodies to help formulate the current Remuneration Policy.

Any consultations on remuneration with shareholders and representative bodies will usually be led by the Chair of the Remuneration Committee.

The Remuneration Committee also considers shareholder feedback received in relation to the AGM each year at its first meeting following the relevant AGM. This feedback, as well as any additional feedback received during any other meetings with shareholders throughout the year, is then considered as part of the Company's annual review of remuneration policy.

The Remuneration Committee notes that shareholders do not speak with a single voice, but we engage with our largest shareholders to ensure we understand the range of views which exist on remuneration issues. When any material changes are proposed to the Remuneration Policy, the Remuneration Committee Chair will consult major shareholders in advance and will offer a meeting to discuss these.

Remuneration Committee Report continued

Shareholder voting

The Company has an annual advisory vote from shareholders on its Remuneration Report, and a binding vote on its Remuneration Policy when a new policy is proposed. The Group is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the reasons for that voting will be sought and any actions in response will be detailed here. There have been no significant issues raised by shareholders in respect of remuneration in the year.

The table below shows the advisory vote on the 2023 Remuneration Report at the AGM held on 20 July 2023, and the binding vote on the Remuneration Policy at the AGM held on 21 July 2022.

	Votes for	%	Votes Against	%	Votes withheld
2023 Remuneration Report	149,388,647	98.2%	2,794,254	1.8%	1,464,140
2022 Remuneration Policy	146,535,231	97.9%	3,210,946	2.1%	2,662,664

Annual Report on Remuneration

This section of the Remuneration Report contains details of how the Directors' Remuneration Policy will be implemented for the year ending 31 March 2025 and how it was implemented during the year ended 31 March 2024.

Implementing the Policy for the Year Ending 31 March 2025

Base salary

The Committee continues to operate a policy of targeting base salaries "close to (but generally just below) median" although current base salary levels are well below the market level for a FTSE 250 company of Big Yellow's size and complexity.

From 1 April 2024, Executive Director salary levels were increased by 4% which was in line with the increase across the wider workforce (albeit a proportion of lower paid team members received a higher increase).

	Chief Executive (Jim Gibson)	Executive Chairman (Nicholas Vetch)	Chief Financial Officer (John Trotman)
From 1 April 2023	£490,100	£417,700	£362,000
From 1 April 2024	£509,725	£434,425	£376,500
% increase	4%	4%	4%

Pension & benefits

Pension provision for the Executive Directors will continue at 6% of salary, which is in line with the pension offered to the general workforce. Benefit provision will remain unchanged (private fuel, private medical insurance, permanent health insurance, life assurance, company car via salary sacrifice, and relocation allowances, where relevant).

Annual bonus

Annual bonus potential will continue to be capped at 150% of salary for the year ending 31 March 2025.

Up to 25% of salary will continue to be aligned to the workforce annual bonus (measured against store performance, through occupancy growth, store profitability, store audits and customer satisfaction scores). Any bonus earned under this part will be payable in cash, following the year ending 31 March 2025.

The remaining 125% of salary will be measured against financial, operational, real estate and strategic targets measured over the financial year ending 31 March 2025. Any award under this part will be deferred into Big Yellow shares for three years (with vesting subject to continued employment).

LTIP

The LTIP will continue to operate in its current form and the targets for the 2024 LTIP awards are as follows:

	Weighting	Threshold (25% of this part of an award vests)	Maximum (100% of this part of an award vests)
Adjusted EPS	50%	4% p.a.	9% p.a.
Relative TSR	30%	Median	Upper Quintile
Retrofitting of solar panels on the Group's estate	10%	Retrofitting of solar panels on 30 of the Group's stores	Retrofitting of solar panels on 40 of the Group's stores
Proportion of Group's external debt facilities that are green loans	10%	30% of the Group's total debt facilities being green loans	50% of the Group's total debt facilities being green loans

Shareholding guidelines – in employment

The guideline to build and maintain a holding of at least 200% of salary in shares of the Company will continue to apply and has been met by all of the current Executive Board Directors. Where an Executive Director has not met the 200% of salary 'in employment' shareholding guideline, the Committee requires 100% of the net of tax discretionary share awards which vest to be retained until the shareholding guideline is met.

Shareholding guidelines – post employment

Executive Directors are required to retain shares equal to 100% of the shareholding guideline (or the actual number of shares held against the guideline if the guideline is not met at cessation) up until the second anniversary of cessation.

Non-Executive Directors

Non-Executive Director base fees for the year ending 31 March 2025 have been increased by 4% (in line with the general workforce increase) to £48,100. The increment for Committee Chairs and additional responsibilities has also been increased by 4% to £11,960 for the year ending 31 March 2025. These increases took effect from 1 April 2024.

Remuneration Committee Report continued

Single total figure of remuneration (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive Director paid in the year ended 31 March 2024.

Year ended 31 March 2024

	Fixed pay									
	Salary £		Taxable benefits ² £		Pensions ³ £		Total fixed pay £			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Nicholas Vetch	417,700	397,800	5,999	4,693	25,062	23,858	448,761	426,351		
Jim Gibson	490,100	466,750	8,502	7,643	29,406	28,005	528,008	502,398		
Adrian Lee ¹	–	92,768	–	2,054	–	5,566	–	100,388		
John Trotman	362,000	344,750	2,154	2,111	21,720	20,685	385,874	367,546		
Total	1,269,800	1,302,068	16,655	16,501	76,188	78,124	1,362,643	1,396,693		

	Variable pay						Total pay			
	Annual bonus – cash £		Annual bonus – deferred £		Long term incentive ⁴ £		Total variable pay £			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Nicholas Vetch	35,505	39,382	280,903	440,066	370,645	419,119	687,053	898,567	1,135,814	1,324,928
Jim Gibson	41,659	46,208	329,592	516,342	436,494	478,993	807,745	1,041,543	1,335,753	1,543,941
Adrian Lee ¹	–	9,184	–	102,625	–	323,326	–	435,135	–	535,523
John Trotman	30,770	34,130	243,445	381,380	324,428	359,244	598,643	774,754	984,517	1,142,300
Total	107,934	128,904	853,940	1,440,413	1,131,567	1,580,682	2,093,441	3,149,999	3,456,084	4,546,692

⁽¹⁾ Adrian Lee stepped down from the Board on 21 July 2022. His remuneration is shown up to that date.

⁽²⁾ Taxable benefits comprise medical cover, permanent health insurance, life insurance, company car via salary sacrifice, and private fuel usage.

⁽³⁾ The Directors receive a cash supplement in lieu of their full pension contributions.

⁽⁴⁾ The values shown in long-term incentives in the current year are the LTIP award granted in 2020 which vested on 5 August 2023 to 95% of its maximum value and is valued using the share price on that date of £10.56.

The average salary increase across the Group in the year was 5.6%.

Cash Annual Bonus Plan awards – cash (25% of salary maximum)

The policy of the Company is that the cash bonus paid to the Executive Board Directors is the same as the average of the bonus awards (as a % of salary) paid to all the Group's stores on achieving their targets during the course of the year. It is an important part of the Group's culture that the Executive team are rewarded with the same level of annual bonus as the average for all staff.

In respect of the year under review, and in line with the average bonus as a percentage of salary paid across the stores the Executive Board Directors received a cash bonus of 8.5% of salary (out of a maximum of 25% of salary).

Overview of the staff (and Executive Director) cash bonus scheme

The staff bonus scheme is designed, on a quarterly basis, to reward each store with a bonus of up to 25% of their quarterly salary, made up of the following four key elements set out below.

Following feedback received from our shareholders on previous remuneration reports to increase the disclosure around the annual bonus, we have shown the average annual distribution of performance against target for each of the bonus measures across our stores and the corresponding average pay-out as a percentage of salary which directly corresponds to the bonus percentage pay-out for the Executive Board Directors. The individual store targets have not been disclosed as it would be impractical and commercially sensitive to disclose the targets for every one of our stores in this report.

The average performance against the four key targets and the associated bonus reward for the stores totalling 8.5% were as follows:

1. Occupancy

Stores that have recently opened receive occupancy targets on a quarterly basis, and their performance against this occupancy target contributes to their bonus. The bonus awarded to each store increases as the store moves further ahead of target. No bonus is awarded if the store fails to meet its target. The significant majority of the Group's stores are bonused solely on profitability. The weighted average bonus paid to the newly opened stores for performance against occupancy targets was 0.3% of salary for the year.

2. Profitability

Each store is set a quarterly target for profitability. The weighting of the contribution of these metrics to the bonus varies based on store occupancy, with higher occupied stores having a higher weighting towards their performance against their profitability target.

The bonus awarded to each store increases as the store moves further ahead of target. The performance distribution of the stores' performance against their individual targets are provided below.

Performance against target	Below target	0 to 1% ahead of target	1 to 2% ahead of target	2 to 3% ahead of target	>3% ahead of target	Total
No of stores	64	23	13	5	4	109
Average bonus paid	0.4%	6.0%	14.7%	19.8%	14.6%	4.8%

The weighted average bonus paid to stores for performance against profitability targets is therefore 4.8% of salary for the year.

3. Store audits

Stores receive a bonus if they receive a certain audit score based on visits carried out by the Group's store compliance team. There were 88 instances of stores receiving an audit bonus score across the year, leading to a weighted average bonus paid to the stores of 1.6% of salary.

4. Customer satisfaction

Stores are rewarded based on two elements of customer satisfaction, net promoter scores and individual customer service awards. The awards based on net promoter scores are summarised in the table below.

NPS score	<75	>75	Total
No of stores	28	81	109
Average bonus paid	0%	2.5%	1.8%

The weighted average bonus paid to stores for performance against net promoter scores is therefore 1.8% of salary for the year.

Summary

The bonus received by the stores against their targets in the year is summarised as follows.

Category	Actual % weighting for category	Average % of salary bonus paid across stores
1. Occupancy	0.3%	3.1%
2. Profitability	4.8%	56.0%
3. Store audits	1.6%	19.3%
4. Customer satisfaction	1.8%	21.6%
Total	8.5%	100%

In line with the Remuneration Policy an award of 8.5% of salary has therefore also been paid to the Executive Board Directors for the year, which equated to the following payments:

Nicholas Vetch	£35,505
Jim Gibson	£41,659
John Trotman	£30,770

Remuneration Committee Report continued

Deferred Annual Bonus Plan awards – deferred shares (125% of salary maximum)

The Group operates a deferred annual bonus plan. The Remuneration Committee sets targets at the start of the financial year across a broad range of financial and non-financial targets. Targets are either on a sliding scale or binary. The targets and the performance against them in the year is shown in the table below:

Sliding scale targets (55% weighting):

Pay-out	0%	100%	Performance	Pay-out
1. Revenue				
Weight: 22.5%	<£198m	>£205.0m	The Group's revenue for the year was £199.6 million, an increase of 6% from the prior year.	23%
2. Adjusted Earnings per share				
Weight: 22.5%	<54.0p	>59.0p	The Group's earnings per share for the year was 55.9p, a decrease of 1% from the prior year.	38%
3. Staff Turnover				
Weight: 5%	>35	<28	Staff turnover for the year was 27.8%, an improvement from 29.6% in 2023.	100%
4. Net promoter score				
Weight: 5%	<74	>79	The Group's net promoter score for the year was 80.5, which is a very strong consumer-facing benchmark result.	100%

Binary targets (45% weighting):

	Fall	Pass		
Pay-out	0%	100%	Actual performance	Pay-out
5. Property Acquisitions				
Weight: 10%	Acquire at least two new sites for the Group during the year, either through new site acquisitions, or through the purchase of existing self storage centres, which complement the existing portfolio and which are consistent with the Group's strategy and long-term plans.		The Group acquired a development site in Leicester during the year, and subsequent to the year-end has acquired a site in Leamington Spa.	50%
6. Planning				
Weight: 10%	Obtain planning consent on at least two of the Group's development sites during the year, consistent with the strategy to continue to add high quality capacity to the Group's existing open store portfolio.		The Group has obtained planning consent on its development sites at Wapping and Epsom during the year. The Group now has planning consent on eight of its 14 development sites.	100%
7. Disposal of Battersea				
Weight 10%	Complete the sale of the Battersea retail units during the year.		The disposal of the Battersea retail units had not completed by the year end.	0%
8. Equity raise				
Weight: 10%	A successful equity raise during the year raising 5% of the Group's equity to fund growth.		The Group carried out an equity raise in October 2023, via a placing of 6.3% of the Group's issued share capital. This raised £107 million (net of expenses), and has allowed the Group to expand capacity in London, our strongest market, and monetise land that we already own.	100%
9. Foundation				
Weight 5%	Raise sufficient funds through our store network and matched contributions from the Group sufficient to provide grants of a minimum of £140,000 to our partner charities.		The income raised through fundraising, matching donations, customer donations, move-in donations and gift-aid enabled us to provide grants of £256,000 to our seven charity partners over the year.	100%

Summary table

The performance against each target, and its contribution to the deferred bonus payable is summarised in the table below:

Target	% achieved	Weighting	Contribution to plan vesting [%]
Revenue	23%	22.5%	5.2%
Earnings per share	38%	22.5%	8.6%
Staff turnover	100%	5%	5%
Net promoter score	100%	5%	5%
Property acquisitions	50%	10%	5%
Planning	100%	10%	10%
Disposal of Battersea	0%	10%	0%
Equity raise	100%	10%	10%
Foundation	100%	5%	5%
Total		100%	53.8%

The above performance assessment of 53.8% translates into a 67.25% award, of the 125% maximum potential. In addition to performance against the targets detailed above, the Committee has also reviewed the stakeholder experience in respect of the year ended 31 March 2024. Based on this review, the Committee considers the 67.25% of maximum award level to be appropriate.

The value of award for each of the Executive Board Directors is shown below:

Director	Value of award
Nicholas Vetch	£280,903
Jim Gibson	£329,592
John Trotman	£243,445

The number of shares will be calculated by reference to the closing share price on the date of grant, which will be after the Company's Preliminary Announcement in May 2024. The awards will vest three years after the date of grant of each award.

Long Term Incentive Plan ("LTIP") awards (Audited)

The awards granted under the LTIP are subject to performance conditions to be met over a performance period of three years. There is no retesting of performance conditions and, if they are not satisfied, the awards will lapse.

The performance conditions applicable to the LTIP which vested in the year, which relate to EPS and TSR, are set out below. The Committee assessed the extent to which the EPS and TSR performance condition has been satisfied for the 2020 award which vested in 2023, with the following results:

Condition	Weighting	Threshold Performance required	Maximum Performance Required	LTIP value for meeting threshold and maximum performance (% salary)	Performance achieved	Vesting %
Adjusted eps growth	30%	Adjusted EPS growth of RPI + 3% per annum	Adjusted EPS growth of RPI + 8% per annum	25% to 100%	13.54% adjusted EPS growth, compared to 9.65% (RPI +3%), and 14.65% (RPI plus 8%). Adjusted EPS has been normalised for the impact of the placing in April 2020.	83.3%
Relative TSR	70%	Median of comparator group of real estate companies	Upper quartile of the comparator group	25% to 100%	4 out of 46 in comparator group of companies in the FTSE Real Estate Index	100%
Total	100%					95%

Remuneration Committee Report continued

The vesting of the 2020 LTIP award in 2023, equated to the following value for the Executive Board Directors based on the share price at the date of vesting:

Director	Shares Awarded	Shares Vested (based on 95% vesting)	Value at Vesting
Nicholas Vetch	36,946	35,099	£370,645
Jim Gibson	43,350	41,183	£434,892
John Trotman	32,020	30,419	£321,225

LTIP awards granted in year ended 31 March 2024 (Audited)

The table below sets out the details of the long-term incentive awards granted in the year ended 31 March 2024 where vesting will be determined according to the achievement of performance conditions that will be tested in future reporting periods.

Director	Award Type	Awards as a % of salary	Face value of award ⁽¹⁾	Percentage of award vesting at threshold performance	Maximum percentage of face value that could vest	Performance Period end date	Performance conditions
Nicholas Vetch	Annual cycle of awards over nil	200% of salary	£835,400	25%	100%	20 July 2026	Adjusted EPS growth, relative TSR, ESG performance
Jim Gibson		200% of salary	£980,200				
John Trotman	cost options	150% of salary	£543,000				

⁽¹⁾ The face value of the award is calculated using the average share price three days prior to the grant date of 20 July 2023 (average share price of £10.68).

The performance conditions applicable to the awards granted in July 2023 are set out below:

Condition	Weighting	Threshold Performance required	Maximum Performance Required	LTIP value for meeting threshold and max performance (% salary)	Basis for measurement
Relative TSR	30%	Median of comparator group of real estate companies	Upper quintile of the comparator group	25% to 100%	The average of the Group's closing mid-market share price over the three months preceding the start of the performance period and preceding the end of the performance period will be used, including dividends re-invested.
Adjusted EPS	50%	Adjusted average annual compound EPS growth of 4%	Adjusted average annual compound EPS growth of 9%	25% to 100%	The adjusted EPS figure reported in the audited results of the Group for the last complete financial year ending before the start of the performance period and the last complete financial year ending before the end of the performance period will be used.
Retrofitting of solar panels on the Group's estate	10%	Retrofitting of solar panels on 30 of the Group's stores	Retrofitting of solar panels on 40 of the Group's stores	25% to 100%	Based on the number of completed retrofits over the award period.
Proportion of Group's external debt facilities that are green loans	10%	30% of the Group's total debt facilities being green loans	50% of the Group's total debt facilities being green loans	25% to 100%	Based on the Group's external debt facilities at 31 March 2026.

Sharesave Scheme

The Group's Sharesave Scheme is open to all UK employees (including Executive Board Directors) with a minimum of six months' service and meets UK HMRC requirements, thus giving all eligible employees the opportunity to acquire shares in the Company in a tax efficient manner. All of the Executive Board Directors participated in the scheme during the financial year. The details of the Sharesave scheme options are shown on page 114.

Pension entitlements

The Company pays pension contributions into the Executive Board Directors' personal pension plans or makes a cash contribution in lieu of pension contributions. They do not participate in any defined benefit scheme. For the year ended 31 March 2024, the Company contribution was 6% of salary for the Executive Board Directors, in line with the contribution for the Company's employees.

Board Changes (Audited)

There were no board changes during the year. No payments:

- of money or any other assets were made to any former Director of the Company in the financial year ended 31 March 2024 in respect of qualifying services as a Director (2023: no payments); and
- were made to any Director in respect of loss of office during the financial year ended 31 March 2024 (2023: no payments).

Non-Executive Directors (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Non-Executive Director paid in the year ended 31 March 2024.

	2024 £	2023 £
Richard Cotton ⁽¹⁾	–	20,232
Anna Keay	57,750	55,000
Vince Niblett	69,250	65,935
Michael O'Donnell	57,750	55,000
Laela Pakpour Tabrizi	57,750	55,000
Heather Savory	57,750	55,000
Total	300,250	306,167

⁽¹⁾ Until retirement from the Board on 21 July 2022.

Non-Executive Directors received no taxable benefits for the year ended 31 March 2024.

Statement of Directors' shareholding (Audited)

The Executive Board Directors are required to build and maintain a holding of two times base salary. These requirements have been met by all Executive Board Directors throughout the year. Non-Executive Directors are not subject to a shareholding requirement. Details of the Directors' interests in shares are set out below (all interests are beneficial interests).

The table below shows, in relation to each Director, the total number of shares and share options in which they have an interest at 31 March 2024:

Executive Director	Share ownership requirement (multiple of salary)	Share ownership requirements met	Holding as multiple of March 2024 salary	Beneficially owned shares	LTIP awards subject to performance conditions	Deferred bonus plan awards	Unexercised LTIP options	Unexercised Sharesave options	Options exercised in the financial year
Nicholas Vetch	2x	Yes	167x	6,536,764	163,963	158,484	85,682	1,697	–
Jim Gibson	2x	Yes	40x	1,847,066	192,383	183,197	98,356	1,844	–
John Trotman	2x	Yes	7x	240,904	112,558	135,823	73,140	1,992	–

Non-Executive Directors' shareholdings (Audited)

Non-Executive	Beneficially owned shares
Michael O'Donnell	6,000
Vince Niblett	3,000
Anna Keay	–
Laela Pakpour Tabrizi	–
Heather Savory	–

Remuneration Committee Report continued

Directors' share awards (Audited)

To provide further context on the shareholding of the Executive Board Directors, options in respect of ordinary shares for Directors who served in the year are as below:

Name	Date option granted	Scheme	No. of shares under option at 31 March 2023	Granted during the year	Exercised during the year ⁽¹⁾	Lapsed during the year	No. of shares under option at 31 March 2024	Exercise price	Market price at date of exercise	Date from which first exercisable	Expiry Date
Nicholas Vetch	19 July 2018	LTIP	20,035	–	–	–	20,035	nil p	–	19 July 2021	18 July 2028
	23 May 2019	DBP	30,519	–	–	–	30,519	nil p	–	23 May 2022	22 May 2029
	19 July 2019	LTIP	30,548	–	–	–	30,548	nil p	–	19 July 2022	18 July 2029
	15 June 2020	DBP	20,691	–	–	–	20,691	nil p	–	15 June 2023	14 June 2030
	5 August 2020	LTIP	36,946	–	–	(1,847)	35,099	nil p	–	5 August 2023	4 August 2030
	22 July 2021	DBP	31,616	–	–	–	31,616	nil p	–	22 July 2024	21 July 2031
	22 July 2021	LTIP	27,617	–	–	–	27,617	nil p	–	22 July 2024	21 July 2031
	8 June 2022	DBP	34,442	–	–	–	34,442	nil p	–	8 June 2025	7 June 2032
	21 July 2022	LTIP	58,103	–	–	–	58,103	nil p	–	21 July 2025	20 July 2032
	8 August 2022	SAYE	1,697	–	–	–	1,697	1060.3p	–	8 August 2025	8 February 2026
	20 July 2023	DBP	–	41,216	–	–	41,216	nil p	–	20 July 2026	19 July 2033
	20 July 2023	LTIP	–	78,243	–	–	78,243	nil p	–	20 July 2026	19 July 2033
Jim Gibson	19 July 2018	LTIP	22,261	–	–	–	22,261	nil p	–	19 July 2021	18 July 2028
	23 May 2019	DBP	33,910	–	–	–	33,910	nil p	–	23 May 2022	22 May 2029
	19 July 2019	LTIP	34,912	–	–	–	34,912	nil p	–	19 July 2022	18 July 2029
	15 June 2020	DBP	23,647	–	–	–	23,647	nil p	–	15 June 2023	14 June 2030
	5 August 2020	LTIP	43,350	–	–	(2,167)	41,183	nil p	–	5 August 2023	4 August 2030
	1 March 2021	SAYE	996	–	–	–	996	903.2p	–	1 April 2024	1 October 2024
	22 July 2021	DBP	36,868	–	–	–	36,868	nil p	–	22 July 2024	21 July 2031
	22 July 2021	LTIP	32,404	–	–	–	32,404	nil p	–	22 July 2024	21 July 2031
	8 June 2022	DBP	40,412	–	–	–	40,412	nil p	–	8 June 2025	7 June 2032
	21 July 2022	LTIP	68,174	–	–	–	68,174	nil p	–	21 July 2025	20 July 2032
	8 August 2022	SAYE	848	–	–	–	848	1060.3p	–	8 August 2025	8 February 2026
	20 July 2023	DBP	–	48,360	–	–	48,360	nil p	–	20 July 2026	19 July 2033
	20 July 2023	LTIP	–	91,805	–	–	91,805	nil p	–	20 July 2026	19 July 2033
John Trotman	19 July 2018	LTIP	16,537	–	–	–	16,537	nil p	–	19 July 2021	18 July 2028
	23 May 2019	DBP	25,190	–	–	–	25,190	nil p	–	23 May 2022	22 May 2029
	19 July 2019	LTIP	26,184	–	–	–	26,184	nil p	–	19 July 2022	18 July 2029
	15 June 2020	DBP	17,735	–	–	–	17,735	nil p	–	15 June 2023	14 June 2030
	5 August 2020	LTIP	32,020	–	–	(1,601)	30,419	nil p	–	5 August 2023	4 August 2030
	1 March 2021	SAYE	1,992	–	–	–	1,992	903.2p	–	1 April 2024	1 October 2024
	22 July 2021	DBP	27,329	–	–	–	27,329	nil p	–	22 July 2024	21 July 2031
	22 July 2021	LTIP	23,935	–	–	–	23,935	nil p	–	22 July 2024	21 July 2031
	8 June 2022	DBP	29,850	–	–	–	29,850	nil p	–	8 June 2025	7 June 2032
	21 July 2022	LTIP	37,766	–	–	–	37,766	nil p	–	21 July 2025	20 July 2032
	20 July 2023	DBP	–	35,719	–	–	35,719	nil p	–	20 July 2026	19 July 2033
	20 July 2023	LTIP	–	50,857	–	–	50,857	nil p	–	20 July 2026	19 July 2033

⁽¹⁾ The aggregate gains made by Directors for the year ended 31 March 2024 on share options totals £nil (2023: £39,126).

Performance and pay

The graph below shows the Group's performance, measured by TSR, compared with the performance of the FTSE All Share Real Estate Index and the FTSE All Share Index for the period since flotation. The FTSE All Share Real Estate Index is used for the assessment of the Company's LTIP.

CEO Remuneration

The table below sets out the details of remuneration of the CEO over the past ten financial years.

Year	CEO single figure of total remuneration (£)	Annual bonus (cash) pay-out % against maximum of 25% of salary	Annual bonus (deferred) pay-out % against maximum of 125% of salary	Long term Incentive weighted average vesting rates against maximum opportunity %
2024	1,335,753	34% (8.5% of salary)	53.8% (67.25% of salary)	95%
2023	1,543,941	39.6% (9.9% of salary)	88.85% (110.6% of salary)	90.1%
2022	1,380,532	41.2% (10.3% of salary)	95.4% (119.25% of salary)	61.6%
2021	1,393,490	62.8% (15.7% of salary)	95% (118.75% of salary)	83.6%
2020	1,136,633	37.2% (9.3% of salary)	47.5% (59.4% of salary)	100%
2019	1,182,482	40.8% (10.2% of salary)	81.875% (102.3% of salary)	100%
2018	2,178,066	51.6% (12.9% of salary)	n/a	95%
2017	850,619	40% (10% of salary)	n/a	100%
2016	988,811	48% (12% of salary)	n/a	100%
2015	1,756,290	50% (12.5% of salary)	n/a	98%

The single figure of remuneration for 2015 and 2018 are higher than in other years due to the vesting of the three year Long Term Bonus Performance Plan in those years delivering a reward of £945,750 (97% vesting) and £1,343,995 (93.33% vesting) respectively for the three year period ended in that year.

Remuneration Committee Report continued

Percentage change in the Director remuneration

The table below compares the percentage change in each Director's annual remuneration (i.e. salary/fees, benefits, and annual bonus) with the remuneration of Big Yellow Group employees.

	% Change from 2019/2020 to 2020/2021			% Change from 2020/2021 to 2021/2022			% Change from 2021/2022 to 2022/2023			% Change from 2022/2023 to 2023/2024		
	Salary/Fee	Benefits	Bonus	Salary/Fee	Benefits	Bonus	Salary/Fee	Benefits	Bonus	Salary/Fee	Benefits	Bonus
Nicholas Vetch	5%	(13%)	78%	4%	3%	(30%)	4%	(6%)	0%	5%	28%	(10%)
Jim Gibson	8%	9%	81%	4%	6%	(30%)	4%	17%	0%	5%	11%	(10%)
John Trotman	6%	(26%)	79%	4%	18%	(30%)	4%	10%	0%	5%	2%	(10%)
Adrian Lee	4%	9%	76%	3%	11%	(30%)	n/a	n/a	n/a	n/a	n/a	n/a
Anna Keay	2%	n/a	n/a	3%	n/a	n/a	4%	n/a	n/a	5%	n/a	n/a
Vince Niblett	2%	n/a	n/a	3%	n/a	n/a	23%	n/a	n/a	5%	n/a	n/a
Michael O'Donnell	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5%	n/a	n/a
Laela Pakpour Tabrizi	n/a	n/a	n/a	3%	n/a	n/a	9%	n/a	n/a	5%	n/a	n/a
Heather Savory	n/a	n/a	n/a	3%	n/a	n/a	4%	n/a	n/a	5%	n/a	n/a
Average employees	3%	2%	74%	2%	2%	(29%)	5%	5%	1%	5.6%	21%	(9%)

Where a Director has not served on the Board for the full financial year, "n/a" is shown in the salary/fee column of the above table. The Committee will continue to build up this analysis until it displays a five-year history.

CEO pay ratio

The data shows how the CEO's single figure remuneration for the year ended 31 March 2024 (as taken from the single figure remuneration table) compares to equivalent single figure remuneration for full-time equivalent UK employees, on a Group basis, ranked at the 25th, 50th and 75th percentile.

Year	Method	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2024	Option A	50 to 1	42 to 1	28 to 1
2023	Option A	55 to 1	49 to 1	31 to 1
2022	Option A	58 to 1	50 to 1	36 to 1

No components of pay and benefits have been omitted for the purpose of the above calculations. Option A was selected given that this method of calculation was considered to be the robust approach in respect of gathering the required data. The underlying quartiles for salary and total remuneration numbers for full-time equivalent UK employees are set out below. The CEO's remuneration in each year includes LTIPs that have vested (but not yet been exercised); for employees the total pay includes proceeds from LTIP exercises, rather than vested LTIPs.

Year	Salary			Total pay and benefits		
	25 th %tile	Median	75 th %tile	25 th %tile	Median	75 th %tile
2024	£24,375	£28,392	£38,251	£26,876	£31,864	£47,516
2023	£23,005	£26,790	£37,440	£28,148	£31,398	£48,746
2022	£21,278	£24,669	£34,445	£23,535	£27,286	£38,098

Statement of consideration of employment conditions elsewhere in the Group

The Committee reviews the reward and retention of the whole employee population periodically throughout the year to ensure that it can attract and retain top talent. Consideration is given to the general basic salary increase, remuneration arrangements and employment conditions. Furthermore, the annual cash bonus awarded to Executive Board Directors is directly linked to the bonuses awarded to all staff.

The Directors are invited to be present at this review of the proposals for salary increase for the employee population generally and on any other changes to remuneration policy within the Company. The information presented at this review is taken into consideration when setting the pay levels of the executive population. Additionally, the Committee has guidelines for the grant of all LTIP awards across the Company and responsibility for approving the total annual bonus cost of the Company.

The Company, through the Workforce Engagement Non-Executive Director, invited employees to comment on the remuneration of Directors during the year, and has engaged with the workforce to explain how executive remuneration aligns with the wider company pay policy. When considering remuneration levels to apply, the Committee takes into account base pay increases, bonus payments and share awards made to the Company's employees generally.

Relative importance of spend on pay

The graph below sets out the relative importance of spend on pay in the year ended 31 March 2024 and 31 March 2023 compared with other disbursements from profit, being the distributions to shareholders and retained earnings (comprehensive gain for the year less dividends).

Gender and ethnicity pay

The Group has reported on its gender pay gap for April 2023. The full report can be found on our investor relations website <http://corporate.bigyellow.co.uk/investors.aspx>. The Group's mean gender pay gap was 24% (2022: 24%), with a median gap of 3% (2022: 6%). Excluding Executive Board Directors, the mean gender pay gap falls to 10% (2022: 13%) with a median gap of 3% (2022: 6%). The reduction in the median gap is due to a greater representation of women in the upper quartile following salary increases. The representation of women within the Upper Middle Quartile has also increased which has resulted from an increase in recruitment of female team members into this quartile. All staff are paid equally according to job role.

The Group has also analysed its ethnicity pay for April 2023. The Group's mean ethnicity pay gap was 6% (2022: 0%), with a median gap of 4% (2022: 5%). Whilst it was pleasing to see that we recruited a greater number of ethnic minority employees across all of the pay quartiles, the increase in our Mean Gap has resulted from recruiting a higher number of ethnic minority employees into the Lower and Lower Middle Quartiles. All staff are paid equally according to job role.

We believe that diversity and inclusion are key to a successful and sustainable business, and we are committed to creating a culture where all team members can be themselves, feel empowered to succeed and deliver a customer experience that is second to none. We encourage and enable all employees, regardless of their gender, race, background, or any other characteristics, to reach their full potential as we believe that having a diverse workforce with fair representation is strategically important and generates value to our stakeholders.

In the year we have continued to collect ethnicity data to better understand the ethnic mix of our workforce. To date, 99% of our team have volunteered their ethnicity data. This data indicates that 21% of Big Yellow's team members belong to a Black, Asian, Mixed or other ethnic group, compared with 18.3% of people who make up this group in the UK (2021 census data).

Remuneration Committee Report continued

Over the last 12 months we have continued the work of our Inclusivity and Diversity Committee, actively listening to feedback from our colleagues across the business to drive change and improve awareness. Here are just some of our key achievements during this time:

Policy and Strategy

- Following the introduction of our Menopause Policy last year, we introduced a Menopause Risk Assessment and trained three team members as Menopause Experts, one of whom is a man.
- We introduced a Fertility Treatment Policy to raise awareness and understanding of fertility treatment across all employees and to help create an environment where individuals feel confident enough to discuss such matters and ask for the support that they need.
- In line with our strategy of improving our brand awareness and recognition as an employer of different diverse groups, we have included posts on Facebook and LinkedIn throughout the year relating to our culture, religious festivals and celebrations, LGBTQ+, gender and mental health.
- We introduced a Domestic Abuse Support Policy to support team members who are experiencing or have experienced domestic abuse and promote their health, safety and wellbeing at work.
- We have reviewed our inclusivity and diversity data against the Census data at our Inclusivity and Diversity meetings to monitor our progress and identify areas on which to focus our attention.

Recruitment / Talent

- Our Big Yellow Foundation supports seven charities who work with vulnerable adults to help find them sustainable employment. During the year we provided 12 work placements within our Distribution Centre and stores.
- The number of females promoted internally has increased to 64% in 2024 (2023: 36%).
- The proportion of our female Store Managers increased to 34% (2023: 32%).
- 33% of new starters in our stores in the year ended 31 March 2024 were of an ethnic minority group (2023: 36%).
- 19% of our team members in stores are over 50, an increase from 14% in 2023.

Learning and Development

- We held a Mindfulness Mental Health Development Day for our Wellbeing Experts, the content of which they could utilise for their own personal benefit, as well as the benefit of those they are supporting.
- We have supported our neurodiverse employees by reflecting our neurodiverse communication standards in all course materials, creating accessible learning initiatives, providing dyslexia support materials, carrying out neurodiversity assessments and introducing Dyslexia Mentors.
- Our investments in e-learning have resulted in females completing 15% more hours per individual of eLearning.

Whilst our Gender Pay Gap is reducing on a gradual basis and we will continue to work to reduce it further, we recognise that it would be unrealistic to close this gap quickly, given that all three of the Executive Directors are male and two of them were founders of the business nearly 25 years ago.

We have however, made significant progress in relation to inclusion and diversity initiatives over the last two years and will continue to challenge our thinking around how we recruit new skills and manage and develop existing talent going forward.

We will continue to drive change via our Inclusivity and Diversity Committee and through listening to feedback from our people.

Our future initiatives include developing new recruitment policies for people with convictions and disabilities and providing training for our hiring managers and mentors. We will continue to use social media to develop our brand recognition as a truly inclusive and diverse employer. We will also be retraining our Wellbeing Experts to enable them to carry on providing support to team members with physical and mental health conditions.

We will continue to work with our seven Big Yellow Foundation charity partners to help vulnerable people such as ex-offenders, refugees, ex-service personnel and people living with disabilities to find employment and create a better future for themselves. We also intend to create a programme of volunteering opportunities through which our team members can support the charities themselves, for which they will be given time off during their working day.

Advisers to the Remuneration Committee

In undertaking its responsibilities, the Committee seeks independent external advice as necessary. FIT Remuneration Consultants LLP have been advisers to the Committee since 2017. The Committee is comfortable that the FIT team provides independent remuneration advice to the Committee and does not have any other connections with Big Yellow that may impair their independence. FIT is a founding member and signatory of the Code of Conduct for Remuneration Consultants, details of which can be found at www.remunerationconsultantsgroup.com.

During the year, FIT provided independent advice on a wide range of remuneration matters including on the renewal of the Company's LTIP plan. FIT provides no other services to the Company. The fees paid to FIT in respect of work carried out for the year under review were £20,000 (ex VAT).

Approval

This policy report was approved by the Board of Directors on 20 May 2024 and signed on its behalf by

Michael O'Donnell
Remuneration Committee Chair

Audit Committee Report

The Audit Committee is appointed by the Board from the Non-Executive Directors of the Company. The Audit Committee's terms of reference include all matters indicated by Disclosure Guidance and Transparency Rule 7.1, the UK Corporate Governance Code, and the new FRC ethical standard.

Committee members and attendance

Member	Number of meetings attended
Laela Pakpour Tabrizi – Chair	●●●●
Anna Keay – Member	●●●●
Vince Niblett – Member	●●●●
Michael O'Donnell – Member	●●●●
Heather Savory – Member	●●●●

● attended

○ absent

not applicable

Introduction

The terms of reference are considered annually by the Audit Committee and are then referred to the Board for approval. The terms of reference are available on the Company's website: <https://corporate.bigyellow.co.uk/investors/corporate-governance>

The Audit Committee is responsible for:

- monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements contained therein;
- reviewing the Group's internal financial controls and the Group's internal control and risk management systems, including consideration of the need for an internal audit function;
- making recommendations to the Board, for a resolution to be put to the shareholders for their approval in general meetings, on the appointment of the external auditor, and the approval of the remuneration and terms of engagement of the external auditor;
- assessing and challenging estimates and judgements included within the financial statements;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements; and
- ensuring the external auditor only provides those services permitted by the Ethical Standard of the FRC.

The Audit Committee is required to report its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

This year the Committee has continued to focus on the narrative reporting and corporate governance disclosures in the Annual Report. The Committee was asked by the Board to review the statement by the Directors that the Annual Report presents a fair, balanced, and understandable view of the Group's position and performance, strategy, and business model. The Committee also reviewed the Group's going concern and viability statements.

All Audit Committee members are expected to be financially literate. Furthermore, the Audit Committee structure requires the inclusion of one financially qualified member (as recognised by the Consultative Committee of Accountancy Bodies). Vince Niblett, as a Fellow of the Institute of Chartered Accountants of England and Wales and Laela Pakpour Tabrizi as an experienced Finance Director, currently carrying out that role at Consumer Converged at Virgin Media O2, fulfil that requirement.

The Group provides an induction programme for new Audit Committee members and ongoing training to enable all of the Committee members to carry out their duties. The induction programme covers the role of the Audit Committee, its terms of reference and expected time commitment by members and an overview of the Group's business, including the main business and financial dynamics and risks. New Committee members also meet some of the Group's staff. Ongoing training includes attendance at formal conferences, internal company seminars and briefings by external advisers.

Meetings

The Audit Committee is required to meet three times per year and has an agenda linked to events in the Group's financial calendar. The agenda is predominantly cyclical and is therefore approved by the Audit Committee Chair on behalf of her fellow members. Each Audit Committee member has the right to require reports on matters of interest in addition to the cyclical items.

The Audit Committee invites the Chief Executive, Chief Financial Officer, Financial Controller, and senior representatives of the external auditor to attend its meetings in full, although it reserves the right to request any of these individuals to withdraw. The Committee meets as required with the external auditor without the Executive Board Directors or senior management present. Other senior management are invited to present such reports as are required for the Committee to discharge its duties.

Overview of the actions taken by the Audit Committee to discharge its duties

Since the beginning of the financial year the Audit Committee has:

- reviewed published financial information including the year-end results, Annual Report, half year results and the Quarterly Trading Statements, including review of Alternative Performance Measures used by the Group;
- considered whether the Annual Report provides a fair, balanced, and understandable view of the Group's position and performance, strategy, and business model;
- assessed and concluded on the Group's viability statement and the going concern assessment for the annual and half yearly financial statements;

- considered the output from the Group-wide process used to identify, evaluate, and mitigate risks;
- reviewed the effectiveness of the Group's internal controls and disclosures made in the annual report and financial statements on this matter, and considered the impact of the BEIS review on the Group;
- reviewed and agreed the scope of the audit work to be undertaken by the external auditor;
- agreed the fees to be paid to the external auditor for their audit of the financial statements and review of the half-yearly report;
- considered and agreed the approach of performing Directors' valuations of investment properties for the half-year report;
- undertaken an assessment of the qualification, expertise and resources, and independence of the external auditor and the effectiveness of the audit process;
- considered the audit partner and audit firm rotation;
- undertaken an evaluation of the performance of the external auditor and assessed their effectiveness;
- held discussions with the auditors on key judgements;
- considered the need for an internal audit function;
- considered the FRC ethical standard governing non-audit services and audit committees;
- reviewed the arrangements for "whistleblowing" by employees to ensure that there is a consistent policy in the Group to enable employees to voice concerns particularly in respect of possible financial reporting improprieties. A whistleblowing policy is included in the employee handbook and there is an external whistleblowing monitoring service;
- met the Group's external valuers and considered their competence and independence;
- met the Group's Store Compliance Manager;
- reviewed the Audit Committee's Report; and
- reviewed its own effectiveness.

Audit Committee Report continued

Financial reporting and significant financial judgements

The Committee reviews all financial information published by the Group in year-end and half-year financial statements, including the presentation and disclosure of the financial information. It also considers the appropriateness of the accounting policies adopted by the Group and the accounting judgements made by management in the preparation of the financial information.

The Committee has considered whether the Annual Report for the year ended 31 March 2024 provides a fair, balanced, and understandable view of the Group's position and performance, strategy, and business model and whether it provides the necessary information to enable shareholders and prospective shareholders to assess the Group's position and performance, strategy, and business model. The Committee is satisfied that the Annual Report for the year ended 31 March 2024 provides a fair, balanced, and understandable view and includes the necessary information as set out above. The Committee has confirmed this to the Board, whose statement is included in the Statement of Directors' Responsibilities on page 129.

The Committee focuses on matters it considers important in their impact on the reported results of the Group, and on matters where there is a high degree of complexity and/or judgement.

The critical accounting estimate that the Committee focuses on at the reporting date is the valuation of the investment property portfolio. This is carried out by independent external valuers, but by its nature it is subjective, with significant judgement applied to the valuation, particularly given the lack of transactional evidence for prime self storage assets. The Chair of the Committee met the external valuers to discuss the valuations, review the key judgements, and discussed whether there were any disagreements with management. This year the Committee reviewed and challenged the valuers on the cap rates, rental growth assumptions and stabilised occupancy levels, to agree on the appropriateness of the assumptions adopted. The Committee also met with the external valuers and satisfied itself on their independence, their quality control processes (including peer partner review) and qualifications to carry out the valuations. Management also have processes in place to review the external valuations. In addition, the external auditors use valuation specialists to review the valuations and report their findings and conclusions to the Audit Committee.

The Committee has also considered a number of other judgements made by management in the preparation of the financial statements. The Committee has concluded that there are not significant levels of judgements involved, other than the valuation described above.

There has been no change to the other key judgement included in the financial statements, which is that the Group's stores should be accounted for as Investment Property.

Management has reported to the Audit Committee that they are satisfied that they are not aware of any material misstatements in the financial statements. The external auditors confirmed in their report to the Audit Committee that they had not found any material misstatements during their audit work.

Based on the above, the Committee concluded that the financial statements appropriately apply the key estimates and critical judgements, in respect of the disclosures and the amounts reported. The Committee also concluded that the annual report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Group's position and performance, strategy, and business model.

External auditor

The Audit Committee is responsible for the development, implementation, and monitoring of the Group's policy on external audit. The policy assigns oversight responsibility for monitoring the independence, objectivity, and compliance with ethical and regulatory requirements to the Audit Committee, and day-to-day responsibility to the Chief Financial Officer. The policy states that the external auditor is jointly responsible to the Board and the Audit Committee and that the Audit Committee is the primary contact.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee reviewed:

- the external auditor's plan for the current year, noting the role of the senior statutory audit partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years, and any changes in the key audit staff;
- the arrangements for day-to-day management of the audit relationship;
- a report from the external auditor describing their arrangements to identify, report and manage any conflicts of interest; and
- the overall extent of non-audit services provided by the external auditor, in addition to its case-by-case approval of the position of non-audit services by the external auditor.

Audit rotation

During 2016 following a robust tender process, the Committee appointed KPMG LLP as auditors, with effect from the year ended 31 March 2018. As part of the tender process, the Committee reviewed KPMG's proposals for the audit and determined that they had an appropriate plan in place to carry out an effective audit. KPMG confirmed to the Committee that it maintained appropriate internal safeguards to ensure its independence and objectivity. Anna Jones is the current audit partner, and this is the third year that she has been the signatory to the Group's financial statements.

The Company's policy is to rotate audit partners every five years, and to tender its audit to include new firms at least every ten years.

The Company complies with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 and the Code. To comply with the Order the Company intends to conduct a formal tender process for audit services during the financial year ending 31 March 2027, so that should a new firm be appointed, they will be able to shadow KPMG during the audit of the 31 March 2027 financial statements.

Annual auditor assessment

The Audit Committee has adopted a formal framework in its review of the effectiveness of the external audit process and audit quality which include the following areas:

- the arrangements for ensuring the external auditor's independence and objectivity;
- the senior statutory auditor and the audit team;
- the external auditor's fulfilment of the agreed audit plan and variations from the plan;
- the quality of the formal audit report to shareholders;
- the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- the robustness and perceptiveness of the auditor in his handling of the key accounting and audit judgements; and
- the content of the external auditor's comments on control improvement recommendations.

Regard is paid to the nature of, and remuneration received, for other services provided by KPMG LLP to the Group and, inter alia, confirmation is sought from them that the fee payable for the annual audit is adequate to enable them to perform their obligations in accordance with the scope of the audit. The only non-audit service provided is the auditors' review of the half year report.

Non-audit work

The Group's policy on external audit sets out the categories of non-audit services which the external auditor will and will not be allowed to provide to the Group, including those that are pre-approved by the Audit Committee and those which require specific approval before they are contracted for, subject to de minimis levels. The Group's non-audit policy reflects the Ethical Standard on Non-Audit Services which came into effect on 15 March 2020. The Committee's policy is that the auditors will not be asked to carry out non-audit work with the exception of the half year review and regulatory and bank required reporting.

More generally, the auditors may not provide a service which places them in a position where they may be required to audit their own work. Specifically, they are precluded from providing services relating to bookkeeping, financial information system design and implementation, appraisal or evaluation services, actuarial services, any management functions, taxation advisory services, investment banking services, legal services unrelated to the audit or advocacy services.

In respect of the year ended 31 March 2024, the auditor's remuneration comprised £593,000 for audit work and £64,000 for other work, solely relating to the interim review. Over a three year rolling period, the level of non-audit fees is below the audit fee, with non-audit fees representing 11% of audit fees in 2023 and 14% in 2022.

Risk management and internal control

The Committee and the Board reviewed the internal control processes of the business and the Group's risk register during the year. The risks and uncertainties facing the Group, and its internal control processes are considered in the Strategic Report on page 44.

The Committee remains focused on ensuring that finance and risk capability is appropriate to the scale of the business, whilst also acknowledging an increasingly regulated environment. As the UK's regulatory landscape continues to evolve, the Committee will continue to monitor developments from the review led by the Department for Business and Trade into restoring trust in audit and corporate governance, and the impact the recommendations may have on the Group. In particular, the Committee will spend time working with management to prepare to report on the updated UK Corporate Governance Code, published by the FRC in January 2024, with particular attention to the changes introduced in respect of audit, risk and internal control.

Internal audit

The Committee has considered the Board's view that, given the relatively straightforward nature of the Group's business and the control environment in place, no formal internal audit function is required. The Group has a store compliance team, which effectively carries out an internal audit role for the Group's stores, visiting each store twice a year. This provides the Committee comfort over the store related aspects of the Group's business. The Committee meets with the Store Compliance Manager as required, and at least once a year.

Additionally, on a regular cycle, the Board appoints external consultants to assess specific business areas of risk and provide a report to the Board and the Committee on this area. The cycles covered by this activity include construction expenditure, treasury, taxation, and facilities management. This gives the Committee comfort over the controls over key business cycles within the Company.

With the combination of the store internal audit and the external assessment of the key business cycles, the Committee considers that this provides a robust internal audit assessment for the Group.

Overview

As a result of its work during the year, the Audit Committee has concluded that it has acted in accordance with its terms of reference and has ensured the independence and objectivity of the external auditor.

The Chair of the Audit Committee will be available at the Annual General Meeting to answer any questions about the work of the Committee.

Approved by the Audit Committee and signed on its behalf by:

Laela Pakpour Tabrizi
Audit Committee Chair

20 May 2024

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the audited financial statements and auditor's report for the year ended 31 March 2024. The Report on Corporate Governance on pages 84 to 89 forms part of this report.

Details of significant events since the balance sheet date are included in note 25 to the financial statements. An indication of likely future developments in the business of the Company is included in the strategic report.

Included in note 18 are the Group's financial risk management objectives and policies and an indication of the Group's exposure to certain risks. Those elements of that note form part of this report and are incorporated by reference.

Dividends

The Directors are recommending the payment of a final dividend of 22.6 pence per share for the year (2023: 22.9 pence per ordinary share). An interim dividend of 22.6 pence per share was paid in the year (2023: 22.3 pence per share).

All of the 45.2 pence per share payable for the year is a Property Income Distribution.

Subject to approval by shareholders at the Annual General Meeting to be held on 18 July 2024, the final dividend will be paid on 26 July 2024. The Ex-div date is 4 July 2024 and the Record date is 5 July 2024.

From April 2018 dividend tax credits have been replaced by an annual £2,000 tax-free allowance on dividend income across an individual's entire share portfolio. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of the dividends paid by Big Yellow Group PLC, and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

SECR and Mandatory GHG Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SECR') came into force on 1 April 2019 and apply to companies with financial years starting on or after 1 April 2019.

The 2018 Regulations define what must be included in the Directors' Report, namely:

- Annual Greenhouse Gas (GHG) emissions from activities for which the Company is responsible including combustion of fuel and operation of any facility, such as such as our flexi-office gas heating, reception area air conditioner coolant replacement, one Company van diesel fuel use emissions and fit-out 'diesel' use emissions (assuming qualifying fit-out activities have taken place during the year);
- Annual emissions from the purchase of electricity, heat, steam or cooling by the Company for its own use, such as the electricity for our stores and construction fit-out activities;
- Underlying global energy use;
- Previous year's figures for energy use and GHG;
- At least one intensity ratio metric;
- Energy efficiency action taken; and
- Methodology used.

We will also continue to report on our Scope 3 emissions: Electricity supplier 'transmission and distribution' emissions and 'employee business travel (from car mileage claims only)'. We also include grid bought electricity used and measured by third party telecom masts. Consumption is reported bi-annually and deducted from Big Yellow's Scope 2 data. The standard grid bought electricity conversion factors are applied. Voluntary GHG emissions, from our waste and water supply chains, are assessed as 'not material'. We will also retain the practice of reporting our previous few years of performance to show longer term trends.

The 'Market-based emission' reported here reflect the emissions associated with the electricity tariff we have purchased; whereas 'Location-based emissions' are emissions associated with the UK grid and applies the required DEFRA conversion factors. Where we have not indicated market-based or location-based figures, location-based can be assumed.

Please note, our operations are solely based in the UK, and we therefore will be reporting a single geographical scope – UK and offshore area only.

a) Data

Financial Year		2021/22	2022/23 (originally published)	2022/23 restated	2023/24
GHG scope 1 total tonnes CO ₂ e	Total Scope 1 Emissions (location-based) store and non-store	338.2	232.8	254.0 ⁽¹⁾	114.9
GHG scope 2 total tonnes CO ₂ e	Total Scope 2 Emissions (location-based) store and non-store	2,308.6	2,130.1	2,141.7 ⁽¹⁾	2,136.3
GHG scope 2 total tonnes CO ₂ e	Total Scope 2 Emissions market-based ⁽²⁾ store and non-store	0.0	0.0	0.0	0.0
Total GHG scope 1 & 2 Total tonnes CO ₂ e	Total Scope 1 and 2 Emissions (location-based) store and non-store	2,646.8	2,362.9	2,394.7	2,251.2
Total GHG scope 1 & 2 Total tonnes CO ₂ e	Total Scope 1 and 2 Emissions (market-based) store and non-store	338.2	232.8	254.0	114.9
Scope 3 total tonnes CO ₂ e	Electricity Transmission Losses	204.1	192.8	192.0	183.6
	Telecoms emissions on our sites	174.0	177.0	198.1 ⁽²⁾	220.0
	Employee Business travel	92.7	140.9	177.0 ⁽³⁾	150.5
TOTAL Scope 3 total tonnes CO ₂ e	Electricity Transmission Losses, Telecoms emissions, Employee Bus Travel	470.8	510.7	567.2	554.1
kgCO ₂ e/ revenue (£000s) – location-based	Greenhouse Gas (GHG) emissions intensity from building energy consumption	15.0	12.5	12.7 ⁽¹⁾	11.3
kgCO ₂ e/ revenue (£000s) – market-based	Greenhouse Gas (GHG) emissions intensity from building energy consumption	1.9	1.2	1.3 ⁽¹⁾	0.6
kgCO ₂ e/ Occupied space (1,000m ²)	Greenhouse Gas (GHG) emissions intensity from building energy consumption (scope 1 and 2 location-based)	5.4	5.0	5.1 ⁽¹⁾	4.8
kgCO ₂ e/ CLA (1,000m ²)	Greenhouse Gas (GHG) emissions intensity from building energy consumption (scope 1 and 2 location-based)	4.7	4.0	4.1 ⁽¹⁾	3.8
Energy data ⁽⁴⁾	underpinning Scope 1 and 2 emissions data (kWh)	12,891,941	12,271,496	12,151,251 ⁽¹⁾	10,941,846

[1] Non-store emissions included in the restated value and prior year data anomaly included in restated figure.

[2] Number of sites with telecoms increased and value restated to include emissions in the year ended 31 March 2023

[3] The methodology updated in line with updated scope 3 calculations, the restated figure captures these changes.

[4] Includes store only values for electricity.

Please note:

Regarding restating each year, the last 3 months of our emissions data is reported using prior year's conversion factors, due to an emission factor publication lag – we operate on a 'best available data' principle and will therefore restate each year.

Regarding Market-based emissions, we purchase REGO backed 100% renewable energy, so are able to provide both location-based and market-based CO₂e emissions.

The three location-based intensity metrics are calculated from the location-based Scope 1 and 2 totals. The one market-based intensity metric is calculated from the market-based Scope 1 and 2 totals.

b) Methodology for Calculating Emissions

Scope 1

Gas

Data collection: Big Yellow gas data – and some of our Armadillo gas data – is metered and automatically transmitted into our energy and emission reporting platform, Envizi. Gas use for the remaining stores with gas is obtained from supplier invoices and manually uploaded onto Envizi. This process is part of the assurance work undertaken by SGS each year. Any gaps are accrued.

Calculations: Our software platform, Envizi, contains our consumption data as well as the current BEIS emission factors. These are used to calculate emissions automatically when our reports are produced. Our annual data straddles two emission factor years; as soon as the latest factors are released, our partners ensure Envizi contains the most up to date set and this is applied against the relevant data set.

Scope 1

Van

Data collection: our maintenance manager records any miles driven to service our stores. The data is collected quarterly and sent to our partners for uploading into Envizi. Envizi commutes the mileage data into emissions.

Calculations: km travelled x emission conversion factor for a diesel average van (up to 3.5 tonnes) in km/kgCO₂e / 1000 to convert to tCO₂e.

Scope 1

Fit-out diesel

Data collection: diesel consumption used on our fit-out construction projects is collected manually by the construction team and reported weekly in the Construction Fit-Out report. The final report for the financial year is used to assess the overall diesel consumption during the year.

Calculation: the total diesel consumption in litres converted to kWh using the gross CV kWh/litre for Diesel (average biofuel blend) x emission conversion factor in kWh (Gross CV)/kgCO₂e for a Diesel (average biofuel blend) / 1000 to convert to tCO₂e.

Directors' Report continued

Scope 2

Location-based, electricity

Data collection: Big Yellow electricity data – and most of our Armadillo electricity data – is metered and automatically transmitted into our energy and emission reporting platform, Envizi. Electricity used for the remaining stores is obtained from supplier invoices and manually uploaded onto Envizi. This process is part of the assurance work undertaken by SGS each year. Any gaps are accrued.

Calculations: Our software platform, Envizi, contains our consumption data as well as the current DEFRA emission factors. These are used to calculate emissions automatically when reports are produced. Our annual data straddles two emission factor years; as soon as the latest factors are released, our partners ensure Envizi contains the most up to date set and this is applied against the relevant data set.

Scope 2

Market-based, electricity

Data collection: the same as for location-based electricity.

Calculations: instead of applying the location-based emission factors, we manually set electricity emissions at 0 as we have been purchasing 100% Rego backed electricity since 1st October 2019. For total Scope 1 & 2 emissions, market-based, we set Scope 2 at 0 and Scope 1 the same as per above.

Scope 3

Electricity Transmission and Distribution losses

Data collection: we use data collected for the location-based grid bought electricity data.

Calculation: the total grid supplied electrical consumption in kWh x T&D emission conversion factor in kWh/kgCO₂e / 1000 to convert to tCO₂e.

Scope 3

Telecom masts

Data collection: we use the data collected by the company who installs and operates 18 third party telecom masts at 14 of our store locations. The consumption for these masts is reported bi-annually via spreadsheet and manually uploaded into our software platform, Envizi.

Calculations: The standard grid-bought electricity conversion factors are applied.

Please note, when the consumption data is uploaded into Envizi it is posted as a negative amount to ensure it is deducted from our own, grid-bought electricity consumption.

Scope 3

Employee business travel

Data collection: we use our employee expenses reimbursement data held in our Finance system to calculate business miles travelled.

Calculation: using 'cars (by size) Average car' conversion factors, we multiply the miles travelled reimbursed with the BEIS/DEFRA factor to arrive at the emissions, for business travel.

Please note that we produce a yearly Basis of Reporting document which sets out the methodology we use for all of our KPIs, including GHG emissions.

We have included a special section for the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

c) Energy Efficiency Measures

Background

We have a long-standing strategy of pro-actively managing our energy consumption and seeking to become an ever more efficient business. We have reported progress over the years both in our Annual Reports as well as in our standalone annual ESG Reports; all these are available online in our Investor and Sustainability sections respectively.

Between 2012 and 2017 we undertook a company-wide upgrade of our lighting to LED and to install motion sensor controls to ensure lights are only used when customers need them; plus a small amount of the permanent emergency lighting was improved to LED.

Although most of that work has been completed, a small number of 'mop-up' LED activities continue to take place, especially where we have not been able to gain access to customers' units to execute the changeover.

All other stores' electricity meters and gas meters are fitted with HH automatic meter readers; the data is available to us via an externally hosted platform and used by the internal Environmental Committee to review our performance on a quarterly basis.

Two years ago, we commenced on a programme to remove the gas central heating and hot water boilers at a number of our stores with the aim of decarbonising our business by 2030. This programme is ongoing.

- We have completed 35 stores in the first 3 phases of our solar retrofitting programme. We have also committed to expanding this programme to cover all stores that are able to hold solar. This year we have added a further 2,640kWp of capacity to 17 stores.

The one new store that was opened during the year (Kings Cross) was fitted with 51.03kWp solar installation.

Most recent ESOS assessment findings & resulting actions

We are currently in the process of our ESOS Phase 3 assessment. The assessment has continued to emphasise the limited amount of potential energy saving measures we are able to undertake. Our independent ESOS assessor recommendations have remained similar to that of our Phase 2 assessor; we have continued to focus on increasing our Solar PV estate in line with our sustainability strategy.

During the year, we have installed solar systems at 17 stores:

- One newly build/acquired store, with a total installed capacity of 51.03kWp.
- 16 stores were retrofitted with solar totalling a capacity of 2,551 kWp.

During the year, we have generated 3,395,736 kWh of solar energy (an increase of 102% from the previous year), thereby (a) reducing our energy demand from the grid by the kWh we are using on site and (b) increasing the grid's renewable mix by exporting part of our energy as the size of our solar installations exceed our demand.

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 22. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in note 23, and details of shares held by the Company's Employee Benefit Trust are set out in note 22.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Corporate Governance Code, the Companies Acts and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Report on Corporate Governance on [page 84](#).

There are a number of agreements that take effect, alter, or terminate upon a change of control of the Company such as commercial contracts, bank loan agreements, property lease arrangements and employee share plans. The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

During the year the Company issued 289,102 shares to satisfy the exercise of share options (2023: 298,595).

Directors

The Directors of the Company who served throughout the year and to the date of approval of the financial statements were as follows:

Jim Gibson	Chief Executive Officer
Anna Keay	Non-Executive Director
Vince Niblett	Senior Independent Director
Michael O'Donnell	Non-Executive Director
Heather Savory	Non-Executive Director
Laela Pakpour Tabrizi	Non-Executive Director
John Trotman	Chief Financial Officer
Nicholas Vetch	Executive Chairman

The Company's policy is that all Directors who are seeking re-election will be put forward to a shareholder vote at each Annual General Meeting.

Biographical details of the Executive and Non-Executive Directors standing for re-election are set out on [pages 80 to 82](#).

Directors' indemnities

The Company purchases liability insurance covering the Directors and officers of the Company and its subsidiaries, which remains in force at the date of these accounts.

Political contributions

No political donations were made by the Company in either the current or preceding financial year.

Substantial shareholdings

The Company had been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency rules, of the following voting rights as a shareholder of the Company at 31 March 2024 and 16 May 2024.

	No. of ordinary shares 31 March 2024	Percentage of voting rights and issued share capital 31 March 2024	No. of ordinary shares 16 May 2024	Percentage of voting rights and issued share capital 16 May 2024
Blackrock Inc	21,673,264	11.1%	21,841,432	11.1%
Resolution Capital	13,558,547	6.9%	13,906,415	7.1%
The Vanguard Group Inc	10,070,036	5.1%	10,160,433	5.2%
MFS Investment Management	8,594,136	4.4%	8,711,149	4.4%
CPP Investment Board	6,546,548	3.3%	6,608,487	3.4%
T Rowe Price	6,235,714	3.2%	6,215,357	3.2%
FMR LLC	n/d.	n/d	6,125,200	3.1%

n/d – interest not disclosable at the applicable date.

The interest of the Directors in the share capital of the Company is shown on [page 113](#) of the Remuneration Report.

Directors' Report continued

Purchase of own shares

The Company was granted authority at the AGM in 2023 to purchase its own shares up to a total aggregate value of 10% of the issued nominal capital. That authority expires at this year's AGM and a resolution will be proposed for its renewal. During the year the Company made no purchases of its own shares.

Suppliers and customers

Details on how the Group engages with Suppliers, Customers, and others in business relationships with the Company can be found on pages 87 to 88.

Employee consultation

The Group seeks to ensure employee commitment to its objectives in a number of ways. Strategic changes are communicated directly to all staff who are encouraged to address queries to the Executive Directors. The Directors' executive meetings are frequently held in stores and in addition Directors and senior management visit the stores on a regular basis. Furthermore, there are regular team briefings at store level to provide employees with information about the performance of and initiatives in their store. A wide range of information is also communicated across the Group's Intranet, including the e-publication of the Group's financial results and all press releases, and regular updates from each Department.

As discussed in the Corporate Governance Report, the Board has appointed a designated Non-Executive Director, Anna Keay, to act as the primary method of workforce engagement for Big Yellow in accordance with the Corporate Governance Code.

Employees are encouraged to participate in the Group's performance through Employee Share Schemes and performance related bonuses. 54% of eligible employees participate in the Group's Sharesave Scheme.

The Group's recruitment policy is committed to promote equality, judging neither by race, nationality, religion, age, gender, disability, sexual orientation, nor political opinion and to treat all stakeholders fairly.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Human Rights

Big Yellow respects Human Rights and aims to provide assurance to internal and external stakeholders that we are committed to human rights and the principles of the Universal Declaration of Human Rights.

We are committed to creating and maintaining a positive and professional work environment that reflects and respects the basic rights of freedom to lead a dignified life, free from fear or want, and where stakeholders are free to express their independent beliefs. Our employment policies and practices reflect a culture where decisions are made solely on the basis of individual capability and potential in relation to the needs of the business.

Modern Slavery Act

The Group is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Anti-slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. Our policy is published in full on our website.

Auditor

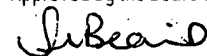
In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.



Shauna Beavis
Company Secretary

20 May 2024

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

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

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

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 parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the parent Company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

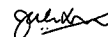
Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 20 May 2024 and is signed on its behalf by:



Jim Gibson
Chief Executive Officer



John Trotman
Chief Financial Officer

Independent Auditor's Report to the Members of Big Yellow Group PLC

1. Our opinion is unmodified

We have audited the financial statements of Big Yellow Group PLC ("the Company") for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity, and the related notes, including the accounting policies in notes 2 and 29.

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 of 31 March 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 20 July 2017. The period of total uninterrupted engagement is for the seven financial years ended 31 March 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality:	
group financial statements as a whole	£20.4m (2023: £20.3m) 0.70% (2023: 0.74%) of Total Assets
Coverage	100% (2023: 100%) of Total Assets
Key audit matters vs 2023	
Recurring risks	Valuation of Investment Property, including Investment Property Under Construction ◀ ▶
	Parent Company: Recoverability of amounts owed by group undertakings ◀ ▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. We summarise below the key audit matters (unchanged from 2023), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of Investment Property, including Investment Property under Construction Investment Property £2,718.5 million; (2023: £2,449.6 million) Investment Property Under Construction £146.5 million; (2023: £260.7m) Refer to page 122 (Audit Committee Report), page 147 (accounting policy) and pages 155 – 159 (financial disclosures).	Subjective valuation: Investment property valuation is subjective and inherently judgmental in nature and therefore results in a risk of error and fraud. We considered in our risk assessment that the economic environment has remained volatile in the current year.	Our procedures included: • Assessment of accounting policy application: We compared the valuation, presentation and disclosure of Investment Properties and Investment Property under Construction with the Group's accounting policy and the applicable accounting standards. • Assessment of valuer's credentials: We assessed the external valuer's qualifications and expertise and read its terms of engagement with the Group to determine whether there were any matters that may have affected its independence and objectivity or imposed scope limitations upon their work. • Methodology choice: We read the external valuation report as prepared by the external valuation firm engaged by the Group which covers 100% of the investment properties (including those under construction) and assessed whether the valuation approach was in accordance with RICS standards and suitable for use in determining the value for the purpose of the financial statements. • Inquiries held: We met with the external valuation firm engaged by the Group, the Group's senior Management and the audit committee chair with our own internal valuation specialists to discuss the valuation process, key assumption inputs such as occupancy, capital expenditure forecasts for investment property under construction and discount rates, and the rationale behind significant or unusual valuation movements during the year. • Our sector experience: We used our knowledge of the entity, our experience of the real estate industry and observed industry norms when assessing the key assumptions and the significant or unusual valuation movements and, for investment property under construction, we considered the judgment made by the Directors and external valuation firm engaged by the Group for planning risk for non-consented sites. • Data input testing: We performed property visits and tested the accuracy of current and historical information used to generate key inputs to the valuation such as maximum lettable area, store occupancy and net rental income by physically inspecting a sample of storage units and inspecting a sample of customer storage licence agreements. • Independent re-performance: Using our own internally produced model and the external valuer and Directors' inputs we assessed the accuracy of the valuation as produced by the external valuer. • Tests of detail: For investment property under construction, we compared Management's forecast construction costs with actual spend on similar completed construction projects in the past three years. We checked that supporting information for construction contracts and budgets such as original construction cost reports, which the Directors supplied to the external valuer, was consistent with the Group's records. We assessed whether externally available pricing and inflation data inclusive of allowance for risk in development valuations were appropriately factored into the costs to complete forecast provided to the valuer. We also obtained approved planning permission to evidence that planning had been granted for those development sites for which this was applicable. • Assessed valuation changes: To address the risk of fraud, we critically assessed the changes between the draft external valuation report subject to Director review, and the final external valuation report including tie through to the financial statements, to ensure changes were appropriate and substantiated. • Assessed transparency: We assessed whether the group's disclosures about the sensitivity of the valuation of investment properties to changes in key assumptions adequately reflected the related risks.
	Investment property values are calculated using actual data and subjective assumptions inputs such as store occupancy, future growth in net rent, discount rates and exit capitalisation rates for investment property and, in addition, capital expenditure forecasts for investment property under construction.	
	The Group engages an external valuation firm to apply professional judgment concerning market conditions and factors impacting individual properties, which performs its work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation Professional Standards.	
	The investment market for prime self storage is subject to market uncertainty due to the low volume of comparable transactions.	
	The effect of these matters is that, as part of our risk assessment, we determined that the value of investment properties including investment property under construction has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	
	Disclosure quality: The financial statements (note 15) disclose the sensitivity estimated by the Group.	
	The Directors' assessment of the extent of the disclosure is based on an evaluation of the inherent risks to the valuation.	
	The risk for our audit is whether or not those disclosures adequately address the uncertainties within the valuation, and if so, whether those uncertainties are fundamental to the users' understanding of the financial statements.	
		We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.
		Our results We found the valuation of investment properties, and investment properties under construction and the disclosure of the associated level of uncertainty to be acceptable [2023: acceptable].

Independent Auditor's Report to the Members of Big Yellow Group PLC continued

	The risk	Our response
Recoverability of amounts owed by Group undertakings (Parent Company only)	Low risk, high value: The carrying amount of the amounts owed by Group undertakings represents 95% (2023: 96%) of the Company's total assets at 31 March 2024.	Our procedures included: Tests of detail: We assessed 100% of amounts owed by Group undertakings to identify, with reference to the relevant debtors' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether those debtor companies have historically been profit-making.
£765.4 million; (2023: £800.4 million) Refer to page 148 (accounting policy) and page 179 (financial disclosures).	Recoverability of amounts owed by Group undertakings are not at a high risk of significant misstatement or subject to significant judgment. However, due to their materiality in the context of the Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	We performed the tests above rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our results We found the conclusion that there is no impairment of the amounts owed by Group undertakings balance to be acceptable. (2023: acceptable).

3. Our application of materiality and an overview of the scope of our audit

- Materiality for the Group financial statements as a whole was set at £20.4m (2023: £20.3m), determined with reference to a benchmark of total assets (of which it represents 0.70% (2023: 0.74%)).
- In addition, we applied materiality of £4.7m (2023: £4.9m) to all balances and classes of transactions impacting adjusted profit before tax of £107m (2023: £106m) (as reconciled to profit before tax in note 10 of the financial statements) for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably expected to influence the Company's members' assessment of the financial performance of the Group.
- Materiality for the parent Company financial statements was set at £8.4m (2023: £8.8m), determined with reference to a benchmark of Company total assets, of which it represents 1% (2023: 1%).
- In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.
- Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £15.3m (2023: £15.2m) for the Group, £3.5 million (2023: £3.6 million) for balances audited to a lower materiality and £6.3m (2023: £6.6m) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.
- We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £1.0m (2023: £1m) and those exceeding £230K (2023: £245K) for those impacting adjusted profit, in addition to other identified misstatements that warranted reporting on qualitative grounds.
- The Group team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality and performance materiality levels set out above.
- The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

Group revenue

Group profit before tax

Group total assets

Independent Auditor's Report to the Members of Big Yellow Group PLC continued

4. The impact of climate change on our audit

In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business and its financial statements. Further information is provided in the Group's strategic report (pages 49 to 72) and the corporate governance report (pages 83 – 89) which have been incorporated into the 2024 Annual Report.

Climate change risks and opportunities have had a limited impact on the Group. There is enhanced narrative in the Annual Report on climate matters.

As part of our audit, we performed a risk assessment of the impact of climate change risk on the Group's Financial statements and our audit approach. In doing this we performed the following:

- Understanding management's processes: we made enquiries to understand management's risk assessment process and its assessment of the potential impact of climate change risk on the Group's Annual Report and Financial statements and the Group's preparedness for this.
- Annual report narrative: We made enquiries of management to understand the process by which climate-related narrative is developed including the primary sources of data used and the governance process in place over the narrative. As a part of our risk assessment, we read the climate-related information in the front half of the Annual Report and considered consistency with the financial statements, in particular the accounting policy "climate change" within Note 2, and our wider audit knowledge.

On the basis of the procedures performed above, we concluded that the risk of climate change was not significant when we considered the nature of the assets and relevant contractual terms. As a result, there was no material impact from this on our key audit matters.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least 18 months from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic and geopolitical environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Groups and Company's available financial resources and metrics relevant to debt covenants over this period were:

- The impact of macro-economic trends on customer activity, particularly customer occupancy rates.
- Increase in SONIA rates, increasing Group interest rates.

We considered whether these risks could plausibly affect the liquidity and covenant compliance in the going concern period by assessing the director's sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures also included:

- Critically assessing assumptions in base case and downside scenarios relevant to covenant metrics, in particular in relation to customer performance (namely occupancy rates and net rent levels) by comparing to historical trends in severe economic situations and overlaying knowledge of the entity's trading performance to date and our knowledge of the entity and the sector in which it operates.
- We also compared past budgets to actual results to assess the directors' track record of budgeting accurately.
- We inspected confirmations from the lender to confirm the level of committed financing, the associated covenant requirements, and restrictions on the use of funds, alongside loan agreements.
- We challenged the Directors' assessment of the refinancing of loans due for expiry within the going concern period and considered the liquidity of the Group in a severe but plausible downside should no new facilities be obtained.
- We assessed the completeness of the going concern disclosures.

Our conclusions based on this work:

- We consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- We have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or Company's ability to continue as a going concern for the going concern period.
- We have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- The related statement under the Listing Rules set out on pages 48 – 49 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

6.1 Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, and the store compliance function and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for directors and management including the adjusted EPS target, LTIP scheme (long term incentive plan), SAYE scheme (employee share save scheme) and the deferred bonus plan.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of investment property and investment property under construction. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited judgmental aspects to the Group's low value, high volume revenue streams.

We also identified a fraud risk related to valuation of investment property and investment property under construction in response to the subjective and inherently judgmental nature of this area.

Further detail in respect of valuation of investment property, including investment property under construction is set out in the key audit matter disclosures in section 2 of this report.

We performed procedures including:

- Identified journal entries to test based on high-risk criteria and obtained and corroborated supporting documentation for the identified entries. These included those posted to the investment property and investment property under construction account, those posted by super and privileged users, those posted to the cash and borrowings and unexpected revenue and expense pairings.
- Assessed whether the judgements made in making accounting estimates are indicative of a potential bias including assessing fair value of investment property and investment property under construction for bias.

6.2 Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of the risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, Real Estate Investment Trust (REIT) legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection laws and certain aspects of company legislation recognising the financial nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any.

Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

6.3 Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of Big Yellow Group PLC continued

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

7.1 Strategic report and directors' report

Based solely on our work on the other information:

- We have not identified material misstatements in the strategic report and the directors' report.
- In our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

7.2 Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

7.3 Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- The directors' confirmation within the Viability Statement on page 49 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, and liquidity.
- The principal risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- The directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether 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 of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 49 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception.

Under the Companies Act 2006, we are required 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 is not made; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

9.1 Directors' responsibilities

As explained more fully in their statement set out on page 127, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

9.2 Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the 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 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
2 Forbury Place
33 Forbury Road Reading
RG1 3AD

20 May 2024

Consolidated Statement of Comprehensive Income

Year ended 31 March 2024

	Note	2024 £000	2023 £000
Revenue	3	199,619	188,829
Cost of sales		(55,994)	(54,307)
Gross profit		143,625	134,522
Administrative expenses		(15,219)	(14,519)
Operating profit before fair value changes on property assets		128,406	120,003
Gain/(loss) on the revaluation of investment properties	14a,15	131,159	(29,861)
Operating profit		259,565	90,142
Other income	3	6,517	2,185
Investment income – interest receivable	7	45	9
Finance costs – interest payable	8	(22,946)	(16,894)
– fair value movement on derivatives	8	(2,146)	(133)
Profit before taxation		241,035	75,309
Taxation	9	(1,202)	(1,977)
Profit for the year (attributable to equity shareholders)	5	239,833	73,332
Total comprehensive income for the year (attributable to equity shareholders)		239,833	73,332
Basic earnings per share	12	127.1p	40.1p
Diluted earnings per share	12	126.4p	39.8p

Adjusted earnings per share are shown in Note 12.

All items in the statement of comprehensive income relate to continuing operations.

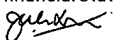
The accompanying notes on pages 142 to 182 form part of the financial statements.

Consolidated Balance Sheet

31 March 2024

	Note	2024 £000	2023 £000
Non-current assets			
Investment property	14a	2,718,525	2,449,640
Investment property under construction	14a	146,485	260,720
Right-of-use assets	14a	17,152	18,148
Plant, equipment, and owner-occupied property	14b	3,870	4,003
Intangible assets	14c	1,433	1,433
Investment	14d	588	588
		2,888,053	2,734,532
Current assets			
Derivative financial instruments	18c	—	316
Inventories		486	496
Trade and other receivables	16	10,116	8,314
Cash and cash equivalents		9,356	8,329
		19,958	17,455
Total assets		2,908,011	2,751,987
Current liabilities			
Trade and other payables	17	(49,396)	(52,275)
Borrowings	19	(3,317)	(3,159)
Obligations under lease liabilities	21	(2,253)	(2,020)
		(54,966)	(62,454)
Non-current liabilities			
Borrowings	19	(386,371)	(489,411)
Obligations under lease liabilities	21	(16,474)	(17,676)
Derivative financial instruments	18c	(1,830)	—
		(404,675)	(507,087)
Total liabilities		(459,641)	(569,541)
Net assets		2,448,370	2,182,446
Equity			
Share capital	22	19,620	18,427
Share premium account		397,686	290,857
Reserves		2,031,064	1,873,162
Equity shareholders' funds		2,448,370	2,182,446

The financial statements were approved by the Board of Directors and authorised for issue on 20 May 2024. They were signed on its behalf by


Jim Gibson
 Director


John Trotman
 Director

Company Registration No. 03625199

The accompanying notes on pages 142 to 182 form part of the financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 March 2024

	Share capital £000	Share premium account £000	Other non-distributable reserve £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total £000
At 1 April 2023	18,427	290,857	74,950	1,795	1,797,436	(1,019)	2,182,446
Total comprehensive income for the year	—	—	—	—	239,833	—	239,833
Issue of share capital	1,193	106,829	—	—	—	—	108,022
Dividend	—	—	—	—	(86,013)	—	(86,013)
Use of own shares to satisfy share options	—	—	—	—	(22)	22	—
Credit to equity for equity-settled share-based payments	—	—	—	—	4,082	—	4,082
At 31 March 2024	19,620	397,686	74,950	1,795	1,955,316	(997)	2,448,370

The other non-distributable reserve arose in the year ended 31 March 2015 following the placing of 14.35 million ordinary shares.

The issue of share capital is net of expenses.

Year ended 31 March 2023

	Share capital £000	Share premium account £000	Other non-distributable reserve £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total £000
At 1 April 2022	18,397	289,923	74,950	1,795	1,800,329	(1,019)	2,184,375
Total comprehensive income for the year	—	—	—	—	73,332	—	73,332
Issue of share capital	30	934	—	—	—	—	964
Dividend	—	—	—	—	(79,960)	—	(79,960)
Credit to equity for equity-settled share-based payments	—	—	—	—	3,735	—	3,735
At 31 March 2023	18,427	290,857	74,950	1,795	1,797,436	(1,019)	2,182,446

The accompanying notes on pages 142 to 182 form part of the financial statements.

Consolidated Cash Flow Statement

Year ended 31 March 2024

	Note	2024 £000	2023 £000
Cash generated from operations	26	129,826	128,973
Bank interest paid		(24,069)	(16,486)
Interest on obligations under lease liabilities		(575)	(706)
Interest received		45	8
Loss of income insurance proceeds		1,561	2,032
Tax paid		(1,996)	(1,844)
Cash flows from operating activities		104,792	111,977
Investing activities			
Purchase of non-current assets		(30,910)	(106,413)
Disposal of non-current asset		5,400	–
Insurance proceeds on fit-out		4,722	–
Receipts from Capital Goods Scheme		–	182
Cash flows from investing activities		(20,788)	(106,231)
Financing activities			
Issue of share capital		108,022	964
Payment of lease liabilities		(1,829)	(1,267)
Equity dividends paid		(85,259)	(79,140)
Receipt from termination of interest rate derivatives		–	436
Loan arrangement fees paid		(3,752)	(1,507)
(Decrease)/increase in borrowings	26b	(100,159)	74,492
Cash flows used in financing activities		(82,977)	(6,022)
Net increase/(decrease) in cash and cash equivalents		1,027	(276)
Opening cash and cash equivalents		8,329	8,605
Closing cash and cash equivalents		9,356	8,329

The accompanying notes on pages 142 to 182 form part of the financial statements.

Notes to the Financial Statements

Year ended 31 March 2024

1. General information

Big Yellow Group PLC is a Company incorporated in the United Kingdom under the Companies Act 2006, with registration number 03625199, and limited by shares. The address of the registered office is 2 The Deans, Bridge Road, Bagshot, Surrey, GU19 5AT. The nature of the Group's operations and its principal activities are set out in note 4 and in the Strategic Report on pages 16 to 30.

2. Significant accounting policies

Basis of preparation of financial statements

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The financial statements are presented in Sterling, being the currency of the primary economic environment in which the Group operates. Unless otherwise stated, figures are rounded to the nearest thousand.

The accounting policies adopted are consistent with those of the previous financial year.

New and revised IFRSs adopted in year

The Group has applied the following new and revised IFRSs during the year:

IFRS 17 – Insurance Contracts

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

Definition of Accounting Estimate – Amendments to IAS 8

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The impact of these standards has not been material on the financial statements of the Group.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Non-current Liabilities with Covenants – Amendments to IAS 1

Classification of Liabilities as Current or Non-Current – Amendments to IAS 1

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

There are no other Standards or Interpretations yet to be effective that would be expected to have a material impact on the financial statements of the Group.

2. Significant accounting policies continued

Basis of accounting

The financial statements have been prepared on the historical cost basis, except for the revaluation of investment properties and derivative financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted, which have been applied consistently to the results, other gains and losses, assets, liabilities, and cash flows of entities included in the consolidated financial statements in the current and preceding year, are set out below:

Going concern

A review of the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are shown in the balance sheet, cash flow statement and accompanying notes to the financial statements. Further information concerning the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk can be found in this Report and in the notes to the financial statements.

At 31 March 2024 the Group had available liquidity of approximately £190 million, from a combination of cash and undrawn bank debt facilities. The Group additionally has a \$225 million credit approved shelf facility with Pricoa Private Capital to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next two and half years with terms of between 7 and 15 years at short notice, typically 10 days. The Group is cash generative and for the year ended 31 March 2024, had operational cash flow of £110.1 million, with capital commitments at the balance sheet date of £3.9 million.

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements, taking into account the Group's operating plan and budget for the year ending 31 March 2025 and projections contained in the longer-term business plan which cover the 18 month going concern assessment period. After reviewing these projected cash flows together with the Group's and Company's cash balances, borrowing facilities and covenant requirements, and potential property valuation movements over that period, the Directors believe that, taking account of severe but plausible downsides, the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period.

In making their assessment, the Directors have carefully considered the outlook for the Group's trading performance and cash flows as a result of the current economic environment, taking into account the trading performance of the Group over the recent dislocations in the global economy from Covid-19 and the Russian invasion of Ukraine. The Directors have also considered the performance of the business during the Global Financial Crisis. The Directors modelled several different scenarios, including material reductions in the Group's occupancy rates and property valuations, and assessed the impact of these scenarios against the Group's liquidity and the Group's banking covenants. The scenarios considered did not lead to breaching any of the banking covenants, and the Group retained sufficient liquidity to meet its financial obligations as they fall due.

Consequently, the Directors continue to adopt the going concern basis in preparing the Group and Company financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 March each year. Control is achieved where the Company has the power to direct the relevant activities of an investee entity so as to obtain benefits from its activities.

The Group consolidates the financial results and balance sheets of Big Yellow Group PLC and all of its subsidiaries at the year-end using acquisition accounting principles. All intra-group transactions, balances, income, and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. The results of subsidiaries acquired or disposed of during the year are included in the statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the business combination are recognised in the statement of comprehensive income. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at the lower of their carrying amount and fair value less costs to sell (excluding investment property which is measured at fair value).

Notes to the Financial Statements continued

Year ended 31 March 2024

2. Significant accounting policies continued

Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at their acquisition date (which is typically regarded as their cost). Subsequent to their initial recognition, intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Revenue recognition

Revenue represents amounts derived from the provision of services which fall within the Group's ordinary activities after deduction of trade discounts and any applicable value added tax. Self storage income is recognised over the period for which the storage room is occupied by the customer on a straight-line basis. Any future revenue is recognised as deferred income at the balance sheet date. The opening offer discount of 50% off for up to 8 weeks is spread evenly over the term of the discount period.

Other storage related income comprises:

- packing material sales are recognised at the point of sale, as there is no further ongoing performance obligation beyond the point of sale; and
- enhanced liability service income (previously insurance income) which is recognised on a straight-line basis over the period a customer occupies their room. The Group recognises ELS income as a principal, as the ELS contract is between the Group and the customer.

Under the Group's ELS policy, routine customer claims (with an individual customer limit of £100,000) under the policy are settled by the Group directly, but in the event of a major loss, the Group has third party insurance in place which will pay the aggregate customer claims to the extent that they exceed £250,000.

The Group recognises non-storage income, which is principally rental income from tenants of properties awaiting development, on a straight-line basis over the period in which it is earned.

Borrowings

Interest-bearing loans and overdrafts are initially measured at fair value, net of direct issue costs. Premiums payable on settlement or redemption and direct issue costs are accounted for on an accruals basis in the statement of comprehensive income using the effective interest rate method and are added to the carrying value amount of the instrument to the extent that they are not settled in the period in which they arise. Borrowings are subsequently held at amortised cost.

2. Significant accounting policies continued

Finance costs and income

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred, unless the costs are incurred as part of the development of a qualifying asset, when they will be capitalised. Commencement of capitalisation is the date when the Group incurs expenditure for the qualifying asset, incurs borrowing costs and undertakes activities that are necessary to prepare the assets for their intended use when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. In the case of suspension of activities during extended periods, the Group suspends capitalisation. The Group ceases capitalisation of borrowing costs when substantially all of the activities necessary to prepare the asset for use are complete, typically when a store opens.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

The Group classifies finance costs and income as operating cash flow in the cash flow statement.

Debt modification

A change in debt carried at amortised cost that is considered substantial is accounted for as an extinguishment, which means that the original debt is derecognised, with any gain or loss recorded in the statement of comprehensive income, and a new financial liability recorded based on the new terms. If the change is not considered to be substantial (substantial is defined as a change in the net present value of the cash flows of more than 10%), the original debt remains on the books and any modification gain or loss arising will be recognised in the statement of comprehensive income.

Operating profit

Operating profit is stated after gains and losses on surplus land, movements on the revaluation of investment properties and before the share of results of associates, investment income and finance costs.

Taxation

The Group is a REIT and as a result the Group does not pay UK corporation tax on the profits and gains from its qualifying rental business in the UK provided that it meets certain conditions. Non-qualifying profits and gains of the Group are subject to corporation tax as normal. The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates substantively enacted at the balance sheet date that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when the deferred tax assets and liabilities have been levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Financial Statements continued

Year ended 31 March 2024

2. Significant accounting policies continued

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

Where the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Alternative Performance Measures (APMs)

The Group uses a number of APMs to monitor the performance of the business. Adjusted profit before tax and adjusted earnings per share are the Group's primary profit measures and reflect underlying profit by excluding capital and non-recurring items such as revaluation movements, gains or losses on the disposal of properties and the fair value movement of interest derivatives in accordance with EPRA guidelines. In addition, the Group adjusts for items such as refinancing costs and insurance proceeds on the fit-out of stores.

These adjusted measures should not be considered in isolation from, or as substitutes for, or superior to the financial measures prepared in accordance with IFRS.

Plant, equipment, and owner-occupied property

All property, plant, and equipment, not classified as investment property, is carried at historic cost less depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and investment properties, less any residual value over their estimated useful lives, using the straight-line method, on the following bases:

Freehold property	50 years
Leasehold improvements	over period of the lease.
Plant and machinery	10 years
Motor vehicles	4 years
Fixtures and fittings	5 years
Computer equipment	3 to 5 years

2. Significant accounting policies continued

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Investment property

The criteria used to distinguish investment property from owner-occupied property is to consider whether the property is held for rental income and/or for capital appreciation. Where this is the case, the Group recognises these owned or leased properties as investment properties. Investment property is initially recognised at cost and revalued at the balance sheet date to fair value as determined by professionally qualified external valuers. In accordance with IAS 40, investment property held as a leasehold is stated gross of the recognised right-of-use liability.

Gains or losses arising from the changes in fair value of investment property are included in the statement of comprehensive income for the period in which they arise. In accordance with IAS 40, as the Group uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

Leasehold properties are classified as investment properties and included in the balance sheet at fair value. The obligation to the lessor for the buildings element of the leasehold is included in the balance sheet at the present value of the minimum lease payments at inception and is shown within note 21. Note 21 does also include leases which are not classified as investment properties.

When the Group redevelops an existing investment property for continued future use as investment property, the property remains an investment property measured at fair value and is not reclassified.

Investment property under construction

Investment property under construction is initially recognised at cost and revalued at the balance sheet date to fair value as determined by professionally qualified external valuers.

Gains or losses arising from the changes in fair value of investment property under construction are included in the statement of comprehensive income in the period in which they arise.

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets (excluding investment property and derivative financial instruments which are carried at fair value) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of an asset's net selling price and its value-in-use (i.e. the net present value of its future cash flows discounted at the Group's average pre-tax interest rate that reflects the borrowing costs and risk for the asset).

Inventories

Inventories, representing the cost of packing materials, are stated at the lower of cost and net realisable value.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets at fair value through profit and loss ("FVTPL") are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income. The net gain or loss recognised in the statement of comprehensive income incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

A – Derivative financial instruments

The Group's activities expose it primarily to the financial risks of interest rates. The Group uses interest rate swap contracts to hedge these exposures. The Group does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. The policy in respect of interest rates is to maintain a balance between flexibility and the hedging of interest rate risk.

Derivatives are initially recognised at fair value and are subsequently reviewed at each balance sheet date. The fair value of interest rate derivatives at the reporting date is determined by discounting the future cash flows using the forward curves at the reporting date and the credit risk inherent in the contract.

Changes in the fair value of derivative financial instruments are recognised in the statement of comprehensive income as they arise. The Group has not adopted hedge accounting.

Notes to the Financial Statements continued

Year ended 31 March 2024

2. Significant accounting policies continued

B – Financial assets

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement and gains and losses

Financial assets at FVTPL – these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI – these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI – these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

C – Impairment of financial assets

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses ("ECLs"). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full.

2. Significant accounting policies continued

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

D – Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amounts of these assets approximate to the fair value.

E – Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Retirement benefit costs

Pension costs represent contributions payable to defined contribution schemes and are charged as an expense to the statement of comprehensive income as they fall due. The assets of the schemes are held separately from those of the Group.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. These are measured at fair value at the date of grant. The fair value determined at the grant date of the share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of the Black-Scholes model and excludes the effect of non-market-based vesting conditions. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recovered in the statement of comprehensive income such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in the statement of comprehensive income for the year.

Notes to the Financial Statements continued

Year ended 31 March 2024

2. Significant accounting policies continued

Climate change

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the climate change risks identified in the Sustainability section of the Strategic Report and the Group's stated target of net zero carbon emissions by 2032. These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate change is not expected to have a significant impact on the Group's short-term or medium-term cash flows including those considered in the going concern and viability assessments, the valuation of the Group's investment property portfolio, the carrying value of non-current assets and the estimates of future profitability used in our assessment of the recoverability of deferred tax assets.

Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimate of fair value of Investment Properties and Investment Property under Construction (critical accounting estimate)

The Group's self storage centres and stores under development are valued using a discounted cash flow methodology which is based on projections of net operating income. The Group employs expert external valuers, JLL, who report on the values of the Group's stores on an annual basis. The principal assumptions underlying the estimation of the fair value are those related to: stabilised occupancy levels; expected future growth in storage rents; capitalisation rates; and discount rates. For investment property under construction, the Group estimates the total costs to complete the construction of each store based on its latest assessment of costs for each development, which is based off the most recent market evidence the Group obtains from tender returns and discussion with key suppliers. JLL also consider climate change in their valuations, and the impacts that this could have on each of the Group's investment properties. A more detailed explanation of the background and methodology adopted in the valuation of the Group's investment properties is set out in note 15 to the financial statements.

3. Revenue

Analysis of the Group's operating revenue can be found below and in the Portfolio Summary on page 31.

	2024 £000	2023 £000
Open stores		
Self storage income	173,147	162,911
Insurance income	–	3,047
Enhanced liability service income	17,649	14,272
Packing materials income	2,854	3,286
Other income from storage customers	2,051	2,010
Ancillary store rental income	1,411	1,213
	197,112	186,739
Other revenue		
Non-storage income	2,507	2,090
Total revenue	199,619	188,829

Please see the commentary in the Financial Review on page 38 on insurance income and enhanced liability service income.

Non-storage income derives principally from rental income earned from tenants of properties awaiting development.

3. Revenue continued

The Group has also earned other income of £6.5 million in the year (2023: £2.2 million). £1.8 million relates to insurance proceeds for loss of income following the destruction of the Group's Cheadle store by fire in 2022 (2023: £1.4 million). The balance of £4.7 million in the current year is the insurance proceeds for the fit-out of the Cheadle store.

The prior year amount also included £0.6 million relating to insurance proceeds for loss of income following a fire at the Group's Fulham store wine storage area in 2021 and £0.2 million following the extinguishment of the right-of-use asset and liability following the acquisition of the freehold of our Oxford store.

4. Segmental information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance. Given the nature of the Group's business, there is one segment, which is the provision of self storage and related services.

Revenue represents amounts derived from the provision of self storage and related services which fall within the Group's ordinary activities after deduction of trade discounts and value added tax. The Group's non-current assets, revenue and profit before tax are attributable to one activity, the provision of self storage and related services. These all arise in the United Kingdom in the current year and prior year.

5. Profit for the year

a) Profit for the year has been arrived at after charging/(crediting):

	Note	2024 £000	2023 £000
Depreciation of plant, equipment, and owner-occupied property	14b	864	888
Depreciation of interest in leasehold properties		1,707	1,542
(Gain)/loss on the revaluation of investment property		(131,159)	29,861
Cost of inventories recognised as an expense		1,411	1,643
Employee costs	6	25,250	24,709

b) Analysis of auditor's remuneration:

	2024 £000	2023 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	539	487
Fees payable to the Company's auditor for the subsidiaries' annual accounts	54	50
Total audit fees	593	537
Audit related assurance services – interim review	64	60
Total non-audit fees	64	60
Total audit and non-audit fees paid to KPMG LLP	657	597

Notes to the Financial Statements continued

Year ended 31 March 2024

6. Employee costs

The average monthly number of full-time equivalent employees (including Executive Directors) was:

	2024 Number	2023 Number
Sales	402	403
Administration	62	62
	464	465

At 31 March 2024 the total number of Group employees was 503 (2023: 515).

	2024 £000	2023 £000
Their aggregate remuneration comprised:		
Wages and salaries	18,647	17,475
Social security costs	1,692	2,759
Other pension costs	829	740
Share-based payments	4,082	3,735
	25,250	24,709

Details of Directors' Remuneration is given on pages 96 to 119. The Directors and the Director of our trading subsidiaries are the employees assessed as key management personnel.

7. Investment income

	2024 £000	2023 £000
Bank interest receivable	45	8
Unwinding of discount on Capital Goods Scheme receivable	–	1
Total investment income	45	9

8. Finance costs

	2024 £000	2023 £000
Interest on bank borrowings	25,624	18,156
Capitalised interest	(3,254)	(2,761)
Interest on obligations under lease liabilities	575	706
Other interest payable	1	61
Loan refinancing costs	–	732
Total interest payable	22,946	16,894
Fair value movement on derivatives	2,146	133
Total finance costs	25,092	17,027

9. Taxation

As a REIT, the Group does not pay UK corporation tax on the profits and gains from its qualifying rental business in the UK provided that it meets certain conditions. Non-qualifying profits and gains of the Group are subject to corporation tax as normal. The Group monitors its compliance with the REIT conditions. There have been no breaches of the conditions to date.

The main rate of corporation tax has increased to 25% from 1 April 2023.

UK current tax	2024 £000	2023 £000
• Current year	2,270	2,296
• Prior year	(1,068)	(319)
	1,202	1,977

A reconciliation of the tax charge is shown below:

	2024 £000	2023 £000
Profit before tax	241,035	75,309
Tax charge at 25% (2023 – 19%) thereon	60,259	14,309
Effects of:		
Revaluation of investment properties	(32,790)	5,674
Other permanent differences	111	626
Utilisation of brought forward losses	(284)	(76)
Profits from the tax-exempt business	(25,026)	(18,237)
Current year tax charge	2,270	2,296
Prior year adjustment	(1,068)	(319)
Total tax charge	1,202	1,977

The prior year adjustment arose due to prudent assumptions made during the assessment of the corporation tax provision for the prior year accounts. On completion of the tax computations for the year, the actual charge for the year ended 31 March 2023 was £1.1 million lower than had been provided in the accounts (2023: £0.3 million lower).

At 31 March 2024 the Group has unutilised tax losses from the non-REIT taxable business of £33.1 million (2023: £33.8 million) available for offset against certain types of future taxable profits. All losses can be carried forward indefinitely.

10. Adjusted profit

	2024 £000	2023 £000
Profit before tax	241,035	75,309
(Gain)/loss on revaluation of investment properties	(131,159)	29,861
Change in fair value of interest rate derivatives	2,146	133
EPRA adjusted profit before tax	112,022	105,303
Cheadle fit-out insurance proceeds	(4,723)	–
Refinancing fees	–	732
Adjusted profit before tax	107,299	106,035
Tax	(1,202)	(1,977)
Adjusted profit after tax	106,097	104,058

Adjusted profit before tax which excludes gains and losses on the revaluation of investment properties, changes in fair value of interest rate derivatives, refinancing fees, fit-out insurance proceeds receipts, and net gains and losses on disposal of investment property has been disclosed to give readers a clear picture of the underlying performance of the business.

Notes to the Financial Statements continued

Year ended 31 March 2024

11. Dividends

	2024 £000	2023 £000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2023 of 22.9p (2022: 21.4p) per share.	41,939	39,136
Interim dividend for the year ended 31 March 2024 of 22.6p (2023: 22.3p) per share.	44,074	40,824
	86,013	79,960
Proposed final dividend for the year ended 31 March 2024 of 22.6p (2023: 22.9p) per share.	44,104	41,939

Subject to approval by shareholders at the Annual General Meeting to be held on 18 July 2024, the final dividend will be paid on 26 July 2024. The ex-div date is 4 July 2024 and the record date is 5 July 2024.

The Property Income Distribution ("PID") payable for the year is 45.2 pence per share (2023: 45.2 pence per share).

12. Earnings per share

	Year ended 31 March 2024			Year ended 31 March 2023		
	Earnings £m	Shares £m	Pence per share £m	Earnings £m	Shares £m	Pence per share £m
Basic	239.8	188.7	127.1	73.3	183.0	40.1
Dilutive share options	–	1.1	(0.7)	–	1.1	(0.3)
Diluted	239.8	189.8	126.4	73.3	184.1	39.8
Adjustments:						
(Gain)/loss on revaluation of investment properties	(131.2)	–	(69.1)	30.0	–	16.2
Change in fair value of interest rate derivatives	2.2	–	1.1	0.1	–	0.1
EPRA earnings	110.8	189.8	58.4	103.4	184.1	56.1
Cheadle fit-out insurance proceeds	(4.7)	–	(2.5)	–	–	–
Refinancing fees	–	–	–	0.7	–	0.4
Adjusted – diluted	106.1	189.8	55.9	104.1	184.1	56.5
Adjusted – basic	106.1	188.7	56.2	104.1	183.0	56.9

The calculation of basic earnings is based on profit after tax for the year. The weighted average number of shares used to calculate diluted earnings per share has been adjusted for the conversion of share options.

13. Net assets per share

EPRA's Best Practices Recommendations guidelines for Net Asset Value (NAV) metrics are EPRA Net Tangible Assets (NTA), EPRA Net Reinstatement Value (NRV) and EPRA Net Disposal Value (NDV).

EPRA NTA is considered to be most consistent with the nature of Big Yellow's business which provides sustainable long-term progressive returns. EPRA NTA is shown in the table below. This measure is further adjusted by the adjustment the Group makes for purchaser's costs, which is the Group's Adjusted Net Asset Value (or Adjusted NAV).

Net assets per share are equity shareholders' funds divided by the number of shares at the year end. The shares currently held in the Group's Employee Benefit Trust are excluded from both net assets and the number of shares. Adjusted net assets per share include the effect of those shares issuable under employee share option schemes and the effect of alternative valuation methodology assumptions (see note 15).

13. Net assets per share continued

	Year ended 31 March 2024			Year ended 31 March 2023		
	Equity attributable to ordinary shareholders £000	Shares £000	Pence per share £000	Equity attributable to ordinary shareholders £000	Shares £000	Pence per share £000
Basic NAV	2,448,370	195,096,601	1,255.0	2,182,446	183,143,066	1,191.7
Share and save as you earn schemes	2,019	2,515,556	(15.0)	1,909	1,705,121	(10.0)
Diluted NAV	2,450,389	197,612,157	1,240.0	2,184,355	184,848,187	1,181.7
Fair value of derivatives	1,830	–	0.9	(316)	–	(0.2)
Intangible assets	(1,433)	–	(0.7)	(1,433)	–	(0.7)
EPRA NTA	2,450,786	197,612,157	1,240.2	2,182,606	184,848,187	1,180.8
Valuation methodology assumption (see note 15) (£000)	111,095	–	56.2	104,605	–	56.5
Adjusted NAV	2,561,881	197,612,157	1,296.4	2,287,211	184,848,187	1,237.3

14. Non-current assets

a) Investment property, investment property under construction and right-of-use assets

	Investment property £000	Investment property under construction £000	Right-of-use assets £000	Total £000
At 31 March 2022	2,342,199	285,400	19,174	2,646,773
Additions	40,559	72,063	2,034	114,656
Transfer on opening	39,288	(39,288)	–	–
Acquisition of Oxford freehold	–	–	(1,597)	(1,597)
Revaluation (see note 15)	27,594	(57,455)	–	(29,861)
Depreciation	–	–	(1,463)	(1,463)
At 31 March 2023	2,449,640	260,720	18,148	2,728,508
Additions	13,705	15,126	604	29,435
Transfer on opening	115,166	(115,166)	–	–
Reclassification from plant, equipment and owner-occupied property	–	60	–	60
Disposal	(5,400)	–	–	(5,400)
Revaluation (see note 15)	145,414	(14,255)	–	131,159
Depreciation	–	–	(1,600)	(1,600)
At 31 March 2024	2,718,525	146,485	17,152	2,882,162

The right-of-use assets represent the present value of minimum lease payments for leasehold properties that meet the definition of IAS 40 and are accounted for as investment properties – see note 21 for further details of the obligations under lease liabilities. The fair value of the leasehold properties (including long leaseholds), on which the Group pays rent, of £78.4 million (2023: £74.6 million) is included within the investment property total.

The credit to right-of-use assets in the prior year of £1.6 million is due to the acquisition of the freehold of our Oxford store, and hence the extinguishment of the lease liability and associated right-of-use asset.

The transfer on opening during the year is the Kings Cross store and the Harrow Industrial Estate moving from investment property under construction to investment property at valuation on completion of the developments.

The disposal in the year is the proceeds from a land swap transaction at our Kings Cross store realising the Group £5.4 million.

Notes to the Financial Statements continued

Year ended 31 March 2024

14. Non-current assets continued

The income from self storage accommodation earned by the Group from its investment property is disclosed in note 3. Direct operating expenses, which are all applied to generating rental income, arising on the investment property in the year are disclosed in the Portfolio Summary on page 31. Included within additions is £3.3 million of capitalised interest (2023: £2.8 million), calculated at the Group's average borrowing cost for the year of 5.5%. 97 of the Group's investment properties are pledged as security for loans, with a total external value of £2.35 billion.

b) Plant, equipment, and owner-occupied property

	Freehold property £000	Leasehold improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings & office equipment £000	Right-of-use assets £000	Total £000
Cost							
At 31 March 2022	2,290	59	447	32	1,640	872	5,340
Retirement of fully depreciated assets	—	—	(83)	—	(687)	—	(770)
Additions	116	—	283	—	738	3	1,140
At 31 March 2023	2,406	59	647	32	1,691	875	5,710
Reclassification to investment property under construction	(60)	—	—	—	—	—	(60)
Retirement of fully depreciated assets	—	—	(133)	—	(686)	—	(819)
Additions	23	—	255	—	516	131	925
At 31 March 2024	2,369	59	769	32	1,521	1,006	5,756
Depreciation							
At 31 March 2022	(636)	(16)	(135)	(32)	(347)	(317)	(1,483)
Retirement of fully depreciated assets	—	—	83	—	687	—	770
Charge for the year	(46)	(4)	(158)	—	(680)	(106)	(994)
At 31 March 2023	(682)	(20)	(210)	(32)	(340)	(423)	(1,707)
Retirement of fully depreciated assets	—	—	133	—	686	—	819
Charge for the year	(50)	(4)	(181)	—	(629)	(134)	(998)
At 31 March 2024	(732)	(24)	(258)	(32)	(283)	(557)	(1,886)
Net book value							
At 31 March 2024	1,637	35	511	—	1,238	449	3,870
At 31 March 2023	1,724	39	437	—	1,351	452	4,003

c) Intangible assets

The intangible asset relates to the Big Yellow brand, which was acquired through the acquisition of Big Yellow Self Storage Company Limited in 1999. The carrying value remains unchanged from the prior year as there is considered to be no impairment in the value of the asset. The asset has an indefinite life and is tested annually for impairment or more frequently if there are indicators of impairment.

d) Investment

The Group has a £0.6 million investment in Doncaster Security Operations Centre Limited, a company which provides out-of-hours monitoring and alarm receiving services, including for the Group's stores. The investment is carried at cost and tested annually for impairment.

15. Valuation of investment property

	Deemed cost £000	Revaluation on deemed cost £000	Valuation £000
Freehold (including long leasehold)			
At 31 March 2023	977,874	1,440,741	2,418,615
Transfer from investment property under construction	92,200	22,966	115,166
Disposals	(5,400)	–	(5,400)
Movement in year	13,631	144,338	157,969
At 31 March 2024	1,078,305	1,608,045	2,686,350
Leasehold			
At 31 March 2023	20,824	10,201	31,025
Movement in year	74	1,076	1,150
At 31 March 2024	20,898	11,277	32,175
Total investment property			
At 31 March 2023	998,698	1,450,942	2,449,640
Transfer from investment property under construction	92,200	22,966	115,166
Disposals	(5,400)	–	(5,400)
Movement in year	13,705	145,414	159,119
At 31 March 2024	1,099,203	1,619,322	2,718,525
Investment property under construction			
At 31 March 2023	255,775	4,945	260,720
Transfer to investment property	(92,200)	(22,966)	(115,166)
Movement in year	15,186	(14,255)	931
At 31 March 2024	178,761	(32,276)	146,485
Valuation of all investment property			
At 31 March 2023	1,254,473	1,455,887	2,710,360
Disposals	(5,400)	–	(5,400)
Movement in year	28,891	131,159	160,050
At 31 March 2024	1,277,964	1,587,046	2,865,010

The Group has classified the fair value investment property and the investment property under construction within Level 3 of the fair value hierarchy. There has been no transfer to or from Level 3 in the year.

The Group's freehold and leasehold investment properties have been valued at 31 March 2024 by external valuers, Jones Lang Lasalle ("JLL"). The Valuation has been prepared in accordance with the version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement ("the Red Book") current as at the valuation date. The valuation of each of the investment properties and the investment properties under construction has been prepared on the basis of either Fair Value or Fair Value as a fully equipped operational entity, having regard to trading potential, as appropriate.

The valuation has been provided for financial reporting purposes and as such, is a Regulated Purpose Valuation as defined in the Red Book. In compliance with the disclosure requirements of the Red Book, JLL have confirmed that:

- this is JLL's third annual valuation for these purposes on behalf of the Group;
- JLL do not provide other significant professional or agency services to the Group;
- in relation to the preceding financial year of JLL, the proportion of the total fees payable by the Group to the total fee income of the firm is less than 5%; and
- the fee payable to JLL is a fixed amount per asset and is not contingent on the appraised value.

Notes to the Financial Statements continued

Year ended 31 March 2024

15. Valuation of investment property continued

The self storage properties have been valued on the basis of Fair Value as fully equipped operational entities, having regard to trading potential. Due to the specialised nature and use of the buildings the approach is to adopt a profits method of valuation in an explicit Discounted Cash Flow calculation and then consider the results in the context of recent comparable evidence of transactions in the sector.

The profits method requires an estimate of the future cash flow that can be generated from the use of the building as a self storage facility, assuming a reasonably efficient operator. Judgements are made as to the trading potential and likely long term sustainable occupancy. Stable occupancy depends upon the nature of demand, size of property and nearby competition, and allows for a reasonable vacancy rate to enable the operator to sell units to new customers. The cash flow runs for an explicit period of 10 years, after which it is capitalised at an all risks yield which reflects the implicit future growth of the business, or a hypothetical sale. This is a valuer's shortcut: maintaining the cash flow into perpetuity would provide the same result. The comparison with recent transactions requires the evidence to be considered in terms of the multiple on net operating profit (or EBITDA/EBITDAR), value per square foot, yield profile etc and then adjusted to reflect differences in location, building factors, tenure, trading maturity and trading risk.

This mirrors the typical approach of purchasers in the self storage market. However, in view of the relatively limited availability of comparable market evidence this requires a degree of valuer judgment. In particular, most of the transactions have comprised share sales due to the nature of the asset class and the terms of those transactions have mostly been kept confidential between the parties.

Portfolio Premium

JLL's valuation report confirms that the properties have been valued individually but that if the portfolio was to be sold as a single lot or in selected groups of properties, the total value could differ. JLL state that in current market conditions they are of the view that there could be a portfolio premium.

Assumptions

- A. Net operating income is based on projected revenue received less projected operating costs, which include a management fee to take account of central/head office costs. The initial net operating income is calculated by estimating the net operating income in the first 12 months following the valuation date.
- B. The net operating income in future years is calculated assuming either straight-line absorption from day one actual occupancy or variable absorption over years one to five of the cash flow period, to an estimated stabilised/mature occupancy level. In the valuation the assumed stabilised occupancy level for the 109 trading stores (both freeholds and leaseholds) open at 31 March 2024 averages 88% (31 March 2023: 88%). The projected revenues and costs have been adjusted for estimated cost inflation and revenue growth.
- C. The future rental growth incorporated into the valuation averages 2.5% per annum (2023: 2.6% per annum).
- D. The capitalisation rates applied to existing and future net cash flow have been estimated by reference to underlying yields for asset types such as industrial, distribution and retail warehousing, yields for other trading property types such as student housing and hotels, bank base rates, ten-year money rates, inflation and the available evidence of transactions in the sector. The valuation included in the accounts assumes rental growth in future periods. The net initial yield for the 109 stores is 5.2% (31 March 2023: 5.3%). The weighted average exit capitalisation rate adopted (for both freeholds and leaseholds) is 5.4% (31 March 2023: 5.6%).
- E. The future net cash flow projections (including revenue growth and cost inflation) have been discounted at a rate that reflects the risk associated with each asset. The weighted average annual discount rate adopted (for both freeholds and leaseholds) is 7.1% (31 March 2023: 7.1%).
- F. Purchaser's costs of 6.8% have been adopted reflecting current progressive Stamp Duty Land Tax rates.

Short leasehold

The same methodology has been used as for freeholds, but the exit capitalisation rate is adjusted to reflect the unexpired lease term at exit. The average unexpired term of the Group's six short leasehold properties is 10.4 years (31 March 2023: 11.4 years unexpired).

15. Valuation of investment property continued

Sensitivities

As noted in 'Significant judgements and key estimates' on page 150, self storage valuations are complex, derived from data which is not widely publicly available and involve a degree of judgement. For these reasons we have classified the valuations of our property portfolio as Level 3 as defined by IFRS 13. Inputs to the valuations, some of which are 'unobservable' as defined by IFRS 13, include capitalisation yields, stable occupancy rates, and rental growth rates. The existence of an increase of more than one unobservable input would augment the impact on valuation. The impact on the valuation would be mitigated by the inter-relationship between unobservable inputs moving in opposite directions. For example, an increase in stable occupancy may be offset by an increase in yield, resulting in no net impact on the valuation. A sensitivity analysis showing the impact on the investment property valuation of changes in yields and stable occupancy is shown below:

	Impact of a change in capitalisation rates		Impact of a change in stabilised occupancy assumption	
	25 bps decrease	25 bps increase	1% increase	1% decrease
2024	4.8%	(4.4%)	0.9%	(1.0%)
2023	4.7%	(4.3%)	1.1%	(1.2%)

A sensitivity analysis has not been provided for a change in the rental growth rate adopted as there is a relationship between this measure and the discount rate adopted. So, in theory, an increase in the rental growth rate would give rise to a corresponding increase in the discount rate and the resulting value impact would be limited.

Investment properties under construction

JLL have valued the stores in development adopting the same methodology as set out above but on the basis of the cash flow projection expected for the store at opening and after allowing for the outstanding costs to take each scheme from its current state to completion and full fit-out. JLL have allowed for holding costs and construction contingency, as appropriate. Five of the schemes valued do not yet have planning consent and JLL have reflected the planning risk in their valuation. The cost to complete for the investment property under construction amounts to £214.4 million (2023: £217 million).

Valuation assumption for purchaser's costs

The Group's investment property assets have been valued for the purposes of the financial statements after deducting notional weighted average purchaser's cost of 6.8% on the net value, as if they were sold directly as property assets. The valuation is an asset valuation which is entirely linked to the operating performance of the business. The assets would have to be sold with the benefit of operational contracts, employment contracts and customer contracts, which would be very difficult to achieve except in a corporate structure. This approach follows the logic of the valuation methodology in that the valuation is based on a capitalisation of the net operating income after allowing a deduction for operational cost and an allowance for central administration costs. Sale in a corporate structure would result in a reduction in the assumed Stamp Duty Land Tax but an increase in other transaction costs reflecting additional due diligence resulting in a reduced notional purchaser's cost of 2.75% of gross value. All the significant sized transactions that have been concluded in the UK in recent years were completed in a corporate structure. The Group therefore instructed JLL to carry out an additional valuation on the above basis, and this results in a higher property valuation at 31 March 2024 of £2,976.1 million (£111.1 million higher than the value recorded in the financial statements) translating to 56.2 pence per share. We have included this revised valuation in the adjusted diluted net asset calculation (see note 13).

Notes to the Financial Statements continued

Year ended 31 March 2024

16. Trade and other receivables

	31 March 2024 £000	31 March 2023 £000
Current		
Trade receivables	6,250	5,181
Other receivables	312	209
Prepayments and accrued income	3,554	2,924
	10,116	8,314

Trade receivables are net of a bad debt provision of £579,000 (2023: £1,070,000). The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Trade receivables

The Group does not typically offer credit terms to its customers, requiring them to pay in advance of their storage period and hence the Group is not exposed to significant credit risk. A late charge of 10% is applied to a customer's account if they are more than 10 days overdue in their payment. The Group provides for receivables on a specific basis. There is a right of lien over the customers' goods, so if they have not paid within a certain time frame, we have the right to sell the items they store to recoup the debt owed. Trade receivables that are overdue are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

For individual storage customers, the Group does not perform credit checks, however this is mitigated by the fact that these customers are required to pay in advance, and also to pay a deposit ranging from one week to four weeks' storage income. Before accepting a new business customer who wishes to use a number of the Group's stores, the Group uses an external credit rating to assess the potential customer's credit quality and defines credit limits by customer. There are no customers who represent more than 5% of the total balance of trade receivables.

Included in the Group's trade receivables balance are debtors with a carrying amount of £782,000 (2023: £779,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables is 18 days past due (2023: 16 days past due).

The creation and release of credit loss allowances have been included in cost of sales in the income statement.

The Group measures the loss allowance for the trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor. The Group has reviewed its assessment of the ECL provision for debtors over 45 days in the year from 100% provision to 53% provision, reflecting the actual loss experience.

The Group writes off a trade receivable when there is information indicating that the debtors are in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

16. Trade and other receivables continued

The following table details the risk profile of trade receivables based on the Group's provision matrix:

Year ended 31 March 2024	Not past due	<31 days	31-45 days	>45 days	Total
Expected credit loss rate (%)	0.3%	7.5%	25.4%	52.8%	8.5%
Gross carrying amount (£000)	4,963	892	63	911	6,829
Lifetime ECL (£000)	(15)	(67)	(16)	(481)	(579)
Net trade receivables at 31 March 2024	4,948	825	47	430	6,250
Year ended 31 March 2023	Not past due	<31 days	31-45 days	>45 days	Total
Expected credit loss rate (%)	0.2%	16.2%	19.9%	100%	17.1%
Gross carrying amount (£000)	4,413	850	84	904	6,251
Lifetime ECL (£000)	(11)	(138)	(17)	(904)	(1,070)
Net trade receivables at 31 March 2023	4,402	712	67	—	5,181

The above balances are short term and therefore the difference between the book value and the fair value is not significant. Consequently, these have not been discounted.

Movement in the credit loss allowance

	2024 £000	2023 £000
Balance at the beginning of the year	1,070	563
Amounts (released)/provided in year	(192)	826
Amounts written off as uncollectible	(299)	(319)
Balance at the end of the year	579	1,070

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the credit loss allowance.

17. Trade and other payables

	31 March 2024 £000	31 March 2023 £000
Current		
Trade payables	2,437	4,208
Other payables	18,166	18,199
Accruals and deferred income	28,793	34,868
	49,396	57,275

The Group has financial risk management policies in place to ensure that all payables are paid within the credit terms. The Directors consider the carrying amount of trade and other payables and accruals and deferred income approximates fair value. The main items within other payables are VAT, customer deposits and withholding tax on the PID.

The Group invoices its customers in advance, and hence any deferred income balance primarily relates to amounts paid by customers for rental periods beyond the balance sheet date. The Groups' deferred income balance at 31 March 2024 was £17.7 million, an increase of 2% from 31 March 2023 (£17.3 million).

Notes to the Financial Statements continued

Year ended 31 March 2024

18. Financial instruments

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

With the exception of derivative instruments which are classified as a financial liability at fair value through the statement of comprehensive income, financial liabilities are categorised under amortised cost. The Group has the following classes of financial assets:

- Trade and other receivables – trade receivables are initially recognised at transaction price. Other receivables are initially recognised at fair value. Subsequently these assets are measured at amortised cost using the effective interest method, less provision for expected credit losses.
- Cash and cash equivalents – cash and cash equivalents represent only liquid assets with maturity of 90 days or less. Bank overdrafts that cannot be offset against other cash balances are shown with borrowings in current liabilities on the balance sheet. Cash and cash equivalents are also classified as amortised cost. They are subsequently measured at amortised cost. Cash and cash equivalents include cash in hand, deposits at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Exposure to credit and interest rate risks arise in the normal course of the Group's business. Derivative financial instruments are used to manage exposure to fluctuations in interest rates but are not employed for speculative purposes.

A. Balance sheet management

The Group's Board reviews the capital structure on an ongoing basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Group seeks to have a conservative gearing ratio (the proportion of net debt to equity). The Board considers at each review the appropriateness of the current ratio in light of the above. The Board is currently satisfied with the Group's gearing ratio.

The gearing ratio at the year-end is as follows:

	2024 £000	2023 £000
Debt	(394,768)	(494,927)
Cash and cash equivalents	9,356	8,329
Net debt	(385,412)	(486,598)
Balance sheet equity	2,448,370	2,182,446
Net debt to equity ratio	15.7%	22.3%

B. Debt management

The Group currently borrows through a senior term loan, secured on 62 self storage assets, a loan with Aviva Commercial Finance Limited secured on a portfolio of 20 self storage assets, a £120 million loan from M&G Investments Limited secured on a portfolio of 15 self storage assets. The Group also has a \$225 million shelf facility available from Pricoa Private Capital (see note 19). Borrowings are arranged to ensure an appropriate maturity profile and to maintain short-term liquidity. Funding is arranged through banks and financial institutions with whom the Group has a strong working relationship.

C. Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

18. Financial instruments continued

At 31 March 2024 the Group had one interest rate derivative in place – £35 million fixed at 4.5% (excluding the margin on the underlying debt instrument) until September 2029.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The £35 million interest rate swap settles on a three-monthly basis. The floating rate on the interest rate swap is three month SONIA. The Group settles the difference between the fixed and floating interest rate on a net basis.

The Group does not hedge account for its interest rate swaps and states them at fair value, with changes in fair value included in the statement of comprehensive income. A reconciliation of the movement in derivatives is provided in the table below:

	2024 £000	2023 £000
At 1 April	316	885
Receipt from cancellation of interest rate derivatives	–	(436)
Fair value movement in the year	(2,146)	(133)
At 31 March	(1,830)	316

The interest rate derivative liability is shown within non-current liabilities at the year end, as the interest rate derivative expires in 2029. The tables below reconcile the opening and closing balances of the Group's finance related liabilities for the current and prior year:

	Financial liabilities measured at amortised cost		Financial liabilities measured at fair value	Total £000
	Loans £000	Obligations under lease liabilities £000	Interest rate derivatives £000	
At 1 April 2023	(494,927)	(19,696)	316	(514,307)
Cash movement in the year	100,159	1,829	–	101,988
Lease variations	–	(860)	–	(860)
Fair value movement	–	–	(2,146)	(2,146)
At 31 March 2024	(394,768)	(18,727)	(1,830)	(415,325)

The difference between the loans balance above and the balance sheet is loan arrangement fees of £5,080,000.

Notes to the Financial Statements continued

Year ended 31 March 2024

18. Financial instruments continued

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value	
	Loans £000	Obligations under lease liabilities £000	Interest rate derivatives £000
			Total £000
At 1 April 2022	(420,435)	(20,676)	885
Acquisition of Oxford freehold	–	1,671	–
Cash movement in the year	(74,492)	1,267	(436)
Lease variations	–	(1,958)	–
Fair value movement	–	–	(133)
At 31 March 2023	(494,927)	(19,696)	316

The difference between the loans balance above and the balance sheet is loan arrangement fees of £2,357,000.

D. Interest rate sensitivity analysis

In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings, without jeopardising its flexibility. Over the longer term, permanent changes in interest rates may have an impact on consolidated earnings. At 31 March 2024, it is estimated that an increase of 0.25 percentage points in interest rates would have reduced the Group's adjusted profit before tax and net equity by £510,000 (2023: reduced adjusted profit before tax by £753,000) and a decrease of 0.25 percentage points in interest rates would have increased the Group's adjusted profit before tax and net equity by £510,000 (2023: increased adjusted profit before tax by £753,000). The sensitivity has been calculated by applying the interest rate change to the variable rate borrowings, net of interest rate swaps, at the year end.

The Group's sensitivity to interest rates has reduced during the year, following the reduction in the amount of floating rate debt. The Board monitors closely the exposure to the floating rate element of our debt.

E. Cash management and liquidity

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 19 is a description of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Short term money market deposits are used to manage liquidity whilst maximising the rate of return on cash resources, giving due consideration to risk.

F. Foreign currency management

The Group does not have any foreign currency exposure.

G. Credit risk

The credit risk management policies of the Group with respect to trade receivables are discussed in note 16. The Group has no significant concentration of credit risk, with exposure spread over 73,000 occupied rooms in our stores.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

18. Financial instruments continued

H. Financial maturity analysis

In respect of interest-bearing financial liabilities, the following table provides a maturity analysis for individual elements.

	Total £000	Less than one year £000	One to two years £000	Two to five years £000	More than five years £000
2024 Maturity					
Debt					
Aviva loan	155,768	3,317	3,483	148,968	—
M&G loan payable at variable rate	85,000	—	—	—	85,000
M&G loan fixed by interest rate derivatives	35,000	—	—	—	35,000
Bank loan payable at variable rate	119,000	—	—	119,000	—
Total	394,768	3,317	3,483	267,968	120,000
2023 Maturity					
Debt					
Aviva loan	158,927	3,159	3,317	7,451	145,000
M&G loan payable at variable rate	85,000	—	—	—	85,000
M&G loan fixed by interest rate derivatives	35,000	—	—	—	35,000
Bank loan payable at variable rate	216,000	—	216,000	—	—
Total	494,927	3,159	219,317	7,451	265,000

I. Fair values of financial instruments

The fair values of the Group's cash and short-term deposits and those of other financial assets equate to their book values. Details of the Group's receivables at amortised cost are set out in note 16. The amounts are presented net of provisions for doubtful receivables; and allowances for impairment are made where appropriate. Trade and other payables, including bank borrowings, are carried at amortised cost. Obligations under lease liabilities are included at the present value of their minimum lease payments. Derivatives are carried at fair value.

For those financial instruments held at valuation, the Group has categorised them into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique in accordance with IFRS 7. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety. The fair value of the Group's outstanding interest rate derivatives, as detailed in note 18C, have been estimated by calculating the present value of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined by IFRS 7. There are no financial instruments which have been categorised as Level 1 or Level 3. The fair value of the Group's debt equates to its book value.

Notes to the Financial Statements continued

Year ended 31 March 2024

18. Financial instruments continued

J. Maturity analysis of financial liabilities

The contractual maturities based on market conditions and expected yield curves prevailing at the year-end date are as follows:

2024	Trade and other payables £000	Interest rate swaps £000	Borrowings and interest £000	Obligations under lease liabilities £000	Total £000
From five to twenty years	–	(98)	124,225	20,784	144,911
From two to five years	–	(1,089)	309,503	3,247	311,661
From one to two years	–	(195)	30,000	2,279	32,084
Due after more than one year	–	(1,382)	463,728	26,310	488,656
Due within one year	20,603	106	24,520	2,279	47,508
Total	20,603	(1,276)	488,248	28,589	536,164

2023	Trade and other payables £000	Interest rate swaps £000	Borrowings and interest £000	Obligations under lease liabilities £000	Total £000
From five to twenty years	–	–	278,104	21,766	299,870
From two to five years	–	–	40,726	4,101	44,827
From one to two years	–	–	237,652	2,048	239,700
Due after more than one year	–	–	556,482	27,915	584,397
Due within one year	22,407	(289)	26,566	2,048	50,732
Total	22,407	(289)	583,048	29,963	635,129

K. Reconciliation of maturity analyses

The maturity analysis in note 18J shows non-discounted cash flows for all financial liabilities including interest payments. The table below reconciles the borrowings column in note 19 with the borrowings and interest column in the maturity analysis presented in note 18J.

2024	Borrowings £000	Interest £000	Unamortised borrowing costs £000	Borrowings and interest £000
From five to twenty years	120,000	3,673	552	124,225
From two to five years	267,968	37,007	4,528	309,503
From one to two years	3,483	26,517	–	30,000
Due after more than one year	391,451	67,197	5,080	463,728
Due within one year	3,317	21,203	–	24,520
Total	394,768	88,400	5,080	488,248

2023	Borrowings £000	Interest £000	Unamortised borrowing costs £000	Borrowings and interest £000
From five to twenty years	265,000	11,316	1,788	278,104
From two to five years	7,451	33,275	–	40,726
From one to two years	219,317	17,766	569	237,652
Due after more than one year	491,768	62,357	2,357	556,482
Due within one year	3,159	23,407	–	26,566
Total	494,927	85,764	2,357	583,048

19. Borrowings

	31 March 2024 £000	31 March 2023 £000
Secured borrowings at amortised cost		
Current liabilities		
Aviva loan	3,317	3,159
	3,317	3,159
Non-current liabilities		
Bank borrowings	119,000	216,000
Aviva loan	152,451	155,768
M&G loan	120,000	120,000
Unamortised loan arrangement costs	(5,080)	(2,357)
Total non-current borrowings	386,371	489,411
Total borrowings	389,688	492,570

The weighted average interest rate paid on the borrowings during the year was 5.5% (2023: 4.2%).

The Group has £181 million in undrawn committed bank borrowing facilities at 31 March 2024, which expire after between two and three years (2023: £24 million expiring after between one and two years).

The Group has a £155.8 million fixed rate loan with Aviva Commercial Finance Limited, expiring in September 2028. The loan is secured over a portfolio of 20 freehold self storage centres. The annual fixed interest rate on the loan is 3.3%. The loan has an amortising element of £10.8 million, which runs to April 2027.

The Group has a secured £300 million Sustainability-linked three year revolving bank facility with Lloyds, HSBC, Barclays and Bank of Ireland expiring in December 2026, with a margin of 1.25%. The Group has the option to extend the facility by two additional one-year terms through to December 2028, subject to lender approval.

The Group has a £120 million loan with M&G Investments Limited, with a bullet repayment in September 2029. The loan is secured over a portfolio of 15 freehold self storage centres.

In addition to the facilities above the Group has a \$225 million credit approved shelf facility with Pricoa Private Capital ("Pricoa"), to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million over the next year and a half with terms of between 7 and 15 years at short notice.

The movement in the Group's loans are shown net in the cash flow statement as the bank loan is a revolving facility and is repaid and redrawn each month. The movement has been shown net in the cash flow statement. The other Group loans are not revolving, and any movements in those loans are disclosed in a footnote to note 26B.

The Group was in compliance with its banking covenants at 31 March 2024 and throughout the year. The principal covenants are summarised in the table below:

Covenant	Covenant level	At 31 March 2024
Consolidated EBITDA to net finance costs	Minimum 1.5x	5.4x
Consolidated net tangible assets	Minimum £500m	£2,448.4m
Bank loan interest cover	Minimum 1.75x	6.6x
Net debt to EBITDA ratio	Maximum 8x	3.0x
Aviva loan interest service cover ratio	Minimum 1.5x	6.4x
Aviva loan debt service cover ratio	Minimum 1.2x	4.0x
M&G interest cover	Minimum 1.5x	2.9x

The Consolidated EBITDA covenant is calculated by dividing the consolidated EBITDA generated by the Group's stores by the Group's consolidated net finance costs.

The bank loan interest cover, the Aviva loan interest service cover ratio and the M&G interest cover covenants are calculated by dividing the EBITDA generated by each loan's security pool by the interest payable for each loan for each defined time period. The Aviva loan debt service cover ratio is calculated by taking the EBITDA generated by the Aviva security pool and dividing by the Aviva loan interest payable and facility amortisation. The Aviva and M&G loans consolidated net tangible assets covenant is a minimum of £250 million.

Notes to the Financial Statements continued

Year ended 31 March 2024

19. Borrowings continued

Interest rate profile of financial liabilities

	Total £000	Floating rate £000	Fixed rate £000	Weighted average interest rate	Period for which the rate is fixed	Weighted average period until maturity
At 31 March 2024						
Gross financial liabilities	394,768	204,000	190,768	5.4%	4.6 years	4.2 years
At 31 March 2023						
Gross financial liabilities	494,927	301,000	193,927	4.7%	4.8 years	3.9 years

All monetary liabilities, including short-term receivables and payables are denominated in sterling. The weighted average interest rate includes the effect of the Group's interest rate derivatives. The Directors have concluded that the carrying value of borrowings approximates to its fair value.

Narrative disclosures on the Group's policy for financial instruments are included within the Strategic Report and in note 18.

20. Deferred tax

Deferred tax assets in respect of share based payments £0.1 million (2023: £0.1 million), corporation tax losses £6.2 million (2023: £6.3 million), capital allowances in excess of depreciation £0.1 million (2023: £0.2 million) and capital losses £2.1 million (2023: £2.1 million) in respect of the non-REIT taxable business have not been recognised as it is not considered probable that sufficient taxable profits will arise in the relevant taxable entity. The unused tax losses can be carried forward indefinitely.

21. Obligations under lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	2024 £000	2023 £000	2024 £000	2023 £000
Amounts payable under lease liabilities:				
Within one year	2,279	2,048	2,253	2,020
Within two to five years inclusive	5,526	6,149	5,112	5,652
Greater than five years	20,784	21,766	11,362	12,024
	28,589	29,963	18,727	19,696
Less: future finance charges	(9,862)	(10,267)		
Present value of lease liabilities	18,727	19,696		

All obligations under lease liabilities are denominated in sterling. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The carrying amount of the Group's lease obligations approximates their fair value.

22. Share capital

	Called up, allotted, and fully paid	
	2024 £000	2023 £000
Ordinary shares of 10 pence each	19,620	18,427
Movement in issued share capital:		
Number of shares at 31 March 2022		183,967,378
Exercise of share options – Share option schemes		298,595
Number of shares at 31 March 2023		184,265,973
Issues of shares – placing		11,640,212
Exercise of share options – Share option schemes		289,102
Number of shares at 31 March 2024		196,195,287

The share capital of the Company consists only of fully paid ordinary shares with a nominal (par) value of £0.10 per share. There are no restrictions on the ability of shareholders to receive dividends, nor on the repayment of capital. All ordinary shares are equally eligible to receive dividends and the repayment of capital in accordance with the Company's Articles of Association and represent one vote at shareholders' meetings of the Company.

At 31 March 2024 options in issue to Directors and employees were as follows:

Date option Granted	Option price per ordinary share	Type of option	Date first exercisable	Date on which the exercise period expires	Number of ordinary shares 2024	Number of ordinary shares 2023
21 July 2015	nil p	LTIP	21 July 2018	21 July 2025	989	989
22 July 2016	nil p	LTIP	22 July 2019	21 July 2026	1,415	1,944
2 August 2017	nil p	LTIP	2 August 2020	2 August 2027	9,217	5,809
24 July 2018	nil p	LTIP	24 July 2021	24 July 2028	53,697	54,441
19 July 2019	nil p	LTIP	19 July 2022	19 July 2029	148,587	170,545
2 March 2020	947.0p	SAYE	1 April 2023	1 October 2023	–	43,016
5 August 2020	nil p	LTIP	5 August 2023	5 August 2030	189,504	372,757
1 March 2021	903.2p	SAYE	1 April 2024	1 October 2024	77,395	81,216
22 July 2021	nil p	LTIP	22 July 2024	22 July 2031	285,440	300,444
21 July 2022	nil p	LTIP	21 July 2025	21 July 2032	425,523	443,218
8 August 2022	1060.3p	SAYE	1 September 2025	1 March 2026	57,665	72,429
20 July 2023	nil p	LTIP	20 July 2026	19 July 2033	590,931	–
1 August 2023	891.5p	SAYE	1 September 2026	1 March 2027	79,382	–
					1,919,745	1,546,808

Own shares

The own shares reserve represents the cost of shares in Big Yellow Group PLC purchased in the market and held by the Big Yellow Group PLC Employee Benefit Trust, along with shares issued directly to the Employee Benefit Trust. 1,098,686 shares are held in the Employee Benefit Trust (2023: 1,122,907), and no shares are held in treasury.

Notes to the Financial Statements continued

Year ended 31 March 2024

23. Share-based payments

The Company has three equity share-based payment arrangements, namely an LTIP scheme (with approved and unapproved components), an Employee Share Save Scheme ("SAYE") and a Deferred Bonus Plan. The Group recognised a total expense in the year related to equity-settled share-based payment transactions of £4,082,000 (2023: £3,735,000).

Equity-settled share option plans

Since 2004 the Group has operated an Employee Share Save Scheme ("SAYE") which allows any employee who has more than six months service to purchase shares at a 20% discount to the average quoted market price of the Group shares at the date of grant. The associated savings contracts are three years at which point the employee can exercise their option to purchase the shares or take the amount saved, including interest, in cash. The scheme is administered by Globalshares.

On an annual basis since 2004 the Group awarded nil-paid options to senior management under the Group's Long Term Incentive Plan ("LTIP"). The awards are conditional on the achievement of challenging performance targets as described on page 107 of the Remuneration Report. The weighted average share price at the date of exercise for options exercised in the year was £10.77 (2023: £13.13).

LTIP scheme	2024 No. of options	2023 No. of options
Outstanding at beginning of year	1,350,147	1,179,562
Granted during the year	678,088	504,431
Lapsed during the year	(72,932)	(83,846)
Exercised during the year	(250,000)	(250,000)
Outstanding at the end of the year	1,705,303	1,350,147
Exercisable at the end of the year	403,409	107,656

The weighted average fair value of options granted during the year was £3,230,000 (2023: £2,795,000).

Participants pay the nominal value of the shares when exercising options under the LTIP scheme.

Options outstanding at 31 March 2024 had a weighted average contractual life of 7.8 years (2023: 7.9 years).

Employee Share Save Scheme ("SAYE")	2024 No. of options	2024 Weighted average exercise price (£)	2023 No. of options	2023 Weighted average exercise price (£)
Outstanding at beginning of year	196,661	9.71	183,506	8.75
Granted during the year	82,656	8.91	72,715	10.60
Forfeited during the year	(25,773)	9.99	(10,965)	9.29
Exercised during the year	(39,102)	9.47	(48,595)	7.50
Outstanding at the end of the year	214,442	9.41	196,661	9.71
Exercisable at the end of the year	-	-	-	-

Options outstanding at 31 March 2024 had a weighted average contractual life of 1.7 years (2023: 1.7 years).

The inputs into the Black-Scholes model for the options granted during the year are as follows:

	LTIP	SAYE
Expected volatility	n/a	27%
Expected life	3 years	3 years
Risk-free rate	0.04%	0.04%
Expected dividends	2.6%	2.9%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the year prior to grant.

23. Share-based payments continued**Deferred bonus plan**

The Executive Directors receive awards under the Deferred Bonus Plan. This is accounted for as an equity instrument. The plan was set up in July 2018. The vesting criteria and scheme mechanics are set out in the Directors' Remuneration Report.

24. Capital commitments

At 31 March 2024 the Group had £3.9 million of amounts contracted but not provided in respect of the Group's properties (2023: £6.1 million of capital commitments).

25. Events after the balance sheet date

In April 2024, the Group exchanged contracts to acquire a development site in Leamington Spa for £3 million, with completion having taken place on 13 May 2024.

26. Cash flow notes**a) Reconciliation of profit after tax to cash generated from operations**

	Note	2024 £000	2023 £000
Profit after tax		239,833	73,332
Taxation		1,202	1,977
Other income	3	(6,517)	(2,185)
Investment income		(45)	(9)
Finance costs		25,092	17,027
Operating profit		259,565	90,142
(Gain)/loss on the revaluation of investment properties	14a, 15	(131,159)	29,861
Depreciation of plant, equipment, and owner-occupied property	14b	864	888
Depreciation of right-of-use assets	14a, 14b	1,734	1,569
Employee share options	6	4,082	3,735
Cash generated from operations pre working capital movements		135,086	126,195
Decrease/(increase) in inventories		10	(13)
Increase in receivables		(1,650)	(740)
(Decrease)/increase in payables		(3,620)	3,531
Cash generated from operations		129,826	128,973

Notes to the Financial Statements continued

Year ended 31 March 2024

26. Cash flow notes continued

b) Reconciliation of net cash flow movement to net debt

Note	2024 £000	2023 £000
Net increase/(decrease) in cash and cash equivalents in the year	1,027	[276]
Cash flow from decrease/(increase) in debt financing ¹	100,159	[74,492]
Change in net debt resulting from cash flows	101,186	[74,768]
Movement in net debt in the year	101,186	[74,768]
Net debt at the start of the year	(486,598)	[411,830]
Net debt at the end of the year	18A (385,412)	[486,598]

⁽¹⁾ Made up of a net decrease of £97.0 million in the RCF facility and repayments of the Aviva facility of £3.2 million (2023: Made up of a net increase of £117.0 million in the RCF facility, repayment of the Armadillo loans of £39.5 million and repayments of the Aviva facility of £3.0 million).

27. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Key management personnel remuneration

Key management personnel are made up of our Executive and Non-Executive Directors, and a key Director of our main trading subsidiaries. The remuneration of the key management personnel of the Group, is set out below in aggregate. Further information on the remuneration of individual Directors is found in the audited part of the Directors' Remuneration Report on pages 108 to 116.

	31 March 2024 £000	31 March 2023 £000
Short term employee benefits	1,959	1,989
Post-employment benefits	90	91
Share-based payments	2,267	3,253
	4,316	5,333

AnyJunk Limited

Jim Gibson is a Non-Executive Director and shareholder in AnyJunk Limited. During the year AnyJunk Limited provided waste disposal services to the Group on normal commercial terms, amounting to £17,000 (2023: £16,000).

27. Related party transactions continued

London Children's Ballet

The Group signed a Section 106 agreement with Wandsworth Council relating to the development of our Battersea store, which required the Group to provide cultural space to Wandsworth Borough Council. In 2021, the Group granted a twenty year lease over this space to London Children's Ballet at a peppercorn rent, who in turn have agreed to enter into a Social Agreement with Wandsworth Borough Council coterminous with the lease. Jim Gibson is the Chairman of Trustees of the London Children's Ballet. London Children's Ballet rent storage space from the Group on normal commercial terms, amounting to £4,000 during the year (2023: £3,000). The Group sponsored a London Children's Ballet development programme during the year, amounting to £8,000 (2023: £8,000).

Doncaster Security Operations Centre Limited ("DSOC")

The Group has invested £588,000 in DSOC. DSOC provided alarm and CCTV monitoring services to the Group under normal commercial terms during the year, amounting to £319,000 (2023: £301,000).

Treepoints Limited

Jim Gibson is a Non-Executive Director and an investor in City Stasher Limited, which in turn has a minority investment in Treepoints Limited. Treepoints Limited provided offsetting tree planting services in respect of our online packing material sales, under normal commercial terms during the period, amounting to £2,000 (2023: £8,000).

Ukrainian Sponsorship Pathway UK

Nicholas Vetch and Heather Savory are trustees of the charity Ukrainian Sponsorship Pathway UK ("USPUK") to help Ukrainians displaced by the war to travel to the UK as part of the "Homes for Ukraine" scheme. The charity has set up offices in Warsaw and Krakow and is one of the few that has been recognised for this purpose by the UK Government. We are proud to be financial supporters of this charity and the Board approved a donation which was made in the year of £50,000 (2023: £50,000).

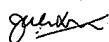
No other related party transactions took place during the years ended 31 March 2024 and 31 March 2023.

Company Balance Sheet

Year ended 31 March 2024

	Note	2024 £000	2023 £000
Non-current assets			
Plant, equipment, and owner-occupied property	30a	1,608	1,681
Investment in subsidiary companies	30b	39,167	35,085
Amounts owed by Group undertakings	31	765,420	800,436
		806,195	837,202
Current assets			
Trade and other receivables	31	912	853
Cash and cash equivalents		1	1
		913	854
Total assets		807,108	838,056
Current liabilities			
Trade and other payables	32a	(7,680)	(6,806)
Amounts owed to Group undertakings	32a	(43,068)	–
Obligations under lease liabilities		(30)	(30)
		(50,778)	(6,836)
Non-current liabilities			
Obligations under lease liabilities		(16)	(44)
Bank borrowings	32b	(115,359)	(215,431)
		(115,375)	(215,475)
Total liabilities		(166,153)	(222,311)
Net assets		640,955	615,745
Equity			
Share capital	22	19,620	18,427
Share premium account		397,686	290,857
Reserves	28	223,649	306,461
Equity shareholders' funds		640,955	615,745

The Company reported a loss for the financial year ended 31 March 2024 of £0.9 million (2023: loss of £2.6 million). The financial statements and the income statement were approved by the Board of Directors and authorised for issue on 20 May 2024. They were signed on its behalf by:


Jim Gibson
 Director


John Trotman
 Director

Company Registration No. 03625199

The accompanying notes form part of the financial statements.

Company Statement of Changes in Equity

Year ended 31 March 2024

	Share capital £000	Share premium account £000	Other non-distributable reserve £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total £000
At 1 April 2023	18,427	290,857	74,950	1,795	230,735	(1,019)	615,745
Total comprehensive loss for the year	—	—	—	—	(881)	—	(881)
Issue of share capital	1,193	106,829	—	—	—	—	108,022
Dividend	—	—	—	—	(86,013)	—	(86,013)
Use of own shares to satisfy share options	—	—	—	—	(22)	22	—
Credit to equity for equity-settled share-based payments	—	—	—	—	4,082	—	4,082
At 31 March 2024	19,620	397,686	74,950	1,795	147,901	(997)	640,955

The Company's share capital is disclosed in note 22.

The own shares balance represents amounts held by the Employee Benefit Trust (see note 22).

Year ended 31 March 2023

	Share capital £000	Share premium account £000	Other non-distributable reserve £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total £000
At 1 April 2022	18,397	289,923	74,950	1,795	309,536	(1,019)	693,582
Total comprehensive loss for the year	—	—	—	—	(2,576)	—	(2,576)
Issue of share capital	30	934	—	—	—	—	964
Dividend	—	—	—	—	(79,960)	—	(79,960)
Credit to equity for equity-settled share-based payments	—	—	—	—	3,735	—	3,735
At 31 March 2023	18,427	290,857	74,950	1,795	230,735	(1,019)	615,745

The accompanying notes form part of the financial statements.

Notes to the Financial Statements continued

Year ended 31 March 2024

28. Loss for the year

As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the Company is not presented as part of these financial statements. The loss for the year attributable to equity shareholders dealt with in the financial statements of the Company was £0.9 million (2023: loss of £2.6 million).

29. Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for plant, equipment and owner-occupied property and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-Based Payments in respect of group settled share-based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements have been prepared on the historic cost basis except that derivative financial instruments are stated at fair value. The Company's principal accounting policies are the same as those applied in the Group financial statements.

The parent Company financial statements present information about the Company as a separate entity and not about its Group.

Going concern

See note 2 for the review of going concern for the Group and the Company.

Investment in subsidiaries

These are recognised at cost less provision for any impairment.

Bank borrowings

This is the Revolving Credit Facility Loan which is held by the Company. Please see note 19 for further information.

IFRIC 11, IFRS 2 Group and Treasury Share Transactions

The Company makes equity settled share-based payments to certain employees of certain subsidiary undertakings. Equity settled share-based payments that are made to the employees of the Company's subsidiaries are treated as increases in equity over the vesting period of the award, with a corresponding increase in the Company's investments in subsidiaries, based on an estimate of the number of shares that will eventually vest. This is the only addition to investment in subsidiaries in the current year.

30. Non-current assets

a) Plant, equipment, and owner-occupied property

	Freehold property £000	Leasehold improvements £000	Fixtures, fittings & office equipment £000	IFRS 16 leases £000	Total £000
Cost					
At 31 March 2023	2,241	46	9	177	2,473
Additions	2	—	—	—	2
At 31 March 2024	2,243	46	9	177	2,475
Accumulated depreciation					
At 31 March 2023	(678)	(8)	(2)	(104)	(792)
Charge for the year	(45)	(1)	(2)	(27)	(75)
At 31 March 2024	(723)	(9)	(4)	(131)	(867)
Net book value					
At 31 March 2024	1,520	37	5	46	1,608
At 31 March 2023	1,563	38	7	73	1,681

b) Investments in subsidiary companies

	Investment in subsidiary undertakings £000
Cost	
At 31 March 2023	35,085
Additions	4,082
At 31 March 2024	39,167

The additions in the year relate to the capitalisation of share-based payments in accordance with IFRS 2.

The Directors assessed the carrying value of the investment in subsidiary undertakings for indicators of impairment. There were no indications of impairment.

Notes to the Financial Statements continued

Year ended 31 March 2024

30. Non-current assets continued

The Group's subsidiaries are all wholly-owned, the Group holds 100% of the voting power and the companies are incorporated, registered, and operate in England and Wales. The registered office of all subsidiaries is 2 The Deans, Bridge Road, Bagshot, Surrey, GU19 5AT. All subsidiaries are included in the consolidated accounts. The subsidiaries at 31 March 2024 are listed below:

Name of subsidiary	Principal activity
Apollo Self Storage Limited	Self storage
Armadillo Self Storage Limited	Self storage
Armadillo Self Storage 2 Limited	Self storage
Armadillo Storage Holding Company Limited	Dormant
Armadillo Storage Holding Company 2 Limited	Dormant
Armadillo Storage One Limited	Holding Company
Big Yellow Self Storage (GP) Limited	General Partner
Big Yellow Self Storage Company Limited	Self storage
Big Yellow (Battersea) Limited	Self storage
The Big Yellow Construction Company Limited	Construction management
The Big Yellow Holding Company Limited	Dormant
Big Yellow Limited Partnership	Self storage
Big Yellow Nominee No. 1 Limited	Dormant
Big Yellow Nominee No.2 Limited	Dormant
Big Yellow Self Storage Company 1 Limited	Dormant
Big Yellow Self Storage Company 2 Limited	Dormant
Big Yellow Self Storage Company 3 Limited	Dormant
Big Yellow Self Storage Company 4 Limited	Dormant
Big Yellow Self Storage Company A Limited	Self storage
Big Yellow Self Storage Company M Limited	Self storage
Big Yellow (Wapping 2) Limited	Self storage
BYRCO Limited	Property management
BYSSCO A Limited	Dormant
BYSSCO Limited	Self storage
The Last Mile Company Limited	Holding Company
Quickstore Storage Limited	Self storage

In addition, the Group has a 100% interest in Pramerica Bell Investment Trust Jersey, a trust registered in Jersey, its registered office is First Island House, Peter Street, St Helier, Jersey, Channel Islands, JE2 4SP.

30. Non-current assets continued**Audit exemption statement**

All subsidiary undertakings of Big Yellow Group PLC are included in the consolidated Financial Statements of the Group. The subsidiary undertakings noted below are exempt from the Companies Act 2006 (the 'Act') requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act, as Big Yellow Group PLC has guaranteed the liabilities of them under Section 479C of the Act. The members of these companies have not required them to obtain an audit of their financial statements for the year ended 31 March 2023:

Name of subsidiary	Name of subsidiary
Apollo Self Storage Limited	Big Yellow Nominee No.2 Limited
Armadillo Self Storage Limited	Big Yellow Self Storage Company 1 Limited
Armadillo Self Storage 2 Limited	Big Yellow Self Storage Company 2 Limited
Armadillo Storage Holding Company Limited	Big Yellow Self Storage Company 3 Limited
Armadillo Storage Holding Company 2 Limited	Big Yellow Self Storage Company 4 Limited
Armadillo Storage One Limited	Big Yellow (Wapping 2) Limited
Big Yellow Self Storage (GP) Limited	BYRCO Limited
Big Yellow (Battersea) Limited	BYSSCO Limited
The Big Yellow Construction Company Limited	BYSSCO A Limited
The Big Yellow Holding Company Limited	The Last Mile Company Limited
Big Yellow Nominee No. 1 Limited	Quickstore Storage Limited

Under paragraph 7 of SI 2008 No 569 Big Yellow Limited Partnership is exempt from the requirement under paragraph 4 of that SI to prepare their annual accounts and reports, and have them audited, on the basis that the partnership is dealt with on a consolidated basis in the consolidated financial statements of the Company.

31. Trade and other receivables

	31 March 2024 £000	31 March 2023 £000
Non-current		
Amounts owed by Group undertakings	765,420	800,436
Current		
Prepayments and accrued income	912	853

Amounts owed by Group undertakings are unsecured. The Company recharges its external interest cost to its subsidiaries. Amounts owed by Group undertakings have historically had immaterial levels of bad debt, and the Directors have assessed for Expected Credit Losses and concluded that it is immaterial, and has therefore not been recognised.

Notes to the Financial Statements continued

Year ended 31 March 2024

32. Creditors

a) Trade and other payables

	31 March 2024 £000	31 March 2023 £000
Current (all due within one year)		
Other payables	7,102	6,348
Amounts owed to Group undertakings	43,068	—
Accruals and deferred income	578	458
	50,748	6,806

Amounts owed to Group undertakings are repayable on demand and accrues interest bi-annually at a rate of 1.25% over the Bank of England base rate during the period, based on the average outstanding balance during the period.

At March 2023, amounts owed to Group undertakings of £27 million was offset against amounts owed by Group undertakings in note 31 rather than presented separately. As the Directors do not consider the effect on the prior period financial statements to be material, the comparative numbers have not been adjusted. However, amounts owed to Group undertakings for the current period has been appropriately presented.

b) Bank borrowings

	31 March 2024 £000	31 March 2023 £000
Bank loan	119,000	216,000
Unamortised loan arrangement costs	(3,641)	(569)
	115,359	215,431

33. Glossary

Absorption	The rate of growth in occupancy assumed within the external property valuations from the current occupancy level to the assumed stable occupancy level.
Adjusted earnings	The IFRS profit after taxation attributable to shareholders of the Company excluding investment property revaluations, one-off items of income and costs, gains/losses on investment property disposals and changes in the fair value of financial instruments.
Adjusted earnings growth	The increase in adjusted eps year-on-year.
Adjusted NAV	EPRA NTA adjusted for an investment property valuation carried out at purchasers' costs of 2.75%, see note 13.
Adjusted earnings per share	Adjusted earnings divided by the average number of shares in issue during the financial year, see note 12.
Adjusted Profit Before Tax	The Company's pre-tax EPRA earnings measure with additional Company adjustments, see note 10.
APMs	Additional performance measures that help financial statement users to better understand the Group's performance and position.
Average net achieved rent per sq ft	Storage revenue divided by average occupied space over the financial year.
Average occupancy	The average space occupied by customers divided by the MLA expressed as a %.
Average rental growth	The growth in average net achieved rent per sq ft year-on-year.
BREEAM	An environmental rating assessed under the Building Research Establishment's Environmental Assessment Method.
Cap rates	The exit capitalisation rates used in the external investment property valuation.
Carbon intensity	Carbon emissions divided by the Group's average occupied space.
Closing net rent per sq ft	Annual storage revenue generated from in-place customers divided by occupied space at the balance sheet date.
Closing occupancy %	The space occupied by customers divided by the MLA at the balance sheet date expressed as a %.
Closing occupancy sq ft	The space occupied by customers at the balance sheet date in sq ft.
Committed facilities	Available undrawn debt facilities plus cash and cash equivalents.
Consolidated EBITDA	Consolidated EBITDA calculated in accordance with the terms of the Group's Revolving Credit Facility Agreement.
Debt	Long-term and short-term borrowings, as detailed in note 19, excluding lease liabilities and debt issue costs.
Earnings per share (eps)	Profit for the financial year attributable to equity shareholders divided by the average number of shares in issue during the financial year.
EBITDA	Earnings before interest, tax, depreciation, and amortisation.
EPRA	The European Public Real Estate Association, a real estate industry body. This organisation has issued Best Practice Recommendations with the intention of improving the transparency, comparability, and relevance of the published results of listed real estate companies in Europe.
EPRA earnings	The IFRS profit after taxation attributable to shareholders of the Company excluding investment property revaluations, gains/losses on investment property disposals and changes in the fair value of financial instruments.
EPRA earnings per share	EPRA earnings divided by the average number of shares in issue during the financial year, see note 12.
EPRA NTA per share	EPRA NTA divided by the diluted number of shares at the year end.
EPRA net tangible asset value (EPRA NTA)	IFRS net assets excluding the mark-to-market on interest rate derivatives, deferred taxation on property valuations where it arises, and intangible assets. It is adjusted for the dilutive impact of share options.
Equity	All capital and reserves of the Group attributable to equity holders of the Company.
Gross property assets	The sum of investment property and investment property under construction.
Gross value added	The measure of the value of goods and services produced in an area, industry, or sector of an economy.
Interest cover	The ratio of operating cash flow divided by interest paid (before working capital movements, exceptional finance costs, capitalised interest, and changes in fair value of interest rate derivatives). This metric is provided to give readers a clear view of the Group's financial position.
Like-for-like occupancy	Excludes the closing occupancy of new stores acquired, opened, or closed in the current financial year in both the current financial year and comparative figures. In 2024 this excludes Aberdeen, Harrow, Kingston North, and Kings Cross, and additionally the Armadillo stores for the Big Yellow like-for-like occupancy.
Like-for-like store revenue	Excludes the impact of new stores acquired, opened or stores closed in the current or preceding financial year in both the current year and comparative figures. In 2024 this excludes Aberdeen, Harrow, Kingston North, and Kings Cross.

Notes to the Financial Statements continued

Year ended 31 March 2024

33. Glossary continued

LTV (loan to value)	Net debt expressed as a percentage of the external valuation of the Group's investment properties.
Maximum lettable area (MLA)	The total square foot (sq ft) available to rent to customers.
Move-ins	The number of customers taking a storage room in the defined period.
Move-outs	The number of customers vacating a storage room in the defined period.
NAV	Net asset value.
Net debt	Gross borrowings less cash and cash equivalents.
Net initial yield	The forthcoming year's net operating income expressed as a percentage of capital value, after adding notional purchaser's costs pre administrative expenses.
Net operating income	Store EBITDA after an allocation of central overhead.
Net operating income on stabilisation	The projected net operating income delivered by a store when it reaches a stable level of occupancy.
Net promoter score (NPS)	The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. The Company measures NPS based on surveys sent to all its move-ins and move-outs.
Net Renewable Energy Positive	Big Yellow's strategy is that by 2030 the Group will generate as much renewable energy as it is able to across its store portfolio and meet any remaining Scope 1 and Scope 2 emissions via the retirement of REGOs from offsite energy generation.
Net rent per sq ft	Storage revenue generated from in place customers divided by occupancy.
Net Zero Strategy	The Group's published strategy to have Net Zero Scope 1, 2 and 3 Emissions.
Non like-for-like stores	Stores excluded from like-for-like metrics, as they were acquired, opened or closed in the current or preceding financial year. In 2024 this excludes Aberdeen, Harrow, Kingston North, and Kings Cross, and additionally the Armadillo stores for the Big Yellow like-for-like occupancy.
Occupancy	The space occupied by customers divided by the MLA expressed as a %.
Occupied space	The space occupied by customers in sq ft.
Other storage related income	Packing materials, insurance, and other storage related fees.
Pipeline	The Group's development sites.
Property Income Distribution (PID)	A dividend, generally subject to withholding tax, that a UK REIT is required to pay from its tax-exempt property rental business, and which is taxable for UK-resident shareholders at their marginal tax rate.
REGO	Renewable Energy Guarantees of Origin
REIT	Real Estate Investment Trust. A tax regime which in the UK exempts participants from corporation tax both on UK rental income and gains arising on UK investment property sales, subject to certain conditions.
REVPAF	Total store revenue divided by the average maximum lettable area in the period.
Store EBITDA	Store earnings before interest, tax, depreciation, and amortisation, see reconciliation in the portfolio summary on page 31 .
Store revenue	Revenue earned from the Group's open self storage centres.
TCFD	Task Force on Climate-related Financial Disclosure.
Total shareholder return (TSR)	The growth in value of a shareholding over a specified period, assuming dividends are reinvested to purchase additional units of shares.

Ten Year Summary

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m	2015 £m
Results										
Revenue	199.6	188.8	171.3	135.2	129.3	125.4	116.7	109.1	101.4	84.3
Operating profit before gains and losses on property assets	128.4	120.0	106.6	81.5	80.0	76.7	70.9	65.3	59.9	48.4
Cash flow from operating activities	104.8	112.0	107.1	76.7	73.6	72.2	63.0	55.9	55.5	42.4
Profit before taxation	241.0	75.3	698.9	265.8	93.4	126.9	134.1	99.8	112.2	105.2
Adjusted profit before taxation	107.3	106.0	96.8	74.6	71.0	67.5	61.4	54.6	49.0	39.4
Net assets	2,448.4	2,182.4	2,184.4	1,453.9	1,163.9	1,123.9	981.1	890.4	829.4	750.9
Diluted adjusted earnings per share	55.9p	56.5p	52.5p	42.4p	42.1p	41.4p	38.5p	34.5p	31.1p	27.1p
Declared total dividend per share	45.2p	45.2p	42.0p	34.0p	33.8p	33.2p	30.8p	27.6p	24.9p	21.7p
Key statistics										
Number of stores open**	109	108	105	78	75	74	74	73	71	69
Store MLA (000 sq ft)	6,419	6,292	6,098	4,930	4,688	4,622	4,631	4,551	4,464	4,344
Sq ft occupied (000)**	5,029	5,088	5,107	4,201	3,781	3,810	3,730	3,551	3,363	3,178
Occupancy (decrease)/increase in year (000 sq ft)*	(59)	(19)	906	420	(29)	80	179	188	185	346
Closing net rent per sq ft**	£34.14	£32.48	£29.92	£28.71	£28.15	£27.28	£26.74	£26.03	£25.90	£25.23
Number of occupied rooms**	73,000	73,000	73,000	62,000	56,500	56,000	55,000	52,500	50,000	47,250
Average number of employees during the year**	464	465	427	370	361	347	335	329	318	300

* the occupancy growth in 2015, 2017, 2022 and 2023 includes the acquisition of existing stores.

** from 2022 this includes the Armadillo stores, which the Group acquired the remaining 80% of which it did not previously own on 1 July 2021.

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