

REPORT OF THE AUDIT COMMITTEE

MONITORING
QUALITY AND
INTEGRITY

Loraine Woodhouse
Independent Non-Executive Director

**Focus in the year**

- Committee changes
- Canada Water valuation tender
- Technology

Role of the Committee**Corporate and financial reporting**

- Ensures the integrity of the financial statements and formal announcements relating to the Group's financial performance and evaluates significant financial judgements and estimates
- Fair, balanced and understandable assessment

External Audit

- Monitors the independence, effectiveness and remuneration of the external auditor, and recommends to the Board their appointment and non-audit services policy

Internal Audit

- Monitors and reviews the Internal Audit Plan and effectiveness of the internal auditor

Risk management and internal control

- Monitors risk management and the Company's system of internal control including financial controls and reviewing the going concern and long term viability statement

Investment and development property valuations

- Monitors the effectiveness of the Company's valuers and valuation process, assumptions, judgements and resulting outcomes

Membership and attendance

The Committee comprises four Non-Executive Directors. Loraine Woodhouse and Amanda James both have recent and relevant financial experience and as a whole the Committee has competence relevant to the sector.

Biographical details of the Committee members are found on pages 82 to 85.

The Committee met three times in 2024/25 with attendance set out on page 85.



Collectively, Amanda, Mary and David's contributions have enhanced and diversified the Committee's strategic approach.

Loraine Woodhouse
Chair of the Audit Committee

**Committee changes**

During the year, Preben Prebensen and Bhavesh Mistry stepped down from the Board. I would like to thank both for their tenure and significant contributions to the Committee and Board, and wish them the best in their future endeavours. Meanwhile, Amanda James and Mary Ricks joined the Committee, bringing fresh perspectives from their financial and global real estate background respectively, and their insight has enhanced our collective ability to critically analyse matters brought to the Committee. We also welcomed David Walker as CFO, whose extensive experience at British Land complements the skill set of the Committee. Together, Amanda, Mary and David's contributions have strengthened and diversified the Committee's strategic approach.

Canada Water valuation tender

A valuation tender was carried out due to policy requirements that necessitate the regular rotation of valuers of portfolio assets. The tender involved Cushman & Wakefield (C&W), CBRE and Knight Frank. As part of the tender process, C&W and CBRE conducted a Phase 1 valuation for Canada Water and following a review, C&W were chosen as the new valuer as they were thought to be best placed to appropriately assess the value of the campus and future of the development. In December, C&W conducted a shadow valuation of Canada Water alongside the current valuers to ensure an effective transition. PwC, our external auditor, reviewed the shadow valuation and performed year end testing on the final valuation.

Technology

The Committee received detailed updates on our technology strategy and technology risk during the year. The strategy covers four pillars: modernising the Company's applications and upskilling our employees, implementing artificial intelligence and new technologies, optimising data processes, and creating efficiencies in our technology services. The Committee was pleased with the significant progress made against each of the pillars and was reassured that the correct priorities are in place for the upcoming year. In addition, the Committee was content with the robust controls and processes around our technology risks.

Year ahead

- Continue to enhance our key ESG reporting and technology controls
- Monitor the implementation of investment in our technology
- Monitor key risk areas, particularly those scheduled for review by the internal auditor
- Continue to plan and prepare for corporate governance reforms and take appropriate action in a timely manner

Loraine Woodhouse
Chair of the Audit Committee

REPORT OF THE AUDIT COMMITTEE CONTINUED

Investment and development property valuations

The external valuation of British Land's property portfolio is a significant area of judgement as it is a key determinant of the Group's balance sheet and financial performance and the remuneration of the Executive Directors and senior management. The Group's valuers are CBRE, Knight Frank, Jones Lang LaSalle and C&W. As at 31 March 2025, the portfolio was valued at £9.5bn.

Key matters discussed in the year:

- yield movements, current and future rental levels, and benchmarking;
- costs to complete developments;
- trends affecting occupational and investment retail and office sectors, logistics market and Canada Water;
- availability of comparable market evidence;
- tender and change of valuer for Canada Water; and
- biannual qualitative review of valuers' service level.

The valuers present their reports which include details of the valuation process, market conditions and any significant judgements made. The external auditor assesses the valuations and valuation process, having had full access to the valuers to determine that due process has been followed and appropriate information used, before separately reporting its findings to the Committee. The Group's valuers and external auditor have confirmed to the Committee that the process undertaken by British Land to ascertain the valuation of its real estate portfolio is robust. British Land has fixed fee arrangements in place with the valuers in relation to the valuation of wholly-owned assets, in line with the recommendations of the Carsberg Committee Report.

The Committee allocates time to ensure the rigorous monitoring and review of the effectiveness of its valuers as well as the valuation process itself. The biannual effectiveness review is also subject to rigorous internal review by our Analysis and Internal Audit team. In November and May, the Committee considered the following factors and determined that the valuers remained effective:

- Market testing, which involves comparing new lettings and rent reviews against the market.
- Benchmarking, which involves reviewing prime market yields and valuation movements on our assets between valuers as well as comparing valuation movements to peers.
- Availability of market evidence is assessed to understand any potential margin for error.
- Valuation outliers are reviewed on our valuation movements with any variances analysed.

Activities during the year**MAY**

Valuer reports and effectiveness
2024 Annual Report and Accounts, preliminary announcement and FBU assessment
Going concern and viability assessments
Sustainability assurance, Internal and External Audit reports
Corporate Governance Code compliance
Principal risk and internal control effectiveness review
Reappointment of BDO

**NOV**

Valuer reports and effectiveness
Going concern and viability assessments
2025 half-year results and preliminary announcement and financial reporting judgements
Technology risk and strategy update
Principal risk and internal control effectiveness review
Internal and External Audit reports
External Audit plan, fees and engagement letter
Risk and internal control update
Insurance update

**MAR**

Going concern and viability assessments
Sustainability Progress Report
Financial reporting judgements
Principal and emerging risks assessment and review of risk appetite
Whistleblowing report
Data privacy compliance report
Effectiveness of the Committee, Internal and External Audit
Tax and Compliance updates

From 1 April 2025 the Committee will increase the number of meetings to four per year to assist in the effective and consistent oversight of our areas of responsibility.

Corporate and financial reporting

The financial reporting process is overseen by the Audit Committee and assessed by the external auditor. It is managed using documented accounting policies and reporting formats supported by detailed instructions and guidance on reporting requirements.

As part of the process, the Committee reviewed the content and tone of the preliminary and half-year results and the Annual Report and Accounts and made recommendations to the Board regarding their accuracy and appropriateness. In addition, the Disclosure Committee regularly reviews ad hoc events, draft financial reports and valuation information during the interim and full-year reporting process and determines, with external advice from legal and financial advisers as required, whether inside information exists and the appropriate disclosure requirements.

During its review of the Annual Report and Accounts, the Committee considered the following:

- accounting policies and practices including any new standards introduced during the year;
- key financial reporting matters including major transactions (further detail provided later in this report) as well as other financial reporting items such as the FRC's Corporate Reporting Review and any other significant matters and accounting judgements; and
- key messaging, particularly matters considered important to the Group by virtue of their size, complexity, level of judgement required and potential impact on the financial statements and wider business model.

Once the Committee completes its overarching review, it considers whether, in its opinion, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable (FBU), and whether it provides the information necessary for stakeholders to assess the Company's position, performance, business model and strategy.

The Committee has satisfied itself that the controls over the accuracy and consistency of the information presented in the Annual Report and Accounts are robust. The Committee reviewed the procedure undertaken to enable the Board to provide the FBU confirmation to shareholders. In particular, the Committee contemplated the specific considerations in the 2025 Annual Report and Accounts found overleaf to ensure that they did not have an adverse impact on the balance and fairness of the report.

The Board is responsible for preparing the Annual Report and Accounts and confirms in the Directors' Responsibilities Statement on page 134 that it believes that the Annual Report and Accounts, taken as a whole, is FBU. An overview of the FBU review process and its key considerations is provided opposite.

Fair, balanced and understandable review process

01

MANAGEMENT REVIEW

Key members of the management team independently review the Annual Report and Accounts, challenging its accuracy, consistency and appropriateness. Management then come together to discuss and determine any suitable changes which are overseen by the Committee.



02

REGULAR AUDIT COMMITTEE REVIEW

The Committee reviews the Annual Report and Accounts from the early stages of the drafting process before turning to its dedicated FBU review once it is nearly finalised. This provides sufficient time for feedback prior to formal consideration by the Board.



03

VERIFICATION

A group of individuals from across the business verify all factual content and provide assurance that all information is correct.



04

EXTERNAL AUDITOR REVIEW

PwC consider whether there are any material inconsistencies in the information provided in the Annual Report and Accounts and reports its findings to the Committee.



05

RECOMMENDATION TO THE BOARD

The Board considers the Committee's recommendation that the Annual Report and Accounts as a whole is FBU.

REPORT OF THE AUDIT COMMITTEE CONTINUED

Fair, balanced and understandable review considerations

FAIR

Is the Annual Report open and honest?
Do we show our progress over time and is there consistency in our metrics and measurements?

BALANCED

Do we report weaknesses, difficulties and challenges alongside successes?

UNDERSTANDABLE

Do we explain our business model, strategy and accounting policies simply, using precise, clear language?
Are we clearly signposting to where additional information can be found?
Do we have a consistent tone?
Do we break up lengthy narrative with quotes, tables, case studies and graphics?

SPECIFIC CONSIDERATIONS IN THE 2025 ANNUAL REPORT

Appropriate metrics that will allow investors and other stakeholders to assess the Company's performance.
Appropriateness of setting a Total Accounting Return target of 8% to 10% based on past performance.
Ensuring statements included in the report are useful in assisting the understanding of the business.

The Committee reviewed management's analysis supporting the preparation of the financial statements on a going concern basis. This included consideration of forecast cash flows, availability of committed debt facilities, sensitivity analysis and expected covenant headroom. The external auditor also reviewed management's assessment. The Committee satisfied itself that the going concern basis of preparation remained appropriate.

The Committee also reviewed management's assessment of whether the Group's long term viability appropriately reflects the prospects of the Group and covers an appropriate period of time. This included consideration of whether the assessment adequately reflected the Group's risk appetite and principal risks as disclosed on pages 51 to 58; whether the period covered by the statement was reasonable given the strategy of the Group and the

environment in which it operates; and whether the assumptions and sensitivities identified and stress tested represented severe but plausible scenarios in the context of solvency or liquidity.

The Committee agreed with management's assessment and recommended the viability statement to the Board. The viability statement, which includes our going concern statement and further details on this assessment, is set out on page 59.

Significant matters considered during the year in relation to the financial statements are set out below and should be read in conjunction with the Independent Auditor's Report on pages 136 to 142 and the significant accounting policies disclosed in the notes to the financial statements.

Significant issues considered

Significant matters

Outcome

Valuation of property portfolio

The valuation of investment and development properties conducted by external valuers is inherently subjective as it is undertaken on the basis of key assumptions made by the valuers which may not prove to be accurate. The outcome of the valuation is significant to the Group in terms of investment decisions, results and remuneration. Selected external valuers presented their reports to the Committee prior to the half-year and full-year results, providing an overview of the UK property market and summarising the performance of the Group's assets. Significant judgements made in preparing these valuations were highlighted by the external valuers and discussed by the Committee.

The Committee analysed the reports and reviewed the valuation outcomes, challenging whether the key assumptions made by the external valuers were appropriate. The Committee queried the valuers on how the challenging macroeconomic environment, including heightened interest rates, had impacted valuations. The Committee also challenged the valuers on the availability of transactional evidence to support their valuations, particularly within the London office market. The Committee was satisfied with the valuation process and the effectiveness of the Company's valuers. The Committee approved the relevant valuation disclosures to be included in the Annual Report.

Significant issues considered continued**Significant matters****Outcome****Accounting for significant transactions**

The accounting treatment of significant property acquisitions, disposals, financing and leasing transactions is a recurring risk for the Group with non-standard accounting entries required, and in some cases management judgement applied. The Committee reviewed management papers on key financial reporting matters, including those for significant transactions, as well as the external auditor's findings on these matters. In particular, the Committee considered the accounting treatment of the formation of a joint venture with Modon Holding in respect of 2 Finsbury Avenue. The external auditor separately reviewed management's judgements in relation to these transactions and determined that the approach was appropriate.

The Committee was satisfied that the accounting treatment and related financial disclosure of significant transactions was appropriate.

Taxation and REIT compliance

The Group benefits from tax advantages as a REIT. Income and chargeable gains on the qualifying property rental business are exempt from corporation tax. Several tests were conducted during the year to ensure the Group remains firmly within the limits that defines it as a REIT, including in relation to forecasts. The Committee further reviewed the appropriateness of taxation provisions made and released by the Group during the period. It considered papers prepared by management and discussed the views of the external auditor to obtain assurance that amounts held were commensurate with the associated risks.

The Committee reviewed the frequency of the testing and noted the margin by which the Group complied with the REIT requirements. The Committee was satisfied that good judgement had been made.

The Committee was satisfied that the taxation provisions were appropriate. 'Our Approach to Tax', which was reviewed and updated by the Committee in the year, is available at www.britishland.com/taxstrategy.

External Audit

Audit firm	PricewaterhouseCoopers
Original date of appointment	18 July 2014
Tender completed	February 2024
Lead partner, tenure	Saira Choudhry, 1 year
FY25 non-audit fee as % of total audit fee	56%

The Committee is responsible for overseeing the relationship with the external auditor and for considering their terms of engagement, remuneration, effectiveness, independence and continued objectivity. The Committee reviews annually the audit requirements of the Group, for the business and in the context of the external environment, placing great importance on ensuring a high quality, effective External Audit process. BDO provides audit services to a number of wholly-owned subsidiaries and several joint venture companies that are not within the scope of the Group audit.

Change of External Audit partner

During the year, Sandra Dowling rotated off the audit engagement and Saira Choudhry was appointed as lead audit engagement partner as per the requirement for a rotation every five years. The Committee is grateful for Sandra's keen oversight and guidance during her tenure and welcomes Saira to her new position, noting her immediate role of overseeing the implementation of the new External Audit plan.

Changes to the External Audit plan

During the year, PwC reallocated audit resources due to the 50% disposal of 2 Finsbury Avenue into a new joint venture. The Committee was satisfied with the PwC team's timely adjustment of time and focus. The risk assessment and scope of the audit remained unchanged, and no update to the External Audit plan was necessary.

Non-audit services and fees

The Committee discussed the audit fee for the 2025 Annual Report with the external auditor and approved the proposed fee on behalf of the Board.

The Group has adopted a policy for the provision of non-audit services by the external auditor in accordance with the FRC's 2024 Revised Ethical Standard. The policy helps to safeguard the external auditor's independence and objectivity. The policy allows the external auditor to provide non-audit services to British Land where they are considered to be the most appropriate provider for audit related services, including formal reporting relating to borrowings, shareholder and other circulars and work in respect of acquisitions and disposals.

In some circumstances, the external auditor is required to carry out the work because of their office. In other circumstances, selection would depend on which firm was best suited to provide the services required. Further, Committee approval is required where there might be questions as to whether the external auditor has a conflict of interest. The approval limits for non-audit services are below and subject to review:

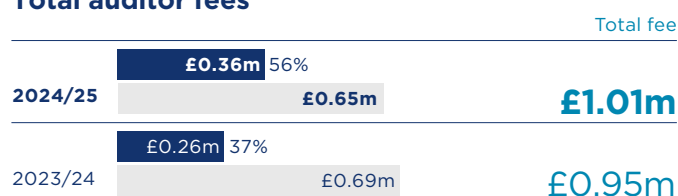
Value	Approval required
Up to £25,000	CFO
£25,001 to £100,000	Committee Chair
£100,001 and above	Committee

REPORT OF THE AUDIT COMMITTEE CONTINUED

In addition, the total non-audit fee in the current year is limited to 70% of the average of the audit fees paid in the last three consecutive years. The ratio of audit to non-audit fees is calculated in line with the methodology set out in the FRC's 2024 Revised Ethical Standard. The Committee is satisfied that there is significant headroom before reaching this upper limit.

Total fees for non-audit services, primarily relating to a review of interim financial statements and formal reporting relating to borrowings, amounted to £0.36m, which represents 56% of the total Group audit fees payable for the year ended 31 March 2025. Details of fees charged by the external auditor during the year are set out on page 156. The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014.

Total auditor fees



Key

- Non-audit fees
- Audit fees

Independence

PwC provides the Committee with an annual report on its independence, objectivity and compliance with statutory, regulatory and ethical standards. In accordance with the FRC's requirements, a tender of the audit firm was conducted at 10 years and the lead audit engagement partner and senior members of the audit team were rotated in the year. For the year ended 31 March 2025, as for the prior year, the external auditor made the following confirmations:

- at each Committee meeting, that it remains independent;
- that PwC complies with the FRC's Ethical Standards; and
- an annual letter of confirmation stating its independence and that it maintains appropriate internal safeguards to ensure its independence and objectivity.

The Committee further received confirmation that:

- non-audit services provided by PwC as detailed above complied with the Group's non-audit policy and the requirements of the FRC's Ethical Standard;
- the Group has not employed members of the PwC audit team or any PwC partners during the year; and
- PwC confirmed compliance of its staff and partners with PwC's internal policies and process around independence, including that no partners or staff held any financial interest in British Land.

After taking the above factors into consideration, the Committee concluded that PwC remained independent during the year.

Effectiveness

The Committee held private sessions with the external and internal auditor three times during the year. These meetings are held without management present to enable the auditors to raise any issues of concern. In addition, the Chair of the Committee holds private meetings with the external auditor and internal auditor separately before each meeting and additional meetings are held on request.

The annual evaluation of the external auditor's performance was undertaken in March 2025. The auditor completes a self-assessment paper and key stakeholders also complete a questionnaire, including senior members of the Finance, Tax, Strategy and Secretariat teams as well as members of the Committee, the Chief Executive, CFO and Chair. The questionnaire took into account the following:

- robustness of the overall audit process and auditor challenge, including independence, audit strategy and plan, and quality control;
- quality of delivery of the audit and service provided including project management and their working relationships with management and the Committee Chair;
- quality of reporting to the Committee and management including planning and significant judgements; and
- quality of the people including their experience and technical knowledge.

The scores and feedback are shared with the external auditor and compared against their self-assessment, and proposed actions for the coming year are curated. The main areas of focus in the upcoming year include ensuring proactivity in project management of less critical matters and ensuring subsidiary statutory accounts are agreed in good time.

The feedback received from the survey included good communication from the external auditor and improved efficiency in finalising joint venture statutory accounts. Each category was rated 'good', being the highest rating obtainable. Overall, the Committee was impressed with the External Audit team's efficiency in how it understands the Company and its systems and processes, their strength of expertise, nature and quality of the external auditors' report, and robustness and perceptiveness of the team in its handling of key accounting and audit judgements.

The Committee uses Audit Quality Indicators (AQIs) to assess PwC's audit quality which are extremely useful to aid the assessment of the external auditor. The AQIs used during the half and year end include:

1. Experience and continuity of the audit team.
2. Percentage of total hours spent on the engagement by the audit partner, director and specialists.
3. Number of audit misstatements, both adjusted and unadjusted.

The Committee monitored any developments against the AQIs and was satisfied that no risks to the audit quality were identified. The Committee also reviewed the auditor's management letter which it thought was based on a good understanding of the business. In addition, the Committee was impressed with the continuous implementation and improvement of the use of technology in the audit process.

The Committee considered the FRC's Audit Quality Review report in relation to the Group's audit. Following challenge from the Committee about the report, PwC highlighted that it had retained strong scores in each of the areas relevant to the audit of the Group.

In assessing the auditor's professional scepticism and quality of challenge, the Committee considered the insight and feedback provided by the auditor, particularly the usefulness of their assessment of valuations and oversight of the Annual Report and Accounts.

After considering the annual evaluation survey, noting those areas for improvement in the coming year, AQIs and other pertinent factors, the Committee concluded that the quality of the external auditor's work, and the level of challenge, knowledge and competence of the audit team, had been maintained at an appropriate standard during the year.

Internal Audit

The role of Internal Audit is to act as an independent and objective assurance function, designed to improve the effectiveness of the governance, risk management and internal controls framework in mitigating the key risks to British Land. Deloitte, in their second year of appointment, provided Internal Audit services to British Land during the financial year and attended all Committee meetings to present their audit findings alongside the status of management actions.

During the year, the internal auditor reported on progress made against its three-year Internal Audit strategy covering FY24 to FY26. Internal audits completed during the year included:

1. Key financial and operational controls
2. Corporate procurement
3. Group health and safety management
4. GDPR
5. IT disaster recovery/business continuity planning
6. Retail key operational controls
7. Diversity and inclusion (2030 strategy)
8. Joint venture governance
9. ESG social reporting
10. Lead to lease system operation

Overall, no significant control issues were identified although several process and control improvements were proposed.

Effectiveness

The annual effectiveness review of the internal auditor included: consideration of whether objectives defined in the Internal Audit charter had been met; review of the quality of the Internal Audit work undertaken; and the skills and competence of the Internal Audit teams. Key stakeholders across the Group, including the Head of Strategy and Investor Relations, Head of Secretariat, HR Director, General Counsel and Company Secretary, Head of Information Security and Head of Risk and Internal Control, completed a questionnaire to assess the effectiveness of the internal auditor, taking into account the same four areas assessed as the external auditor effectiveness questionnaire detailed on the previous page. The results showed that the internal auditor had improved in robustness of processes, being rated 'good' in each category, the highest rating obtainable.

The Committee concluded that Deloitte had discharged its duties as internal auditor effectively throughout the year. In particular, the Committee was impressed with their pragmatic and communicative approach.

Risk management and internal control

The Board has delegated responsibility for establishing and maintaining the effectiveness of the Group's risk management and internal control framework to the Committee.

A detailed summary of the Group's risk management and internal controls framework is set out in the 'Managing risk in delivering our strategy' section on pages 47 to 50.

The Group has adopted the 2018 Corporate Governance Code, best practice recommendations in the FRC 'Guidance on risk management, internal control and related financial and business reporting' and the Company's internal control framework operates in line with the recommendations set out in the internationally recognised COSO Internal Control Integrated Framework. The Committee has spent significant time considering recent and upcoming corporate governance reforms. The Company will comply with the 2024 Corporate Governance Code in next year's Annual Report and the new Provision 29 in the following year as it is effective for financial years beginning on or after 1 January 2026.

Risk management

The Committee oversees the identification and assessment of principal and emerging risks, key risk indicators and risk appetite. The Committee received biannual assessments of the most significant risks facing the Company which indicated the exposure level and risk impact.

At the full and half year, the Committee reviewed the Group's principal and emerging risks, including consideration of how risk exposures have changed during the period. Both external and internal risks are reviewed and their effect on the Company's strategic aims considered. The assessment of emerging risks includes a bottom-up review of all business units and a deep dive by the Risk Committee. The Audit Committee made a recommendation to the Board regarding the identification and assessment of principal and emerging risks. The Board accepted the Committee's recommendation.

The Committee provides particularly significant oversight of the Company's technology risk and strategy, recognising that this is an area of relative immaturity among companies more broadly, and therefore requires detailed oversight.

The Committee also allocates time to consider the Group's whistleblowing arrangements to ensure that they enable all staff, including temporary and agency staff, suppliers and occupiers, to report any suspected wrongdoing. These arrangements, which are monitored by the HR Director, General Counsel and Company Secretary, and reviewed by the Committee annually, include an independent and confidential whistleblowing service for staff provided by a third party. The Committee received a summary of all whistleblowing reports received during the year and concluded that the response to each report by management was appropriate. The whistleblowing reports were also relayed to the Board by the Committee Chair.

REPORT OF THE AUDIT COMMITTEE CONTINUED

At the request of the Remuneration Committee, the Audit Committee considers biannually the level of risk taken by management and whether this affects the performance of the Company. The Remuneration Committee takes this confirmation into account when determining incentive awards granted to the Executive Directors and senior management. Taking into account reports received on internal key controls and risk management, and the results of the Internal Audit reviews, the Committee concluded that for the year ended 31 March 2025 there was no evidence of excessive risk taking by management which ought to be taken into account by the Remuneration Committee when determining incentive awards.

For the first time this year, to assist in ensuring the robustness of the Company's risk culture, the Risk Committee conducted an effectiveness survey which showed that all Risk Committee members agreed or strongly agreed that the Risk Committee adds value to risk management and supports the Company's strategic objectives. Following the outcome of the survey, action was taken to enhance risk culture across the business involving the Head of Risk and Internal Control presenting to various teams across the business, clarifying the key risk roles in the business and encouraging escalation of risk issues or exceptions and discussing key business unit risks.

Internal controls

Half yearly, in conjunction with the internal auditor, management reports to the Committee on the effectiveness of internal controls, highlighting control issues identified through the exceptions reporting and key controls testing across all key operational and financial controls. Risk areas identified are considered for incorporation in the Internal Audit plan and the findings of internal audits are taken into account when identifying and evaluating risks within the business. Key observations and management actions are reported to, and debated by, the Committee. For the year ended 31 March 2025, the Committee has not identified, nor been advised of, a failing or weakness which it has deemed to be significant.

The operational risk management framework operates to reduce the risk of financial misstatement. Key controls are owned by senior managers who report on compliance biannually to the Risk Committee. All high and medium risk-rated key financial and operational controls are reviewed by Internal Audit across a three-year cycle as a minimum. The Head of Risk and Internal Control also performs biannual sample testing across key financial and operational controls, and reports exceptions to the Audit Committee.

Effectiveness

The effectiveness of the risk management and internal control framework is consistently reviewed by the Committee throughout the year. The Committee receives detailed reports on the operation and effectiveness of the internal controls from the internal auditor and management team. The External Audit provides an additional layer of assurance at the half-year and full-year end where any remarks relating to potential enhancements to internal controls are considered.

The Committee also received reports from across the business throughout the year to assist it in its assessment of the robustness and effectiveness of the risk management and internal control framework, including:

1. Internal Audit reports on the programme of internal audits completed.
2. External auditor's recommendations on the Group financial control environment.
3. Whistleblowing and anti-bribery policies and whistleblowing reports.
4. Reviewing the activities of the Risk Committee, receiving minutes of all its meetings and discussing any significant matters raised.
5. Technology risk and strategy.
6. Other updates relating to insurance, data privacy and compliance, including any suspected fraudulent activities and relevant investigations.

On recommendation by the Committee, the Board confirms that the framework has been in place for the year under review and up to the date of approval of the Annual Report and Accounts including all material controls consisting of financial, operational, compliance and reporting controls, which have been regularly reviewed throughout the year.