COUNTRYSIDE PROPERTIES PLC
Unaudited results for the half year ended 31 March 2019

16 May 2019

Strong completions growth driven by mixed-tenure delivery

Countryside, a leading UK home builder and regeneration partner, today announces its unaudited results for the six months ended 31 March 2019.

Results highlights

	HY 2019	HY 2018[1]	Change
Completions	**2,362**	1,655	+43%
Adjusted revenue[2]	**£563.7m**	£468.0m	+20%
Adjusted operating profit[3]	**£89.4m**	£80.6m	+11%
Adjusted operating margin[4]	**15.9%**	17.2%	-130bps
Adjusted basic earnings per share[5]	**15.0p**	13.7p	+9%
Dividend per share	**6.0p**	4.2p	+43%
Return on capital employed[6]	**32.9%**	27.8%	+510bps
Group total forward order book	**£1,037m**	£697m	+49%
Reported revenue	**£507.0m**	£398.8m	+27%
Reported operating profit	**£60.2m**	£63.5m	-5%
Net (debt)/cash[7]	**£(42.1)m**	£13.7m	-£55.8m
Basic earnings per share	**12.9p**	13.3p	-3%

Group highlights

- Strong current trading and on track to deliver volume and margin expectations for the full year
- Increased dividend payout ratio to 40% of adjusted earnings from continued cash generation
- As expected, adjusted operating margin lower due to the change in geographic and tenure mix following the Westleigh acquisition
- 140 active sites (HY 2018: 94) including 60 sales outlets (HY 2018: 52 sales outlets)
- Net reservation rate at top end of target range at 0.86 (HY 2018: 0.87)
- Private Average Selling Price ("ASP") of £377k (HY 2018: £392k)
- 12,126 additional plots secured during the first half
- Non-underlying items include a non-cash impairment of inventory of £7.4m

Current trading and outlook

Following a strong second quarter, with a net private reservation rate at the top of our target range, we remain well placed to deliver on full year expectations. As expected, completions will be second half weighted but are underpinned by a strong forward order book and further outlet openings in the second half. Our geographic expansion following the integration of Westleigh provides us with a strong platform for future growth. Additionally, we continue to see attractive new business opportunities in both divisions to support our medium-term strategy.

Commenting on the results, Ian Sutcliffe, Group Chief Executive, said:

"We have delivered excellent growth in the first six months of the year and have continued positive momentum into the second half. We see strong demand for our high quality homes and have underpinned margins with operational efficiency and the opening of our modular panel factory. We remain confident of delivering full year and medium-term expectations."

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There will be an analyst and investor meeting at 9.00am BST today at Chartered Accountants Hall, One Moorgate Place, London, EC2R 6EA hosted by Group Chief Executive, Ian Sutcliffe. The presentation will also be available via a live webcast through the Countryside corporate website investors.countrysideproperties.com. A playback facility will be provided shortly after the presentation has finished.

We will be hosting a Capital Markets Day for analysts and investors on 26 June 2019 in London. If you would like to attend please contact Victoria Prior at victoria.prior@cpplc.com.

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Note to editors:
Countryside is a leading UK home builder and regeneration partner specialising in place making and urban regeneration. Our business is centred around two complementary divisions, Partnerships and Housebuilding. Our Partnerships division specialises in urban regeneration of public sector land, delivering private and affordable homes by partnering with local authorities and housing associations. The Housebuilding division, operating under Countryside and Millgate brands, develops sites that provide private and affordable housing, on land owned or controlled by the Group. Countryside was founded in 1958. It operates in locations across outer London, the South East, the North West of England, the Midlands and Yorkshire.

For further information, please visit the Group's website: www.countrysideproperties.com

Cautionary statement regarding forward-looking statements
Some of the information in this document may contain projections or other forward-looking statements regarding future events or the future financial performance of Countryside Properties PLC and its subsidiaries (the Group). You can identify forward-looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could", "may" or "might", the negative of such terms or other similar expressions. Countryside Properties PLC (the Company) wishes to caution you that these statements are only predictions and that actual events or results may differ materially. The Company does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of the Group, including among others, general economic conditions, the competitive environment as well as many other risks specifically related to the Group and its operations. Past performance of the Group cannot be relied on as a guide to future performance.

"Countryside" or the "Group" refers to Countryside Properties PLC and its subsidiary companies.

[1] Restated, see Note 3. Accounting policies.
[2] Adjusted revenue includes the Group's share of revenue from joint ventures and associate of £56.7m (HY 2018: £69.2m).
[3] Adjusted operating profit includes the Group's share of operating profit from joint ventures and associate of £17.7m (HY 2018: £15.1m) and excludes non-underlying items of £11.5m (HY 2018: £2.0m). Refer to Note 7.
[4] Adjusted operating margin is defined as adjusted operating profit divided by adjusted revenue.
[5] Adjusted basic earnings per share is defined as adjusted profit attributable to ordinary shareholders, net of attributable taxation, divided by the weighted average number of shares in issue for the period.
[6] Return on capital employed ("ROCE") is defined as adjusted operating profit for the last 12 months divided by the average of opening and closing tangible net operating asset value ("TNOAV") for the 12-month period. TNOAV is calculated as net assets excluding net cash or debt less intangible assets net of deferred tax.
[7] Net debt is defined as bank borrowings less unrestricted cash. Unamortised debt arrangement fees are not included in net debt.

The Directors believe that the use of adjusted measures is necessary to understand the underlying trading performance of the Group.

Group

Completions
We continued our growth trajectory in the first half, with total completions up 43 per cent to 2,362 homes (HY 2018: 1,655 homes), or up 8 per cent excluding the impact of the Westleigh acquisition. The main drivers of growth in the first half were affordable completions, up 80 per cent to 938 homes (HY 2018: 520 homes), following the acquisition of Westleigh, and PRS homes up 68 per cent to 608 homes, driven by the framework agreement with Sigma Capital Group (HY 2018: 362 homes). Private unit completions increased by 6 per cent to 816 homes (HY 2018: 773 homes) and therefore made up a lower proportion of total completions at 35 per cent, which we anticipate will be broadly consistent for the full year. As expected, completions remain weighted to the second half of the year due to the phasing of build programmes which remain on track.

Revenue
Private average selling price ("ASP") reduced by 4 per cent to £377,000 (HY 2018: £392,000), driven by an increase in our regional businesses in the North and Midlands where average selling prices are lower. Underlying house price inflation was broadly flat in the half year, while annual build cost inflation was around 3 to 4 per cent. While we have seen increases on both materials and labour, a greater use of standard house types and operational efficiency on site is enabling us to manage these pressures.

We continue to provide homes targeted at local owner occupiers and during the period 46 per cent of private sales were to first time buyers. Help to Buy remains an important sales tool, particularly at lower price points, being used on 48 per cent of private sales within the period (17 per cent of total completions). This has reduced year on year (HY 2018: 59 per cent of private sales and 27 per cent of total completions) as the regional change in product mix resulted in a lower proportion of sales to first time buyers.

Affordable ASP was down 12 per cent in the period to £148,000 (HY 2018: £169,000), again reflecting an increase in the proportion of homes delivered from the regional businesses. PRS ASP increased by 9 per cent to £131,000 (HY 2018: £120,000) driven by geographical mix and a small number of PRS completions in Housebuilding where ASPs are higher. Overall, total adjusted revenue increased by 20 per cent to £563.7m (HY 2018: £468.0m). On a reported basis, revenue increased by 27 per cent to £507.0m (HY 2018: £398.8m).

Operating profit and margin
Adjusted operating profit increased by 11 per cent to £89.4m (HY 2018: £80.6m). On a reported basis, operating profit decreased by 5 per cent to £60.2m (HY 2018: £63.5m). The difference between adjusted and reported results reflects the proportional consolidation of our joint ventures and associate (see Notes 13 and 14) and non-underlying items. Overall, adjusted operating margin decreased as expected by 130bps to 15.9 per cent (HY 2018: 17.2 per cent). This was principally due to the change in tenure mix following the Westleigh acquisition and a return towards target margins on Partnership South sites.

Non-underlying items
Non-underlying items relate to the amortisation of acquired intangibles and the costs associated with the acquisition of Westleigh (£4.1m), along with a one-off non-cash inventory impairment charge of £7.4m in our Manchester region (Note 7).

Operational highlights
Our net private reservation rate per open sales outlet per week remained ahead of our target range at 0.86 (HY 2018: 0.87) following a strong second quarter, after a slower start to the year.

Our open sales outlets increased by 15 per cent to 60 (HY 2018: 52) with total active sites up 49 per cent to 140 (H1 2018: 94). Our total forward order book was up 49 per cent to £1,037m

(HY 2018: £697m) including our private forward order book at £291m (HY 2018: £328m). We are 75 per cent forward sold for the current year, giving us good momentum into the second half.

ROCE

As the Partnerships division increased as a proportion of the Group, along with an improvement in underlying asset turn in Housebuilding as we completed the last of the legacy sites, Group asset turn increased to 2.0 times (HY 2018: 1.7 times), driving an increase in Group ROCE of 510bps to 32.9 per cent (HY 2018: 27.8 per cent).

Net debt

After purchasing £13.0m of shares for the Employee Benefit Trust and an increased investment into a number of larger Partnerships schemes, the Group had net debt at 31 March 2019 of £42.1m (HY 2018: net cash of £13.7m). This resulted in gearing[1] of 5.2 per cent (HY 2018: (1.9) per cent) and adjusted gearing[2] of 20.0 per cent (HY 2018: 14.6 per cent).

Net finance costs were £6.5m (HY 2018: £4.6m), higher than the prior period reflecting the higher level of average debt following the acquisition of Westleigh in April 2018. Interest on bank debt increased to £2.1m (HY 2018: £1.0m).

Taxation

The effective tax rate applied to adjusted profit for the period was 19.3 per cent (HY 2018: 18.8 per cent). This reflects the anticipated full year effective rate and is broadly in line with the UK headline rate of 19.0 per cent. On a statutory basis, the effective tax rate was 18.2 per cent (HY 2018: 17.3 per cent), the difference to the adjusted effective tax rate being the impact of the Group's associate and joint ventures and non-underlying items.

Earnings per share

Adjusted basic earnings per share were 15.0 pence (HY 2018: 13.7 pence), reflecting the growth in adjusted earnings in the period. On a statutory basis, basic earnings per share were 12.9 pence (HY 2018: 13.3 pence).

Dividend

Given the continued strong cash generation in the business and our confidence in our mixed-tenure delivery, the Board has increased the dividend to 40 per cent of adjusted earnings with immediate effect (previously 30 percent of adjusted earnings). As a result, the Board recommends an interim dividend of 6.0 pence per share (HY 2018: 4.2 pence per share), payable on 5 July 2019.

[1] Gearing is defined as net debt divided by net assets.
[2] Adjusted gearing is defined as above, except that net debt includes land creditors.

Partnerships

	HY 2019	HY 2018	Change
Completions	**1,889**	1,172	+61%
Adjusted revenue	**£342.4m**	£246.6m	+39%
Adjusted operating profit	**£45.7m**	£46.8m	-2%
Adjusted margin	**13.3%**	19.0%	-570bps
ROCE	**66.7%**	78.7%	-1,200bps
Land bank (plots)	**36,132**	21,698	+67%

Completions

The growth in total completions was driven by a 146 per cent increase in affordable completions to 806 homes (HY 2018: 328 homes) largely as a result of the Westleigh acquisition. Excluding Westleigh, the organic growth in total completions was 12 per cent. In addition, PRS homes were up 64 per cent to 594 homes (HY 2018: 362 homes) resulting from the previously announced framework agreement which will see us deliver 5,000 homes over three years for Sigma Capital Group. Private completions were up 1 per cent on the strong comparative in the prior period to 489 homes (HY 2018: 482 homes).

Revenue

Private ASPs were down 6 per cent to £288,000 (HY 2018: £308,000) due to a change in geographic mix with a greater proportion of completions coming from the Midlands and Northern regions. This geographic shift also impacted affordable ASP which was down 10 per cent to £141,000 (HY 2018: £157,000). PRS ASP was up 5 per cent to £126,000 (HY 2018: £120,000). In total, combined with the growth in completions this led to adjusted revenue up 39 per cent to £342.4m (HY 2018: £246.6m).

Operating profit and margin

Following the change in geographical and tenure mix following the Westleigh acquisition and the completion of two high margin London developments in the prior year, operating margins reduced, as anticipated. Overall, the adjusted operating margin decreased by 570bps to 13.3 per cent (HY 2018: 19.0 per cent). Adjusted operating profit of £45.7m (HY 2018: £46.8m) was down 2 per cent in the period as a consequence of the lower operating margin. Included within our non-underlying costs, we recognised a one-off non-cash inventory impairment charge of £7.4m in our Manchester region. On a reported basis, excluding the share of profits from joint ventures which were higher in this period, our operating profit decreased by 30% to £31.3m (HY 2018 £44.7m). Our operating margin decreased to 9.5 percent (HY 2018: 18.6 per cent). For both the current year and the medium term we anticipate that the Partnerships adjusted operating margin will revert towards to the target level of approximately 15 per cent.

ROCE

The lower operating profit, combined with the additional investment for the second half weighted delivery, reduced return on capital employed ("ROCE") to 66.7 per cent (HY 2018: 78.7 per cent). This is consistent with our target of 50+ per cent and reflects the low capital model we operate within Partnerships. Asset turn remained strong at 4.5 times (HY 2018: 4.5 times).

Operational highlights

The integration of Westleigh is now complete with new regions in Leicester, Solihull and Leeds now operational and rebranded. We have secured 3,077 plots in the first half in these regions, in addition to their existing land banks, giving us 6,653 plots in the new geographic areas. We also recently announced a framework agreement with Midland Heart Housing Association to deliver 1,000 homes over the next three years. These new regions provide an excellent platform for the acceleration of our mixed-tenure Partnerships delivery.

Our modular timber panel factory in Warrington is now fully operational with around 500 units expected to be delivered in the current financial year. The factory will service our northern regions with a total capacity of approximately 1,500 units in FY 2020, helping improve build speed and to secure our supply chain for the longer-term.

Visibility of future work
We had another successful six months in winning new business, which cements our longer-term growth plans. We secured 9,893 new plots in the period including 2,170 plots at the Cambridge Road Estate, Kingston upon Thames. We also secured 900 additional homes at Acton Gardens, London as a result of replanning future phases. In addition, large-scale regeneration developments won in previous years are now under development, including Beam Park in Dagenham, Fresh Wharf in Barking and Maidenhead in Berkshire. We now have 36,132 Partnerships plots under our control, representing over nine years' supply at current volumes, which provides significant visibility of future delivery. Additionally, our future bid pipeline currently stands at a further 84,000 plots.

At 31 March 2019, we had 31 open selling outlets with a further 73 sites under construction (HY 2018: 22 and 27 respectively).

Housebuilding

	HY 2019	HY 2018	change
Completions	**473**	483	-2%
Adjusted revenue	**£221.3m**	£221.4m	-
Adjusted operating profit	**£48.1m**	£37.3m	+29%
Adjusted margin	**21.7%**	16.9%	+480bps
ROCE	**23.8%**	18.2%	+560bps
Land bank (plots)	**21,284**	19,741	+8%

Completions
Total completions were down 2 per cent at 473 homes (HY 2018: 483 homes), in line with our expectations of new sales outlet openings and completions being weighted to the second half of the year. Total private completions of 327 homes were up 12 per cent (HY 2018: 291), as a result of the phasing of construction on a number of developments. Consequently, affordable completions were down 31 per cent in the period to 132 homes (HY 2018: 192 homes) and we also completed our first PRS sale in Housebuilding for 14 homes at a site in Harlow, Essex to Sigma Capital.

Revenue
Private ASP was down 4 per cent at £510,000 (HY 2018: £531,000) with some pressure on higher price points. We continue to see strong sales rates and values at the price points below £600,000, which represented 73 per cent of the Housebuilding division's sales in the first half of the year. Affordable ASPs were broadly flat at £188,000 (HY 2018: £190,000). The growth in private completions as a proportion of total completions, offset by the reduction in private ASP, led to adjusted revenue flat year on year at £221.3m (HY 2018: £221.4m).

Operating profit and margin
Adjusted operating profit of £48.1m was up 29 per cent on the prior year (HY 2018: £37.3m) reflecting a reduced contribution from the lower margin legacy sites, which have now been completed, along with the benefit of a more mature business. In addition, there was a slightly higher contribution from land sales and commercial activities of £6.5m (HY 2018: £5.8m). We continue to focus on operational efficiency on site to help manage the pressure of build cost inflation. Overall, the adjusted operating margin of 21.7 per cent was up 480bps on the prior period (HY 2018: 16.9 per cent). On a reported basis our operating profit increased by 54 per cent to £37.4m (HY 2018: £24.3m) and our operating margin increased by 560bps to 21.0 per cent (HY 2018: 15.4 per cent).

ROCE
ROCE was up 560bps at 23.8 per cent (HY 2018: 18.2 per cent), driven by the improvement in adjusted operating margin and a higher asset turn at 1.2 times (HY 2018: 1.1 times) as we completed the last of the legacy sites.

Operational highlights
We continue to develop the Housebuilding division within a 50-mile radius of London and we now have strategic land teams established covering all this area. During the period we were selected by Homes England to deliver 769 homes across two new developments at Burgess Hill, West Sussex and Tattenhoe, Milton Keynes. We were also successful in securing an option over 1,000 units in Tangmere, West Sussex, supporting our future delivery in this region.

The Housebuilding division is continuing to grow in scale of operation. Our focus on increased standardisation of house type and specifications, along with operational efficiencies on site have helped us deliver the improvement in operating margin. We had 29 open sales outlets at 31 March 2019 (HY 2018: 30 outlets), with a further 7 sites under construction (HY 2018: 15 sites).

Visibility of future work
We have grown the land bank in our Housebuilding division and acquired 6 sites totalling 2,233 plots during the period. We have also completed the planned sale of land for a care home at Hazel End, Hertfordshire and a surplus site at Upton Grey, Basingstoke. The Housebuilding land bank now stands at 21,284 plots (HY 2018: 19,741 plots) of which only 21 per cent is owned and the remainder either controlled by option agreements or under conditional contracts. 79 per cent has been sourced strategically.

Group Current trading and outlook

Following a strong second quarter, with a net private reservation rate at the top of our target range, we remain well placed to deliver on full year expectations. As expected, completions will be second half weighted but are underpinned by a strong forward order book and further outlet openings in the second half. Our geographic expansion following the integration of Westleigh provides us with a platform for future growth. Additionally, we continue to see attractive new business opportunities in both divisions to support our medium-term strategy.

We will be hosting a Capital Markets Day for analysts and investors on 26 June 2019 in London. If you would like to attend please contact Victoria Prior at victoria.prior@cpplc.com.

Ian Sutcliffe
Group Chief Executive
15 May 2019

Dividend and Dividend Reinvestment Plan ("DRIP")

The interim dividend of 6.0 pence per share will be paid as a cash dividend on 5 July 2019 to shareholders on the register at the close of business on 24 May 2019. Shareholders are again being offered the opportunity to reinvest some or all of their dividend under the DRIP, details of which are available from our Registrars and on our website at investors.countrysideproperties.com. The shares will go ex-dividend on 23 May 2019. Shareholders have until 14 June 2019 to decide whether they wish to participate in or withdraw from the DRIP.

Principal risks and uncertainties

The Group's principal risks are monitored by the Risk Management Committee, the Audit Committee and the Board. The table below sets out the Group's principal risks and uncertainties, and mitigation.

Risk	Description	Mitigation
1	***Adverse macro-economic conditions**** A decline in macroeconomic conditions, or conditions in the UK residential property market, can reduce the propensity to buy homes. Higher unemployment, interest rates and inflation can affect consumer confidence and reduce demand for new homes. Constraints on mortgage availability, or higher costs of mortgage funding, may make it more difficult to sell homes.	Funds are allocated between the Housebuilding and Partnerships businesses. In Housebuilding, land is purchased based on planning prospects, forecast demand and market resilience. In Partnerships, contracts are phased and, where possible, subject to viability testing. In all cases, forward sales, cash flow and work in progress are carefully monitored to give the Group time to react to changing market conditions.
2	***Adverse changes to Government policy and regulation**** Adverse changes to Government policy in areas such as tax, housing, and the environment and building regulations may result in increased costs and/or delays. Failure to comply with laws and regulations could expose the Group to penalties and reputational damage.	The potential impact of changes in Government policy and new laws and regulations are monitored and communicated throughout the business. Detailed policies and procedures are in place to address the prevailing regulations.
3	***Constraints on construction resources**** Costs may increase beyond budget due to the reduced availability of skilled labour, or shortages of sub-contractors or building materials at competitive prices to support the Group's growth ambitions. The Group's strategic geographic expansion may be at risk if new supply chains cannot be established.	Optimise use of standard house types and design to maximise buying power. Use of strategic suppliers to leverage volume price reductions and minimise unforeseen disruption. Robust contract terms to control costs.
4	***Programme delay (rising project complexity)*** Failure to secure timely planning permission on economically viable terms or poor project forecasting, unforeseen operational delays due to technical issues, disputes with third party contractors or suppliers, bad weather or changes in purchaser requirements may cause delay or potentially termination of project.	The budgeted programme for each site is approved by the Divisional Board before acquisition. Sites are managed as a portfolio to control overall Group delivery risk. Weekly monitoring at both divisional and Group level.
5	***Inability to source and develop suitable land*** Competition or poor planning may result in a failure to procure land in the right location, at the right price and at the right time.	A robust land appraisal process ensures each project is financially viable and consistent with the Group's strategy.
6	***Inability to attract and retain talented employees**** Inability to attract and retain highly-skilled, competent people at all levels could adversely affect the Group's results, prospects and financial condition.	Remuneration packages are regularly benchmarked against industry standards to ensure competitiveness. Succession plans are in place for all key roles within the Group. Exit interviews are used to identify any areas for improvement.
7	***Inadequate Health, Safety and Environmental procedures*** A deterioration in the Group's Health, Safety & Environmental standards could put the Group's employees, contractors or the general public at risk of injury or death and could lead to litigation or penalties or damage the Group's reputation.	Procedures, training and reporting are all carefully monitored to ensure that high standards are maintained. An environmental risk assessment is carried out prior to any land acquisition. Appropriate insurance is in place to cover the risks associated with housebuilding.

*****The Group's principal risks and uncertainties take into account the potential for the UK to leave the EU with no agreed deal in place. This would likely lead to a period of reduced consumer confidence and potentially exacerbate many of the principal risks, but particularly those marked with an asterisk.

Responsibility statement of the Directors in respect of the unaudited results for the half year ended 31 March 2019

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU;

- the interim results report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Countryside Properties PLC are David Howell (Chairman), Ian Sutcliffe (Group Chief Executive), Mike Scott (Group Chief Financial Officer), Amanda Burton (Non-Executive Director), Douglas Hurt (Non-Executive Director), Simon Townsend (Non-Executive Director; appointed on 1 March 2019) and Baroness Sally Morgan (Non-Executive Director).

For and on behalf of the Board

Gary Whitaker
Company Secretary
15 May 2019

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 March 2019

	Note	**Six months ended 31 March 2019**	Six months ended 31 March 2018	Year ended 30 September 2018
		Unaudited	Unaudited Restated	Audited
		£m	£m	£m
Revenue	5, 6	**507.0**	398.8	1,018.6
Cost of sales		**(407.0)**	(307.4)	(788.9)
Gross profit		**100.0**	91.4	229.7
Administrative expenses		**(39.8)**	(27.9)	(80.4)
Operating profit	5	**60.2**	63.5	149.3
Analysed as:				
Adjusted operating profit		**89.4**	80.6	211.4
Less: Share of joint ventures and associate operating profit		**(17.7)**	(15.1)	(46.4)
Less: Non-underlying items	7	**(11.5)**	(2.0)	(15.7)
Operating profit		**60.2**	63.5	149.3
Finance costs	8	**(7.4)**	(5.5)	(12.0)
Finance income	8	**0.9**	0.9	1.4
Share of post-tax profit from joint ventures and associate		**16.6**	13.4	42.0
Profit before income tax		**70.3**	72.3	180.7
Income tax expense	9	**(12.8)**	(12.5)	(32.1)
Profit for the period		**57.5**	59.8	148.6
Profit is attributable to:				
Owners of the parent		**57.1**	59.6	147.9
Non-controlling interest		**0.4**	0.2	0.7
		57.5	59.8	148.6
Other comprehensive income				
Items that may be reclassified to profit and loss:				
Increase in the fair value of available-for-sale financial assets		**-**	1.0	0.1
Items reclassified to profit and loss:				
Reclassification of available-for-sale reserve to profit and loss		**-**	-	(0.4)
Total comprehensive income for the period		**57.5**	60.8	148.3
Total comprehensive income for the period attributable to:				
Owners of the parent		**57.1**	60.6	147.6
Non-controlling interest		**0.4**	0.2	0.7
		57.5	60.8	148.3
Earnings per share (expressed in pence per share):				
Basic	10	**12.9**	13.3	33.1
Diluted	10	**12.8**	13.2	32.6

Revenue and operating profits arise from the Group's continuing operations. Results for the six months ended 31 March 2018 have been restated, as described in Note 3.

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2019

	Note	**As at 31 March 2019**	As at 31 March 2018	As at 30 September 2018
		Unaudited	Unaudited Restated	Audited Restated
		£m	£m	£m
Assets				
Non-current assets				
Intangible assets		**175.2**	59.1	179.5
Property, plant and equipment		**10.0**	2.9	7.7
Investment in joint ventures	13	**46.7**	58.1	62.5
Investment in associate	14	**4.8**	2.6	5.4
Financial assets at fair value through profit or loss	15	**4.1**	7.3	4.1
Deferred tax assets		**8.9**	2.8	9.3
Trade and other receivables		**15.0**	19.0	21.8
		264.7	151.8	290.3
Current assets				
Inventories	16	**779.9**	741.8	740.8
Trade and other receivables		**234.6**	159.8	165.9
Cash and cash equivalents	17	**13.2**	15.8	47.2
		1,027.7	917.4	953.9
Total assets		**1,292.4**	1,069.2	1,244.2
Liabilities				
Current liabilities				
Overdrafts	17	**(13.1)**	-	-
Trade and other payables		**(303.8)**	(232.1)	(317.6)
Current income tax liabilities		**(13.3)**	(12.6)	(18.7)
Provisions		**(3.5)**	(2.5)	(4.2)
		(333.7)	(247.2)	(340.5)
Non-current liabilities				
Borrowings	17	**(39.9)**	(2.1)	(2.2)
Trade and other payables		**(93.6)**	(98.1)	(93.8)
Deferred tax liabilities		**(11.9)**	-	(12.9)
Provisions		**(0.6)**	(1.0)	(1.1)
		(146.0)	(101.2)	(110.0)
Total liabilities		**(479.7)**	(348.4)	(450.5)
Net assets		**812.7**	720.8	793.7
Equity				
Share capital		**4.5**	4.5	4.5
Reserves		**806.2**	715.2	787.6
Equity attributable to owners of the parent		**810.7**	719.7	792.1
Equity attributable to non-controlling interest		**2.0**	1.1	1.6
Total equity		**812.7**	720.8	793.7

The Group's position for the six months ended 31 March 2018 and the year ended 30 September 2018 have been restated, as described in Note 3.

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six months ended 31 March 2019

	Share capital	Retained earnings	Available-for-sale reserve	Equity attributable to owners of the parent	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m
At 30 September 2018	**4.5**	**787.6**	**-**	**792.1**	**1.6**	**793.7**
Comprehensive income						
Profit for the period	-	57.1	-	57.1	0.4	57.5
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	57.1	-	57.1	0.4	57.5
Transactions with owners						
Share based payments, net of deferred tax	-	3.7	-	3.7	-	3.7
Dividends paid	-	(29.2)	-	(29.2)	-	(29.2)
Purchase of shares by Employee Benefit Trust	-	(13.0)	-	(13.0)	-	(13.0)
Total transactions with owners	-	(38.5)	-	(38.5)	-	(38.5)
At 31 March 2019	**4.5**	**806.2**	**-**	**810.7**	**2.0**	**812.7**

	Share capital	Retained earnings	Available-for-sale reserve	Equity attributable to owners of the parent	Non-controlling interest	Total equity
At 30 September 2017	**4.5**	**684.8**	**0.3**	**689.6**	**0.9**	**690.5**
Comprehensive income						
Profit for the period (restated)	-	59.6	-	59.6	0.2	59.8
Other comprehensive income	-	-	1.0	1.0	-	1.0
Total comprehensive income	-	59.6	1.0	60.6	0.2	60.8
Transactions with owners						
Share based payments, net of deferred tax	-	3.3	-	3.3	-	3.3
Dividends paid	-	(22.3)	-	(22.3)	-	(22.3)
Purchase of shares by Employee Benefit Trust	-	(11.5)	-	(11.5)	-	(11.5)
Total transactions with owners	-	(30.5)	-	(30.5)	-	(30.5)
At 31 March 2018 (restated)	**4.5**	**713.9**	**1.3**	**719.7**	**1.1**	**720.8**

Results for the six months ended 31 March 2018 have been restated, as described in Note 3.

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (AUDITED)
For the six months ended 31 March 2019

	Share capital	Retained earnings	Available-for-sale reserve	Equity attributable to owners of the parent	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m
At 30 September 2017	**4.5**	**684.8**	**0.3**	**689.6**	**0.9**	**690.5**
Comprehensive income						
Profit for the period	-	147.9	-	147.9	0.7	148.6
Other comprehensive income	-	-	(0.3)	(0.3)	-	(0.3)
Total comprehensive income	-	147.9	(0.3)	147.6	0.7	148.3
Transactions with owners						
Share based payments, net of deferred tax	-	7.4	-	7.4	-	7.4
Dividends paid	-	(41.1)	-	(41.1)	-	(41.1)
Purchase of shares by Employee Benefit Trust	-	(11.4)	-	(11.4)	-	(11.4)
Total transactions with owners	-	(45.1)	-	(45.1)	-	(45.1)
At 30 September 2018	**4.5**	**787.6**	-	**792.1**	**1.6**	**793.7**

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED CASHFLOW STATEMENT
For the six months ended 31 March 2019

	Note	**Six months ended 31 March 2019**	Six months ended 31 March 2018	Year ended 30 September 2018
		Unaudited	Unaudited	Audited
		£m	£m	£m
Cash (used in)/generated from operations	18	**(13.3)**	(22.6)	111.4
Interest paid		**(1.3)**	(0.9)	(3.2)
Tax paid		**(18.4)**	(6.5)	(22.7)
Net cash (outflow)/inflow from operating activities		**(33.0)**	(30.0)	85.5
Cash flows from investing activities				
Purchase of intangible assets		**(1.5)**	(0.6)	(1.4)
Purchase of property, plant and equipment		**(3.7)**	(0.8)	(5.3)
Proceeds from disposal of available-for-sale financial assets		**-**	1.5	4.8
Acquisition of subsidiary (net of cash acquired)		**-**	-	(39.9)
Funding to settle subsidiary's net debt on acquisition		**-**	-	(71.2)
(Increase)/decrease in advances to associate and joint ventures		**(39.4)**	(15.1)	11.5
Investment in new joint ventures		**-**	-	(3.2)
Repayment of members' interest		**-**	-	12.1
Dividends received from associate and joint ventures		**32.7**	14.7	26.9
Net cash (outflow)/inflow from investing activities		**(11.9)**	(0.3)	(65.7)
Cash flows from financing activities				
Dividends paid		**(29.2)**	(22.3)	(41.1)
Purchase of shares by Employee Benefit Trust		**(13.0)**	(11.5)	(11.4)
Borrowings under revolving credit facility		**40.0**	-	125.0
Repayment of borrowings under revolving credit facility		**-**	-	(125.0)
Proceeds from other borrowings		**-**	2.5	2.5
Net cash (outflow)/inflow from financing activities		**(2.2)**	(31.3)	(50.0)
Net decrease in cash and cash equivalents		**(47.1)**	(61.6)	(30.2)
Cash and cash equivalents at beginning of the period		**47.2**	77.4	77.4
Cash and cash equivalents at the end of the period	17	**0.1**	15.8	47.2

1. GENERAL INFORMATION

Countryside Properties PLC (the "Company") is a public limited company incorporated and domiciled in the United Kingdom, whose shares are publicly traded on the London Stock Exchange. The Company's registered office is Countryside House, The Drive, Brentwood, Essex, CM13 3AT.

The Group's principal activities are building new homes and regeneration of public sector land.

2. BASIS OF PREPARATION

The financial information in these condensed consolidated interim financial statements (the "Financial Information") for the six months to 31 March 2019 is that of the Company and all of its subsidiaries (together the "Group"). It has been prepared in accordance with the Disclosure and Transparency Rules of the UK Financial Conduct Authority and with International Accounting Standard 34 'Interim Financial Reporting', as endorsed by the European Union.

The Financial Information for the six months ended 31 March 2019 and 31 March 2018 is unaudited, but has been subject to a review in accordance with the International Standard on Review Engagements 2410 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Auditing Practices Board.

The Financial Information does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006 and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 September 2018 (the "Group Financial Statements"). The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and filed at Companies House.

The Group Financial Statements have been reported on by the Company's auditors and are available on the Company's website investors.countrysideproperties.com. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial information was authorised for issue by the Directors on 15 May 2019.

Going concern
The Group has the benefit of a committed credit facility, which provides the Group with sufficient available funds to finance its operations. The Directors review forecasts of the Group's liquidity requirements based on a range of scenarios to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants within its borrowing facilities.

The Directors have reviewed the cash flow forecasts of the Group and consider that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this Financial Information. The Directors therefore consider it is appropriate to adopt the going concern basis of accounting in preparing the Financial Information.

Critical accounting judgements and estimates
The preparation of the Financial Information under IFRS requires the Directors to make estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, expenses and related disclosures. The critical accounting judgements and key sources of estimation uncertainty during the period were the same as those disclosed in the Group Financial Statements.

3. ACCOUNTING POLICIES

The policies applied in the Financial Information are consistent with those applied in the Group Financial Statements, except in respect of income taxes and new accounting standards, as described below.

Income taxes
Taxes on income in interim periods are accrued using the tax rate that would be applicable to expected annual earnings.

Earnings per share
The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for the weighted average number of shares held by the Employee Benefit Trust ("EBT"). For diluted EPS, the weighted average number of ordinary shares is adjusted for the weighted average number of shares purchased for the EBT and assumes conversion of all potentially dilutive share awards.

Prior period restatement – Deferred land and overage discount rates
As disclosed in the 2018 Group Financial Statements, following the review of the 2017 Annual Report and Accounts by the Financial Reporting Council, the Directors concluded that in applying IAS 39 'Financial Instruments: Recognition and Measurement', the discount rates applied to liabilities for deferred land and overage payments should not have been changed subsequent to their initial recognition.

3. ACCOUNTING POLICIES (continued)

As a result, for the six months ended 31 March 2018, net finance costs were understated by £1.3m and profit after tax, taking into account tax and the impact on joint ventures, was overstated by £1.2m. Net assets, after taking into account the impact on the year ended 30 September 2017, were understated by £4.1m as at 31 March 2018.

The financial information for the six months ended 31 March 2018 has been restated accordingly and the impact on affected line items is set out in the table below:

	Six months ended 31 March 2018 Restated £m	Six months ended 31 March 2018 Original £m
Finance costs	**5.5**	4.2
Share of post-tax profit from associates and joint ventures	**13.4**	13.5
Profit before income tax	**72.3**	73.7
Income tax expense	**12.5**	12.7
Profit for the year	**59.8**	61.0
Investment in joint ventures	**58.1**	57.6
Current income tax liabilities	**12.6**	11.5
Current trade and other payables	**232.1**	232.8
Non-current trade and other payables	**98.1**	102.1
Net assets	**720.8**	716.7
Earnings per share – basic	**13.3**	13.6
Earnings per share – diluted	**13.2**	13.5

Prior period restatement – Acquisition fair values
During the prior financial year, the Group acquired 100% of Westleigh Group Limited ("Westleigh"). The fair values of acquired net assets disclosed in the Group Financial Statements have been finalised during the period and the Consolidated Statement of Financial Position as at 30 September 2018 restated accordingly, as required by IFRS 3. Refer to Note 12 for further detail.

Purchase of own shares
The Company acquired 4,500,000 of its own shares through purchases on the London Stock Exchange in October 2018 to meet the Group's expected obligations under share based incentive arrangements. These shares are held by an Employee Benefit Trust ("EBT") that was established by the Company. The EBT has waived its right to vote and to dividends on the shares it holds which are unallocated. The total amount paid to acquire the shares was £13.0m.

New standards, amendments and interpretations
The following amendments to standards and interpretations are effective for the first time for the financial year beginning 1 October 2018 and have been adopted during the period:

- **IFRS 9 'Financial Instruments'** replaces the guidance in IAS 39 and addresses the classification, measurement, impairment and recognition of financial assets and financial liabilities. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income and fair value through profit or loss. IFRS 9 also requires the Group to recognise expected credit losses ("ECL") and to update the amount of ECL recognised at each reporting date to reflect changes in the credit risk of financial assets.

  There are no assets whose categorisation under IFRS 9 led to a change in accounting treatment and, therefore, there has been no change to the Group's results or net assets as a result of the implementation of this standard. Financial assets which were derecognised prior to the implementation of IFRS 9 have not been re-categorised retrospectively.

  The Group reviews the future recoverability of receivables in assessing exposure to ECL. Given the nature of the receivables and lack of significant exposure to ECL, the impact on Group profits of adopting IFRS 9 is not material.

3. ACCOUNTING POLICIES (continued)

- **IFRS 15 'Revenue from Contracts with Customers'** deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

  The Group recognises revenue either at a point in time or over time, depending on the nature of the activity.

  Revenue recognised at a point in time comprises revenue recognised on the legal completion of sales of private homes, on unconditional exchange of contracts for land, on the delivery of project management services and in any other activity where a customer obtains immediate control of a good or service.

  Revenue recognised over time comprises the delivery of development contracts for affordable housing and private rental sector customers and other contracts where a customer obtains control of a good or service over time.

  This approach remains unchanged on transition to IFRS 15. The only impact of this standard is that the Group now recognises revenue on the sale of part exchanged properties, whereas previously such sales were recognised within cost of sales. The transition to IFRS 15 therefore has no impact on reported profits.

  During the six months to 31 March 2019, £3.9m of revenue has been recognised on the sale of part exchanged properties. The impact on adjusted revenue (including share of revenue from associate and joint ventures) for the six months to 31 March 2019 is £4.4m.

  IFRS 15 has been applied using the modified retrospective approach with no restatement of comparative financial information. Income from the sale of part exchange properties was £6.2m in HY18 and £9.9m in FY18.

The following amendments to standards and interpretations, which will be relevant to the preparation of the Group's financial statements, have been issued but are not yet effective and have not been early adopted for the financial year beginning 1 October 2018:

- **IFRS 16 'Leases'** (effective 1 October 2019) addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases' and related interpretations. The Group is currently undertaking a detailed exercise to determine the impact of this standard on the Group's results. The principal impact on the Group is likely to be the recognition of additional leasing assets and liabilities, although the net impact on net assets and profit is not expected to be material.

There are no IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Group for the financial year beginning 1 October 2018.

4. SEASONALITY

In common with the rest of the UK housebuilding industry, activity occurs throughout the year, with peaks in sales completions in spring and autumn. This creates a degree of seasonality in the Group's trading results and working capital.

5. SEGMENTAL REPORTING

Segmental reporting is presented in respect of the Group's business segments reflecting the Group's management and internal reporting structure and is the basis on which strategic operating decisions are made by the Group's Chief Operating Decision Maker ("CODM"), which has been identified as the Group's Executive Committee. The Group's two business segments are Partnerships and Housebuilding. There have not been any changes to the Group's segments in the six months to 31 March 2019. The Group operates entirely within the United Kingdom.

(a) Segmental income statement

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Six months ended 31 March 2019				
Adjusted revenue including share of associate and joint ventures' revenue	**342.4**	**221.3**	**-**	**563.7**
Less: share of associate and joint ventures' revenue	**(13.3)**	**(43.4)**	**-**	**(56.7)**
Revenue	**329.1**	**177.9**	**-**	**507.0**
Adjusted operating profit/(loss) including share of operating profit from associate and joint ventures	**45.7**	**48.1**	**(4.4)**	**89.4**
Less: share of operating profit from associate and joint ventures	**(7.0)**	**(10.7)**	**-**	**(17.7)**
Less: non-underlying items	**(7.4)**	**-**	**(4.1)**	**(11.5)**
Operating profit/(loss)	**31.3**	**37.4**	**(8.5)**	**60.2**

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Six months ended 31 March 2018				
Adjusted revenue including share of associate and joint ventures' revenue	246.6	221.4	-	468.0
Less: share of associate and joint ventures' revenue	(6.0)	(63.2)	-	(69.2)
Revenue	240.6	158.2	-	398.8
Adjusted operating profit/(loss) including share of operating profit from associate and joint ventures	46.8	37.3	(3.5)	80.6
Less: share of operating profit from associate and joint ventures	(2.1)	(13.0)	-	(15.1)
Less: non-underlying items	-	-	(2.0)	(2.0)
Operating profit/(loss)	44.7	24.3	(5.5)	63.5

5. SEGMENTAL REPORTING (continued)

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Year ended 30 September 2018				
Adjusted revenue including share of associate and joint ventures' revenue	634.8	594.7	-	1,229.5
Less: share of associate and joint ventures' revenue	(44.5)	(166.4)	-	(210.9)
Revenue	590.3	428.3	-	1,018.6
Adjusted operating profit/(loss) including share of operating profit from associate and joint ventures	110.6	109.6	(8.8)	211.4
Less: share of operating profit from associate and joint ventures	(9.5)	(36.9)	-	(46.4)
Less: non-underlying items	-	-	(15.7)	(15.7)
Operating profit/(loss)	101.1	72.7	(24.5)	149.3

(b) Segmental other items

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Six months ended 31 March 2019				
Investment in associate	-	4.8	-	4.8
Investment in joint ventures	8.0	38.7	-	46.7
Share of post-tax profit from associate and joint ventures	7.0	9.6	-	16.6
Capital expenditure – property, plant and equipment	3.4	0.3	-	3.7
Capital expenditure - software	-	-	1.5	1.5
Depreciation and amortisation	0.7	0.1	5.7	6.5
Share-based payments	-	-	3.3	3.3

	Partnerships £m	Housebuilding Restated £m	Group items £m	Total Restated £m
Six months ended 31 March 2018				
Investment in associate	-	2.6	-	2.6
Investment in joint ventures	3.0	55.1	-	58.1
Share of post-tax profit from associate and joint ventures	2.0	11.4	-	13.4
Capital expenditure – property, plant and equipment	0.4	0.4	-	0.8
Capital expenditure - software	-	-	0.6	0.6
Depreciation and amortisation	0.2	0.2	1.0	1.4
Share-based payments	-	-	2.8	2.8

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Year ended 30 September 2018				
Investment in associate	-	5.4	-	5.4
Investment in joint ventures	13.6	48.9	-	62.5
Share of post-tax profit from associate and joint ventures	9.6	32.4	-	42.0
Capital expenditure – property, plant and equipment	4.5	0.8	-	5.3
Capital expenditure - software	-	-	1.4	1.4
Depreciation and amortisation	0.7	0.4	6.6	7.7
Share-based payments	-	-	6.8	6.8

Results for the six months ended 31 March 2018 have been restated, as described in Note 3.

5. SEGMENTAL REPORTING (continued)

(c) Alternative Performance Measure – Segmental TNAV

Segmental TNAV represents the net assets of the Group's two operating divisions. Segmental TNAV includes divisional net assets less intangible assets (net of deferred tax) and excludes inter-segment cash funding. TNOAV is the Group's measure of capital employed, as used in the calculation of ROCE, and is defined as net assets less intangible assets (net of deferred tax), excluding net cash or debt.

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
TNAV at 1 October 2018	54.2	565.9	-	620.1
Operating profit/(loss)	31.3	37.4	(8.5)	60.2
Add back items with no impact on TNAV:				
Share-based payments, net of deferred tax	-	-	3.7	3.7
Amortisation of intangible assets	-	-	5.8	5.8
Other items affecting TNAV:				
Results of joint ventures and associates	7.0	9.6	-	16.6
Dividends paid	(13.3)	(15.9)	-	(29.2)
Taxation	(5.8)	(7.0)	-	(12.8)
Purchase of shares by EBT	(5.9)	(7.1)	-	(13.0)
Other	(1.1)	(1.3)	(1.0)	(3.4)
TNAV at 31 March 2019	**66.4**	**581.6**	**-**	**648.0**
Inter-segment cash funding / net (cash)/debt	137.2	(95.1)	-	42.1
Segmental capital employed (TNOAV)	**203.6**	**486.5**	**-**	**690.1**

	Partnerships Restated £m	Housebuilding £m	Group items £m	Total Restated £m
TNAV at 1 October 2017	118.2	514.1	-	632.3
Operating profit/(loss)	101.1	72.7	(24.5)	149.3
Add back items with no impact on TNAV:				
Share-based payments, net of deferred tax	-	-	7.4	7.4
Amortisation of intangible assets	-	-	6.6	6.6
Other items affecting TNAV:				
Intangibles and related deferred tax from acquisitions	(120.6)	-	-	(120.6)
Results of joint ventures and associates	9.6	32.4	-	42.0
Dividends paid	(20.6)	(20.5)	-	(41.1)
Taxation	(16.1)	(16.0)	-	(32.1)
Purchase of shares by EBT	(5.7)	(5.7)	-	(11.4)
Other	(11.7)	(11.1)	10.5	(12.3)
TNAV at 30 September 2018	**54.2**	**565.9**	**-**	**620.1**
Inter-segment cash funding / net (cash)/debt	95.3	(140.3)	-	(45.0)
Segmental capital employed (TNOAV)	**149.5**	**425.6**	**-**	**575.1**

TNAV and TNOAV as at 30 September 2018 have been restated as a result of the finalisation of acquisition fair values relating to Westleigh. Refer to Note 3.

6. REVENUE

As described in Note 3, the Group recognises revenue either at a point in time or over time, depending on the nature of the activity.

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Revenue recognised at a point in time	**284.9**	289.4	724.8
Revenue recognised over time	**222.1**	109.4	293.8
	507.0	398.8	1,018.6

At 31 March 2019, £674.7m was contracted under contracts where revenue is recorded over time (HY18: £349.2m, FY18: £596.9m).

7. OPERATING PROFIT

(a) Non-underlying items

Certain items which do not relate to the Group's underlying performance are presented separately in the Consolidated Statement of Comprehensive Income as non-underlying items where, in the judgement of the Directors, they need to be disclosed separately by virtue of their size, nature or incidence in order to obtain a clear and consistent presentation of the Group's underlying business performance. Group operating profit includes the following non-underlying items:

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Non-underlying items included within operating profit:			
Amortisation of acquisition-related intangible assets	**(5.1)**	(0.6)	(5.6)
Acquisition and integration costs relating to Westleigh	**(1.4)**	(1.4)	(2.7)
Deferred consideration relating to Westleigh	**2.4**	-	(7.4)
Impairment of inventory	**(7.4)**	-	-
Total non-underlying items	**(11.5)**	(2.0)	(15.7)

Amortisation of acquisition-related intangible assets
Amortisation of acquisition-related intangible assets is reported within non-underlying items as management does not believe this cost should be included when considering the underlying trading performance of the Group.

Acquisition and integration costs relating to Westleigh
During the year ended 30 September 2018, the Group incurred advisory costs relating to the acquisition of Westleigh and subsequent integration costs. During the period, further integration costs have been incurred, including those of property moves and employee severance.

Deferred consideration relating to Westleigh
As part of the agreement to purchase Westleigh, deferred consideration is payable to management who remained with the Group post acquisition. These costs are being accrued over the period to March 2020 with changes to the estimated amount payable recognised in the Consolidated Statement of Comprehensive Income.

Impairment of inventory
During the period, a non-cash charge of £7.4m was recognised to impair the value of inventory in our Manchester region. This is the result of costs accrued over a four-year period not being appropriately recognised in the Consolidated Statement of Comprehensive Income. The Directors have taken appropriate steps to rectify this and to ensure the issue was contained in this region, including the appointment of Deloitte LLP to assist in the investigation. Disciplinary action has been taken against the members of staff involved.

The amount has been excluded from adjusted operating profit on the basis of its size and non-recurring nature in the period. In accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', as the amount is not material either individually or in aggregate in preceding financial years, it has not required the restatement of prior years' financial statements.

Taxation
A total tax credit of £2.2m (HY18: £0.4m, FY18: £2.4m) in relation to all of the above non-recurring items was included within taxation in the Consolidated Statement of Comprehensive Income.

7. OPERATING PROFIT (continued)

(b) Alternative Performance Measures

The Directors believe that adjusted revenue (including share of revenue from associate and joint ventures), adjusted operating profit (including share of operating profit from associate and joint ventures) and underlying diluted and basic earnings per share measures provide a clear and consistent presentation of the underlying performance of the Group's ongoing business for shareholders. These are not measures that are defined by IFRS and therefore may not be directly comparable with the adjusted or underlying profit measures of other companies.

The following table reconciles revenue to adjusted revenue:

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Revenue	**507.0**	398.8	1,018.6
Add: share of revenue from associate and joint ventures	**56.7**	69.2	210.9
Adjusted revenue	**563.7**	468.0	1,229.5

The following table reconciles gross profit to adjusted gross profit:

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Gross profit	**100.0**	91.4	229.7
Add: share of gross profit from associate and joint ventures	**18.1**	15.4	47.2
Add: impairment of inventory	**7.4**	-	-
Adjusted gross profit	**125.5**	106.8	276.9
Adjusted gross profit margin	**22.3%**	22.8%	22.5%

The following table reconciles operating profit to adjusted operating profit:

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Operating profit	**60.2**	63.5	149.3
Add: non-underlying items	**11.5**	2.0	15.7
Add: share of operating profit from associate and joint ventures	**17.7**	15.1	46.4
Adjusted operating profit	**89.4**	80.6	211.4
Adjusted operating profit margin	**15.9%**	17.2%	17.2%

7. OPERATING PROFIT (continued)

The following table reconciles net debt / (cash) to adjusted gearing:

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Net debt / (cash)	**42.1**	(13.7)	(45.0)
Add: land creditors	**120.2**	119.1	127.6
Adjusted net debt / (cash)	**162.3**	105.4	82.6
Equity	**812.7**	720.8	793.7
Adjusted gearing	**20.0%**	14.6%	10.4%

8. NET FINANCE COSTS

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 Restated £m	Year ended 30 September 2018 £m
Bank loans and overdrafts	**(2.1)**	(1.0)	(3.3)
Unwind of discount	**(5.0)**	(4.2)	(8.1)
Amortisation of debt finance costs	**(0.3)**	(0.3)	(0.6)
Finance costs	**(7.4)**	(5.5)	(12.0)
Interest receivable	**0.6**	0.1	0.1
Unwind of discount	**0.3**	0.8	1.3
Finance income	**0.9**	0.9	1.4
Net finance costs	**(6.5)**	(4.6)	(10.6)

Finance costs for the six months ended 31 March 2018 have been restated, as described in Note 3.

9. TAXATION

The effective tax rate applied for the period was 18.2 per cent (HY18: 17.3 per cent, FY18: 17.8 per cent). This reflects the anticipated full year effective rate and is lower than the statutory rate of 19.0 per cent mainly due to the equity accounting method for associate and joint ventures and claims for enhanced tax relief in relation to land remediation costs.

The adjusted effective tax rate applied for the period was 19.3 per cent (HY18: 18.8 per cent, FY18: 19.0 per cent). We expect the Group's adjusted tax rate to be broadly in line with the statutory rate in future years.

10. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue.

The earnings per share values for the six months ended 31 March 2018 have been restated, as described in Note 3.

(a) Basic earnings per share

	Six months ended 31 March 2019	Six months ended 31 March 2018 Restated	Year ended 30 September 2018
Profit from continuing operations attributable to equity holders of the parent (£m)	**57.1**	59.6	147.9
Basic weighted average number of shares (millions)	**443.4**	448.1	447.5
Basic earnings per share (pence per share)	**12.9**	13.3	33.1
Diluted weighted average number of shares (millions)	**446.2**	452.1	453.6
Diluted earnings per share (pence per share)	**12.8**	13.2	32.6

(b) Adjusted earnings per share

	Six months ended 31 March 2019	Six months ended 31 March 2018 Restated	Year ended 30 September 2018
Profit from continuing operations attributable to equity holders of the parent (£m)	**57.1**	59.6	147.9
Add: Non-underlying items, net of tax	**9.3**	1.6	13.3
Adjusted profit from continuing operations attributable to equity holders of the parent (£m)	**66.4**	61.2	161.2
Basic weighted average number of shares (millions)	**443.4**	448.1	447.5
Adjusted basic earnings per share (pence per share)	**15.0**	13.7	36.0
Diluted weighted average number of shares (millions)	**446.2**	452.1	453.6
Adjusted diluted earnings per share (pence per share)	**14.9**	13.5	35.5

Non-underlying items net of tax includes costs of £11.5m, net of tax of £2.2m (HY18: £2.0m, net of tax of £0.4m, FY18: £15.7m net of tax of £2.4m).

The above analysis represents an Alternative Performance Measure which has been included to assist understanding of the Group's business.

11. DIVIDEND

A final dividend for the previous financial year of 6.6 pence per share amounting to £29.2m was paid on 8 February 2019 (HY18: 5.0 pence per share, paid on 9 February 2018).

The Directors have recommended the payment of an interim dividend for the current financial year of 6.0 pence per share to be paid on 5 July 2019 (HY18: 4.2 pence per share, paid on 6 July 2018).

12. BUSINESS COMBINATIONS

On 12 April 2018, the Group acquired 100% of Westleigh Group Limited ("Westleigh"), a well-established partnerships home builder based in Leicester, as part of our strategy to expand our Partnerships business.

The Group Financial Statements within the 2018 Annual Report presented provisional accounting for the acquisition, based on an assessment of fair values that was underway at that time. The Directors' assessment of the fair values of Westleigh's assets and liabilities has now concluded within the measurement period, as defined by IFRS 3. As a result, goodwill relating to Westleigh has increased by £10.0m to £72.0m, primarily due to the fair value of inventories being reduced by £8.9m.

This change has been reflected in the comparative presentation of the Consolidated Statement of Financial Position as at 30 September 2018, with no change to reported results or cash flows. There were no other changes to goodwill during the period.

13. INVESTMENT IN JOINT VENTURES

The table below presents the movement in the Group's net investment in joint ventures:

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 Restated £m	Year ended 30 September 2018 £m
Opening balance	**62.5**	59.4	59.4
Share of post-tax profit	**15.1**	13.4	38.0
Dividends received from joint ventures	**(30.6)**	(14.7)	(25.8)
Investment in new joint ventures	**-**	-	3.2
Repayment of members' interest	**-**	-	(12.1)
Other movements	**(0.3)**	-	(0.2)
Closing balance	**46.7**	58.1	62.5

Results for the six months ended 31 March 2018 have been restated, as described in Note 3.

The Group's aggregated investment in its joint ventures is represented by:

For the six months ended 31 March 2019	**Partnerships £m**	**Housebuilding £m**	**Group £m**
Revenue	26.6	81.4	108.0
Expenses	(12.6)	(63.6)	(76.2)
Operating profit	**14.0**	**17.8**	**31.8**
Finance costs	-	(0.3)	(0.3)
Income tax	-	(1.3)	(1.3)
Profit for the period	**14.0**	**16.2**	**30.2**
Group's share in per cent			50.0%
Share of revenue			54.0
Share of operating profit			15.9
Dividends received from joint ventures			30.6
Investment in joint ventures			46.7

13. INVESTMENT IN JOINT VENTURES (continued)

For the six months ended 31 March 2018	Partnerships £m	Housebuilding Restated £m	Group Restated £m
Revenue	11.9	126.5	138.4
Expenses	(7.8)	(100.4)	(108.2)
Operating profit	**4.1**	**26.1**	**30.2**
Finance costs	-	(0.8)	(0.8)
Income tax	-	(2.5)	(2.5)
Profit for the period	**4.1**	**22.8**	**26.9**
Group's share in per cent			50.0%
Share of revenue			69.2
Share of operating profit			15.1
Dividends received from joint ventures			14.7
Investment in joint ventures			58.1

For the year ended 30 September 2018	Partnerships £m	Housebuilding £m	Group £m
Revenue	89.0	307.2	396.2
Expenses	(69.9)	(243.3)	(313.2)
Operating profit	**19.1**	**63.9**	**83.0**
Finance costs	-	(1.6)	(1.6)
Income tax	0.1	(5.4)	(5.3)
Profit for the period	**19.2**	**56.9**	**76.1**
Group's share in per cent			50.0%
Share of revenue			198.1
Share of operating profit			41.5
Dividends received from joint ventures			25.8
Investment in joint ventures			62.5

The aggregate amount due from joint ventures is £95.8m (HY18: £82.9m, FY18: £56.5m). The amount due to joint ventures is £0.3m (HY18: £0.3m, FY18: £0.4m). Transactions between the Group and its joint ventures are disclosed in Note 19.

14. INVESTMENT IN ASSOCIATE

The Group holds 28.5 per cent of the ordinary share capital with pro rata voting rights in Countryside Properties (Bicester) Limited, a company incorporated in the United Kingdom, whose principal activity is the sale of serviced parcels of land, and for segmental purposes is disclosed within the Housebuilding division. It is accounted for using the equity method.

The table below presents the movement in the Group's net investment in associate:

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Opening balance	**5.4**	2.6	2.6
Share of post-tax profit	**1.5**	-	4.0
Dividends received from associate	**(2.1)**	-	(1.1)
Other movements	**-**	-	(0.1)
Closing balance	**4.8**	2.6	5.4

The Group's investment in associate is represented by:

	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Revenue	**9.5**	-	45.1
Expenses	**(3.3)**	-	(27.5)
Operating profit	**6.2**	-	17.6
Finance income	**0.5**	-	0.1
Income tax	**(1.3)**	-	(3.5)
Profit for the period	**5.4**	-	14.2
Group's share in per cent	**28.5%**	28.5%	28.5%
Share of revenue	**2.7**	-	12.8
Share of operating profit	**1.8**	-	4.9
Dividends received from associate	**2.1**	-	1.1
Investment in associate	**4.8**	2.6	5.4

The amount due from the associate is £Nil (HY18: £Nil, FY18: £Nil). Transactions between the Group and its associate are disclosed in Note 19.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March 2019 £m	As at 31 March 2018 £m	As at 30 September 2018 £m
Overage receivable	**4.1**	-	4.1
Shared equity loans	**-**	7.3	-
	4.1	7.3	4.1

Overage receivable

Financial assets at fair value through profit or loss at 31 March 2019 and 30 September 2018 relate solely to a deferred land overage receivable. These reflect sums which the Group is virtually certain to receive, resulting from agreements where land has been sold to a third party and in which the Group is entitled to a share of surplus profits once development is completed on the land sold. It is expected that this balance will be recovered in the year ending 30 September 2020.

The overage receivable is held at fair value – that is, the Directors' best estimate of the value that could be achieved in a presumed sale of these assets to a third party, after taking into account judgements of the variability of the expected final cash value, the time value of money and the degree of completion of the developments. There has been no change in the fair value during the six months ended 31 March 2019.

Given that the inputs are estimated and not observed in a market, the fair value is classified as Level 3 in the fair value hierarchy. There have been no transfers between levels during the period.

Shared equity loans

Financial assets at fair value through profit or loss at 31 March 2018 related solely to loans advanced to home buyers to assist in the purchase of their property under shared equity schemes. During the year ended 30 September 2018, the Group disposed of its shared equity loans to a third party. These assets were accounted for as available-for-sale financial assets under IAS 39.

16. INVENTORIES

	As at 31 March 2019 £m	As at 31 March 2018 £m	As at 30 September 2018 Restated £m
Development land and work in progress	**727.3**	680.4	672.6
Completed properties unlet, unsold or awaiting sale	**52.6**	61.4	68.2
	779.9	741.8	740.8

Inventories as at 30 September 2018 have been restated, as described in Note 3.

Total provisions against inventory at 31 March 2019 were £4.2m (HY18: £3.7m, FY18: £5.7m). During the period, an impairment of £7.4m was recognised, as described in Note 7.

17. CASH AND BORROWINGS

	As at 31 March 2019 £m	As at 31 March 2018 £m	As at 30 September 2018 £m
Cash and cash equivalents	**13.2**	15.8	47.2
Overdrafts	**(13.1)**	-	-
Net cash and cash equivalents	**0.1**	15.8	47.2
Bank loans	**(40.0)**	-	-
Other loans	**(2.2)**	(2.1)	(2.2)
Borrowings	**(42.2)**	(2.1)	(2.2)
Net (debt)/cash	**(42.1)**	13.7	45.0
Bank loan arrangement fees	**2.3**	-	-
Total (borrowings)/cash	**(39.8)**	13.7	45.0

Bank loans

The Group has a £300m revolving credit facility with Lloyds Bank plc, Barclays Bank PLC, HSBC Bank plc and Santander UK plc, expiring in May 2023. The agreement has a variable interest rate based on LIBOR and includes an overdraft facility of £30m. As at 31 March 2019, the Group had drawn £53.1m of the facility (HY18: £Nil, FY18: £Nil), consisting of an overdraft of £13.1m (HY18: £Nil, FY18: £Nil) and bank loans of £40.0m (HY18: £Nil, FY18: £Nil).

Subject to obtaining credit approval from the syndicate banks, the Group has the option to extend the facility by a further £100m. This facility is subject to both financial and non-financial covenants and is secured by floating charges over all the Group's assets.

Bank loan arrangement fees are amortised over the term of the facility. At 31 March 2019, unamortised loan arrangement fees were £2.3m (HY18: £2.3m, FY18: £2.6m) and £0.3m (HY18: £0.3m, FY18: £0.6m) of debt fee amortisation finance costs are included in finance costs (Note 8). As the Group did not have any bank debt under this facility at 31 March 2018 and 30 September 2018, the unamortised loan arrangement fees are included within prepayments for the financial statements at those dates.

Other loans

During the year ended 30 September 2018, the Group received an interest free loan of £2.5m for the purpose of remediation works in relation to one of its joint arrangements. The loan is repayable on the 22 November 2022. The carrying value of the loan is equal to the fair value and was recognised initially at fair value and subsequently carried at amortised cost.

Undrawn facilities

The Group has the following undrawn facilities:

	As at 31 March 2019 £m	As at 31 March 2018 £m	As at 30 September 2018 £m
Floating rate:			
Expiring after more than one year	**246.9**	300.0	300.0

18. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of profit before taxation to cash (used in)/generated from operations

	Six months ended 31 March 2019	Six months ended 31 March 2018 Restated	Year ended 30 September 2018
	£m	£m	£m
Profit before taxation	**70.3**	72.3	180.7
Adjustments for:			
- Amortisation charge	**5.8**	1.0	6.6
- Depreciation charge	**0.7**	0.4	1.1
- Loss on disposal of property, plant and equipment	**0.7**	-	-
- Non-cash items	**-**	-	0.3
- Share of post-tax profit from joint ventures and associate	**(16.6)**	(13.4)	(42.0)
- Share based payments	**3.3**	2.8	6.8
- Finance costs	**7.4**	5.5	12.0
- Finance income	**(0.9)**	(0.9)	(1.4)
- Profit on disposal of available-for-sale financial assets	**-**	(0.2)	(1.0)
Changes in working capital:			
- Increase in inventories	**(39.1)**	(74.8)	(59.3)
- Increase in trade and other receivables	**(24.7)**	(12.1)	(26.8)
- (Decrease)/increase in trade and other payables	**(19.0)**	(4.1)	31.7
- (Decrease)/increase in provisions	**(1.2)**	0.9	2.7
Cash (used in)/generated from operations	**(13.3)**	(22.6)	111.4

Results for the six months ended 31 March 2018 have been restated, as described in Note 3.

As disclosed in the Group Financial Statements, the presentation of movements in inventories and in trade and other payables was updated during the year ended 30 September 2018 to better reflect the non-cash movements relating to deferred land payments. The impact of this change was to gross up the movements in working capital for deferred land payments reflected in trade and other payables and for movement in the corresponding land values within inventory. The change has been reflected in the results for the six months ended 31 March 2018 above, the impact of which is £63.5m.

19. RELATED PARTY TRANSACTIONS

Transactions with Group joint ventures and associate

	Joint Ventures			Associate		
	Six months ended 31 March 2019 £m	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m	**Six months ended 31 March 2019 £m**	Six months ended 31 March 2018 £m	Year ended 30 September 2018 £m
Sales during the period	**12.5**	9.3	20.2	**1.4**	0.5	1.7
Net advances:						
Amount due at start of period	**56.1**	67.6	67.6	**-**	-	-
Net advances/(repayments) during the period	**39.4**	15.0	(11.5)	**-**	-	-
Amount due at end of period	**95.5**	82.6	56.1	**-**	-	-

Sales of goods to related parties were made at the Group's commercial terms. No purchases were made by the Group from its joint ventures or associate. The amounts outstanding ordinarily bear no interest and will be settled in cash.

Transactions with key management personnel

In 2015, close family members of Ian Sutcliffe and Graham Cherry were employed by a subsidiary of the Group. Both individuals were recruited through the normal interview process and are employed at salaries commensurate with their experience and roles. The current combined annual salary and benefits of these individuals is less than £125,000 (HY18: less than £100,000, FY18: less than £110,000).

20. SHARE PLANS

The Group operates three employee incentive schemes: An all-employee Save as you Earn ("SAYE") plan and two discretionary plans - the Long Term Incentive Plan ("LTIP") and the Deferred Bonus Plan ("DBP").

The Group recognised £3.3m (HY18: £3.1m, FY18: £6.8m) of employee costs related to share-based payment transactions during the period, excluding the cost of related national insurance contributions.

A deferred tax asset of £3.3m (HY18: £2.5m, FY18: £3.6m) is held in relation to share-based payments. Transactions during the period resulted in a deferred tax charge to the income statement of £0.7m (HY18: credit of £0.1m, FY18: credit of £1.1m) and a credit direct to equity of £0.4m (HY18: £0.5m, FY18: £0.6m).

During the period, 3.9m (HY18: 3.7m, FY18: 3.7m) options were granted over the Company's shares. These were split between the three schemes, with 3.5m issued for the LTIP scheme (HY18: 2.7m, FY18: 2.7m); nil for the SAYE scheme (HY18: 0.6m, FY18: 0.6m) and a further 0.4m for the DBP scheme (HY18: 0.4m, FY18: 0.4m).

Independent review report to Countryside Properties PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Countryside Properties PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Interim review announcement of Countryside Properties PLC for the six month period ended 31 March 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Consolidated Statement of Financial Position as at 31 March 2019;
- the Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cashflow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim review announcement have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Interim review announcement, including the interim financial statements, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim review announcement in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Interim review announcement based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim review announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants
London
15 May 2019