COUNTRYSIDE PROPERTIES PLC
Unaudited results for the half year ended 31 March 2020

14 May 2020

Resilience of mixed tenure model positions the business well

Countryside, a leading UK home builder and regeneration partner, today announces its unaudited results for the six months ended 31 March 2020.

Results highlights

	HY 2020	HY 2019	Change
Completions	**2,271**	2,362	-4%
Adjusted revenue[1]	**£530.9m**	£563.7m	-6%
Adjusted operating profit[2]	**£55.3m**	£89.4m	-38%
Adjusted operating margin[3]	**10.4%**	15.9%	-550bps
Adjusted basic earnings per share[4]	**9.1p**	15.0p	-39%
Dividend per share	**-**	6.0p	-100%
Return on capital employed[5]	**25.8%**	32.9%	-710bps
Group total forward order book	**£1,506m**	£1,037m	+45%
Reported revenue	**£481.2m**	£507.0m	-5%
Reported operating profit	**£41.0m**	£60.2m	-32%
Net debt[6]	**£(127.7)m**	£(42.1)m	-£85.6m
Basic earnings per share	**8.1p**	12.9p	-37%

COVID-19

- Solid trading performance from October to February with net reservation rate 31% ahead of the prior year
- Closure of sites, factories and sales offices announced on 25 March with the safety of our employees, customers and the general public our highest priority
- Lost completions and land sales in March impacted profit by c. £29m and increased net debt by c. £83m
- Phased resumption of site activity commenced on 11 May with new operating procedures
- Liquidity underpinned by £300m RCF and access to CCFF if required
- Communities Fund of £1m established to support the most vulnerable members of our communities
- Operationally and financially well positioned due to Partnerships model with greater proportion of Private Rental Sector ("PRS") and affordable homes

Trading performance

- 139 active sites[7] (HY 2019: 140) at 31 March. 61 average open sales outlets (HY 2019: 57 sales outlets)
- Net reservation rate of 0.93 (HY 2019: 0.86)
- Private Average Selling Price ("ASP") of £368k (HY 2019: £377k)
- 217 gross reservations, 146 net reservations in the six-week period to 10 May 2020 via remote viewings despite sales offices remaining closed, 38 private completions
- Total forward order book of £1,506m up 45% (HY 2019: £1,037m), providing significant visibility
- 6,695 additional plots secured during the first half, 4,965 in Partnerships, 1,730 in Housebuilding
- Achieved HBF five-star rating for customer satisfaction for the first time

Financing, current trading and outlook

Countryside began a phased return to construction activity on 11 May 2020 following a decision to close sites on 25 March 2020. While private reservations have been at significantly lower levels in March and April, we have been encouraged by virtual interest from potential customers and our mixed-tenure business model positions us well with continued strong demand from partners for affordable and PRS homes.

We have worked through a comprehensive mobilisation strategy and each site will comply with the requirements of Public Health England advice, with a strict set of site operating guidelines in place. We have good engagement with our supply chain and continue to pay suppliers and service providers on normal terms. We have sufficient liquidity for the foreseeable future with our existing £300m revolving credit facility ("RCF") and a further £300m through our commercial paper programme to facilitate access to the COVID Corporate Financing Facility ("CCFF").

Commenting on the results, Iain McPherson, Group Chief Executive, said:

"The first half ended in a period of significant uncertainty for all of us. Our first priority was to protect our staff, customers, supply chain and the general public and we took the decision to temporarily suspend production on our sites and in our factories. The business had been performing well and our construction programmes were on track for full year delivery. We were proud to achieve HBF Five Star Builder status for the first time in the Group's history.

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As we move into the second half of the year, we have cautiously restarted construction on around 80% of our sites albeit with significantly reduced build rates as we adjust to new ways of working. We welcome the revised guidance from Government allowing anyone looking to move home to be able to do so. Whilst the market outlook remains highly uncertain, our resilient mixed-tenure business model and strong forward order book benefit us both operationally and financially as we work alongside our partners to restart our operations as efficiently as possible."

Our half year results presentation will be webcast and available via conference call at 9.30am on Thursday 14 May followed by Q&A. Please register for the webcast at https://investors.countrysideproperties.com.

The conference call dial in details are:

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Note to editors:
Countryside is the UK's leading mixed-tenure developer through its two divisions, Partnerships and Housebuilding.

Countryside's Partnerships division was established over 30 years ago, specialising in estate regeneration, with operations in London, the South East, the North West, the Midlands and Yorkshire. It works mainly on public sector owned and brownfield land, in partnership with local authorities and housing associations to develop private, affordable and PRS homes. It recently established an advanced modular panel manufacturing facility in Warrington to improve quality, reduce build times and directly manage supply to sites. Its developments include large scale urban regeneration projects at Beam Park, Rainham, Acton Gardens, Ealing and Rochester Riverside, Medway.

Countryside's Housebuilding division benefits from an industry leading strategic land bank which is focused around outer London and the Home Counties. It builds family homes, with a focus on placemaking and selling to local owner occupiers. Its developments include a number of large-scale projects including Beaulieu Park, Essex and Springhead Park, Ebbsfleet.

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

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

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

[1] Adjusted revenue includes the Group's share of revenue from joint ventures and associate of £49.7m (HY 2019: £56.7m).
[2] Adjusted operating profit includes the Group's share of operating profit from joint ventures and associate of £9.0m (HY 2019: £17.7m) and excludes non-underlying items of £5.3m (HY 2019: £11.5m). Refer to Note 6.
[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 for the period.
[5] Return on capital employed ("ROCE") is defined as adjusted operating profit for the last 12 months divided by the average of opening and closing tangible net operating asset value ("TNOAV") for the 12-month period. TNOAV is calculated as net assets excluding net cash or debt less intangible assets net of deferred tax.
[6] Net debt is defined as bank borrowings less unrestricted cash. Unamortised debt arrangement fees and lease obligations are not included in net debt.
[7] An active site is a site where construction has commenced. An open selling outlet is an active site on which the Group is selling homes.

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

COVID-19 – Summary of Impact on our Results

The impact on our results

The timing of the COVID-19 pandemic and the resulting restrictions on movement and uncertainty meant that our half year results were significantly impacted. Revenue and profit were both lower than they otherwise would have been as a significant number of private completions due for the end of March did not take place as planned and land sales were postponed. We have estimated the impact of these items on adjusted operating profit and cashflow below.

We took the decision to close our sales offices, construction sites, factories and regional offices on 25 March 2020 following government and Public Health England guidance as it became difficult to maintain adequate social distancing without adjustments being made to the workplaces.

We estimate that around 184 completions, including 79 private completions, were lost, which alongside the lower levels of construction activity in March and the cancellation of five land sales by the counter-parties resulted in lost revenue of around £116m and associated lost operating profit of around £29m, on an adjusted basis.

Our priorities

Our priority through this period has been to focus on the safety and wellbeing of our employees, customers, supply chain and other partners. We have ensured that we have maintained good communication with our employees during what has been an uncertain time for them and their families and we took the decision to maintain pay and benefits for all staff to ensure that they were in the best possible position to resume work when required. Our contingency planning was activated smoothly, allowing our office-based employees to make the transition to homeworking and continue with minimal disruption during the initial lockdown phase. The level of commitment that we have seen from our employees is a real testament to the quality and professionalism of the people we have working for Countryside.

The crisis is impacting the communities in which we operate. We have established a £1m Communities Fund, targeted at helping vulnerable local people, including supporting local food banks and community groups. We also announced that the Board and Executive Committee were reducing their salaries by 20% for two months from April, with these funds being added to the Communities Fund. We have already made good progress in allocating these funds and are working with partners to ensure the most vulnerable people in our communities get help when they need it.

Measures we have taken to manage liquidity

Following the decision to cease construction activity on 25 March 2020, we took a number of steps to conserve cash in the business. This included negotiating deferrals to payments for land and taxation where possible and minimising all other spend across the business. We have chosen not to claim employee costs under the government’s Job Retention Scheme, as we do not believe these employees would otherwise have been made redundant in the near future. All staff who were furloughed by the business have therefore been given full paid leave for the period of their absence and all staff are expected to return to the business during May.

We are also seeking to renegotiate a number of contracts, both for the purchase of land and some of our longer-term Partnerships development agreements to defer land payments and provide additional protection against falls in house prices.

As previously reported, we fully drew down on our £300m revolving credit facility in mid-March. On 28 April 2020, our eligibility to access the Bank of England COVID Corporate Financing Facility (“CCFF”) was confirmed, and we have put in place a £300m commercial paper facility to access the CCFF should it be required. We have also agreed a relaxation of the Group’s banking covenants until September 2022 to ensure that we are able remain compliant in any plausible but severe downside scenario. As a result of the additional financing and the conservation measures taken above, we are confident that we have enough liquidity in the business for the foreseeable future, having considered a range of downside scenarios.

Countryside Ground Rent Assistance Scheme

We recognise that our customers are also going through a period of increased uncertainty and we are doing all we can to help them. In order to further Countryside's commitment as a signatory to the Government's Leasehold Pledge, we have now created the Countryside Ground Rent Assistance Scheme and will seek agreement from freehold owners to vary the leaseholds of Countryside customers who still own homes with a leasehold ground rent that doubles more frequently than every 20 years, to be linked instead to the rate of RPI and reviewed every 15 years. The Scheme is in the early stages of its development and the associated cost of the Scheme is provisionally estimated to be up to £10m. An appropriate provision for these costs will be made in the second half of the year.

Looking through the crisis

The impact of COVID-19 on consumer behaviour remains to be seen, particularly given the use of the Job Retention Scheme by large numbers of companies which has allowed employees to remain employed with at least 80% of their wages intact up to a cap of £2,500 a month. The structural undersupply of homes in the UK has not diminished but the availability of mortgages and valuation of properties will no doubt take some time to return to pre-pandemic levels. Whilst we have continued to take reservations during the lockdown period at pricing in line with pre-pandemic levels, the impact of the pandemic on future prices or sales rates remains unknown.

We commenced a phased restart of operations on around 80% of our sites from 11 May 2020. We have developed a new set of Standard Operating Procedures based on guidance from the Construction Leadership Council, which are designed to allow the safe operation of sites whilst complying with government and Public Health England guidance on social distancing. Measures we have taken include the provision of additional site welfare facilities, car parking and the introduction of Site Compliance Officers to ensure our procedures are adhered to. We have similar operating guidance in place for our factories in Leicester and Warrington.

We have adapted our business model to take into account the fact that life will not return to 'normal' for some time. We have increased our online presence with both new and existing customers which included conducting customer visits by video conference, as well as a number of virtual home tours. In the six-week period to 10 May 2020, these helped us achieve 217 new gross reservations.

Our modular panel factory has recommenced operations and provides us with significant advantages. We have greater security of material supplies, there are fewer people required on site with this build methodology making it easier to adhere to social distancing, and the increased build speed allows us to restart operations and deliver homes more quickly than traditional methods. Whilst we do not underestimate the short-term impact of this crisis on our sector, it is important that we continue to plan for the future and we are progressing our plans for a second, larger modular panel factory during 2021.

In addition, our mixed tenure business model remains robust and provides us with a degree of resilience with only around 40% of our business reliant on the private for sale market. As we recommence construction activity, we will initially focus on homes where customers have already exchanged as well as the construction of affordable and PRS homes which will allow us to generate profits and cash flow more quickly.

We continue to have a strong pipeline of work with an order book of £1.5bn as at 31 March 2020 of which £1,074m relates to Affordable and PRS sales and £432m to private sales. We continue to have significant growth opportunities through our existing regional businesses as they grow to scale and we will leverage our relationships with local authorities and registered providers to underpin this growth.

Group results for the six months ended 31 March 2020

Completions
Total completions fell by 4% to 2,271 homes (HY 2019: 2,362 homes), as a result of losing around 184 completions at the end of March and the weighting of our construction programmes to H2 this year.

Private completions were 8% lower than last year at 753 (HY 2019: 816 homes). Affordable completions were broadly flat at 941 homes (HY 2019: 938 homes) and PRS completions 5% lower at 577 homes (HY 2019: 608 homes). The overall tenure mix was broadly consistent with the prior year, with one third of homes being private for sale and the remaining two thirds a blend of Affordable and PRS.

Revenue
Total adjusted revenue decreased by 6% to £530.9m (HY 2019: £563.7m). On a reported basis, revenue decreased by 5% to £481.2m (HY 2019: £507.0m).

Private average selling price ("ASP") reduced by 2% to £368,000 (HY 2019: £377,000) which reflected the broad trend in house prices that we saw across the half, with house price inflation ("HPI") running at (2.3)% (HY 2019: broadly flat). Prior to ceasing site activity, build cost inflation was running at around 1%, lower than the prior year (HY 2019: 3%). We remain focused on driving efficiency in build costs, particularly through the roll-out of our modular panel product which enhances margins by up to 2% on the developments on which it is used.

In line with previous years, around half of our sales were to first time buyers (HY 2019: 46%), the majority of whom come from the local areas around our developments. Help to Buy usage also remained stable at 52% of private sales (HY 2019: 48%), or 17% of total completions.

Affordable ASP, at £155,000, increased 5% (HY 2019: £148,000) with PRS ASP increasing by 10% to £144,000 (HY 2019: £131,000) driven mainly by site mix and a small number of PRS completions in Housebuilding where ASPs were higher.

Our net private reservation rate per open sales outlet per week remained strong throughout H1 at 0.93 (HY 2019: 0.86), particularly following the General Election in December 2019. Our open sales outlets increased by 15% to 69 (HY 2019: 60) with total active sites down fractionally to 139 (H1 2019: 140). Our total forward order book was up 45% to £1,506m (HY 2019: £1,037m) which includes our private forward order book up 49% at £432.2m (HY 2019: £290.6m) as the year has again been skewed to second half completions.

Operating profit and margin
Given the timing of the UK lockdown and cessation of site activity, adjusted operating profit decreased by 38% to £55.3m (HY 2019: £89.4m) as 184 completions were lost along with five land sales at the end of March. On a reported basis, operating profit decreased by 32% to £41.0m (HY 2019: £60.2m). The difference between adjusted and reported results reflects the proportional consolidation of our joint ventures and associate (see Notes 11 and 12) and non-underlying items. Overall, adjusted operating margin decreased by 550bps to 10.4% (HY 2019: 15.9%). This was due to the impact of negative house price inflation of (2.3)% and a number of land sales not being completed at the end of the first half which are typically made at above-average margins.

Non-underlying items
Non-underlying items of £5.3m primarily relate to the amortisation of acquired intangibles in the current year (HY 2019: £11.5m; including amortisation of acquired intangibles and the costs associated with the acquisition of Westleigh (£4.1m), along with a one-off non-cash inventory impairment charge of £7.4m).

ROCE
Driven by increased investment in working capital and lower adjusted operating margin, Group ROCE was 25.8%, down 710bps (HY 2019: 32.9%), with asset turn falling slightly to 1.8 times (HY 2019: 2.0 times).

Assets and liabilities
Inventories increased by £232.8m to £1,041.4m (FY 2019: £808.6m) during the period. This was driven by our continued investment in work in progress to enable the Group's growth plans and intended second half delivery, and the impact of delayed completions due to the timing of the UK lockdown. Trade and other payables increased by £53.6m to £506.2m (FY 2019: £452.6m) primarily due to an increase in deferred land payments as we acquired a number of developments for our Housebuilding division in the period, which also contributed to the increase in inventories.

The Group's investment in joint ventures reduced to £38.3m (FY 2019: £62.2m) as a result of dividends received in the period exceeding the profit generated by the joint ventures.

The adoption of IFRS 16 "Leases" for the first time in the period had a minimal impact on Tangible Net Asset Value ("TNAV") of £0.3m as at 31 March 2020. The recognition of £29.8m of right of use assets and £31.5m of lease liabilities reduced TNAV by £1.7m, which was largely offset by the derecognition of other working capital balances of £1.4m.

Net debt
Given the growth of the business and second half weighting of completions, net debt had been forecast to increase in the first half through our continued investment in work in progress. The combined impact of lost completions and cancelled land sales referred to above contributed £83m to net debt in the first half. As a result, the Group had net debt at 31 March 2020 of £127.7m (HY 2019: £42.1m). This resulted in gearing[1] of 14.4% (HY 2019: 5.2%) and adjusted gearing[2] of 38.9% (HY 2019: 20.0%).

Net finance costs were £6.2m (HY 2019: £6.5m), with the reduction mainly driven by a lower charge for the interest unwind on discounted land creditors, offset by the finance lease expense resulting from the adoption of IFRS 16. Interest on bank debt was broadly flat at £1.9m (HY 2019: £2.1m).

Taxation
The effective tax rate applied to adjusted profit for the period was 17.3% (HY 2019: 19.3%). This reflects the anticipated full year effective rate and is lower than the UK headline rate of 19.0% due to credits arising on the exercise of share options. On a reported basis, the effective tax rate was 16.7% (HY 2019: 18.2%), the difference to the adjusted effective tax rate being the impact of the Group's joint ventures and associate and non-underlying items.

Earnings per share
Adjusted basic earnings per share were 9.1 pence (HY 2019: 15.0 pence), reflecting the reduction in adjusted earnings in the period. On a statutory basis, basic earnings per share were 8.1 pence (HY 2019: 12.9 pence).

Dividend
As announced on 25 March 2020, given the uncertainty surrounding the remainder of our financial year, the Board suspended the payment of an interim dividend (HY 2019: 6.0 pence per share). The Group's dividend policy will be reviewed prior to the announcement of our final results in November 2020.

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

Partnerships

	HY 2020	HY 2019	Change
Completions	**1,791**	1,889	-5%
Adjusted revenue	**£343.8m**	£342.4m	-
Adjusted operating profit	**£36.3m**	£45.7m	-21%
Adjusted margin	**10.6%**	13.3%	-270bps
ROCE	**47.1%**	66.7%	-1,960bps
Land bank (plots)	**37,734**	36,132	+4%
Reported revenue	**£324.0m**	£329.1m	-2%
Reported operating profit	**£32.5m**	£31.3m	+4%
Reported margin	**10.0%**	9.5%	+50bps

Completions
The reduction in total completions was driven by lost business in the second half of March due to the UK lockdown and cessation of site activity. Private completions were 6% lower at 462 homes (HY 2019: 489 homes) with both Affordable and PRS completions down 5% at 763 homes and 566 homes respectively (HY 2019: 806 homes and 594 homes).

Revenue
Private ASP increased 3% to £297,000 (HY 2019: £288,000) reflecting slightly stronger house price inflation in the Midlands and North along with geographical site mix. Affordable ASP was up 8% to £152,000 (HY 2019: £141,000) reflecting slightly firmer pricing and the run-off of legacy Westleigh contracts, whilst PRS ASP was up 12% to £141,000 (HY 2019: £126,000). Along with the overall reduction in volume, this led to adjusted revenue broadly flat at £343.8m (HY 2019: £342.4m). Reported revenue of £324.0m was also broadly flat on the prior year (HY 2019: £329.1m).

Operating profit and margin
Adjusted operating margin reduced by 270bps in the half to 10.6% (HY 2019: 13.3%) with some impact from negative house price inflation from homes reserved prior to the General Election in December 2019 and overall site mix between our northern and southern regions. In addition, the first half last year benefitted from operational efficiency

and overage savings which were not repeated this year. Adjusted operating profit of £36.3m (HY 2019: £45.7m) was down 21% in the period as a consequence of the lost completions at the end of the half and the lower operating margin. On a reported basis, excluding the contribution from the Acton Gardens joint venture which had lower profits in the half, our operating profit increased by 4% to £32.5m (HY 2019: £31.3m). Our operating margin increased to 10.0% (HY 2019: 9.5%).

ROCE
The lower operating margin, combined with the additional investment for the second half weighted delivery, reduced return on capital employed ("ROCE") to 47.1% (HY 2019: 66.7%). Asset turn fell to 3.3 times as revenue in the half was lower than expected (HY 2019: 4.5 times).

Visibility of future work
We had another successful six months in winning new business, to support our longer-term growth plans. We secured 5,450 new plots in the period, including 700 homes in Salford, Greater Manchester and 600 homes in Hemel Hempstead, Hertfordshire. In addition, we were successful in our first public ballot at the Cambridge Road Estate, Kingston Upon Thames, a large regeneration development with 2,170 plots. We now have 37,734 Partnerships plots under our control and a future bid pipeline of over 95,000 plots.

At 31 March 2020, we had 38 open selling outlets with a further 59 sites under construction (HY 2019: 31 and 73 respectively).

Housebuilding

	HY 2020	HY 2019	Change
Completions	**480**	473	+1%
Adjusted revenue	**£187.1m**	£221.3m	-15%
Adjusted operating profit	**£20.6m**	£48.1m	-57%
Adjusted margin	**11.0%**	21.7%	-1,070bps
ROCE	**16.6%**	23.8%	-720bps
Land bank (plots)	**25,607**	21,284	+20%
Reported revenue	**£157.2m**	£177.9m	-12%
Reported operating profit	**£15.4m**	£37.4m	-59%
Reported margin	**9.8%**	21.0%	-1,120bps

Completions
Total completions were broadly flat at 480 homes (HY 2019: 473 homes) reflecting a planned strong second half weighting to the year, prior to the impact of COVID-19. Total private completions of 291 homes were down 11% (HY 2019: 327), mainly driven by the timing of the UK lockdown and cessation of site operations. Affordable completions were up 35% in the period to 178 homes (HY 2019: 132 homes) reflecting a more normal level of production after a lower level in the comparable period and we sold a further 11 PRS homes in the half (HY 2019: 14 homes).

Revenue
Private ASP was down 6% at £481,000 (HY 2019: £510,000) reflecting changes in product mix to lower price points and negative HPI of (2.8)% in the half. Pricing has been firmer since the General Election in December 2019 with HPI in the order book of between flat and 1%. Affordable ASP was 10% lower at £169,000 (HY 2019: £188,000) reflecting site mix. Private sales made up a lower proportion of total completions in the half which, combined with the reduction in private ASP, led to adjusted revenue down 15% to £187.1m (HY 2019: £221.3m).

Operating profit and margin
Adjusted operating profit was significantly impacted in the half by the UK lockdown which resulted in around 90 fewer completions than planned and the withdrawal of counterparties from five land deals due to be completed in March. Together, these resulted in the loss of around £25m of operating profit, with the out-turn of £20.6m down 57% on the prior year against an unusually strong comparative (HY 2019: £48.1m). Land sale profits in the half were less than £1m (HY 2019: £5.8m). Adjusted operating margin of 11.0% was down 1,070bps on the prior period's strong comparative (HY 2019: 21.7%) as a result of the loss of the land sales, negative house price inflation on private completions and a strong comparative margin achieved in 2019. On a reported basis, operating profit decreased by 59% to £15.4m (HY 2019: £37.4m) and operating margin decreased by 1,120bps to 9.8% (HY 2019: 21.0%).

ROCE
ROCE was down 720bps at 16.6% (HY 2019: 23.8%), driven mainly by lower operating margins with asset turn at 1.1 times broadly in line with the prior year (HY 2019: 1.2 times).

Visibility of future work
We have grown the land bank in our Housebuilding division and acquired six sites totalling 1,730 plots during the period. The Housebuilding land bank now stands at 25,607 plots (HY 2019: 21,284 plots) of which only 23% is owned and the remainder either controlled by option agreements or under conditional contracts. 79% has been sourced strategically.

At 31 March 2020, we had 31 open selling outlets with a further 11 sites under construction (HY 2019: 29 and 7 respectively).

Board change
As announced in November 2019, Ian Sutcliffe stepped down as Group Chief Executive and from the Board on 31 December 2019 and retired from the Group on 31 March 2020. He developed the Group's mixed tenure business model, successfully guiding the Company through its IPO in February 2016, and consistently delivered strong, profitable growth and returns, leaving the Group well positioned for the future. The Board wishes Ian well for the future.

Financing, current trading and outlook
Countryside began a phased return to construction activity on 11 May 2020 following a decision to temporarily close sites on 25 March 2020. We are working with our partners to review our plans for the remainder of the year and we continue to assess to the best of our ability the likely full impact of COVID-19 on the private sales market in particular. While private reservations have been at significantly lower levels in March and April, we have been encouraged by continued virtual interest from potential customers and our mixed-tenure business model positions us well with continued strong demand from partners for Affordable and PRS homes. We have sufficient liquidity for the foreseeable future with our existing £300m revolving credit facility and a further £300m through our commercial paper programme to facilitate access to the COVID Corporate Financing Facility.

Iain McPherson
Group Chief Executive
14 May 2020

Principal risks and uncertainties

The Group's principal risks and a summary of the mitigating actions for each are listed below. They are monitored by the Risk Management Committee, the Audit Committee and the Board.

Coronavirus, COVID-19

The defining event of the first six months of this financial year has been the impact of COVID-19. It is a global crisis that has led the Group to invoke its business continuity procedures to manage the immediate impact of the incident. The actions taken so far to mitigate the impact of COVID-19 on the Group, its employees, customers and other principal stakeholders have included:

- Furloughing 67% of all employees from 1 April 2020. All employees continued to receive full pay and the Group currently does not intend to make a claim under the government's Job Retention Scheme;
- Implementing arrangements so that all staff who can work from home do so, in accordance with the Government's 'stay at home, protect the NHS, save lives' objectives;
- Maintaining regular communications with all key stakeholders during the temporary closure of all sites whilst appropriate remobilisation measures were planned and implemented;
- Creating a £1m fund to help support the most vulnerable in the communities in which we operate;
- Putting in place a £300m commercial paper facility to access the Government's COVID Corporate Financing Facility, fully drawing down on our £300m revolving credit facility and agreeing an 18-month relaxation of the Group's banking covenants to enable compliance through any plausible but severe downside scenario; and
- Preparing and implementing a comprehensive re-mobilisation plan for a return to our sites and factories from 11 May 2020. Such arrangements have been carefully planned to ensure that suitable arrangements are in place to ensure social distancing in according with Public Health England requirements.

Beyond the immediate impact of COVID-19, forecasters warn of recession in the UK and global economies. On 7 May 2020, the Bank of England warned that the coronavirus pandemic will push the UK economy "towards its deepest recession on record" and that COVID-19 was "dramatically reducing jobs and incomes in the UK". Principal risks 2, 4, 5 and 7 listed below would be exacerbated by such a recession and its impact on jobs and incomes.

Withdrawal from the EU

Having left the EU on 31 January 2020, the UK and EU have commenced a 'transition period' during which the UK and EU will attempt to agree suitable trading arrangements. The UK Government has said the transition period will cease at the end of 2020. The Group's principal risks and uncertainties take into account the potential for the UK and EU to not reach agreement on future trading arrangements. This may lead to a period of reduced consumer confidence and potentially exacerbate many of the principal risks, but particularly risks 2, 3, 4 and 7.

Risk	Description	Mitigation
1	***Infectious diseases of epidemic or pandemic potential*** The spread of an infectious disease on an epidemic or pandemic scale can lead to the imposition of Government controls on the movement of people with the associated cessation of large parts of the economy for a significant period of time. The cessation of business can lead to zero or reduced revenues until business activity can be safely recommenced.	Maintenance of a strong balance sheet able to withstand a sustained period of complete or partial cessation of business of activity. Maintenance and regular testing of business continuity and disaster recovery plans, supported by investment in information technology to enable robust home-working facilities.
2	***Adverse macro-economic conditions*** A decline in macroeconomic conditions, or conditions in the UK residential property market, can reduce the propensity to buy homes. Higher unemployment, interest rates and inflation can affect consumer confidence and reduce demand for new homes. Constraints on mortgage availability, or higher costs of mortgage funding, may make it more difficult to sell homes.	Funds are allocated between the Housebuilding and Partnerships businesses. In Housebuilding, land is purchased based on planning prospects, forecast demand and market resilience. In Partnerships, contracts are phased and, where possible, subject to viability testing. In all cases, forward sales, cash flow and work in progress are carefully monitored to give the Group time to react to changing market conditions.

Risk	Description	Mitigation
3	***Adverse changes to Government policy and regulation*** Adverse changes to Government policy in areas such as tax, housing, and environmental and building regulations may result in increased costs and/or delays. Failure to comply with laws and regulations could expose the Group to penalties and reputational damage.	The potential impact of changes in Government policy and new laws and regulations are monitored and communicated throughout the business. Detailed policies and procedures are in place to address the prevailing regulations.
4	***Constraints on construction resources*** Costs may increase beyond budget due to the reduced availability of skilled labour, or shortages of sub-contractors or building materials at competitive prices to support the Group's growth ambitions. The Group's strategic geographic expansion may be at risk if new supply chains cannot be established.	Optimise use of standard house types and design to maximise buying power. Use of strategic suppliers to leverage volume price reductions and minimise unforeseen disruption. Robust contract terms to control costs.
5	***Programme delay (rising project complexity)*** Failure to secure timely planning permission on economically viable terms or poor project forecasting, unforeseen operational delays due to technical issues, disputes with third party contractors or suppliers, bad weather or changes in purchaser requirements may cause delay or potential termination of project.	The budgeted programme for each site is approved by the Regional Board before acquisition. Sites are managed as a portfolio to control overall Group delivery risk. Weekly monitoring at both divisional and Group level.
6	***Inability to source and develop suitable land*** Competition or poor planning may result in a failure to procure land in the right location, at the right price and at the right time.	A robust land appraisal process ensures each project is financially viable and consistent with the Group's strategy.
7	***Inability to attract and retain talented employees*** Inability to attract and retain highly-skilled, competent people at all levels could adversely affect the Group's results, prospects and financial condition.	Remuneration packages are regularly benchmarked against industry standards to ensure competitiveness. Succession plans are in place for all key roles within the Group. Exit interviews are used to identify any areas for improvement.
8	***Inadequate Health, Safety and Environmental procedures*** A deterioration in the Group's Health, Safety & Environmental standards, including additional measures put in place to comply with Public Health England guidance on social distancing, could put the Group's employees, contractors or the general public at risk of injury or death and could lead to litigation or penalties or damage the Group's reputation.	Procedures, training and reporting are all carefully monitored to ensure that high standards are maintained. Additional social distancing measures will be put in place in all workplaces to comply with Public Health England social distancing guidelines. An environmental risk assessment is carried out prior to any land acquisition. Appropriate insurance is in place to cover the risks associated with housebuilding.

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 March 2020

	Note	**Six months ended 31 March 2020 Unaudited £m**	Six months ended 31 March 2019 Unaudited £m	Year ended 30 September 2019 Audited £m
Revenue	4, 5	**481.2**	507.0	1,237.1
Cost of sales		**(401.6)**	(407.0)	(983.5)
Gross profit		**79.6**	100.0	253.6
Administrative expenses		**(38.6)**	(39.8)	(83.2)
Operating profit	4	**41.0**	60.2	170.4
Analysed as:				
Adjusted operating profit		**55.3**	89.4	234.4
Less: Share of joint ventures and associate operating profit		**(9.0)**	(17.7)	(46.8)
Less: Non-underlying items	6	**(5.3)**	(11.5)	(17.2)
Operating profit		**41.0**	60.2	170.4
Finance costs	7	**(6.5)**	(7.4)	(11.9)
Finance income	7	**0.3**	0.9	1.0
Share of post-tax profit from joint ventures and associate accounted for using the equity method		**8.9**	16.6	44.1
Profit before income tax		**43.7**	70.3	203.6
Income tax expense	8	**(7.3)**	(12.8)	(35.2)
Profit and total comprehensive income for the period		**36.4**	57.5	168.4
Profit and total comprehensive income is attributable to:				
Owners of the parent		**36.4**	57.1	167.7
Non-controlling interest		**-**	0.4	0.7
		36.4	57.5	168.4
Earnings per share (expressed in pence per share):				
Basic	9	**8.1**	12.9	37.7
Diluted	9	**8.1**	12.8	37.3

Revenue and operating profit arise from the Group's continuing operations. There were no items of other comprehensive income during the period (HY19: £Nil, FY19: £Nil).

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	Note	**As at 31 March 2020 Unaudited £m**	As at 31 March 2019 Unaudited £m	As at 30 September 2019 Audited £m
Assets				
Non-current assets				
Intangible assets		**165.8**	175.2	170.9
Property, plant and equipment		**15.4**	10.0	12.8
Right of use assets	21	**29.8**	-	-
Investment in joint ventures	11	**38.3**	46.7	62.2
Investment in associate	12	**3.6**	4.8	3.5
Financial assets at fair value through profit or loss	13	-	4.1	-
Deferred tax assets		**4.5**	8.9	5.3
Trade and other receivables		**18.3**	15.0	15.2
		275.7	264.7	269.9
Current assets				
Inventories	14	**1,041.4**	779.9	808.6
Financial assets at fair value through profit or loss	13	-	-	5.0
Trade and other receivables		**234.2**	234.6	232.8
Current income tax receivables		**13.6**	-	-
Cash and cash equivalents	15	**172.2**	13.2	75.6
		1,461.4	1,027.7	1,122.0
Total assets		**1,737.1**	1,292.4	1,391.9
Liabilities				
Current liabilities				
Overdrafts	15	**-**	(13.1)	-
Trade and other payables	16	**(367.4)**	(303.8)	(322.6)
Lease liabilities	21	**(4.8)**	-	-
Current income tax liabilities		**-**	(13.3)	(24.7)
Provisions		**(0.7)**	(3.5)	(1.8)
		(372.9)	(333.7)	(349.1)
Non-current liabilities				
Borrowings	15	**(298.2)**	(39.9)	(2.2)
Trade and other payables	16	**(138.8)**	(93.6)	(130.0)
Lease liabilities	21	**(26.7)**	-	-
Deferred tax liabilities		**(10.4)**	(11.9)	(10.9)
Provisions		**(0.7)**	(0.6)	(0.6)
		(474.8)	(146.0)	(143.7)
Total liabilities		**(847.7)**	(479.7)	(492.8)
Net assets		**889.4**	812.7	899.1
Equity				
Share capital		**4.5**	4.5	4.5
Retained Earnings		**882.6**	806.2	892.3
Equity attributable to owners of the parent		**887.1**	810.7	896.8
Equity attributable to non-controlling interest		**2.3**	2.0	2.3
Total equity		**889.4**	812.7	899.1

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six months ended 31 March 2020

	Share capital	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m
At 30 September 2019	**4.5**	**892.3**	**896.8**	**2.3**	**899.1**
Comprehensive income					
Profit for the period	-	36.4	36.4	-	36.4
Total comprehensive income	4.5	928.7	933.2	2.3	935.5
Transactions with owners					
Share based payments, net of deferred tax	-	0.1	0.1	-	0.1
Dividends paid	-	(46.2)	(46.2)	-	(46.2)
Total transactions with owners	-	(46.1)	(46.1)	-	(46.1)
At 31 March 2020	**4.5**	**882.6**	**887.1**	**2.3**	**889.4**
At 30 September 2018	**4.5**	**787.6**	**792.1**	**1.6**	**793.7**
Comprehensive income					
Profit for the period	-	57.1	57.1	0.4	57.5
Total comprehensive income	-	57.1	57.1	0.4	57.5
Transactions with owners					
Share based payments, net of deferred tax	-	3.7	3.7	-	3.7
Dividends paid	-	(29.2)	(29.2)	-	(29.2)
Purchase of shares by Employee Benefit Trust	-	(13.0)	(13.0)	-	(13.0)
Total transactions with owners	-	(38.5)	(38.5)	-	(38.5)
At 31 March 2019	**4.5**	**806.2**	**810.7**	**2.0**	**812.7**

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (AUDITED)
For the six months ended 31 March 2020

	Share capital	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m
At 30 September 2018	**4.5**	**787.6**	**792.1**	**1.6**	**793.7**
Comprehensive income					
Profit for the period	-	167.7	167.7	0.7	168.4
Total comprehensive income	-	167.7	167.7	0.7	168.4
Transactions with owners					
Share based payments, net of deferred tax	-	6.0	6.0	-	6.0
Purchase of shares by Employee Benefit Trust	-	(13.0)	(13.0)	-	(13.0)
Dividends paid	-	(56.0)	(56.0)	-	(56.0)
Total transactions with owners	-	(63.0)	(63.0)	-	(63.0)
At 30 September 2019	**4.5**	**892.3**	**896.8**	**2.3**	**899.1**

COUNTRYSIDE PROPERTIES PLC
CONSOLIDATED CASHFLOW STATEMENT
For the six months ended 31 March 2020

	Note	**Six months ended 31 March 2020**	Six months ended 31 March 2019	Year ended 30 September 2019
		Unaudited	Unaudited	Audited
		£m	£m	£m
Cash (used in)/generated from operations	17	**(99.6)**	(13.3)	86.9
Interest paid		**(1.9)**	(1.3)	(3.8)
Tax paid		**(45.4)**	(18.4)	(27.9)
Net cash (outflow)/inflow from operating activities		**(146.9)**	(33.0)	55.2
Cash flows from investing activities				
Purchase of intangible assets		**(1.0)**	(1.5)	(3.1)
Purchase of property, plant and equipment		**(3.9)**	(3.7)	(7.8)
Proceeds from disposal of property, plant and equipment		**-**	-	0.3
Proceeds from financial assets at fair value through profit or loss	13	**5.0**	-	-
(Increase)/decrease in advances to joint ventures and associate		**(37.4)**	(39.4)	6.8
Repayment of members' interest		**-**	-	2.9
Dividends received from joint ventures and associate		**32.5**	32.7	43.1
Net cash (outflow)/inflow from investing activities		**(4.8)**	(11.9)	42.2
Cash flows from financing activities				
Dividends paid	10	**(46.2)**	(29.2)	(56.0)
Payment of lease obligations		**(3.1)**	-	-
Purchase of shares by Employee Benefit Trust		**-**	(13.0)	(13.0)
Borrowings under revolving credit facility		**297.6**	40.0	-
Net cash inflow/(outflow) from financing activities		**248.3**	(2.2)	(69.0)
Net increase/(decrease) in cash and cash equivalents		**96.6**	(47.1)	28.4
Cash and cash equivalents at beginning of the period		**75.6**	47.2	47.2
Cash and cash equivalents at the end of the period	15	**172.2**	0.1	75.6

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION

The financial information in these condensed consolidated interim financial statements (the "Financial Information") for the six months to 31 March 2020 is that of the Company and all of its subsidiaries (together the "Group"). It has been prepared in accordance with the Disclosure and Transparency Rules of the UK Financial Conduct Authority and with International Accounting Standard 34 "Interim Financial Reporting", as endorsed by the European Union.

The Financial Information for the six months ended 31 March 2020 and 31 March 2019 is unaudited but has been subject to a review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board.

The Financial Information does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006 and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 September 2019 (the "Group Financial Statements"). The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and filed at Companies House.

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

The condensed consolidated interim financial statements were authorised for issue by the Directors on 13 May 2020.

Going concern
Due to the significant uncertainty arising from the COVID-19 pandemic, management has performed a detailed going concern review, testing the Group's liquidity and banking covenant compliance in a range of scenarios as outlined below.

The Group has the benefit of a £300m revolving credit facility ("RCF") provided by its banking syndicate of four banks, which expires in May 2023. This facility includes covenants in respect of gearing, interest cover, tangible net asset value and loan to book value. In addition, on 28 April 2020, the Group received confirmation from the Bank of England of its eligibility to participate in the CCFF. The Group has put in place a commercial paper programme which will allow up to £300m of commercial paper to be issued. The facility will be used to provide standby liquidity, should that be required, and is currently undrawn.

The Group announced on 25 March 2020 that all construction sites, factories and sales offices were to close. A number of measures were taken to preserve liquidity, including the renegotiation of land purchases and development agreements and a general reduction in spend across the Group. During this period, all land payments which had not been deferred and payments to suppliers and sub-contractors which fell due were paid as planned. In addition, some revenue from construction contracts for Affordable and PRS homes was received, along with deferred receipts for historical land sales. On 7 May 2020, the Group announced a phased return to construction activity which commenced from 11 May 2020 and allowed the Group to begin generating cash flows from construction activity and the sale of private homes.

In stress testing the cash flows of the business, management applied three scenarios compared against the pre COVID-19 business plan:

(i) A six-week shutdown of activity, during which no revenue was received by the business whatsoever, with all payments being made as they fell due. This was followed by a phased return to construction activity. Private volumes and selling prices were modelled to reduce by a combined 20% initially, recovering slowly to pre-COVID-19 levels by 2022. The private forward order book was assumed to reduce by half for reserved plots, with the majority of exchanged plots assumed to complete. No land sales were assumed until early 2021 and only limited land purchases made throughout 2020 to 2022.
(ii) As above, but including a full three-month shutdown of the business, with zero revenue from 1 April 2020 to 1 July 2020.
(iii) As above, but including a full six-month shutdown of the business with zero revenue from 1 April 2020 to 1 October 2020.

The stress testing in scenarios (ii) and (iii) resulted in the need for a small amount of additional liquidity and in the case of scenario (iii), a relaxation of the Group's interest cover and gearing covenants. As a result of the Group's eligibility for the CCFF and an agreed relaxation of the Group's banking covenants with its lending banks, there is now sufficient liquidity and covenant headroom to withstand the full six-month shutdown of the business.

2. BASIS OF PREPARATION (continued)

The Bank of England's standard terms for the CCFF state that the Bank "reserves the right at its sole discretion to deem any security ineligible for any reason, and to deem ineligible securities it has previously purchased and vice versa". The Directors note that this could represent a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. We have discussed this matter with the Bank of England and note that this is the Bank's standard approach to all of its lending facilities and that HM Treasury and the Bank of England have publicly committed to keeping the CCFF open until at least March 2021. The Bank also notes on its website their intention to keep the CCFF open for as long as steps are needed to relieve cash flow pressures on firms that make a material contribution to the UK economy. On this basis, the Directors believe that liquidity under the CCFF would be available to the Group should it be required.

The Directors consider that the Group has adequate resources in place for at least 12 months from the date of these results and have therefore adopted the going concern basis of accounting in preparing the interim financial statements.

Critical accounting judgements and estimates
The preparation of the Financial Information under IFRS requires the Directors to make estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, expenses and related disclosures. The key source of estimation uncertainty for the Group, as disclosed in the Group Financial Statements, involves the estimation of site profitability. This has remained a key source of estimation uncertainty during the period, especially given the significant uncertainty around house prices, materials and labour costs arising from the COVID-19 pandemic. The Directors have performed a detailed review of the Group's developments and have concluded that no impairment of inventory is necessary at present and will keep the assumptions underlying their assessment of site profitability under review as the impact of COVID-19 on the housing market and wider economy develops over the coming months.

Accounting policies
The policies applied in the Financial Information are consistent with those applied in the Group Financial Statements, except in respect of income tax, which is based on the effective tax rate that would be applicable to expected annual earnings, and the impact of IFRS 16 "Leases" which is described below.

New standards, amendments and interpretations
The following amendments to standards and interpretations are effective for the first time for the financial year beginning 1 October 2019 and have been adopted during the period:

- IFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases are now accounted for on balance sheet for lessees. The standard replaces IAS 17 "Leases" and related interpretations. IFRS 16 has been applied using the modified retrospective approach with no restatement of comparative financial information. Information on the initial application of IFRS 16, including the impact on the financial position and performance of the Group, has been disclosed in Note 21.

- Annual improvements 2015 – 2017 Cycle; and Amendment to IAS 28 "Investments in Associates and Joint Ventures" have not had a material impact on the Group.

The following amendments to standards and interpretations have also been issued, but are not yet effective and have not been early adopted for the six months ended 31 March 2020:

- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" are not expected to have a material impact on the Group.

Alternative Performance Measures
In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements. Refer to pages 34-38 for a full list of the Group's APMs.

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. In addition to this, as a consequence of the government-imposed lockdown triggered by the COVID-19 pandemic, the Group announced the temporary cessation of its operations on 25 March 2020 and commenced a phased restart of most operations on 11 May 2020.

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 the basis on which strategic operating decisions are made by the Group's Chief Operating Decision Maker ("CODM"), which has been identified as the Group's Executive Committee.

The Group's two business segments are Partnerships and Housebuilding. The Group operates entirely within the United Kingdom and there is no trade between segments.

4. SEGMENTAL REPORTING (continued)

The Partnerships segment specialises in medium to large-scale housing regeneration schemes delivering private and affordable homes in partnership with public sector landowners and operates primarily in and around London, the Midlands, the North West of England and Yorkshire.

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

(a) Segmental financial performance

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Six months ended 31 March 2020				
Adjusted revenue including share of revenue from joint ventures and associate	**343.8**	**187.1**	**-**	**530.9**
Less: share of revenue from joint ventures and associate	**(19.8)**	**(29.9)**	**-**	**(49.7)**
Revenue	**324.0**	**157.2**	**-**	**481.2**
Adjusted operating profit/(loss) including share of operating profit/(loss) from joint ventures and associate	**36.3**	**20.6**	**(1.6)**	**55.3**
Less: share of operating profit from joint ventures and associate	**(3.8)**	**(5.2)**	**-**	**(9.0)**
Less: non-underlying items	**-**	**-**	**(5.3)**	**(5.3)**
Operating profit/(loss)	**32.5**	**15.4**	**(6.9)**	**41.0**

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

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Year ended 30 September 2019				
Adjusted revenue including share of revenue from joint ventures and associate	837.1	585.7	-	1,422.8
Less: share of revenue from joint ventures and associate	(44.8)	(140.9)	-	(185.7)
Revenue	792.3	444.8	-	1,237.1
Adjusted operating profit/(loss) including share of operating profit/(loss) from joint ventures and associate	127.8	114.8	(8.2)	234.4
Less: share of operating profit from joint ventures and associate	(13.3)	(33.5)	-	(46.8)
Less: non-underlying items	(7.4)	-	(9.8)	(17.2)
Operating profit/(loss)	107.1	81.3	(18.0)	170.4

4. SEGMENTAL REPORTING (continued)

(b) Segmental financial position

Segmental Tangible Net Asset Value ("TNAV") represents the net assets of the Group's two operating divisions. Segmental TNAV includes divisional net assets less intangible assets (net of deferred tax) and excludes inter-segment cash funding. Tangible Net Operating Asset Value ("TNOAV") is the Group's measure of capital employed, as used in the calculation of Return on Capital Employed ("ROCE"). Refer to pages 34-38 for details of the Group's APMs.

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
TNAV at 1 October 2019	114.2	623.6	-	737.8
Operating profit/(loss)	32.5	15.4	(6.9)	41.0
Add back items with no impact on TNAV:				
Share-based payments, net of deferred tax	-	-	0.1	0.1
Amortisation of intangible assets	-	-	6.1	6.1
Other items affecting TNAV:				
Results of joint ventures and associate	3.8	5.1	-	8.9
Dividends paid	(29.5)	(16.7)	-	(46.2)
Taxation	(4.7)	(2.6)	-	(7.3)
Other	(5.3)	(3.0)	0.7	(7.6)
TNAV at 31 March 2020	**111.0**	**621.8**	**-**	**732.8**
Inter-segment cash funding: net (cash)/debt	187.7	(60.0)	-	127.7
Segmental capital employed (TNOAV)	**298.7**	**561.8**	**-**	**860.5**

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

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
TNAV at 1 October 2018	54.2	565.9	-	620.1
Operating profit/(loss)	107.1	81.3	(18.0)	170.4
Add back items with no impact on TNAV:				
Share-based payments, net of deferred tax	-	-	6.0	6.0
Amortisation of intangible assets	-	-	11.7	11.7
Other items affecting TNAV:				
Results of joint ventures and associate	13.3	30.8	-	44.1
Dividends paid	(29.5)	(26.5)	-	(56.0)
Taxation	(18.5)	(16.7)	-	(35.2)
Purchase of shares by EBT	(6.8)	(6.2)	-	(13.0)
Other	(5.6)	(5.0)	0.3	(10.3)
TNAV at 30 September 2019	**114.2**	**623.6**	**-**	**737.8**
Inter-segment cash funding: net (cash)/debt	62.6	(136.0)	-	(73.4)
Segmental capital employed (TNOAV)	**176.8**	**487.6**	**-**	**664.4**

4. SEGMENTAL REPORTING (continued)

(c) Segmental other items

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Six months ended 31 March 2020				
Investment in joint ventures	**7.9**	**30.4**	**-**	**38.3**
Investment in associate	**-**	**3.6**	**-**	**3.6**
Share of post-tax profit from joint ventures and associate	**3.8**	**5.1**	**-**	**8.9**
Capital expenditure – property, plant and equipment	**3.5**	**0.4**	**-**	**3.9**
Capital expenditure – software	**-**	**-**	**1.0**	**1.0**
Depreciation and amortisation	**2.9**	**1.3**	**6.1**	**10.3**
Share-based payments	**-**	**-**	**0.2**	**0.2**

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

	Partnerships £m	Housebuilding £m	Group items £m	Total £m
Year ended 30 September 2019				
Investment in joint ventures	17.4	44.8	-	62.2
Investment in associate	-	3.5	-	3.5
Share of post-tax profit from joint ventures and associate	13.3	30.8	-	44.1
Capital expenditure – property, plant and equipment	5.0	2.8	-	7.8
Capital expenditure – software	0.2	-	2.9	3.1
Depreciation and amortisation	1.5	0.7	11.7	13.9
Share-based payments	-	-	6.7	6.7

5. REVENUE

An analysis of Group reported revenue by type is set out below:

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Partnerships:			
Private	**123.5**	133.8	355.2
Affordable	**112.9**	110.5	243.1
PRS	**77.0**	73.4	167.1
Other	**10.6**	11.4	26.9
	324.0	329.1	792.3
Housebuilding:			
Private	**120.5**	134.1	312.2
Affordable	**25.0**	20.3	70.1
PRS	**1.8**	4.8	15.4
Other	**9.9**	18.7	47.1
	157.2	177.9	444.8
Total revenue	**481.2**	507.0	1,237.1

6. OPERATING PROFIT

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

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Non-underlying items included within cost of sales:			
Impairment of inventory	**-**	(7.4)	(7.4)
Non-underlying items included within administrative expenses:			
Amortisation of acquisition-related intangible assets	**(5.1)**	(5.1)	(10.2)
Acquisition and integration costs relating to Westleigh	**-**	(1.4)	(1.8)
Deferred consideration relating to Westleigh	**(0.2)**	2.4	2.2
Total non-underlying items	**(5.3)**	(11.5)	(17.2)

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

Acquisition and integration costs relating to Westleigh
During the year ended 30 September 2019, the Group incurred integration costs relating to the acquisition of Westleigh, including those of property moves and employee severance. No further integration costs have been recorded in non-underlying items during the period.

Deferred consideration relating to Westleigh
As part of the agreement to purchase Westleigh, deferred consideration was payable to management who remained with the Group post acquisition. These costs were accrued over the period to 31 March 2020 with changes to the estimated amount payable recognised in the consolidated statement of comprehensive income.

6. OPERATING PROFIT (continued)

Impairment of inventory
During the six months ended 31 March 2019, a non-cash charge of £7.4m was recognised to impair the value of inventory in our Manchester region. This was the result of costs accrued over a four-year period not being appropriately recognised in the consolidated statement of comprehensive income. No further inventory impairments have been recorded in non-underlying items in relation to this matter during the period.

Taxation
A total tax credit of £1.0m (HY19: £2.2m, FY19: £3.4m) in relation to all the above non-recurring items was included within taxation in the consolidated statement of comprehensive income.

7. NET FINANCE COSTS

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Bank loans and overdrafts	**(1.9)**	(2.1)	(3.4)
Amortisation of debt finance costs	**(0.3)**	(0.3)	(0.6)
Unwind of discount relating to:			
Land purchases on deferred payment terms	**(3.7)**	(5.0)	(7.9)
Lease liabilities (Note 21)	**(0.6)**	-	-
Finance costs	**(6.5)**	(7.4)	(11.9)
Interest receivable	**0.1**	0.6	0.6
Unwind of discount relating to:			
Land sales on deferred settlement terms	**0.2**	0.3	0.4
Finance income	**0.3**	0.9	1.0
Net finance costs	**(6.2)**	(6.5)	(10.9)

8. TAXATION

The effective tax rate applied for the period was 16.7% (HY19: 18.2%, FY19: 17.3%). This reflects the anticipated full year effective rate and is lower than the statutory rate of 19.0% mainly due to the equity accounting method for joint ventures and associate and credits arising on the exercise of share options.

The adjusted effective tax rate for the period was 17.3% (HY19: 19.3%, FY19: 18.5%) with the difference between the reported and adjusted rates reflecting non-underlying items and the treatment of the Group’s joint ventures and associate.

9. EARNINGS PER SHARE

Basic earnings per share ("basic EPS") is calculated by dividing the profit from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, adjusted for the weighted average number of shares held by the Employee Benefit Trust ("EBT"). For diluted earnings per share ("diluted EPS"), the weighted average number of ordinary shares also assumes the conversion of all potentially dilutive share awards.

(a) Basic earnings per share

	Six months ended 31 March 2020	Six months ended 31 March 2019	Year ended 30 September 2019
Profit from continuing operations attributable to equity holders of the parent (£m)	**36.4**	57.1	167.7
Basic weighted average number of shares (millions)	**447.9**	443.4	445.1
Basic earnings per share (pence per share)	**8.1**	12.9	37.7
Diluted weighted average number of shares (millions)	**450.9**	446.2	450.1
Diluted earnings per share (pence per share)	**8.1**	12.8	37.3

The basic weighted average number of shares of 447.9 million (HY19: 443.4 million, FY19: 445.1 million) excludes the weighted average number of shares held in the EBT during the period of 2.1 million (HY19: 6.6 million, FY19: 4.9 million).

(b) Adjusted earnings per share

Adjusted basic and diluted EPS are APMs for the Group. Refer to pages 34-38 for details of the Group's APMs.

	Six months ended 31 March 2020	Six months ended 31 March 2019	Year ended 30 September 2019
Profit from continuing operations attributable to equity holders of the parent (£m)	**36.4**	57.1	167.7
Add: Non-underlying items, net of tax	**4.3**	9.3	13.8
Adjusted profit from continuing operations attributable to equity holders of the parent (£m)	**40.7**	66.4	181.5
Basic weighted average number of shares (millions)	**447.9**	443.4	445.1
Adjusted basic earnings per share (pence per share)	**9.1**	15.0	40.8
Diluted weighted average number of shares (millions)	**450.9**	446.2	450.1
Adjusted diluted earnings per share (pence per share)	**9.0**	14.9	40.3

Non-underlying items net of tax includes costs of £5.3m, net of tax of £1.0m (HY19: £11.5m, net of tax of £2.2m, FY19: £17.2m net of tax of £3.4m). Refer to Note 6.

10. DIVIDEND

Dividends of £46.2m were paid during the period, reflecting the final dividend of 10.3 pence per share for the year ended 30 September 2019 (HY19: £29.2m paid reflecting the final dividend of 6.6 pence per share for the year ended 30 September 2018). The dividend was paid on 7 February 2020 to all shareholders on the register on 20 December 2019.

The Directors have not recommended the payment of an interim dividend for the current financial year (HY19: 6.0 pence per share, paid on 5 July 2019).

11. INVESTMENT IN JOINT VENTURES

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

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Opening balance	**62.2**	62.5	62.5
Share of post-tax profit	**8.8**	15.1	40.6
Dividends received	**(32.5)**	(30.6)	(37.6)
Repayment of members' interest	**-**	-	(2.9)
Other movements	**(0.2)**	(0.3)	(0.4)
Closing balance	**38.3**	46.7	62.2

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

For the six months ended 31 March 2020	**Partnerships £m**	**Housebuilding £m**	**Group £m**
Revenue	39.6	59.7	99.3
Expenses	(32.1)	(49.3)	(81.4)
Operating profit	**7.5**	**10.4**	**17.9**
Finance income	-	0.1	0.1
Income tax	-	(0.4)	(0.4)
Profit for the period	**7.5**	**10.1**	**17.6**
Group's share in %			50.0%
Share of revenue			49.7
Share of operating profit			9.0
Dividends received by the Group			32.5
Investment in joint ventures			38.3

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

11. INVESTMENT IN JOINT VENTURES (continued)

For the year ended 30 September 2019	**Partnerships £m**	**Housebuilding £m**	**Group £m**
Revenue	89.6	263.5	353.1
Expenses	(63.0)	(204.7)	(267.7)
Operating profit	**26.6**	**58.8**	**85.4**
Finance costs	-	(0.5)	(0.5)
Income tax	-	(3.8)	(3.8)
Profit for the period	**26.6**	**54.5**	**81.1**
Group's share in %			50.0%
Share of revenue			176.6
Share of operating profit			42.7
Dividends received by the Group			37.6
Investment in joint ventures			62.2

The aggregate amount due from joint ventures is £87.1m (HY19: £95.8m, FY19: £49.7m). The amount due to joint ventures is £0.4m (HY19: £0.3m, FY19: £0.4m). Transactions between the Group and its joint ventures are disclosed in Note 18.

12. INVESTMENT IN ASSOCIATE

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

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

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Opening balance	**3.5**	5.4	5.4
Share of post-tax profit	**0.1**	1.5	3.5
Dividends received	**-**	(2.1)	(5.5)
Other movements	**-**	-	0.1
Closing balance	**3.6**	4.8	3.5

12. INVESTMENT IN ASSOCIATE (continued)

The Group's investment in associate is represented by:

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Revenue	**-**	9.5	32.1
Expenses	**-**	(3.3)	(17.6)
Operating profit	**-**	6.2	14.5
Finance income	**0.3**	0.5	1.0
Income tax	**-**	(1.3)	(3.1)
Profit for the period	**0.3**	5.4	12.4
Group's share in %	**28.5%**	28.5%	28.5%
Share of revenue	**-**	2.7	9.1
Share of operating profit	**-**	1.8	4.1
Dividends received by the Group	**-**	2.1	5.5
Investment in associate	**3.6**	4.8	3.5

The amount due from the associate is £Nil (HY19: £Nil, FY19: £Nil). Transactions between the Group and its associate are disclosed in Note 18.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 30 September 2019 £m
Opening balance	**5.0**	4.1	4.1
Increase in fair value	**-**	-	0.9
Settlement	**(5.0)**	-	-
Closing balance	**-**	4.1	5.0

Financial assets at fair value through profit or loss at 30 September 2019 related solely to a deferred land overage receivable resulting from agreements where land was sold to a third-party and the Group was entitled to a share of surplus profits once development was complete. The overage receivable was held at fair value, being the Directors' best estimate of the value that could be achieved in a presumed sale of these assets to a third-party, after taking into account judgements on the variability of the expected final cash value, the time value of money and the degree of completion of the developments. Given that the inputs were estimated and not observed in a market, the fair value was classified as Level 3 in the fair value hierarchy.

During the period, the receivable was settled for £5.0m with no gain or loss recognised in the consolidated statement of comprehensive income.

14. INVENTORIES

	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 30 September 2019 £m
Development land and work in progress	**960.0**	727.3	741.4
Completed properties unlet, unsold or awaiting sale	**81.4**	52.6	67.2
	1,041.4	779.9	808.6

Total provisions against inventory at 31 March 2020 were £3.4m (HY19: £4.2m, FY19: £3.5m).

During the period, an impairment charge of £4.8m was recognised against inventories (HY19: £7.4m, FY19: £7.4m).

15. CASH AND BORROWINGS

	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 30 September 2019 £m
Cash and cash equivalents	**172.2**	13.2	75.6
Overdrafts	**-**	(13.1)	-
Net cash and cash equivalents	**172.2**	0.1	75.6
Bank loans	**(297.6)**	(40.0)	-
Bank loan arrangement fees	**1.7**	2.3	-
Other loans	**(2.3)**	(2.2)	(2.2)
Borrowings	**(298.2)**	(39.9)	(2.2)

Bank loans

The Group has a £300m revolving credit facility with Lloyds Bank plc, Barclays Bank PLC, HSBC Bank plc and Santander UK plc, expiring in May 2023. The agreement has a variable interest rate based on LIBOR. Subject to obtaining credit approval from the syndicate banks, the Group has the option to extend the facility by a further £100m. This facility is subject to both financial and non-financial covenants and is secured by floating charges over all the Group's assets.

As at 31 March 2020, the Group had drawn loans of £297.6m under the facility (HY19: £40.0m, FY19: £Nil).

Bank loan arrangement fees are amortised over the term of the facility. As at 31 March 2020, unamortised loan arrangement fees were £1.7m (HY19: £2.3m, FY19: £2.0m). As the Group did not have any bank debt under this facility as at 30 September 2019, the unamortised loan arrangement fees of £2.0m were presented as prepayments within "trade and other receivables" in the consolidated statement of financial position.

Finance costs in the statement of comprehensive income include £0.3m of debt finance cost amortisation (HY19: £0.3m, FY19: £0.6m). Refer to Note 7.

As at 30 September 2019 the Group had allocated £30m of the facility to a separate overdraft facility. This allocation was removed at the request of the Group during the period. As a result, there was no overdraft in the consolidated statement of financial position as at 31 March 2020 (HY19: £13.1m, FY19: £Nil).

Other loans

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

Undrawn facilities

As at 31 March 2020, the Group had issued promissory notes under the revolving credit facility of £2.4m (HY19: £4.8m, FY19: £2.4m). As a result of this, and the bank loans noted above, the Group had the following undrawn facilities:

	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 30 September 2019 £m
Floating rate:			
Expiring after more than one year	**-**	242.1	297.6

16. TRADE AND OTHER PAYABLES

	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 30 September 2019 £m
Amounts falling due within one year:			
Trade payables	**84.3**	53.4	50.7
Deferred land payments	**113.2**	83.7	73.0
Overage payable	**14.6**	7.2	7.4
Accruals and deferred income	**122.6**	144.0	160.2
Other taxation and social security	**6.7**	3.0	3.3
Other payables	**25.6**	12.2	27.6
Amounts due to joint ventures	**0.4**	0.3	0.4
	367.4	303.8	322.6
Amounts falling due in more than one year:			
Trade payables	**17.6**	10.7	17.9
Deferred land payments	**104.9**	36.5	85.3
Overage payable	**16.3**	28.1	26.5
Accruals and deferred income	**-**	0.5	0.3
Other payables	**-**	17.8	-
	138.8	93.6	130.0
Total trade and other payables	**506.2**	397.4	452.6

17. NOTES TO THE CASH FLOW STATEMENT

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

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Profit before taxation	**43.7**	70.3	203.6
Adjustments for:			
- Amortisation charge	**6.1**	5.8	11.7
- Depreciation charge – property, plant and equipment	**1.3**	0.7	2.2
- Depreciation charge – right of use assets	**2.9**	-	-
- Loss on disposal of property, plant and equipment	**-**	0.7	0.2
- Non-cash items	**-**	-	(0.1)
- Share of post-tax profit from joint ventures and associate	**(8.9)**	(16.6)	(44.1)
- Share based payments (pre-tax)	**0.2**	3.3	6.7
- Finance costs	**6.5**	7.4	11.9
- Finance income	**(0.3)**	(0.9)	(1.0)
- Fair value gain on financial assets held at fair value through profit or loss	**-**	-	(0.9)
Changes in working capital:			
- Increase in inventories	**(232.8)**	(39.1)	(67.8)
- Decrease/(increase) in trade and other receivables	**30.5**	(24.7)	(66.7)
- Increase/(decrease) in trade and other payables	**52.2**	(19.0)	34.1
- (Decrease)/increase in provisions	**(1.0)**	(1.2)	(2.9)
Cash (used in)/generated from operations	**(99.6)**	(13.3)	86.9

18. RELATED PARTY TRANSACTIONS

Transactions with joint ventures and associate

	Joint Ventures			Associate		
	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Sales during the period	**11.7**	12.5	29.8	**0.1**	1.4	2.4
Net advances:						
Amount due at start of period	**49.3**	56.1	56.1	-	-	-
Net advances/(repayments) during the period	**37.4**	39.4	(6.8)	-	-	-
Amount due at end of period	**86.7**	95.5	49.3	-	-	-

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

During the period, three close family members of Ian Sutcliffe and Phillip Lyons were employed by a subsidiary of the Group. All these individuals were recruited through the normal interview process and are employed at salaries commensurate with their experience and roles. The combined annual salary and benefits of these individuals is less than £160,000 (HY19: one individual less than £80,000, FY19: two individuals less than £110,000).

19. 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"). During the period, 2.3m (HY19: 3.9m, FY19: 3.9m) options were granted over the Company's shares relating to the LTIP and DBP schemes. 1.9m options were granted under the LTIP scheme (HY19: 3.5m, FY19: 3.5m) and 0.4m options were granted under the DBP scheme (HY19: 0.4m, FY19: 0.4m). No options were granted under the SAYE scheme during the period (HY19: Nil, FY19: 2.1m).

The Group recognised £0.2m (HY19: £3.3m, FY19: £6.7m) of employee costs related to share-based payment transactions during the period, excluding the cost of related national insurance contributions.

A deferred tax asset of £1.6m (HY19: £3.3m, FY19: £2.3m) is held in relation to share-based payments. Transactions during the period resulted in a deferred tax charge to the statement of comprehensive income of £0.2m (HY19: £0.7m, FY19: £0.6m) and a charge direct to equity of £0.1m (HY19: credit of £0.4m, FY19: charge of £0.7m).

20. LITIGATION, CLAIMS AND CONTINGENT LIABILITIES

The Group is subject to various claims, audits and investigations that have arisen in the ordinary course of business. These matters include but are not limited to employment and commercial matters. The outcome of all these matters is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Group and after consultation with external lawyers, the Directors believe that the ultimate resolution of these matters, individually and in aggregate, will not have a material adverse impact on the Group's financial condition. Where necessary, applicable costs are included within the cost to complete estimates for individual developments or are otherwise accrued in the statement of financial position.

During the prior financial year, the Competition & Markets Authority (CMA) commenced a sector wide inquiry into the sale of leasehold properties. On 28 February 2020, the CMA announced that they had found evidence of 'potential mis-selling and unfair contract terms in the leasehold housing sector and is set to launch enforcement action'. We have co-operated fully with the inquiry and to date we have not been contacted by the CMA regarding their finding of potential mis-selling or unfair contract terms. As a result, the Directors believe that no liability exists in relation to this matter as at 31 March 2020.

During the prior financial year, an amendment to Building Regulations banned the use of combustible materials on the external cladding of tall buildings. The Directors commissioned an independent third-party review of historical developments which is still on-going. In addition, in response to the Ministry of Housing, Communities & Local Government's (MHCLG) report "Advice for Building Owners of Multi-storey, Multi-occupied Residential Buildings", since January 2020 a formal fire safety assessment must be conducted by a suitably qualified and competent professional (typically a Fire Engineer) for all buildings above 18 meters. We have engaged an independent third-party to complete these assessments and the process is on-going. No provision has been made for fire-safety related works as at 31 March 2020. This will be reviewed when the third-party reviews have been concluded.

20. LITIGATION, CLAIMS AND CONTINGENT LIABILITIES (continued)

During the period, the Group signed an agreement to lease a second modular panel factory in Bardon, Leicestershire. The factory is under construction and the 20-year lease will commence when the factory is ready to occupy. This is expected to occur during the first half of FY21. The Directors expect to recognise a lease liability of c.£36m at the date of commencement along with a right of use asset of the same value.

21. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the period, the Group has adopted IFRS 16 "Leases", as issued by the International Accounting Standards Board ("IASB"). The impact of the adoption of IFRS 16 on the Group's financial statements is explained below.

(a) Changes to accounting policies

Prior to the adoption of IFRS 16, the Group's lease commitments were all classified as operating leases under IAS 17, with rental costs recognised in operating profit on a straight-line basis over the period of the lease.

IFRS 16 requires lessees to recognise right of use assets and lease liabilities in the statement of financial position for all leases, except short-term and low value asset leases.

Lease liabilities are initially recognised at the present value of future lease payments. Future lease payments are included in the lease liability where they are fixed in value, or variable based on an index or a fixed annual increase. The lease payments are discounted at the Group's incremental borrowing rate, which is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Subsequently, the unwind of discount is recorded in finance costs in the consolidated statement of comprehensive income, and lease liabilities are remeasured where the Group's assessment of the expected lease term changes.

Right of use assets are initially measured at cost, comprising the initial value of the lease liabilities adjusted for rental payments made at or prior to the start of the lease term, initial direct costs, lease incentives received and restoration costs.

Subsequently, right of use assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation is recorded in either cost of sales or administrative expenses in the consolidated statement of comprehensive income depending on the nature of the asset.

The accounting treatment for short-term and low value assets is unchanged under IFRS 16, with rental costs recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

(b) Adjustments recognised on adoption of IFRS 16

The Group has recognised lease liabilities and right of use assets for leases relating to offices, factories, company cars, IT equipment, and show homes/marketing suites that have been sold and leased back.

IFRS 16 has been applied using the modified retrospective approach with no restatement of comparative financial information, as permitted under the specific transitional provisions in the standard. The adjustments arising from the adoption of IFRS 16 are therefore recognised in the opening balances of the consolidated statement of financial position on 1 October 2019.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted in the standard:
- the application of a single discount rate to portfolios of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 October 2019 as short-term leases even though the initial term of the leases from lease commencement date may have been more than 12 months; and
- the reliance on previous assessments on whether contracts contain a lease or leases are onerous.

The adoption of IFRS 16 on 1 October 2019 had the following impact on the consolidated statement of financial position:
- Lease liabilities recognised of £31.6m
- Right of use assets recognised of £30.3m
- Accruals derecognised of £1.9m
- Prepayments derecognised of £0.6m
- No impact on net assets, TNAV or TNOAV

21. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (continued)

The following table reconciles the Group's total operating lease commitments as at 30 September 2019 to the lease liabilities recognised under IFRS 16 on 1 October 2019:

	£m
Total operating lease commitments disclosed at 30 September 2019	**26.9**
Add: adjustments as a result of different treatment of termination options	10.3
(Less): short-term leases recognised on a straight-line basis as an expense	(0.3)
(Less): low-value leases recognised on a straight-line basis as an expense	(0.3)
	36.6
Discounted using incremental borrowing rate	(5.0)
Total lease liabilities recognised under IFRS 16 at 1 October 2019	**31.6**
Of which:	
Current liabilities	4.5
Non-current liabilities	27.1

The weighted average incremental borrowing rate applied in calculating the lease liabilities on 1 October 2019 was 3.4%.

(c) Impact on the consolidated interim financial statements for the six months ended 31 March 2020

The table below outlines the impact of IFRS 16 on the consolidated statement of comprehensive income for the six months ended 31 March 2020.

	Results before adjustments for the adoption of IFRS 16	Adjustments in respect of the adoption of IFRS 16	**Six months ended 31 March 2020 As reported**
Operating profit (£m)	40.7	0.3	**41.0**
Finance costs (£m)	(5.9)	(0.6)	**(6.5)**
Profit before tax (£m)	44.0	(0.3)	**43.7**
Basic earnings per share (pence)	8.2	(0.1)	**8.1**
Diluted earnings per share (pence)	8.1	-	**8.1**

The table below outlines the impact of IFRS 16 on the consolidated statement of financial position as at 31 March 2020.

	As at 31 March 2020 before adjustments for the adoption of IFRS 16	Adjustments in respect of the adoption of IFRS 16	**As at 31 March 2020 As reported**
Right of use assets (£m)	-	29.8	**29.8**
Trade and other receivables (£m)	253.0	(0.5)	**252.5**
Lease liabilities (£m)	-	(31.5)	**(31.5)**
Trade and other payables (£m)	(508.1)	1.9	**(506.2)**
Retained earnings (£m)	882.9	(0.3)	**882.6**

22. POST BALANCE SHEET EVENTS

Countryside Ground Rent Assistance Scheme

Following the Group's earlier commitment to the Government's Leasehold Pledge, in April 2020 the Group established the Countryside Ground Rent Assistance Scheme (the "Scheme"). The Scheme is expected to operate for a period of at least two years. It will be offered on a voluntary basis and will apply to such leases where the ground rent payable was not for the ultimate benefit of either a Local Authority or a Registered Provider of social housing.

We will seek agreement from all freehold owners to vary the leaseholds of Countryside customers who still own homes with a leasehold ground rent that doubles more frequently than every 20 years. Working with our joint venture partners where required, Countryside aims to achieve agreement from the freehold owners to vary the leasehold ground rent to increase every 15 years in line with RPI.

The Scheme is in the early stages of its development and the associated cost of the Scheme is provisionally estimated to be up to £10m. An appropriate provision for these costs will be made in the second half of the year.

COVID Corporate Financing Facility ("CCFF")

On 28 April 2020, the Group received confirmation from the Bank of England of its eligibility to participate in the CCFF. The Group has put in place a commercial paper programme which will allow up to £300m of commercial paper to be issued. The facility will be used to provide standby liquidity, should that be required, and is currently undrawn.

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 unaudited results for the half year ended 31 March 2020 of Countryside Properties PLC for the 6-month period ended 31 March 2020. 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.

Emphasis of matter

Without modifying our conclusion on the interim financial statements, we draw your attention to the disclosure made in note 2 "Basis of Preparation" which explains how the Board has formed a judgement that it is appropriate to adopt the going concern assumption as the basis of preparation for the Group.

The Group's forecast cash flows, included within its strategic plan, contain assumptions over revenue, profitability and cash generation. These forecasts have been stress-tested for severe but plausible scenarios that could impact the Group. The analysis shows that in a reasonable worst-case scenario, additional liquidity over and above the existing £300m RCF Facility is required. The Group has put in place a commercial paper programme under the Bank of England's COVID Corporate Financing Facility ("CCFF") which will allow up to £300m of commercial paper to be issued.

Under the Bank of England's standard terms for the CCFF the Bank reserves the right at its sole discretion to deem any security ineligible for any reason, and to deem ineligible securities it has previously purchased and vice versa. The ability of the Bank to withdraw the CCFF constitutes a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The interim financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

What we have reviewed

The interim financial statements comprise:

- the consolidated statement of financial position as at 31 March 2020;
- 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 unaudited results for the half year ended 31 March 2020 have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

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

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The unaudited results for the half year ended 31 March 2020, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the unaudited results for the half year ended 31 March 2020 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 unaudited results for the half year ended 31 March 2020 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

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

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

We have read the other information contained in the unaudited results for the half year ended 31 March 2020 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
14 May 2020

ALTERNATIVE PERFORMANCE MEASURES (unaudited)

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

The Directors believe that the inclusion of the Group's share of the financial performance of its joint ventures and associate and the removal of non-underlying items from financial information presents a clear and consistent presentation of the underlying performance of the ongoing business for shareholders.

(a) Financial performance

Adjusted revenue
Adjusted revenue includes the Group's share of revenue from joint ventures and associate. Refer to Note 4 for a reconciliation to reported revenue.

Adjusted gross margin
Adjusted gross margin is calculated as adjusted gross profit divided by adjusted revenue. The table below reconciles adjusted gross profit to reported gross profit and presents the calculation of adjusted gross margin.

Adjusted gross profit includes the Group's share of gross profit from joint ventures and associate and excludes non-underlying items.

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Gross profit		**79.6**	100.0	253.6
Add: non-underlying items	6	**-**	7.4	7.4
Add: share of gross profit from joint ventures and associate		**9.4**	18.1	47.8
Adjusted gross profit		**89.0**	125.5	308.8
Adjusted revenue	4a	**530.9**	563.7	1,422.8
Adjusted gross profit margin		**16.8%**	22.3%	21.7%

Adjusted operating profit
Adjusted operating profit includes the Group's share of operating profit from joint ventures and associate and excludes non-underlying items. Refer to Note 4 for a reconciliation to reported operating profit.

Adjusted operating margin
Adjusted operating margin is calculated as adjusted operating profit divided by adjusted revenue. The table below presents the calculation of adjusted operating margin.

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Adjusted operating profit	4a	**55.3**	89.4	234.4
Adjusted revenue	4a	**530.9**	563.7	1,422.8
Adjusted operating profit margin		**10.4%**	15.9%	16.5%

Adjusted basic and diluted earnings per share
Adjusted basic and diluted earnings per share exclude the impact of non-underlying items on profit from continuing operations attributable to equity holders of the parent. Refer to Note 9 for a reconciliation to reported basic and diluted earnings per share.

ALTERNATIVE PERFORMANCE MEASURES (continued)

Return on capital employed ("ROCE")
ROCE is calculated as adjusted operating profit divided by average tangible net operating asset value ("TNOAV") on a 12-month rolling basis.

The table below presents the calculation of ROCE for the Group:

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Closing TNOAV	4b	**860.5**	690.1	664.4
Opening TNOAV (12 months prior to reporting date)		**690.1**	649.3	575.1
Average TNOAV (12-month rolling)		**775.3**	669.7	619.8
Adjusted operating profit (12-month rolling)		**200.3**	220.2	234.4
Group ROCE (%)		**25.8%**	32.9%	37.8%

The table below presents the calculation of ROCE for the Partnerships segment:

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Closing TNOAV	4b	**298.7**	203.6	176.8
Opening TNOAV (12 months prior to reporting date)		**203.6**	124.7	149.5
Average TNOAV (12-month rolling)		**251.2**	164.2	163.2
Adjusted operating profit (12-month rolling)		**118.4**	109.6	127.8
Partnerships ROCE (%)		**47.1%**	66.7%	78.3%

The table below presents the calculation of ROCE for the Housebuilding segment:

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Closing TNOAV	4b	**561.8**	486.5	487.6
Opening TNOAV (12 months prior to reporting date)		**486.5**	524.6	425.6
Average TNOAV (12-month rolling)		**524.2**	505.6	456.6
Adjusted operating profit (12-month rolling)		**87.3**	120.3	114.8
Housebuilding ROCE (%)		**16.6%**	23.8%	25.1%

12-month rolling adjusted operating profit used in the calculation of ROCE above is calculated as follows for the six months ended 31 March 2020:

	Note	Partnerships £m	Housebuilding £m	Group[1] £m
Adjusted operating profit for the current six-month period	4a	36.3	20.6	55.3
Add: Adjusted operating profit for the prior financial year	4a	127.8	114.8	234.4
Less: Adjusted operating profit for the prior six-month period	4a	(45.7)	(48.1)	(89.4)
Adjusted operating profit (12-month rolling)		**118.4**	**87.3**	**200.3**

[1]Group adjusted operating profit includes other Group items that are not allocated to the two segments. Refer to Note 4.

ALTERNATIVE PERFORMANCE MEASURES (continued)

12-month rolling adjusted operating profit used in the calculation of ROCE above is calculated as follows for the six months ended 31 March 2019:

	Note	Partnerships £m	Housebuilding £m	Group[1] £m
Adjusted operating profit for the current six-month period	4a	45.7	48.1	89.4
Add: Adjusted operating profit for the prior financial year		110.6	109.5	211.4
Less: Adjusted operating profit for the prior six-month period		(46.7)	(37.3)	(80.6)
Adjusted operating profit (12-month rolling)		**109.6**	**120.3**	**220.2**

[1]Group adjusted operating profit includes other Group items that are not allocated to the two segments. Refer to Note 4.

Asset Turn
Asset turn is calculated as adjusted revenue divided by average TNOAV on a 12-month rolling basis.

The table below presents the calculation of asset turn for the Group:

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Adjusted revenue (12-month rolling)	**1,390.0**	1,325.2	1,422.8
Average TNOAV (12-month rolling)	**775.3**	669.7	619.8
Group asset turn	**1.8**	2.0	2.3

The table below presents the calculation of asset turn for the Partnerships segment:

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Adjusted revenue (12-month rolling)	**838.5**	730.6	837.1
Average TNOAV (12-month rolling)	**251.2**	164.2	163.2
Partnerships asset turn	**3.3**	4.5	5.1

The table below presents the calculation of asset turn for the Housebuilding segment:

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Adjusted revenue (12-month rolling)	**551.5**	594.6	585.7
Average TNOAV (12-month rolling)	**524.2**	505.6	456.6
Housebuilding asset turn	**1.1**	1.2	1.3

ALTERNATIVE PERFORMANCE MEASURES (continued)

12-month rolling adjusted revenue used in the calculation of asset turn above is calculated as follows for the six months ended 31 March 2020:

	Note	Partnerships £m	Housebuilding £m	Group £m
Adjusted revenue for the current six-month period	4a	343.8	187.1	530.9
Add: Adjusted revenue for the prior financial year	4a	837.1	585.7	1,422.8
Less: Adjusted revenue for the prior six-month period	4a	(342.4)	(221.3)	(563.7)
Adjusted revenue (12-month rolling)		**838.5**	**551.5**	**1,390.0**

12-month rolling adjusted revenue used in the calculation of asset turn above is calculated as follows for the six months ended 31 March 2019:

	Note	Partnerships £m	Housebuilding £m	Group £m
Adjusted revenue for the current six-month period	4a	342.4	221.3	563.7
Add: Adjusted revenue for the prior financial year		634.8	594.7	1,229.5
Less: Adjusted revenue for the prior six-month period		(246.6)	(221.4)	(468.0)
Adjusted revenue (12-month rolling)		**730.6**	**594.6**	**1,325.2**

(b) Financial position

Tangible net asset value ("TNAV")
TNAV is calculated as net assets excluding intangible assets net of deferred tax. The table below reconciles TNAV to reported net assets.

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Net assets		**889.4**	812.7	899.1
Less: intangible assets		**(165.8)**	(175.2)	(170.9)
Add: deferred tax on intangible assets		**9.2**	10.5	9.6
TNAV	4b	**732.8**	648.0	737.8

Net debt
Net debt is calculated as borrowings less net cash and cash equivalents, and excludes bank loan arrangement fees included in borrowings. The table below presents the calculation of net debt:

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Borrowings	15	**298.2**	39.9	2.2
Add: bank loan arrangement fees	15	**1.7**	2.3	-
Less: net cash and cash equivalents	15	**(172.2)**	(0.1)	(75.6)
Net debt / (cash)		**127.7**	42.1	(73.4)

ALTERNATIVE PERFORMANCE MEASURES (continued)

Tangible net operating asset value ("TNOAV")

TNOAV is calculated as TNAV excluding net debt/(cash). The table below presents the calculation of TNOAV.

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
TNAV	4b	**732.8**	648.0	737.8
Add net debt / Less (net cash)		**127.7**	42.1	(73.4)
TNOAV	4b	**860.5**	690.1	664.4

Gearing

Gearing is calculated as net debt/(cash) divided by net assets. The table below presents the calculation of gearing.

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Net debt / (cash)	**127.7**	42.1	(73.4)
Net assets	**889.4**	812.7	899.1
Gearing	**14.4%**	5.2%	(8.2)%

Adjusted gearing

Adjusted gearing is calculated as net debt/(cash), including deferred land payments (excluding overage), divided by net assets. The table below presents the calculation of adjusted gearing.

	Note	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m	Year ended 30 September 2019 £m
Net debt / (cash)		**127.7**	42.1	(73.4)
Add: deferred land payments	16	**218.1**	120.2	158.3
Adjusted net debt / (cash)		**345.8**	162.3	84.9
Net assets		**889.4**	812.7	899.1
Adjusted gearing		**38.9%**	20.0%	9.4%