

## Notes to the Financial Statements (continued)

Year ended 31 March 2014

### 12. EARNINGS AND NET ASSETS PER SHARE

	Year ended 31 March 2014			Year ended 31 March 2013		
	Earnings £m	Shares million	Pence per share	Earnings £m	Shares million	Pence per share
Basic	59.5	139.9	42.5	31.9	130.9	24.4
Dilutive share options	–	1.2	(0.3)	–	1.3	(0.3)
Diluted	59.5	141.1	42.2	31.9	132.2	24.1
<b>Adjustments:</b>						
Gain on revaluation of investment properties	(28.3)	–	(20.1)	(9.5)	–	(7.2)
Change in fair value of interest rate derivatives	(2.7)	–	(1.9)	0.2	–	0.2
Gains on surplus land	–	–	–	(1.0)	–	(0.8)
VAT implementation costs	–	–	–	0.2	–	0.1
Refinancing costs	–	–	–	4.3	–	3.3
Share of associate non-recurring losses/(gains)	0.4	–	0.3	(0.6)	–	(0.4)
EPRA – diluted	28.9	141.1	20.5	25.5	132.2	19.3
EPRA – basic	28.9	139.9	20.7	25.5	130.9	19.5

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.

EPRA earnings and earnings per ordinary share before non-recurring items, movements on revaluation of investment properties, gains on surplus land, the change in fair value of interest rate derivatives, and share of associate non-recurring gains and losses have been disclosed to give a clearer understanding of the Group's underlying trading performance.

The European Public Real Estate Association ("EPRA") has issued recommended bases for the calculation of net assets per share information and this is shown in the table below:

	31 March 2014 £000	31 March 2013 £000
Basic net asset value	594,064	552,628
Exercise of share options	483	555
EPRA NNNNAV	594,547	553,183
<b>Adjustments:</b>		
Fair value of derivatives	2,813	5,494
Fair value of derivatives – share of associate	(26)	232
EPRA NAV	597,334	558,909
Basic net assets per share (pence)	423.9	395.5
EPRA NNNNAV per share (pence)	418.5	390.0
EPRA NAV per share (pence)	420.5	394.1
EPRA NAV (as above) (£000)	597,334	558,909
Valuation methodology assumption (see note 14) (£000)	37,057	35,621
Adjusted net asset value (£000)	634,391	594,530
Adjusted net assets per share (pence)	446.5	419.2

	No. of shares	No. of shares
Shares in issue	143,061,147	142,639,647
Own shares held in treasury	(1,418,750)	(1,418,750)
Own shares held in EBT	(1,500,000)	(1,500,000)
Basic shares in issue used for calculation	140,142,397	139,720,897
Exercise of share options	1,926,527	2,110,396
Diluted shares used for calculation	142,068,924	141,831,293

Net assets per share are shareholders' funds divided by the number of shares at the year end. The shares currently held in the Group's Employee Benefit Trust and in treasury 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 14).