COUNTRYSIDE PROPERTIES PLC
Unaudited results for the half year ended 31 March 2017

This announcement contains inside information.

Delivering strong growth ahead of expectations, upgrading outlook

Countryside, a leading UK home builder and regeneration partner, today announces its unaudited results for the six months ended 31 March 2017.

Results highlights

	HY 2017	HY 2016	Change
Completions	**1,437**	1,095	+31%
Adjusted revenue[1]	**£435.4m**	£312.8m	+39%
Adjusted operating profit[2]	**£70.4m**	£50.8m	+39%
Adjusted operating margin[3]	**16.2%**	16.2%	-
Adjusted basic earnings per share[4]	**11.4p**	5.0p	+128%
Return on capital employed[5]	**25.7%**	23.1%	+260bps
Reported revenue	**£351.1m**	£286.2m	+23%
Reported operating profit	**£53.2m**	£34.8m	+53%
Net debt[6]	**£35.0m**	£8.7m	+£26.3m
Basic earnings per share	**11.1p**	3.1p	+258%

Group operational highlights
- Trading in the first half ahead of expectations with good momentum into the second half
- Net reservation rate of 0.89 (HY 2016: 0.79) from 48 sales outlets (HY 2016: 37 sales outlets)
- Private Average Selling Price (“ASP”) of £441,000, down 13% as expected (HY 2016: £505,000) with underlying house price inflation of 6%
- Group private forward order book of £347.1m, up 69% (HY 2016: £205.3m)

Partnerships highlights
- Completions: 987 homes (HY 2016: 803) up 23%
- Adjusted operating profit: £38.5m (HY 2016: £23.2m) up 66%
- Adjusted operating margin: 17.2% (HY 2016: 16.7%) up 50 bps
- Land bank plus preferred bidder: 17,528 plots, up 18% (HY 2016: 14,914)

Housebuilding highlights
- Completions: 450 homes (HY 2016: 292) up 54%
- Adjusted operating profit: £34.5m (HY 2016: £27.8m) up 24%
- Adjusted operating margin: 16.3% (HY 2016: 16.0%) up 30bps
- Land bank: 20,472 plots (HY 2016: 18,273) of which 85% has been strategically sourced

Outlook and current trading
The growth in active sites and increased sales rates have resulted in a sharp increase in completions which looks set to continue in the second half of the year. As a result, we expect profit to be ahead of market expectations. Our financial strength and accelerated delivery from our mixed tenure model provide the basis for further growth in both the short and medium term. We are achieving our ambition of increasing scale in our Housebuilding division. The further momentum within Partnerships leads us to upgrade our FY18 completion targets by 10 per cent in this division.

Commenting on the results, Ian Sutcliffe, Group Chief Executive, said:
“Our strong performance across the business in the first half exceeded our expectations. In particular, our Partnerships division once again delivered outstanding growth and returns. We continue to be highly successful at winning new business in this division, with three large sites secured in the first half, at Bromley, Maidenhead and Barking. We enter the second half of 2017 in an excellent position with 81 operational sites and a record private forward order book. With strong operational delivery and an increasing pipeline of future work, we see continued outperformance in the medium-term and are upgrading our outlook for 2017 and 2018.”

COUNTRYSIDE PROPERTIES PLC
Unaudited results for the half year ended 31 March 2017

There will be an analyst and investor meeting at 9.00am BST today at Numis Securities, The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT hosted by Group Chief Executive, Ian Sutcliffe. The presentation will also be available via a live webcast through the Countryside corporate website http://investors.countryside-properties.com/

A playback facility will be provided shortly after the presentation has finished.

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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 and the West Midlands.

For further information, please visit the Group's website: www.countryside-properties.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] Adjusted revenue includes the Group's share of revenue of joint ventures and associate of £84.3m (HY 2016: £26.6m).
[2] Adjusted operating profit includes the Group's share of operating profit from joint ventures and associate of £15.6m (HY 2016: £6.8m) and excludes non-underlying items of £1.6m (HY 2016: £9.2m).
[3] Adjusted operating margin is defined as adjusted operating profit divided by adjusted revenue.
[4] 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. In the prior period, the number of shares in issue from the date of the IPO to 31 March 2016 was applied (see note 8).
[5] Return on capital employed ("ROCE") is defined as adjusted operating profit divided by average tangible net operating asset value. Tangible net operating asset value ("TNOAV") is calculated as net assets plus net debt of less intangible assets net of deferred tax. In prior periods, loans from the Group's principal shareholder and accrued loan interest were added back to tangible net operating asset value.
[6] 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 trading performance of the Group.

Chief Executive's Operating Statement

We have delivered an excellent set of results for the first half of the year in both of our operating divisions. Both Partnerships and Housebuilding are trading ahead of our expectations for 2017 and beyond. Revenue and profit have performed strongly which, together with an improved visibility of future growth, has led us to upgrade our expectations.

Group

Our strong growth trajectory from 2016 continued into the first half of 2017, with total completions of 1,437 homes (HY 2016: 1,095 homes), an increase of 31 per cent.

Private unit completions increased by 42 per cent to 629 homes (HY 2016: 444 homes). Private average selling price ("ASP") has reduced as planned by 13 per cent to £441,000 (HY 2016: £505,000), driven by a smaller proportion of sales from our premium brand Millgate and managing our product mix to ensure it remains affordable for local owner occupiers. Underlying house price inflation was approximately six per cent in the half year, while underlying build cost inflation was around three to four per cent. Help to Buy remains an important sales tool at lower price points, being used on 23 per cent of total completions within the period.

Affordable completions were up 24 per cent to 808 homes (HY 2016: 651 homes) reflecting the increased number of sites under construction. This included 325 Private Rental Sector ("PRS") homes, up 4 per cent in the period (HY 2016: 314 homes). Affordable ASPs increased by 24 per cent to £135,000 (HY 2016: £109,000), reflecting a greater proportion of completions in our Housebuilding division.

As a result, total adjusted revenue increased by 39 per cent to £435.4m (HY 2016: £312.8m). Adjusted operating profit increased by 39 per cent to £70.4m (HY 2016: £50.8m), reflecting strong performance in the south in both divisions and a higher proportion of commercial and land activity compared with the prior period where land sales were second half weighted. On a reported basis, revenue increased by 23 per cent to £351.1m (HY 2016: £286.2m) and operating profit increased by 53 per cent to £53.2m (HY 2016: £34.8m). The difference between adjusted and reported results reflects the proportional consolidation of associate and joint ventures (see notes 10 and 11), non-underlying items relating to the outsourcing of certain central functions in the current year and in the prior year, the Group's IPO and legacy management incentive plan, partially offset by the reversal of a receivable impairment. Adjusted operating margin was flat at 16.2 per cent (HY 2016: 16.2 per cent).

Our net reservation rate per open outlet per week was ahead of expectations at 0.89 (HY 2016: 0.79) on an increased number of sales outlets at 48 (HY 2016: 37). As a consequence, our private forward order book was up 69 per cent to a record £347.1m (HY 2016: £205.3m) giving us strong momentum into the second half.

Partnerships

Our Partnerships division has had a very strong start to the first half, with total completions up 23 per cent to 987 homes (HY 2016: 803 homes) with adjusted revenue up 61 per cent to £223.3m (HY 2016: £138.8m). An improved sales mix and underlying house price inflation in the period resulted in an increase in private ASP of 25 per cent to £368,000 (HY 2016: £295,000).

We saw substantial growth in private completions, up 43 per cent on the prior period to 358 homes (HY 2016: 251 homes), with Affordable completions up 14 per cent at 629 homes (HY 2016: 552 homes). This includes 325 PRS homes, up 4 per cent on the prior period (HY 2016: 314). Affordable ASP was £123,000, up 21 per cent (HY 2016: £102,000), reflecting a greater proportion of affordable completions in the south compared with the prior period.

Adjusted operating profit of £38.5m was up 66 per cent in the period (HY 2016: £23.2m), with all our regions across the country performing well. The adjusted operating margin increased by 50 bps to 17.2 per cent (HY 2016: 16.7 per cent) due to higher sales values and overhead efficiency. As a result of the increased profit and reflecting the low capital Partnerships model, return on capital employed ("ROCE") improved by 1,640 bps to 67.0 per cent (HY 2016: 50.6 per cent).

Demand for our product has remained strong and is almost exclusively owner occupier driven. Our mixed tenure regeneration accelerates volume and creates attractive places for people to live.

Following the opening of the West Midlands office in 2016, we now have two open sales outlets in the region, with affordable income recognised in the period and the first private completions due in the second half of the year. We are due to start on a third site this summer and are actively building the pipeline. Whilst it is early days in the growth of the West Midlands office, this early momentum signals the region's longer term potential.

Housebuilding

Our Housebuilding division performed well in the first half, underpinned by the continuing strong customer demand for quality homes, particularly in our strongholds of the Home Counties and outer London Boroughs. Total completions were up 54 per cent at 450 homes (HY 2016: 292 homes) in line with expectations. Our premium brand, Millgate, delivered 32 private homes, down from 49 in the prior period which, along with a change in product mix, contributed to a 31 per cent decrease in private ASP to £538,000 (HY 2016: £779,000). We continue to see strong sales at the price points below £600,000, which represented 75 per cent of the Housebuilding division's sales in the half year period. Total private completions of 271 homes were up 40 per cent (HY 2016: 193 homes). Adjusted revenue was £212.1m (HY 2016: £174.0m), up 22 per cent.

Affordable completions were up 81 per cent in the period to 179 homes (HY 2016: 99 homes) reflecting an increase in the number of sites under construction, while affordable ASPs increased by 16 per cent to £172,000 (HY 2016: £148,000).

Adjusted operating profit of £34.5m was up 24 per cent (HY 2016: £27.8m) reflecting the strength of growth in the Housebuilding division, as well as a stronger first half weighting of commercial activities and land sales than in the prior period which delivered profit of £9.7m (HY 2016: £3.1m). The adjusted operating margin of 16.3 per cent was up 30bps on the prior period (HY 2016: 16.0 per cent). ROCE was up 50 bps at 16.8 per cent (HY 2016: 16.3 per cent), as we continue to focus on capital efficiency.

We continue to open new sales outlets within a 50 mile radius of London and had 29 open sales outlets at 31 March 2017 (HY 2016: 22), with a further 10 sites under construction. Additionally we completed three commercial sales, two at Cambridge Medipark and the final parcel at Great Notley in Essex.

Excellent visibility of future work and upgrade to medium term outlook

Partnerships
We had another successful six months in winning new business in the Partnerships division which cements our longer-term growth plans. In addition to those sites already in the land bank including preferred bidder status, we secured 4,225 new plots in the period. These include the previously announced wins at Bromley (384 plots) and Barking (911 plots) and a further success in Maidenhead (1,260 plots) with four sites around a new Crossrail station.

We now have 17,528 Partnerships plots under our control (HY 2016: 14,914 plots), representing approximately nine years of supply at current volumes and providing significant visibility. These projects were awarded to Countryside as a result of our proven track record in delivering complex, multi-phase schemes alongside design excellence. We see no slow down in new opportunities and our bid pipeline currently stands at over 35,000 plots.

Housebuilding
We have maintained the land bank in our Housebuilding division and acquired 1,840 plots on nine sites during the period. We have also completed the planned sales of two surplus sites (321 plots) at Silsden and Bury St Edmunds. The Housebuilding land bank now stands at 20,472 plots (HY 2016: 18,273 plots) of which only 31 per cent is owned and the remainder either controlled or under option agreements. 85 per cent has been sourced strategically.

Group
Government focus on the National Planning Policy Framework has facilitated an increase in outline planning consents, although clearing pre-start conditions remains challenging. Overall, we now have 19,060 plots with some form of planning permission across both divisions (HY 2016: 14,652).

Given the sustained momentum in Partnerships, in particular regarding both the continued bid win rate and operational delivery, we now expect total completions to be higher in the medium-term as we continue to win new work and accelerate delivery on existing sites.

Maintaining our capital discipline

As we maintained our focus on building efficiency during the first half, the increase in operating profit combined with an improvement in asset turn to 1.6 times (HY 2016: 1.5 times) improved ROCE by 260 bps to 25.7 per cent (HY 2016: 23.1 per cent).

The Group's net debt at 31 March 2017 has grown with the increased site activity to £35.0m (HY 2016: £8.7m). This resulted in gearing[1] of 5.6 per cent (HY 2016: 1.6 per cent) and adjusted gearing[2] of 21.7 per cent (HY 2016: 11.4 per cent).

Net finance costs

Net finance costs were £7.0m (HY 2016: £20.8m), significantly lower than the prior period reflecting the absence of interest on shareholder loans which were repaid in full at the time of the IPO. Interest on bank debt decreased by 48 per cent to £1.4m (HY 2016: £2.7m) reflecting the overall lower average net debt in the period. The £300 million revolving credit facility was approved for five years in May 2016 with the potential for two one-year extensions. The first of these was exercised in May 2017, extending the maturity of the facility to 2022.

During the period, the Group agreed to waive interest on outstanding loans from its joint venture, Countryside Annington (Mill Hill) Limited and as a result an impairment charge of £2.1m was recognised within finance costs.

Taxation

The effective tax rate applied to adjusted profit for the period was 19.0 per cent (HY 2016: 19.1 per cent). This reflects the anticipated full year effective rate and is slightly lower than the UK headline rate of 19.5 per cent. On a statutory basis, the effective tax rate was 17.4 per cent (HY 2016: 21.5 per cent, the difference to the adjusted effective tax rate being the impact of the Group's joint ventures.

Earnings per share

Adjusted basic earnings per share were 11.4 pence (HY 2016: 5.0 pence), reflecting the strong growth in earnings in the period. On a statutory basis, basic earnings per share were 11.1 pence (HY 2016: 3.1 pence).

[1] Gearing is defined as net debt divided by net assets. In the prior period, gearing is defined as net debt divided by net assets excluding shareholder loans and accrued shareholder loan interest.
[2] Adjusted gearing is defined as above, except that net debt includes land creditors.

Dividend

The Board has recommended an interim dividend of 3.4 pence per share, payable on 7 July 2017, in line with our dividend policy of paying 30 per cent of adjusted retained earnings in dividends. In the prior period, no dividend was recommended due to the proximity of the half year date to the Group's listing in February 2016.

Outlook and current trading

The growth in active sites and increased sales rates have resulted in a sharp increase in completions which looks set to continue in the second half of the year. As a result, we expect profit to be ahead of market expectations. Our financial strength and accelerated delivery from our mixed tenure model provide the basis for further growth in both the short and medium term. We are achieving our ambition of increasing scale in our Housebuilding division. The further momentum within Partnerships leads us to upgrade our FY18 completion targets by 10 per cent in this division.

Ian Sutcliffe
Group Chief Executive
16 May 2017

Principal risks and uncertainties

The Group is subject to a number of risks and uncertainties as part of its day to day operations. The principal risks and uncertainties facing the Group for the remaining six months of the year have not materially changed since our Annual Report was published in November 2016 as those set out in detail on pages 38 to 39 of the 2016 Annual Report, which is available from www.countryside-properties.com/investors. The Board regularly considers these and seeks to ensure that appropriate processes are in place to manage, monitor and mitigate these risks.

The key business risks, which are not listed in order of importance, include the following:

- A decline in macroeconomic conditions, or conditions in the UK residential property market, can reduce the propensity to buy homes. Higher unemployment and/or interest rates affect consumer confidence and can reduce demand for new homes. Constraints on mortgage availability, or higher costs of mortgage funding, may make it more difficult to sell homes.
- Adverse changes to Government policy in areas such as tax, housing and the environment may result in increased costs and/or delays. The discontinuation of Government-backed purchase assistance programmes may adversely affect the Group’s sales.
- Build costs may increase beyond budget due to the reduced availability of skilled labour, increases in sub-contractor or material costs, errors, omissions or unforeseen technical conditions.
- 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 a project.
- 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.
- Poor forecasting of market demand, or inability to react quickly enough to changes in market demand, in terms of product, location, time and price will impact the Group’s competitiveness and reduce sales or sales prices.
- Failure to deliver high quality product and customer service may reduce sales, adversely affect the Group’s brand and reputation and potentially lead to third party liabilities.
- Inability to attract and retain highly skilled, competent people at all levels could adversely affect the Group’s results, prospects and financial condition.
- Failure to secure timely planning permission on economically viable terms is critical to the value of the Group’s land bank.
- A deterioration in the Group’s health, safety and environmental standards could put the Group’s employees and contractors or the general public at risk of injury or death and could lead to litigation or penalties or damage the Group’s reputation.

Responsibility statement of the directors in respect of the unaudited results for the half year ended 31 March 2017

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 listed in the Annual Report for the year ended 30 September 2016.

For and on behalf of the Board

Gary Whitaker
Company Secretary
16 May 2017

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
As at 31 March 2017

	Note	**Six months ended 31 March 2017**	Six months ended 31 March 2016	Year ended 30 September 2016
		Unaudited	Unaudited	Audited
		£m	£m	£m
Revenue	4	**351.1**	286.2	671.3
Cost of sales		**(273.5)**	(222.5)	(527.2)
Gross profit		**77.6**	63.7	144.1
Administrative expenses		**(24.4)**	(28.9)	(56.8)
Group operating profit	5	**53.2**	34.8	87.3
Analysed as:				
Adjusted Group operating profit		**70.4**	50.8	122.5
Less: Share of associate and joint ventures operating profit		**(15.6)**	(6.8)	(25.3)
Less: Non-underlying items	5	**(1.6)**	(9.2)	(9.9)
Group operating profit		**53.2**	34.8	87.3
Finance costs	6	**(7.3)**	(22.3)	(30.5)
Analysed as:				
Adjusted finance costs		**(7.3)**	(22.3)	(27.3)
Less: non-underlying finance cost		**-**	-	(3.2)
Finance costs		**(7.3)**	(22.3)	(30.5)
Finance income		**0.3**	1.5	2.3
Share of profit from associate and joint ventures		**14.1**	4.1	19.6
Profit before income tax		**60.3**	18.1	78.7
Income tax expense	7	**(10.5)**	(3.9)	(17.3)
Profit for the period		**49.8**	14.2	61.4
Profit is attributable to:				
Owners of the parent		**49.8**	13.7	61.1
Non-controlling interest		**-**	0.5	0.3
		49.8	14.2	61.4
Other comprehensive income				
Items that may be reclassified to profit and loss				
Changes in the fair value of available-for-sale financial assets		**-**	-	(1.5)
Total comprehensive income for the period		**49.8**	14.2	59.9
Total comprehensive income for the period attributable to:				
Owners of the parent		**49.8**	13.7	59.6
Non-controlling interest		**-**	0.5	0.3
		49.8	14.2	59.9
Earnings per share (expressed in pence per share):				
Basic earnings per share	8	**11.1**	3.1	13.6
Diluted earnings per share	8	**11.1**	3.1	13.6

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

	Note	**As at 31 March 2017**	As at 31 March 2016	As at 30 September 2016
		Unaudited	Unaudited	Audited
		£m	£m	£m
Assets				
Non-current assets				
Intangible assets		**59.2**	58.9	58.9
Property, plant and equipment		**2.6**	2.6	2.7
Investment in joint ventures	10	**48.6**	50.2	53.9
Investment in associate	11	**5.2**	4.0	5.2
Available-for-sale financial assets	12	**8.4**	10.3	8.7
Deferred tax assets		**2.2**	4.7	3.3
Trade and other receivables		**18.0**	11.9	10.8
		144.2	142.6	143.5
Current assets				
Inventories	13	**675.8**	485.5	583.6
Trade and other receivables		**154.5**	134.2	147.9
Cash and cash equivalents	14	**5.1**	41.3	38.3
		835.4	661.0	769.8
Total assets		**979.6**	803.6	913.3
Liabilities				
Current liabilities				
Overdrafts	14	**(0.1)**	-	(26.3)
Trade and other payables		**(218.6)**	(141.9)	(177.5)
Current income tax liabilities		**(8.6)**	(2.3)	(6.1)
Provisions		**(0.5)**	(0.9)	(0.8)
		(227.8)	(145.1)	(210.7)
Non-current liabilities				
Borrowings	14	**(37.7)**	(46.6)	-
Trade and other payables		**(82.5)**	(64.8)	(109.0)
Provisions		**(2.1)**	(0.9)	(0.7)
		(122.3)	(112.3)	(109.7)
Total liabilities		**(350.1)**	(257.4)	(320.4)
Net assets		**629.5**	546.2	592.9
Equity				
Share capital		**4.5**	4.5	4.5
Reserves		**624.5**	541.0	587.9
Equity attributable to owners of the parent		**629.0**	545.5	592.4
Equity attributable to non-controlling interest		**0.5**	0.7	0.5
Total equity		**629.5**	546.2	592.9

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six months 31 March 2017

	Share capital	Share premium	Retained earnings	Available-for-sale financial assets	Equity attributable to owner	Non-controlling interest	Total Equity
	£m	£m	£m	£m	£m	£m	£m
At 1 October 2016	**4.5**	**-**	**587.8**	**0.1**	**592.4**	**0.5**	**592.9**
Comprehensive income							
Profit for the period	-	-	49.8	-	49.8	-	49.8
Total comprehensive income	-	-	49.8	-	49.8	-	49.8
Transactions with owners							
Share based payment expense, net of deferred tax	-	-	2.1	-	2.1	-	2.1
Dividends paid	-	-	(15.3)	-	(15.3)	-	(15.3)
Total transactions with owners	-	-	(13.2)	-	(13.2)	-	(13.2)
At 31 March 2017	**4.5**	**-**	**624.4**	**0.1**	**629.0**	**0.5**	**629.5**
At 1 October 2015	**-**	**1.1**	**10.3**	**1.6**	**13.0**	**0.2**	**13.2**
Comprehensive income							
Profit for the period	-	-	13.7	-	13.7	0.5	14.2
Total comprehensive income	-	-	13.7	-	13.7	0.5	14.2
Transactions with owners							
Share based payment expense - pre-IPO	-	-	1.9	-	1.9	-	1.9
Share based payment expense - post-IPO, net of deferred tax	-	-	0.2	-	0.2	-	0.2
Group reorganisation	4.5	(1.1)	513.3	-	516.7	-	516.7
Total transactions with owners	4.5	(1.1)	515.4	-	518.8	-	518.8
At 31 March 2016	**4.5**	**-**	**539.4**	**1.6**	**545.5**	**0.7**	**546.2**

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (AUDITED)
For the six months 31 March 2017

	Share capital	Share premium	Retained earnings	Available-for-sale financial assets	Equity attributable to owner	Non-controlling interest	Total Equity
	£m	£m	£m	£m	£m	£m	£m
At 1 October 2015	**-**	**1.1**	**10.3**	**1.6**	**13.0**	**0.2**	**13.2**
Comprehensive income							
Profit for the period	-	-	61.1	-	61.1	0.3	61.4
Other comprehensive income	-	-	-	(1.5)	(1.5)	-	(1.5)
Total comprehensive income	-	-	61.1	(1.5)	59.6	0.3	59.9
Transactions with owners							
Share based payment expense – pre-IPO	-	-	1.9	-	1.9	-	1.9
Share based payment expense – post-IPO, net of deferred tax	-	-	1.3	-	1.3	-	1.3
Group reorganisation	4.5	(1.1)	513.2	-	516.6	-	516.6
Total transactions with owners	4.5	(1.1)	516.4	-	519.8	-	519.8
At 30 September 2016	**4.5**	**-**	**587.8**	**0.1**	**592.4**	**0.5**	**592.9**

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED CASHFLOW STATEMENT
For the six months ended 31 March 2017

	Note	**Six months ended 31 March 2017**	Six months ended 31 March 2016	Year ended 30 September 2016
		Unaudited	Unaudited	Audited
		£m	£m	£m
Cash used in operations	15	**(40.2)**	(44.5)	(14.8)
Interest paid		**(1.6)**	(3.8)	(7.2)
Tax paid		**(6.6)**	(4.9)	(12.8)
Net cash outflow from operating activities		**(48.4)**	**(53.2)**	**(34.8)**
Cash flows from investing activities				
Purchase of intangible assets		**(1.1)**	-	(0.7)
Purchase of property, plant and equipment		**(0.5)**	(0.5)	(0.9)
Proceeds from disposal of available for sale financial assets		**0.9**	1.2	2.9
Acquisition of subsidiary (net of cash acquired)		**-**	-	(2.0)
Increase in loans to associate and joint ventures		**(3.8)**	(28.0)	(31.0)
Interest received		**-**	0.8	1.5
Dividends received from joint venture investments		**21.2**	4.8	13.6
Net cash inflow/(outflow) from investing activities		**16.7**	**(21.7)**	**(16.6)**
Cash flows from financing activities				
Proceeds from issue of ordinary shares		**-**	130.0	130.0
Transactional costs from issue of ordinary shares		**-**	(4.6)	(4.6)
Dividends paid on ordinary shares		**(15.3)**	-	-
Borrowing facility arrangement fee		**-**	-	(2.8)
Proceeds from borrowings		**40.0**	-	91.3
Repayment of borrowings		**-**	(90.0)	(231.3)
Net cash inflow/(outflow) from financing activities		**24.7**	**35.4**	**(17.4)**
Net decrease in cash and cash equivalents		**(7.0)**	(39.5)	(68.8)
Net cash and cash equivalents at beginning of the period		**12.0**	80.8	80.8
Net cash and cash equivalents at the end of the period	14	**5.0**	**41.3**	**12.0**

1. BASIS OF PREPARATION

Countryside Properties PLC (the "Company") is a public company incorporated and domiciled in the United Kingdom, whose shares are publicly traded on the London Stock Exchange.

The financial information in these condensed consolidated interim financial statements (the "Financial Information") for the six months to 31 March 2017 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 Financial Conduct Authority and International Accounting Standard 34, *Interim Financial Reporting*, as endorsed by the European Union.

The financial information for the six months ended 31 March 2017 and 31 March 2016 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 should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 September 2016 (the "Group Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and filed at Companies House. The Financial Information does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group Financial Statements have been reported on by the Company's auditors and are available on the Company's website www.countryside-properties.com/investors. 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. Except as described in note 2, the accounting policies applied are consistent with those of the Group Financial Statements.

During the year to 30 September 2016, the IFRS Interpretations Committee received a request to clarify an issue related to IAS 32: Financial Instruments: Presentation in connection with whether particular cash pooling arrangements meet the requirement for off-setting in accordance with IAS 32. Following the observations published by the Interpretations Committee the Group has reassessed the treatment of its cash pooling arrangements and concluded that the comparative financial information for the half year ended 31 March 2016 should be amended.

Initial Public Offering ("IPO") and associated Group reorganisation
In the prior year, the Group undertook an internal re-organisation prior to listing its shares on the London Stock Exchange. These transactions are detailed in the Group Financial Statements.

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 this Financial Information required the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis. Actual results may differ from these estimates. In preparing this Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were principally the same as those disclosed in the Group's Financial Statements.

The condensed consolidated interim financial information was authorised for issue by the Directors on 16 May 2017.

2. ACCOUNTING POLICIES

The policies applied in the Financial Information are consistent with those applied the Group's Financial Statements other than set out below.

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

2. ACCOUNTING POLICIES (continued)

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. For diluted EPS, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

As explained in note 1, the Group undertook a reorganisation in the prior year. As explained in the Group Financial Statements, the 2016 weighted average number of shares has been stated as the weighted average number of shares in the period from the date of the Group reorganisation to the balance sheet date.

New standards, amendments and interpretations

New standards, amendments and interpretations that have been published and are mandatory for the Group's accounting periods beginning on or after 1 October 2016 are disclosed in the Group's Financial Statements. None of those standards have a material impact on the results of the Group for the year ending 30 September 2017.

IFRS 15 'Revenue from contracts with customers' is effective for the Group for the year ending 30 September 2019. Implementation of IFRS 15 requires a thorough review of existing contractual arrangements. The due diligence in relation to the Group's revenue streams is in progress and the Directors will provide further details in the Annual Report and Accounts for the year ending 30 September 2017.

3. 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.

4. 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"), which has been determined to be the Group Executive Committee. The Group's two business segments are Housebuilding and Partnerships. There have not been any changes to the Group's segments in the six months to 31 March 2017.

The Group operates entirely within the United Kingdom.

(a) Segmental income statement

	Housebuilding	Partnerships	Group items	Total
	£m	£m	£m	£m
Six months ended 31 March 2017				
Adjusted revenue including share of joint ventures' revenue	**212.1**	**223.3**	**-**	**435.4**
Share of joint ventures' revenue	**(44.4)**	**(39.9)**	**-**	**(84.3)**
Revenue	**167.7**	**183.4**	**-**	**351.1**
Segment Result:				
Adjusted operating profit including share of operating profit from associate and joint ventures	**34.5**	**38.5**	**(2.6)**	**70.4**
Less: share of operating profit from associate and joint ventures	**(8.1)**	**(7.5)**	**-**	**(15.6)**
Less: non-underlying items	**-**	**-**	**(1.6)**	**(1.6)**
Operating profit/(loss)	**26.4**	**31.0**	**(4.2)**	**53.2**

4. SEGMENTAL REPORTING (continued)

Six months ended 31 March 2016

	Housebuilding	Partnerships	Group items	Total
	£m	£m	£m	£m
Adjusted revenue including share of joint ventures' revenue	**174.0**	**138.8**	**-**	**312.8**
Share of joint ventures' revenue	**(19.9)**	**(6.7)**	**-**	**(26.6)**
Revenue	**154.1**	**132.1**	**-**	**286.2**
Adjusted operating profit including share of operating profit from associate and joint ventures				
Less: share of operating profit from associate and joint ventures	**27.8**	**23.2**	**(0.2)**	**50.8**
Less: non-underlying items	**(5.6)**	**(1.2)**	**-**	**(6.8)**
Operating profit/(loss)	**-**	**2.2**	**(11.4)**	**(9.2)**
	22.2	**24.2**	**(11.6)**	**34.8**

	Housebuilding	Partnerships	Group items	Total
	£m	£m	£m	£m
Year ended 30 September 2016				
Adjusted revenue including share of joint ventures' revenue	**427.1**	**349.9**	**-**	**777.0**
Share of joint ventures' revenue	**(69.0)**	**(36.7)**	**-**	**(105.7)**
Revenue	**358.1**	**313.2**	**-**	**671.3**
Segment Result:				
Adjusted operating profit including share of operating profit from associate and joint ventures	**68.1**	**56.8**	**(2.4)**	**122.5**
Less: share of operating profit from associate and joint ventures	**(18.3)**	**(7.0)**	**-**	**(25.3)**
Less: non-underlying items	**-**	**2.6**	**(12.5)**	**(9.9)**
Operating profit/(loss)	**49.8**	**52.4**	**(14.9)**	**87.3**

(b) Segmental capital employed

	Housebuilding	Partnerships	Group items	Total
	£m	£m	£m	£m
As at 31 March 2017				
Net Assets	**510.1**	**98.0**	**21.4**	**629.5**
TNOAV	**510.1**	**98.0**	**-**	**608.1**
As at 31 March 2016				
Net Assets	**378.8**	**117.2**	**50.2**	**546.2**
TNOAV	**378.8**	**117.2**	**-**	**496.0**
As at 30 September 2016				
Net Assets	**422.2**	**103.3**	**67.4**	**592.9**
TNOAV	**422.2**	**103.3**	**-**	**525.5**

4. SEGMENTAL REPORTING (continued)

(c) Segmental other items

	Housebuilding	Partnerships	Group items	Total
	£m	£m	£m	£m
Six months ended 31 March 2017				
Investment in associate	**5.2**	**-**	**-**	**5.2**
Investment in joint ventures	**47.8**	**0.8**	**-**	**48.6**
Share of post-tax profit from associate and joint ventures	**6.6**	**7.5**	**-**	**14.1**
Capital expenditure - property, plant and equipment	**0.3**	**0.2**	**-**	**0.5**
Capital expenditure - software	**-**	**-**	**1.1**	**1.1**
Depreciation and amortisation	**0.2**	**0.2**	**0.8**	**1.2**
Share-based payments	**-**	**-**	**1.8**	**1.8**
Six months ended 31 March 2016				
Investment in associate	4.0	-	-	4.0
Investment in joint ventures	49.6	0.6	-	50.2
Share of post-tax profit from associate and joint ventures	2.9	1.2	-	4.1
Capital expenditure - property, plant and equipment	0.3	0.2	-	0.5
Depreciation and amortisation	0.1	0.2	0.6	0.9
Share-based payments	-	-	2.1	2.1

	Housebuilding	Partnerships	Group items	Total
	£m	£m	£m	£m
Year ended 30 September 2016				
Investment in associate	5.2	-	-	5.2
Investment in joint ventures	47.5	6.4	-	53.9
Share of post-tax profit from associate and joint ventures	13.0	6.6	-	19.6
Capital expenditure - property, plant and equipment	0.5	0.4	-	0.9
Capital expenditure - software	-	-	0.7	0.7
Acquisitions	2.3	-	-	2.3
Depreciation and amortisation	0.4	0.3	1.3	2.0
Share-based payments	-	-	3.0	3.0

5. NON-UNDERLYING ITEMS

Certain items which do not relate to the Group's underlying performance are presented separately in the Income Statement 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 2017	Six months ended 31 March 2016	Year ended 30 September 2016
	£m	£m	£m
Restructuring expense	**(1.6)**	-	-
Advisory costs	**-**	(9.5)	(10.6)
Reversal of impairment of non-trade receivable	**-**	2.2	2.6
Share based payments – pre-IPO	**-**	(1.9)	(1.9)
Total non-underlying items included within administrative expenses	**(1.6)**	**(9.2)**	**(9.9)**
Impairment of unamortised loan arrangement fees	**-**	-	(3.2)
Total non-underlying items	**(1.6)**	**(9.2)**	**(13.1)**

Restructuring expense
During the period, certain Group operations were restructured, principally the out-sourcing of architecture and design services. As a result of this, a number of people left the Group at a cost of £1.6m.

Advisory fees
During the prior period, the Group engaged in corporate activity in relation to the listing of its ordinary shares on the London Stock Exchange. Advisory costs of £nil (HY16: £9.5m, FY16: £10.6m) were incurred in relation to this activity. These costs primarily relate to the fees of professional advisors.

Reversal of impairment of non-trade receivable
During 2015 a non-recurring charge of £2.7m was recorded in relation to a receivable which management believed to be irrecoverable. In the six months to 31 March 2016, £2.2m was received resulting in a partial reversal of the impairment. A further £0.4m was received in the second half of 2016.

Share based payments – pre-IPO
In the year ended 30 September 2013, a management incentive plan ("Plan") 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 a group company. Further shares were issued under the Plan during the years ended 30 September 2014 and 2015. The Directors believed that this Plan should be treated as a non-underlying item, as this allows the underlying performance of the Group to be measured from period to period due to the fact unconditional access is obtained following an exit event, such as a trade sale or Initial Public Offering.

The Plan ended in 2016 as a result of the IPO as such no costs were incurred in relation to the plan in 2017 (HY16: £1.9m FY16: £1.9m, of which £1.0m arose as a result of the IPO).

Impairment of unamortised loan arrangement fees
As described in note 14, the Group refinanced in May 2016. As a result, unamortised debt finance costs in relation to the previous facility as at the refinancing date of £3.2m were expensed as a non-underlying finance cost in the year to September 2016. No costs were incurred in relation to this item in either March 2016 or March 2015.

A total tax credit of £0.3m (HY16: £0.4m FY16: £1.0m) in relation to all of the above non-recurring items was included within the taxation in the Income Statement.

5. NON-UNDERLYING ITEMS (continued)

Reconciliation of adjusted operating profit to Group operating profit

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
	£m	£m	£m
Adjusted Group operating profit	**70.4**	50.8	122.5
Less: Share of associate and joint ventures' operating profit	**(15.6)**	(6.8)	(25.3)
Less: Non-underlying items	**(1.6)**	(9.2)	(9.9)
Group operating profit	**53.2**	**34.8**	**87.3**

6. FINANCE COSTS

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
	£m	£m	£m
Bank loans and overdrafts	**1.4**	2.7	5.2
Amortisation of debt finance costs	**0.3**	0.4	0.8
Unwind of discount	**3.5**	2.7	4.8
Impairment of interest receivable from joint venture	**2.1**	-	-
Interest on mandatory redeemable preferred shares	**-**	16.5	16.5
Write off unamortised debt arrangement fees[1]	**-**	-	3.2
Total finance costs	**7.3**	**22.3**	**30.5**

Impairment of interest receivable from joint venture
During the period, the Group has agreed to waive interest receivable from its joint venture Countryside Annington (Mill Hill) Limited. As a result of this agreement, the accrued interest receivable of £2.1 million has been impaired (HY16: £nil, FY16: £nil).

Mandatory redeemable preferred shares
Prior to their redemption, the mandatory redeemable preferred shares accrued interest annually. As described in the Group Financial Statements, the balance of the mandatory redeemable preference shares of £287 million and the associated accrued return of £111 million was redeemed prior to the Group's IPO.

7. TAXATION

The effective tax rate applied for the period was 17.4 per cent (HY16: 21.5 per cent, FY16: 22.0 per cent). This reflects the anticipated full year effective rate and is lower than the statutory rate of 19.5 per cent mainly due to the equity accounting method for associate and joint ventures. The adjusted effective tax rate applied for the period was 19.0 per cent (HY16: 19.1 per cent, FY16: 20.3 per cent). We expect the Group's adjusted tax rate to be broadly in line with the statutory rate in future years.

[1] Disclosed as a non-underlying item at 30 September 2016

8. 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 from the date of the IPO to 31 March 2017. The weighted average number of shares for the prior year has been stated as if the Group reorganisation had occurred at the beginning of the comparative year.

When calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. These represent share options granted to employees under the Group's Save as you Earn plans (0.8 million shares (2016: 0.2 million shares)).

(a) Basic earnings per share

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
Profit from continuing operations attributable to equity holders of the parent (£m)	**49.8**	13.7	61.1
Basic weighted average number of shares (millions)	**450.0**	450.0	450.0
Adjusted basic earnings per share (pence per share)	**11.1**	3.1	13.6
Diluted weighted average number of shares (millions)	**450.1**	450.2	450.2
Adjusted diluted earnings per share (pence per share)	**11.1**	3.1	13.6

(b) Adjusted earnings per share disclosure

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
Profit from continuing operations attributable to equity holders of the parent (£m)	**49.8**	13.7	61.1
Add: Non-underlying items, net of tax	**1.3**	8.8	12.1
Adjusted profit from continuing operations attributable to equity holders of the parent (£m)	**51.1**	22.5	73.2
Basic weighted average number of shares (millions)	**450.0**	450.0	450.0
Adjusted basic earnings per share (pence per share)	**11.4**	5.0	16.3
Diluted weighted average number of shares (millions)	**450.1**	450.2	450.2
Adjusted diluted earnings per share (pence per share)	**11.4**	5.0	16.3

Non-underlying items net of tax includes costs of £1.6m, net of tax £0.3m (HY16: £9.2m net of tax of £0.4m, FY16: £13.1m, net of tax of £1.0m).

9. DIVIDEND

A final dividend for the previous financial year of 3.4 pence per share was paid on 3 February 2017 of £15.3m (HY16: £nil FY16: £nil). The Directors have recommended the payment of an interim dividend for the current financial year of 3.4 pence per share to be paid on 7 July 2017 (HY16: £nil FY16: £nil).

10. INVESTMENT IN JOINT VENTURES

	Six months ended 31 March 2017			Six months ended 31 March 2016			Year ended 30 September 2016		
	House-building	**Partner-ships**	**Group**	House-building	Partner-ships	Group	House-building	Partner-ships	Group
	£m	**£m**	**£m**	£m	£m	£m	£m	£m	£m
Revenue	**88.8**	**79.8**	**168.6**	39.8	13.4	53.2	138.2	73.3	211.5
Expenses	**(72.7)**	**(64.8)**	**(137.5)**	(28.2)	(11.0)	(39.2)	(104.7)	(59.4)	(164.1)
Operating profit	**16.1**	**15.0**	**31.1**	11.6	2.4	14.0	33.5	13.9	47.4
Finance costs	**(0.6)**	**-**	**(0.6)**	(3.4)	(0.1)	(3.5)	(6.1)	(0.7)	(6.8)
Income tax	**(2.4)**	**-**	**(2.4)**	(1.9)	-	(1.9)	(3.4)	-	(3.4)
Profit for the period	**13.1**	**15.0**	**28.1**	6.3	2.3	8.6	24.0	13.2	37.2
Group's share in per cent			**50.0%**			50.0%			50.0%
Share of revenue			**84.3**			26.6			105.7
Share of operating profit			**15.6**			7.0			23.7
Dividends received by the Group			**21.2**			4.8			13.6
Investments in joint ventures			**48.6**			50.2			53.9

The aggregate amount due from joint ventures is £86.7m (HY16: £89.8, FY16: £84.5m). The amount due to joint ventures is £0.3m (HY16: £0.3m, FY16: £0.3m). Transactions between the Group and its joint ventures are disclosed in note 16.

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

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
	£m	£m	£m
Opening balance	**53.9**	50.1	50.1
Share of post-tax profit	**14.1**	4.3	18.6
Dividends received from joint ventures	**(21.2)**	(4.8)	(13.6)
Other movements	**1.8**	0.6	(1.2)
Closing balance	**48.6**	50.2	53.9

11. 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 housebuilding. It is accounted for using the equity method.

The Group's investment in its associate is represented by:

	31 March 2017	31 March 2016	30 September 2016
	£m	£m	£m
Revenue	**-**	-	17.7
Expenses	**-**	(0.6)	(12.0)
Operating (loss)/profit	**-**	(0.6)	5.7
Finance costs	**-**	-	0.1
Income tax	**-**	-	(2.0)
(Loss)/profit for the period	**-**	(0.6)	3.8
Group's share in per cent	**28.5%**	28.5%	28.5%
Share of operating (loss)/profit	**-**	(0.2)	1.6
Dividends received by the Group	**-**	-	-
Investment in associate	**5.2**	4.0	5.2

12. AVAILABLE FOR SALE FINANCIAL ASSETS

	As at 31 March 2017	As at 31 March 2016	As at 30 September 2016
	£m	£m	£m
Opening balance	**8.7**	10.5	10.5
Additions from acquisitions	**-**	-	0.6
Decrease in fair value	**-**	-	(1.5)
Unwind of discount	**0.3**	0.3	0.7
Redemptions	**(0.6)**	(0.5)	(1.6)
Closing balance	**8.4**	10.3	8.7

The available for sale financial assets comprise loans advanced to home buyers to assist in the purchase of their property under shared equity schemes. The loans are secured by either a first or second legal charge over the property and are either interest-free or have interest chargeable from the fifth year onwards or tenth year onwards dependent upon the scheme under which the loans were issued.

The inputs used are by nature estimated and the resultant fair value has been classified as Level 3 under the fair value hierarchy.

13. INVENTORIES

	As at 31 March 2017	As at 31 March 2016	As at 30 September 2016
	£m	£m	£m
Development land and work in progress	**639.1**	473.1	550.6
Completed properties unlet, unsold or awaiting sale	**36.7**	12.4	33.0
	675.8	485.5	583.6

14. BORROWINGS

	As at 31 March 2017	As at 31 March 2016	As at 30 September 2016
	£m	£m	£m
Cash and cash equivalents	**5.1**	41.3	38.3
Overdrafts	**(0.1)**	-	(26.3)
Net cash and cash equivalents	**5.0**	41.3	12.0
Bank loans	**(40.0)**	(50.0)	-
Net (debt)/cash	**(35.0)**	(8.7)	12.0
Bank loan arrangement fees	**2.3**	3.4	-
Total (borrowings)/cash	**(32.7)**	(5.3)	12.0

Revolving credit facility
In May 2016, the Group signed a new five-year £300m revolving credit facility with Lloyds Bank plc, Barclays Bank PLC, HSBC Bank plc and Santander UK plc. The agreement has a variable interest rate based on LIBOR and was initially due to expire in May 2021, although the Group had the opportunity to extend the term of the facility by a further two years. Subject to obtaining credit approval from the syndicate banks, the Group also 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. As described in note 18, a 12 month extension to the facility was signed on 3 May 2017, taking expiry to May 2022.

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 the fair value hierarchy.

Bank loan arrangement fees are amortised over the term of the facility. At 31 March 2017 £0.3m (HY16: £0.4m, FY16: £0.8m) had been amortised during the period, leaving a remaining balance of £2.3m (HY16: £3.4m, FY16: £2.5m). Unamortised loan arrangement fees at 30 September 2016 were disclosed within prepayments.

14. BORROWINGS (continued)

The Group has the following undrawn facilities:

	As at 31 March 2017	As at 31 March 2016	As at 30 September 2016
	£m	£m	£m
Floating rate:			
Expiring after more than one year	**259.9**	215.0	300.0

Redemption of MRPs
Prior to the Group's IPO in February 2016, the balance of the mandatory redeemable preference shares of £287 million and the associated accrued return of £111 million was repaid. Further details are included in the Group's Financial Statements.

15. NOTE TO THE CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated from operations

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
	£m	£m	£m
Cash flows from operating activities			
Profit before taxation	**60.3**	18.1	78.7
Adjustments for:			
- Amortisation charge	**0.8**	0.6	1.3
- Depreciation charge	**0.4**	0.3	0.7
- Non-cash items	**(0.3)**	(1.2)	0.7
- Share of post-tax profit from joint ventures and associate	**(14.1)**	(4.1)	(19.6)
- Share based payment	**1.8**	2.1	3.0
Finance costs	**7.3**	22.3	27.3
Impairment of debt amortisation fees	**-**	-	3.2
Finance income	**(0.3)**	(1.5)	(2.3)
Profit on disposal of available-for-sale financial assets	**(0.3)**	(0.7)	(1.3)
Changes in working capital:			
- Increase in inventories	**(62.4)**	(8.5)	(38.5)
- Increase in trade and other receivables	**(14.1)**	-	(13.0)
- Decrease in trade and other payables	**(19.0)**	(71.4)	(54.2)
- Decrease in provisions	**(0.3)**	(0.5)	(0.8)
Cash used in operations	**(40.2)**	**(44.5)**	**(14.8)**

16. RELATED PARTY TRANSACTIONS

Transactions with Group joint ventures and associate

	Joint Ventures			Associate		
	As at 31 March 2017	As at 31 March 2016	As at 30 September 2016	**As at 31 March 2017**	As at 31 March 2016	As at 30 September 2016
	£m	£m	£m	£m	£m	£m
Sales during the year	**15.6**	12.6	26.2	**0.1**	-	0.1
Advances:						
Opening	**84.2**	62.1	62.1	**-**	-	-
Net advances/(repayments) during the period	**2.2**	27.4	22.1	**-**	-	-
Closing	**86.4**	89.5	84.2	**-**	-	-

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 2014, properties were sold at market value by the Group to parties related to key management personnel who continue to lease them back to the Group resulting in the following payments during the six months to 31 March 2017:

- Close family members of Ian Sutcliffe received £8,760 (HY16: £8,625; FY16: £17,520).
- A company of which Graham Cherry is a director and shareholder received £10,500 (HY16: £10,500; FY16: £21,000).

In 2016 a close family member of Ian Sutcliffe jointly purchased a property from Acton Gardens LLP, an entity in which the Group has a 50% interest, at market value for £530,000.

In 2015 a close family member of Ian Sutcliffe and a close family member of 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 their experience and roles. The current combined annual salary and benefits of these individuals is less than £100,000 (HY16: £100,000, FY16: £100,000).

17. 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").

On 15 December 2016 2.67 million options and on 16 March 2016 0.74 million options were granted under the SAYE plan to those employees who had elected to participate.

On 18 February 2016 the Group granted conditional share awards under the Group's LTIP to Executive Directors and 80 senior managers. The maximum number of shares which could vest under this grant is 3.87 million. On 15 December 2016, the Group granted additional conditional share awards under the LTIP to Executive Directors and 75 senior managers. The maximum number of shares which could vest under this grant is 3.59 million.

On 31 December 2016, 0.5 million shares were granted under the DBP. This was the first grant under this plan.

Further details of the Group's remuneration policy and share schemes are set out in the Group Financial Statements for the year ended 30 September 2016.

18. POST BALANCE SHEET EVENTS

An amendment to the Group's banking facility was signed on 3 May 2017 which extends the existing facility for a further 12 months until May 2022.

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 6 month period ended 31 March 2017. 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 2017;
- 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 1 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 Ireland) 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

16 May 2017

a) The maintenance and integrity of the Countryside Properties PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.