UNAUDITED RESULTS FOR YEAR ENDED 30 SEPTEMBER 2015

19 November 2015

Continued strong growth - well positioned for the future

Results highlights

	2015	2014	Change
Completions	2,364	2,044	Up 16%
Revenue[1]	£615.8m	£468.7m	Up 31%
Operating profit[2]	£91.2m	£47.1m	Up 93%
Operating margin[3]	14.8%	10.1%	Up 470bps
ROCE[4]	24.7%	15.6%	Up 910bps

Positioned for growth

- Record private forward sales position at £137.5m (2014: £137.3m)
- Private Average Selling Price £385k up 16.8% (2014: £329k)
- Number of open sales outlets at year end 29 (2014: 26) with a further 39 (2014: 23) under construction
- Land bank of 26,213 plots (2014: 23,990) with 14,648 plots with planning consent (2014: 13,408 plots)
- Revolving credit facility to be extended to £265m, expiring 2019
- Net debt of £59.5m (2014: £85.7m) down £26.2m
- Continued strengthening of the Board with the appointment of Rebecca Worthington as CFO and Richard Adam as NED and Chair of the Audit Committee during the year
- Well on track for medium term growth objectives of over 3,600 completions per year; operating margin of over 17% and improvement in ROCE to over 28%

Outlook and current trading

We continue to experience the strong visitor levels, net sales reservation rates and selling price growth we have seen throughout 2015 and have entered 2016 with a record private order book. We have excellent visibility of future growth given the pipeline of land options and development agreements under our control and the growing number of sites under construction. The planning environment has improved since the General Election allowing us to further increase our site numbers. We continue to expand our Partnerships business, both in the north and south as the push for urban regeneration increases. We anticipate that with strong visibility of our future earnings, we remain firmly on track to deliver our medium term growth plans.

David Howell, Chairman said:

“This has been another tremendous year of growth for the Group. The outlook for the coming year remains positive, with strong customer demand for our products and political support for the sector. We have a record private forward order book and look forward to delivering the further growth in our medium term plan.”

Ian Sutcliffe, Group Chief Executive said:

“We are delighted to have continued to deliver our operational and financial objectives. We have focused on delivering strong top line and bottom line growth, while maintaining our capital discipline, to give a significant improvement in operating profit, margin and ROCE. Both our Housebuilding and Partnerships divisions have performed very well and have excellent visibility to deliver further industry leading growth.”

-ends-

“Countryside” or the “Group” refers to the Luxembourg Coppice Midco S.à r.l. group.

[1] Revenue includes the Group’s share of revenue of associate and joint ventures.

[2] Underlying operating profit is defined as Group operating profit plus share of operating profit from joint ventures and associate before non-underlying items.

[3] Underlying operating profit margin is defined as underlying operating profit divided by revenue (including the Group’s share of revenue from joint ventures and associate).

[4] Return on capital employed is defined as underlying operating profit divided by average net operating asset value. Net operating assets value is calculated as net assets plus shareholder loans and accrued shareholder loan interest plus net bank debt minus intangible assets.

Group Chief Executive's review

2015 has been another strong year for the Countryside Group, with strong revenue, operating profit and ROCE growth. We have continued to improve both the quantum and the quality of our earnings, as well as laying the foundations for further growth and improvement in efficiency. We have expanded the size of our business opening new offices in Acton, Brentwood and Sevenoaks, providing the infrastructure for further growth. We have also maintained the high quality of our operations during expansion and have seen continuous improvement in build quality, customer satisfaction and Health & Safety throughout the year.

Results

In total, we completed 2,364 private and affordable homes (2014: 2,044), which was an increase of 16% over the prior year. Private completions increased 23% to 1,091 (including the Group's share of JVs) (2014: 885). We have grown our open sales outlets to 29 during the year and have a further 39 sites under construction, providing the platform for growth in the coming year.

Our private ASP increased to £385,000 which, when combined with improved income from affordable housing and ancillary activities, drove the total revenue to £615.8m.

Underlying operating margin improved to 14.8% (2014: 10.1%), leading to an increase in underlying operating profit to £91.2m (2014: £47.1m), whilst an improved asset turn to 1.7x, further improved ROCE to 24.7% (2014: 15.6%).

Net borrowings were £59.5m at 30 September 2015 (2014: £85.7m), reducing balance sheet gearing to 15.3% (2014: 26.5%). The Group's revolving credit facility with Lloyds Bank, Barclays Bank and Santander UK Plc of £215m, has a maturity date of June 2019. Additionally, we have negotiated an accordion facility for a further £50m over the same period with some amortisation from December 2016.

Housebuilding

The Housebuilding business continues its strong recovery, with a greater proportion of private completions, 456 (up 12.3% on FY14) and boosting profitability. We have now fully integrated Millgate and the addition of their higher priced product has been responsible for increasing Average Selling Prices in Housebuilding to £583,000 (up 18.9% on FY14).

We have had a very good year in acquiring land, gaining planning permission and making starts on site, therefore not only boosting our short-term performance but laying the foundations for our further growth.

I am also pleased to report that due to improved Gross Margins and scale efficiency the underlying operating margin and ROCE have improved to 15.6% and 16.6% respectively. As we see a greater proportion of strategic land being utilised in completions and greater scale efficiencies we expect this to continue to improve further.

Partnerships

Our Partnerships business also performed very well during the year, growing our overall underlying profitability to £39.6m (FY14 £21.7m), with corresponding improvements to the underlying operating margin and ROCE of 13.9% and 69.4% respectively.

We have expanded our business in the north with the addition of the SIGMA PRS portfolio and have gained new business in the south at Waltham Forest, Southgate, South Oxhey and Becontree Heath. Our new business pipeline gives us visibility for the next five years across the business, underpinning our further growth ambition.

Strong land bank

We grew the owned or controlled land bank to 26,213 plots (2014: 23,990), of which 14,648 have planning (2014: 13,408). This represents over 11 years' production at current levels. 86% of our private land has been sourced strategically via options and conditional contracts, at a discount to future market value. The land bank is predominantly located in the south east of England in areas of strong economic resilience. This gives us a tremendous base for future growth in both Housebuilding and the Partnerships divisions as well as strong visibility of medium-term delivery.

Long-term supplier relationships

Our subcontractor supply chain has also grown over the past year and has remained loyal to our business, despite competitive pressure. We have continued to invest in the subcontractor base and to expand the scope of its activity, which we believe is key to delivering the growth to which we aspire. We have seen build costs rise during the year, but the spike in material prices has eased and overall increases have been more than outstripped by sales price inflation.

Health & Safety, together with Customer Care remain areas of key focus for our business. We have made good progress in both areas and all the performance indicators have shown continued improvement throughout the year despite the growth in our business.

Strengthening the Board

During this year we have further strengthened our Board with the appointments of Richard Adam as a non-executive director in April 2015 and Rebecca Worthington as Chief Financial Officer in August.

This strong set of results for the year reflect the hard work of our management team and our staff, in particular our site teams. On behalf of the Board, I would like to thank all of our employees this year for their contribution to the business.

Outlook

The outlook for the coming year remains positive, with strong political support for the sector. We enter 2016 with high visibility of future growth given the pipeline of options and development agreements under our control, the growing number of sites under construction and strong order book. The Board is confident that the Group is well-placed to continue to deliver on its plans in the coming 12 months.

Ian Sutcliffe

Group Chief Executive

19 November 2015

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CONSOLIDATED INCOME STATEMENT (unaudited)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	For the year ended 30 September 2015 £'000	For the year ended 30 September 2014 £'000
Revenue	3	547,486	452,797
Cost of sales		(431,690)	(375,413)
Gross profit		115,796	77,384
Administrative expenses		(47,870)	(35,142)
Group operating profit	2, 3	67,926	42,242
Analysed as :			
Underlying Group operating profit		91,166	47,120
Less: Share of associate and joint venture's operating profit	6, 7	(16,685)	(4,136)
Less: Non-underlying items	2	(6,555)	(742)
Group operating profit		67,926	42,242
Finance costs	4	(52,294)	(51,944)
Finance income	4	1,803	2,264
Share of profit from associate and joint ventures	6, 7	10,584	2,025
Profit/(Loss) before income tax		28,019	(5,413)
Income tax expense	5	(8,186)	(6,536)
Profit/(Loss) for the year		19,833	(11,949)
Profit is attributable to:			
Owners of the parent		19,623	(11,828)
Non-controlling interests		210	(121)
		19,833	(11,949)
Earnings/(Loss) per share (expressed in pence per share):			
Basic earnings/(loss) per share		1,085	(862)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Changes in the fair value of available-for-sale financial assets		443	1,122
Total comprehensive income/(loss) for the year		20,276	(10,827)
Total comprehensive income/(loss) for the period attributable to:			
Owners of the parent		20,066	(10,706)
Non-controlling interest		210	(121)
		20,276	(10,827)

Revenue and operating profits arise from the Group's continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)
AS AT 30 SEPTEMBER 2015

	Note	For the year ended 30 September 2015	For the year ended 30 September 2014
		£'000	£'000
Assets			
Non-current assets			
Intangible assets		59,453	60,654
Property, plant and equipment		2,406	1,244
Investment in joint ventures	7	50,097	19,692
Investment in associate	6	4,164	8,841
Available for sale financial assets		10,535	10,862
Derivative financial instruments		6	412
Deferred tax assets		5,606	5,902
Trade and other receivables		15,349	24,376
		147,616	131,983
Current assets			
Inventories	8	439,542	380,778
Trade and other receivables		105,450	76,135
Cash and cash equivalents		354	172
		545,346	457,085
Total assets		692,962	589,068
Liabilities			
Current liabilities			
Trade and other payables		(181,140)	(139,531)
Current income tax liabilities		(4,043)	(4,196)
Provisions		(1,144)	(1,450)
		(186,327)	(145,177)
Non-current liabilities			
Borrowings	9	(343,361)	(366,408)
Trade and other payables		(148,930)	(81,696)
Provisions		(1,110)	(4,345)
		(493,401)	(452,449)
Total liabilities		(679,728)	(597,626)
Net assets/(liabilities)		13,234	(8,558)
Equity			
Share capital		19	18
Share premium		1,075	870
Reserves		11,907	(9,469)
Equity attributable to owners of the parent		13,001	(8,581)
Equity attributable to non-controlling interest		233	23
Total equity		13,234	(8,558)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Share capital	Share premium	Retained earnings	Available for sale financial assets	Equity attributable to owner	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 30 September 2013	**8**	**687**	**629**	**-**	**1,324**	**144**	**1,468**
Comprehensive income							
Loss for the period	-	-	(11,828)	-	(11,828)	(121)	(11,949)
Other comprehensive income	-	-	-	1,122	1,122	-	1,122
Total comprehensive income	-	-	(11,828)	1,122	(10,706)	(121)	(10,827)
Transactions with owners							
Share based payment	-	-	608	-	608	-	608
Proceeds from issue of shares	10	183	-	-	193	-	193
Total transactions with owners	10	183	608	-	801	-	801
At 30 September 2014	**18**	**870**	**(10,591)**	**1,122**	**(8,581)**	**23**	**(8,558)**
Comprehensive income							
Profit for the period	-	-	19,623	-	19,623	210	19,833
Other comprehensive income	-	-	-	443	443	-	443
Total comprehensive income	-	-	19,623	443	20,066	210	20,276
Transactions with owners							
Share based payment	-	-	1,310	-	1,310	-	1,310
Proceeds from issue of shares	1	205	-	-	206	-	206
Total transactions with owners	1	205	1,310	-	1,516	-	1,516
At 30 September 2015	**19**	**1,075**	**10,342**	**1,565**	**13,001**	**233**	**13,234**

	For the year ended 30 September 2015	For the year ended 30 September 2014
	£'000	£'000
Cash flows from operating activities		
Profit/(Loss) before taxation	28,019	(5,413)
Adjustments for:		
-Depreciation charge	352	1,181
-Amortisation charge	1,201	1,032
-Non-cash items	(977)	5,168
-Share of post-tax profit from joint ventures and associates	(10,584)	(2,025)
-Share based payment	1,310	608
Finance costs	52,294	51,944
Finance income	(1,803)	(2,264)
Changes in working capital:		
- Decrease/(Increase) in inventories	2,648	(5,057)
- Increase in trade and other receivables	(5,589)	(1,118)
- Decrease in trade and other payables	(35,574)	(5,642)
- Decrease in provisions	(1,478)	(606)
Cash generated from operations	29,819	37,808
Interest paid	(5,648)	(10,502)
Tax paid	(8,035)	(730)
Net cash inflow from operating activities	16,136	26,576
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,514)	(490)
Proceeds from disposal of available for sale financial assets	2,511	1,971
Acquisition of subsidiary (net of cash acquired)	-	(54,572)
Increase in loans to associate and joint ventures	1,480	(37,095)
Interest received	824	527
Dividends received from joint venture investments	6,682	2,760
Net cash outflow from investing activities	9,983	(86,899)
Cash flows from financing activities		
Net proceeds from issue of ordinary shares	206	193
Proceeds from issue of preference shares	-	54,706
Proceeds from borrowings	(26,143)	130,368
Repayment of borrowings	-	(125,000)
Net cash (outflow)/inflow from financing activities	(25,937)	60,267
Net increase/(decrease) in cash and cash equivalents	182	(56)
Cash and cash equivalents at beginning of the period	172	228
Cash and cash equivalents at the end of the period	**354**	**172**

Notes to the consolidated financial information (unaudited)

1. BASIS OF PREPARATION

The unaudited financial information presented in this press release for the years ended 30 September 2015 and 2014 is based on the consolidated financial information of OCM Luxembourg Coppice Midco S.à r.l. and its subsidiaries (the "Group"). The results and the accompanying notes are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

OCM Luxembourg Coppice Midco S.à r.l. (the "Company") is a company incorporated and domiciled in Luxembourg on 5 February 2013 under the legal form of “Société à Responsibilité Limitée” having its corporate office at 26a Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg. The address of the registered office is: Registre du Commerce et des Sociétés of Luxembourg City under number B175318. OCM Luxembourg Coppice Midco S.à r.l. is the holding company of OCM Luxembourg Coppice Holdco S.à r.l. and its subsidiaries whose principal activity of the Group is UK based property development.

On 3 February 2014, the Company acquired a significant holding in the share capital of Millgate Developments Limited (“Millgate”) through its subsidiary Millgate (UK) Holdings Limited, which was incorporated by Magnum Luxco S.à r.l (a direct subsidiary of the Company) to acquire Millgate. As a result of this acquisition on 3 February 2014, 25% of the issued share capital of Millgate (UK) Holdings Limited was held by the existing management of Millgate. On 4 June 2014, the 75% shareholding in Millgate (UK) Holdings Limited was transferred from Magnum Luxco S.à r.l to Countryside Properties (UK) Limited (an indirect subsidiary of the Company). During January 2015, Countryside Properties (UK) Limited exercised an option (which was put in place at the time of the original acquisition of Millgate on 3 February 2014) to acquire the remaining 25% shareholding in Millgate (UK) Holdings Limited.

The unaudited financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and is prepared on a going concern basis and under the historical cost convention, except for the fair valuation of assets and liabilities of the subsidiary companies acquired during the period, and available for sale financial assets and financial liabilities (including derivative instruments). The accounting policies used in the preparation of this unaudited financial information have been consistently applied to all the years presented.

2. GROUP OPERATING PROFIT

(a) Group operating profit

	2015	2014
	£’000	£’000
Group operating profit has been arrived at after charging:		
Staff costs	**60,316**	40,990
Acquisition costs	**-**	134
Depreciation of property, plant and equipment	**352**	1,181
Amortisation of intangible assets	**1,201**	1,032
Provisions against inventories	**300**	8,165
Inventories expensed to cost of sales	**430,063**	366,554
Operating leases	**3,435**	3,361

(b) Non-underlying items

Certain items are presented separately in the combined and consolidated income statement as non-underlying items where, in the judgement of the Directors, they need to be disclosed separately by virtue of their nature, size or incidence in order to obtain a clear and consistent presentation of Group’s underlying business performance. As these non-underlying items can vary significantly from year to year they create volatility in reported earnings. As such, the Directors believe that the ‘underlying group operating profit‘ and ‘underlying diluted and basic earnings per share’ measures presented provide a clear and consistent presentation of the underlying performance of the Group’s ongoing business for shareholders. Underlying group operating profit is not defined by IFRS and therefore may not be directly comparable with the ‘adjusted’ or ‘underlying’ profit measures of other companies.

2. GROUP OPERATING PROFIT (continued)

(b) Non-underlying items

Examples of material and non-recurring items which may give rise to disclosure as non-underlying items are:

- Fees incurred in relation to business combinations or capital markets transactions; and
- Items which are material either because of their nature, or size and which do not relate to the Group's underlying performance such as restructuring costs.

Share based payment charges in respect of the management incentive plan established during the year ended 30 September 2013 in connection with the Acquisition (the "Plan") are also treated as a non-underlying item. This allows the underlying performance of the Group to be measured from period to period, due to that fact the full benefits of owning these shares are crystallised only following an exit event, such as a trade sale or Initial Public Offering.

Underlying group operating profit is one of the key measures used by the Board to monitor Group's performance.

	2015	2014
	£'000	£'000
Non-recurring items:		
Acquisition costs	**-**	134
Advisory costs	**1,698**	-
Change of Board Director	**870**	-
Receivable impairment	**2,677**	-
Total non-recurring items	**5,245**	134
Share based payments in respect of the Plan	**1,310**	608
Total non-underlying items	**6,555**	742

(b) Non-underlying items (continued)

Acquisition costs
During the year ended 30 September 2014, £134,000 of costs were expensed relating to the acquisition of Millgate Developments Limited

Advisory costs
During the year, the Group has engaged in corporate activity in relation to the Admission. Advisory costs of £1,698,000 were incurred in relation to this activity. These costs primarily relate to reporting accounting fees, legal fees and consultancy fees.

Change of Board Director of Copthorn Holdings Limited
£870,000 of costs were incurred in relation to the resignation of Wendy Colgrave and appointment of Rebecca Worthington as Chief Financial Officer. This amount includes compensation for loss of office of £750,000 and £120,000 for appointment to office.

Receivable impairment
The non-recurring charge of £2,677,000 related to impairment of a receivable during the year which management believes may no longer be recoverable.

Management incentive plan
In 2013, a management incentive plan ("MIP") was approved by the Board in which certain senior employees of Countryside Properties (UK) Limited, a subsidiary company, were invited to acquire shares issued by the Company.

£1,310,000 was charged to the income statement in the year ended 30 September 2015 (2014: £608,000) in respect of shares issued under the Plan.

3. 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 on the basis on which strategic operating decisions are made by the Group's Chief Operating Decision Maker ("CODM"). The Group's two business segments are Housebuilding and Partnerships. The CODM has been identified as the Group's Executive Committee.

The Housebuilding division develops large-scale sites, providing private and affordable housing on land owned or controlled by the Group, primarily around London and in the South and East of England operating under both the Countryside and Millgate brands.

The Partnerships division specialises in medium to large scale housing regeneration schemes delivering private and affordable homes in partnership with public sector land owners and operates primarily in and around London and the North West of England.

Segmental underlying operating profit and segmental operating profit includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Central head office costs have been allocated between the segments using a percentage of revenue basis.

Segmental net assets and tangible net operating asset value includes items directly attributable to segment as well as those that can be allocated on a reasonable basis with the exception of intangibles, mandatory redeemable preference share (including the outstanding interest) and bank loans.

i) Segmental income statement

	Housebuilding	Partnerships	Group items	Total
	£'000	£'000	£'000	£'000
Year ended 30 September 2015				
Group revenue including share of joint ventures' and associate revenue	330,701	285,139	-	615,840
Share of associate and joint ventures' revenue	(51,958)	(16,396)	-	(68,354)
Group revenue	278,743	268,743	-	547,486
Segment result:				
Underlying operating profit including share of operating profit from associate and joint ventures	51,562	39,604	-	91,166
Less: Share of operating profit from associate and joint ventures	(13,565)	(3,120)	-	(16,685)
Less non-underlying items	-	(2,678)	(3,877)	(6,555)
Group operating profit/(loss)	37,997	33,806	(3,877)	67,926
Net finance costs	-	-	(50,491)	(50,491)
Share of post-tax profit from associate and joint ventures	-	-	10,584	10,584
Profit / (loss) before taxation	37,997	33,806	(43,784)	28,019
Income tax expense	-	-	(8,186)	(8,186)
Profit / (loss) after taxation	37,997	33,806	(51,970)	19,833

Notes to the consolidated financial information (unaudited) (continued)

3. SEGMENTAL REPORTING (continued)

i) Segmental income statement (continued)

	Housebuilding	Partnerships	Group items	Total
	£'000	£'000	£'000	£'000
Year ended 30 September 2014				
Group revenue including share of joint ventures' and associate revenue	257,357	211,310	-	468,667
Share of associate and joint ventures' revenue	(4,409)	(11,461)	-	(15,870)
Group revenue	252,948	199,849	-	452,797
Segment result:				
Underlying operating profit including share of operating profit from associate and joint ventures	25,386	21,734	-	47,120
Less: Share of operating profit from associate and joint ventures	(4,178)	42	-	(4,136)
Less non-underlying items	-	-	(742)	(742)
Group operating profit/(loss)	21,208	21,776	(742)	42,242
Net finance costs	-	-	(49,680)	(49,680)
Share of post-tax profit from associate and joint ventures	-	-	2,025	2,025
Profit / (loss) before taxation	21,208	21,776	(48,397)	(5,413)
Income tax expense	-	-	(6,536)	(6,536)
Profit / (loss) after taxation	21,208	21,776	(54,933)	(11,949)

Notes to the consolidated financial information (unaudited) (continued)

3. SEGMENTAL REPORTING (continued)

ii) Segmental capital employed

	Housebuilding	Partnerships	Group items	Total
	£'000	**£'000**	**£'000**	**£'000**
Year ended 30 September 2015				
Net assets/(liabilities)[1]	334,321	54,179	(375,267)	13,234
Tangible net operating asset value ("TNOAV")[2]	334,321	54,179	-	388,500

	Housebuilding	Partnerships	Group items	Total
	£'000	**£'000**	**£'000**	**£'000**
Year ended 30 September 2014				
Net assets/(liabilities)[1]	288,484	60,003	(357,045)	(8,558)
Tangible net operating asset value ("TNOAV")[2]	288,484	60,003	-	348,487

iii) Other segmental information

	Housebuilding	Partnerships	Group items	Total
	£'000	**£'000**	**£'000**	**£'000**
Year ended 30 September 2015				
Investment in associate	4,164	-	-	4,164
Investment in joint ventures	48,016	2,081	-	50,097
Capital expenditure – property, plant & equipment	846	668	-	1,514
Depreciation	197	155	-	352
Acquisition of intangible assets	-	-	-	-
Share based payments	-	-	1,310	1,310

	Housebuilding	Partnerships	Group items	Total
	£'000	**£'000**	**£'000**	**£'000**
Year ended 30 September 2014				
Investment in associate	8,841	-	-	8,841
Investment in joint ventures	12,562	7,716	-	20,278
Capital expenditure – property, plant & equipment	274	216	-	490
Depreciation	660	521	-	1,181
Acquisition of intangible assets	-	-	29,227	29,227
Share based payments	-	-	608	608

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[1] Group items includes intangible assets of £59,453,000 (2014: £60,654,000), mandatory redeemable preference shares of £287,329,000 (2104: £285,126,000), outstanding interest payable in respect of the mandatory redeemable preference shares of £87,872,000 (2014: £46,911,000) and net debt of £59,519,000 (2014: £85,662,000).
[2] TNOAV is calculated as net assets/(liabilities) excluding intangibles, mandatory redeemable preference shares (including the outstanding interest) and net debt.

4. FINANCE INCOME AND FINANCE COST

	2015	2014
	£'000	£'000
Finance income		
Bank interest receivable	**824**	524
Unwind of imputed interest	**979**	1,740
	1,803	2,264
Finance cost		
Bank loans and overdrafts	**6,195**	8,907
Interest on MRPS	**40,961**	34,095
Fair value losses on financial instruments	**407**	304
Other loans	**116**	125
Unwind of imputed interest	**3,502**	3,059
Amortisation of debt finance costs	**1,113**	5,454
	52,294	51,944
Net finance cost	**50,491**	49,680

The amortisation of debt finance costs included £nil (2014: £4,085,000) of costs which relate to loan facilities which were repaid early during the year.

5. INCOME TAX EXPENSE

	2015	2014
	£'000	£'000
Current tax		
Luxembourg corporation tax - Current year	**3**	3
UK Corporation tax		
Current period	**8,087**	2,337
Adjustments in respect of prior periods	**(200)**	(79)
	7,890	2,261
Deferred tax		
Origination and reversal of temporary differences	**318**	(2,091)
Reversal of deferred tax	**235**	5,023
Impact of changes in UK tax rates	**(122)**	448
Adjust in respect of prior periods	**(135)**	895
	296	4,275
	8,186	6,536

The charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2015	2014
	£'000	**£'000**
Profit/(Loss) before income tax	**28,019**	(5,413)
Tax at the domestic tax rate 29.22% (2014: 29.22%)	**8,187**	(1,582)
Associates and joint venture results reported net of tax	**(3,093)**	(592)
Expenses not subject to tax	**2,482**	3,298
Accelerated capital allowances	**(198)**	(146)
Transfer pricing adjustments	**3,728**	4,556
Adjustments relating to prior years	**(477)**	1,083
Joint ventures taxed at different rates	**-**	(47)
Overseas subsidiaries taxed at different rates	**(2,419)**	(1,525)
Changes in tax rates	**(174)**	594
Temporary timing differences	**150**	897
	8,186	6,536

The tax assessed is at the Luxembourg Corporation Tax rate of 29.22% (2014: 29.22%), however the majority of the profits and losses are generated by the United Kingdom Group of companies. The tax assessed for the United Kingdom share of the results is higher than the standard rate of Corporation Tax in the United Kingdom which is 20% (2014: 21%).

6. INVESTMENT IN ASSOCIATE

The Group holds a 28.5% share and with pro rata voting rights in Countryside Properties (Bicester) Limited whose principal activity is housebuilding and is incorporated in the United Kingdom.

The Group's investment in its associate is represented by:	**2015**	2014
	£'000	**£'000**
Current assets	**3,959**	8,956
Cash	**5,434**	5,158
Current liabilities	**(4,902)**	(4,446)
Non current liabilities	**(327)**	(827)
	4,164	8,841

The amount due from the associate is £Nil (2014: £Nil)

The Group's share of post-tax profit from its associate arises as follows:

Revenues	**3,791**	12,763
Expenses	**(3,064)**	(8,638)
Operating profit	**727**	4,125
Finance income	**87**	15
Income tax	**(248)**	(1,004)
Share of post-tax profit from associate	**566**	3,136

7. INVESTMENTS IN JOINT VENTURES

The Group's aggregate investment in its joint ventures is represented by:	**2015**	2014
	£'000	**£'000**
Non current assets	**404**	603
Current assets	**205,097**	155,872
Cash	**5,827**	4,355
Current liabilities	**(29,844)**	(21,645)
Non current liabilities	**(131,387)**	(119,493)
	50,097	19,692

The aggregate amount due from joint ventures is £63,381,000 (2014: £45,952,000). The amount due to joint ventures is £318,000 (2014: £510,000).

The Group's share of retained profits/(losses) from its joint ventures arises as follows:

Revenues	**68,354**	15,870
Expenses	**(52,396)**	(15,859)
Operating Profit	**15,958**	11
Finance cost	**(3,848)**	(1,233)
Income tax (expense)/credit	**(2,092)**	111
Share of post-tax profit/(loss) from joint ventures	**10,018**	(1,111)
Dividends	**(6,682)**	(2,760)
	3,336	(3,871)

7. INVESTMENTS IN JOINT VENTURES (continued)

The Group's principal investments in joint ventures, all of which are incorporated in the United Kingdom, comprise:

	Country of incorporation	Voting rights %	Principal activity
Brenthall Park (Commercial) Limited	UK	50.00	Commercial
Brenthall Park (Infrastructure) Limited	UK	50.00	Dormant
Brenthall Park (Three) Limited	UK	50.00	Dormant
Brenthall Park Limited	UK	50.00	House building
C.C.B. (Stevenage) Limited	UK	33.33	House building
Countryside Properties (Accordia) Limited	UK	50.00	House building
Countryside Properties (Booth Street 2) Limited	UK	50.00	House building
Countryside Properties (Merton Abbey Mills) Limited	UK	50.00	House building
Countryside Properties (Salford Quays) Limited	UK	50.00	House building
Mann Island Estate Limited	UK	50.00	Estate management
Peartree Village Management Limited	UK	50.00	Estate management
The Edge 1A Limited	UK	50.00	House building
Woolwich Countryside Limited	UK	50.00	House building
Acton Gardens LLP	UK	50.00	House building
Cambridge Medipark Limited	UK	50.00	Commercial
CBC Estate Management Limited	UK	50.00	Estate management
Countryside 27 Limited	UK	50.00	Commercial
Countryside Annington (Colchester) Limited	UK	50.00	House building
Countryside Annington (Mill Hill) Limited	UK	50.00	House building
Countryside Land Securities (Springhead) Limited	UK	50.00	House building
Countryside L&Q (Oaks Village) LLP	UK	50.00	House building
Countryside Maritime Limited	UK	50.00	House building
Countryside Neptune LLP	UK	50.00	House building
Countryside Zest (Beaulieu Park) LLP	UK	50.00	House building
Greenwich Millennium Village Limited	UK	50.00	House building
iCO Didsbury Limited	UK	50.00	Commercial
iCO Didsbury Point Estate Management Limited	UK	50.00	Estate management
Silversword Properties Limited	UK	50.00	Commercial

8. INVENTORIES

	2015	2014
	£'000	**£'000**
Development land and work in progress	**408,700**	350,835
Completed properties unlet, unsold or awaiting sale	**30,842**	29,943
	439,542	380,778

The value of inventories expensed during the year and included in cost of sales was £430,063,000 (2014: £366,554,000). During the year inventories were written down through cost of sales by £300,000 (2014: £8,165,000). During the year, £1,071,000 of previous write downs were released (2014: £247,000).

Interest incurred on deferred land purchases amounting to £300,000 (2014: £556,000) was capitalised during the year to inventories.

9. BORROWINGS

	Group 2015	Group 2014
	£'000	**£'000**
Bank loans	**140,000**	153,000
Cash and cash equivalents available for offset	**(80,481)**	(67,338)
Bank loan arrangement fees	**(3,487)**	(4,380)
	56,032	81,282
Mandatory redeemable preference shares	**287,329**	285,126
	343,361	366,408

Bank loans
At 30 September 2015, the Group had a committed bank loan facility of £215,000,000 made available by Lloyds Banking Group, Barclays Bank and Santander. This facility was originally £200,000,000 but was extended during the year. At the date of this announcement the Group had received credit committee approvals from the syndicate banks to extend this facility by a further £50,000,000 to £265,000,000. The facility expires 3 June 2019. Interest is charged at UK LIBOR plus a variable margin. This facility is subject to both financial and non-financial covenants and is secured by fixed charges over the Group's property interests and fixed assets and a floating charge over all other assets.

The carrying value of the loans drawn under the facility is equal to their fair value. As the impact of discounting is not significant, the fair values are based on discounted cash flows and are within Level 2 of their fair value hierarchy.

Bank loan arrangement fees are impaired over the term of the facility. At 30 September 2015, the remaining balance was £3,487,000 (2014: £4,380,000) of which £894,000 (2014: £312,000) was impaired during the year.

Cash and cash equivalents available for offset
Cash and cash equivalents of £80,835,000 (2014: £67,510,000) comprise cash and short term deposits held, of which £80,481,000 (2014: £67,338,000), is offset against loans drawn under the Group's senior term facility. If these assets were fair valued, they would be considered as Level 1 under the fair value hierarchy. The carrying amount of these assets is equal to their fair value.

Interest rate derivative financial instruments
The Group uses interest rate derivatives to hedge against the risk exposure of LIBOR interest rates. The Group has an interest rate cap with a nominal value of £90,000,000 for a term of three years expiring April 2016. The fair value of this derivative as at 30 September 2015 was £6,000 (2014: £412,000), the movement being included in interest costs in the income statement

10. RECONCILIATION GROUP UNDERLYING OPERATING PROFIT TO COPTHORN HOLDINGS LIMITED

	2015	2014
	£'000	£'000
Copthorn Holdings Limited underlying operating profit	**86,836**	53,394
Additional ownership period of Millgate	**-**	3,037
Adjustment to share equity	**-**	(1,422)
Adjustment to provisions	**-**	(2,338)
Acquisition fair value adjustments	**5,004**	(4,876)
Amortisation of Copthorn brand	**(675)**	(675)
Luxembourg Coppice Midco S.à r.l. underlying operating profit	**91,165**	47,120