Press release

14th June 2016

Crest Nicholson Holdings plc

Half Year Results 2016

Crest Nicholson Holdings plc (Crest Nicholson), a leading residential developer operating in the Southern half of England, today announces its half-year results for the six months ended 30 April 2016.

Strong revenue and earnings growth

	2016 Total £m	2015 Total £m	Change Total £m	
Revenue	**408.1**	**333.2**	74.9	**22%**
Cost of sales	**(297.7)**	**(241.4)**	(56.3)	
Gross profit	**110.4**	**91.8**	18.6	**20%**
Administrative expenses	**(32.6)**	**(28.2)**	(4.4)	
Operating profit	**77.8**	**63.6**	14.2	**22%**
Operating profit %	***19.1%***	***19.1%***	-	
Profit before tax	**72.6**	**58.3**	14.3	**25%**
Profit after tax	**58.9**	**46.7**	12.2	**26%**
Earnings per share (pence)				
- Basic	**23.3p**	**18.6p**	4.7p	**25%**
- Diluted	**22.9p**	**18.2p**	4.7p	**26%**

Excellent operational and financial performance

- Housing legal completions up 7% at 1,206 (2015: 1,124); open market unit completions, excluding Private Rental Sector - (PRS), up 9% at 909 (2015: 834).
- Sales per outlet week including PRS up 4% at 1.06 (2015: 1.02).
- Housing revenue at £384m up 26% on 2015, reflecting volume growth and both sales price and location mix impacts on open market Average Selling Prices (ASP).
- Operating profit margin maintained at 19.1% (2015: 19.1%).
- Basic earnings per share up 25%.
- Selective land acquisitions ensure pipeline of new sites available to support business growth.
- Forward sales at mid-June 2016 of £520.8m (2015: £436.4m), 19% ahead of prior year.

- Interim dividend proposed of 9.1p per share (2015: 6.4p), up 42% in line with our target to reduce dividend cover to 2x by 2017.
- On target to deliver £1bn of revenue by October 2016 and 4,000 homes and £1.4bn revenue by 2019.

Commenting on today's statement, Stephen Stone, Chief Executive, said:

"Whilst the debate about the forthcoming referendum on UK membership of the European Union continues to dominate the headlines and the Board notes the risk of business disruption in the event of a vote to leave, purchaser demand for new homes remains strong and Crest Nicholson has delivered a 9% increase in open market completions in the first half of this year. We continue to grow our Private Rented Sector offering and have delivered 173 Private Rented Sector units in the first half, on schemes in Bath, Bristol and Southampton. The business is well positioned to achieve its target of £1bn of revenues in 2016 and to continue growing its contribution to overall housing delivery."

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There will be a presentation to analysts today at 9.00am at Finsbury, 9th Floor, Tenter House, 45 Moorfields, London, EC2Y 9AE hosted by Stephen Stone, Chief Executive, and Patrick Bergin, Finance Director.

A full calendar of financial announcements for the forthcoming period is available via the Company's Investor Relations website at http://www.crestnicholson.com/investor-relations

Forward-looking statements

This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, targets, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this release and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates may differ materially from those described in, or suggested by, any forward-looking statements contained in this release. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in law or regulation, changes in its business strategy, political and economic uncertainty. Save as required by the Listing and Disclosure and Transparency Rules, the Company is under no obligation to update the information contained in this release.

Past performance cannot be relied on as a guide to future performance.

Chief Executive's statement

Financial Review

Crest Nicholson, a leading residential developer operating in the Southern half of England is pleased to report an excellent set of results for the first half of the year, with good growth in revenues, ASPs and earnings.

Overall Group revenues in the first six months of the year increased by 22%, to £408.1m (2015: £333.2m). Housing revenues increased by 26%, incorporating a 9% increase in open market legal completions (excluding PRS) and 173 units delivered for PRS (2015: nil). The number of affordable housing units was lower, at 124 (2015: 290) in line with the anticipated phasing of delivery of these units.

Open market ASPs on legal completions in the period at £349,000 are 13% ahead of the £309,000 achieved in the prior year, reflecting an element of price inflation but also the product and location mix of the business, as it evolves in line with our stated strategy. Excluding PRS units, open market ASPs on legal completions are £372,000, up 20% over the equivalent period.

Gross margins at 27.1% are down slightly on the 27.6% achieved last year, reflecting both project mix and performance. This modest decline is offset by a reduction in administrative expenses as a percentage of sales, such that operating margins have been maintained at a healthy 19.1% for the first half of the year.

Operating profits of £77.8m are 22% ahead of the £63.6m achieved in 2015.

Profit before tax at £72.6m is 25% ahead of the prior year figure of £58.3m and profit after tax ahead by 26%, reflecting reductions in the headline rate of Corporation Tax.

Basic earnings per share (EPS) for the period at 23.3 pence is 25% higher than the equivalent period in 2015 and on a diluted basis is 26% higher than last year.

Net cash inflows from operating activities in the first half of the year were £33.5m (2015: £19.0m outflow), reflecting both strong profitability and the timing of land payments.

The Board has resolved to pay an interim dividend of 9.1 pence per share, payable on 6 October 2016 to shareholders on the register on 23 September 2016. The dividend represents approximately one third of the dividend expected to be paid in respect of the financial year ending 31 October 2016. Dividends in respect of the financial year to 31 October 2016 are expected to be covered 2.25 times by earnings.

Financing

At 30 April 2016, the Group had undrawn revolving credit facilities of £70.0m and cash and cash equivalents of £148.8m (2015: £83.0m and £113.9m).

At 30 April 2016, the business had net debt of £26.1m and a net debt/equity ratio of 4.0% (2015: £60.6m and 10.9%). A modest net debt position at year end is expected, dependent on the timing of land payments.

Chief Executive's statement (continued)

Sales

Sales rates in the six months to 30 April 2016 have averaged 1.06 sales per outlet per week, (2015: 1.02), an increase of 4%.

As expected, excluding unit reservations in respect of PRS, sales per outlet week were 0.87, down 6.5% on the 0.93 achieved in 2015. The reduction in sales rate reflects the change in the product and location mix of the business, which has resulted in open market ASPs for reservations made in the period (excluding PRS) being 24% higher than prior year at £387,000 (2015: £312,000). Cancellation rates remain low at 10.5% (2015: 10.1%).

With purchaser demand continuing to be strong, the business remains focused on maximising the productive capacity of our operational sites. The average number of sales outlets from which the business operated in the period was level with the prior year, at 44. Measures being proposed by the government to mitigate the delays caused by pre-commencement planning conditions will help to ensure sites are able to commence delivery in a timely manner, which will support our plans for business growth.

Land and planning

The business continues to make selective purchases of land, to maintain outlet breadth in the mature divisions and to grow our newer operations.

Year to date, the business has exchanged contracts on 10 sites, for 1,147 units and with a Gross Development Value of £472m and has a similar number of plots with terms agreed and in solicitors' hands. The business continues to see sufficient land opportunities at or above our hurdle rates to meet our replenishment needs.

Short-term land purchases are supplemented by a steady supply of plots from our strategic sites and our land purchasing strategy is informed by the progress that we are making in bringing forward sites of scale in a number of locations.

During the period, planning was granted for our first purpose-designed, sub-urban PRS scheme, being delivered for M&G at Faygate, near Gatwick Airport. After successfully defending a judicial review challenge to the planning consent, we are finally underway with delivery of the first residential phase at Longcross, near Virginia Water, which will be delivering product from 2017 onwards.

Principal risks and uncertainties

The Group is subject to a number of risks and uncertainties as part of its day to day operations. The principal risks and uncertainties facing the Group are the same as those set out in detail on pages 62 to 64 of the 2015 Annual Integrated Report, which is available from www.crestnicholson.com. The Board regularly considers these and seeks to ensure that appropriate processes are in place to manage, monitor and mitigate these risks.

In summary, our principal risks are:

- Adverse macro-economic climate, caused by: Global economic slow-down and market volatility; geopolitical instability; political uncertainty around UK EU referendum
- Loss of income at Registered Social Landlords due to budget changes to rents

Chief Executive's statement (continued)

- Pressure on cash headroom and generation due to: Ongoing strong market demand; commitments to development obligations; high London land values; high work-in-progress costs for new sites; investment in Chiltern division
- Build cost inflation
- Rapid and extensive changes to planning system introduce uncertainty, delays and potential challenges to viable development
- Costs not adequately controlled and managed
- Litigation relating to legacy risks, future environmental risks and counter-party risks in existing contracts
- Help to Buy incentive scheme (adverse change or premature removal)
- Rising complexity of projects
- Bribery, corruption and fraud
- Cyber security breach
- Reputational damage from a major product failure or significant environmental, health or safety issue
- Employee retention and succession management
- Experience gaps lead to poor outcomes
- Supply of materials and/or labour fails to match desired production levels

Outlook

Whilst the Board notes the potential for business disruption in the event of a vote to leave the EU in the forthcoming referendum, attractive housing market conditions continue to underpin sales rates and revenue growth. Moderating sales price and build cost inflation, combined with rises in real incomes, will help to maintain affordability and support a stable housing market.

The Help to Buy equity loan scheme continues to be an important incentive for the very many buyers who use it to secure their first home and wide availability of higher loan-to-value mortgages at competitive rates is also helpful in maintaining mortgage access.

In the face of strong demand, the availability of skilled labour to deliver the required levels of production and the clearance of planning conditions to get on site in a timely manner remain key constraints on volume delivery and will continue to be areas of focus for the sector.

The establishment of clear and workable principles to implement the provisions of the Housing and Planning Bill in respect of Starter Homes will also be important, to avoid undue delay in agreeing new planning consents and starting on site.

With strong underlying fundamentals and the opportunities available to the business, the Board remains confident in the outturn for the year.

Statement of director's responsibilities

We confirm that to the best of our knowledge:

• the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;

• the half yearly financial report includes a fair review of the information required by:

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

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

The directors of Crest Nicholson Holdings plc are listed in the Annual Integrated Report for the year ended 31 October 2015.

For and on behalf of the Board

Stephen Stone
Chief Executive

Registered number 6800600
14 June 2016

Condensed Consolidated Income Statement

	Note	Half year ended 30 April 2016 (unaudited) £m	Half year ended 30 April 2015 (unaudited) £m	Full year ended 31 October 2015 (audited) £m
Revenue		408.1	333.2	804.8
Cost of sales		(297.7)	(241.4)	(583.5)
Gross profit		110.4	91.8	221.3
Administrative expenses		(32.6)	(28.2)	(58.0)
Operating profit		77.8	63.6	163.3
Finance income		2.7	1.9	5.0
Finance expense		(7.3)	(7.2)	(14.5)
Net financing expense		(4.6)	(5.3)	(9.5)
Share of post-tax results of joint ventures using the equity method		(0.6)	-	0.2
Profit before tax		72.6	58.3	154.0
Income tax expense	6	(13.7)	(11.6)	(29.9)
Profit for the period attributable to equity shareholders		58.9	46.7	124.1
Earnings per ordinary share				
Basic	7	23.3p	18.6p	49.3p
Diluted	7	22.9p	18.2p	48.4p

Condensed Consolidated Statement of Comprehensive Income

	Half year ended 30 April 2016 (unaudited) £m	Half year ended 30 April 2015 (unaudited) £m	Full year ended 31 October 2015 (audited) £m
Profit for the period attributable to equity shareholders	58.9	46.7	124.1
Other comprehensive income / (expense):			
Items that will never be recycled to the Income Statement:			
Actuarial (losses)/gains on defined benefit schemes	(3.5)	(1.9)	8.5
Change in deferred tax on actuarial (losses)/gains on defined benefit schemes	(0.2)	(0.4)	(3.3)
Other comprehensive (expense)/income for the period net of income tax	(3.7)	(2.3)	5.2
Total comprehensive income for the period attributable to equity shareholders	55.2	44.4	129.3

Condensed Consolidated Statement of Changes in Equity

	Note	Share capital £m	Share premium account £m	Retained earnings £m	Total £m
Half year ended 30 April 2016 (unaudited)					
Balance at 31 October 2015		12.6	71.6	546.5	630.7
Total comprehensive income for the period		-	-	55.2	55.2
Transactions with shareholders:					
Ordinary shares issued		0.1	-	(0.1)	-
Equity-settled share-based payments		-	-	2.9	2.9
Deferred tax on equity-settled share-based payments		-	-	(0.9)	(0.9)
Dividends paid	5	-	-	(33.5)	(33.5)
Balance at 30 April 2016		12.7	71.6	570.1	654.4
Half year ended 30 April 2015 (unaudited)					
Balance at 31 October 2014		12.6	71.6	452.3	536.5
Total comprehensive income for the period		-	-	44.4	44.4
Transactions with shareholders:					
Equity-settled share-based payments		-	-	2.4	2.4
Deferred tax on equity-settled share-based payments		-	-	0.6	0.6
Dividends paid	5	-	-	(25.6)	(25.6)
Balance at 30 April 2015		12.6	71.6	474.1	558.3
Year ended 31 October 2015 (audited)					
Balance at 31 October 2014		12.6	71.6	452.3	536.5
Total comprehensive income for the year		-	-	129.3	129.3
Transactions with shareholders:					
Equity-settled share-based payments		-	-	5.0	5.0
Deferred tax on equity-settled share-based payments		-	-	1.6	1.6
Dividends paid	5	-	-	(41.7)	(41.7)
Balance at 31 October 2015		12.6	71.6	546.5	630.7

Condensed Consolidated Statement of Financial Position

	Note	As at 30 April 2016 (unaudited) £m	As at 30 April 2015 (unaudited) £m	As at 31 October 2015 (audited) £m
ASSETS				
Non-current assets				
Intangible assets		29.0	29.0	29.0
Property, plant and equipment		2.7	2.5	2.6
Investments		0.3	0.2	0.5
Other financial assets	10	19.9	23.6	23.0
Deferred tax assets		15.6	28.9	20.9
Trade and other receivables		48.4	-	34.3
		115.9	84.2	110.3
Current assets				
Inventories		940.5	850.1	904.5
Other financial assets	10	0.8	2.3	1.2
Trade and other receivables		60.8	51.9	49.0
Cash and cash equivalents		148.8	113.9	187.4
		1,150.9	1,018.2	1,142.1
Total assets		1,266.8	1,102.4	1,252.4
LIABILITIES				
Non-current liabilities				
Interest-bearing loans and borrowings	8	(173.0)	(162.4)	(210.6)
Trade and other payables		(141.7)	(63.3)	(105.6)
Retirement benefit obligations		(6.7)	(21.6)	(7.5)
Provisions		(4.1)	(4.0)	(4.1)
		(325.5)	(251.3)	(327.8)
Current liabilities				
Interest-bearing loans and borrowings	8	(1.9)	(12.1)	(7.4)
Trade and other payables		(273.5)	(279.5)	(279.7)
Current income tax liabilities		(10.2)	-	(5.7)
Provisions		(1.3)	(1.2)	(1.1)
		(286.9)	(292.8)	(293.9)
Total liabilities		(612.4)	(544.1)	(621.7)
Net assets		654.4	558.3	630.7
SHAREHOLDERS' EQUITY				
Share capital	9	12.7	12.6	12.6
Share premium account	9	71.6	71.6	71.6
Retained earnings		570.1	474.1	546.5
Total equity		654.4	558.3	630.7

Crest Nicholson Holdings plc Registered number 6800600

These condensed consolidated interim financial statements were approved by the Board of Directors on 14 June 2016.

Condensed Consolidated Cash Flow Statement

	Half year ended 30 April 2016 (unaudited) £m	Half year ended 30 April 2015 (unaudited) £m	Full year ended 31 October 2015 (audited) £m
Cash flows from operating activities			
Profit for the period	58.9	46.7	124.1
Adjustments for:			
Depreciation	0.6	0.5	1.2
Net finance expense	4.6	5.3	9.5
Share-based payment expense	2.9	2.4	5.0
Share of post-tax loss / (profit) of joint ventures using the equity method	0.6	-	(0.2)
Income tax expense	13.7	11.6	29.9
Operating profit before changes in working capital and provisions	81.3	66.5	169.5
Increase in trade and other receivables	(25.1)	(3.8)	(35.3)
Increase in inventories	(36.0)	(36.0)	(90.4)
Increase / (decrease) in trade and other payables	28.1	(41.2)	4.1
Decrease in retirement benefit obligations	(4.5)	-	(9.0)
Cash generated from/(used by) operations	43.8	(14.5)	38.9
Interest paid	(5.3)	(4.5)	(8.9)
Taxation paid	(5.0)	-	(6.5)
Net cash inflow/(outflow) from operating activities	33.5	(19.0)	23.5
Cash flows from investing activities			
Purchases of property, plant and equipment	(0.7)	(0.8)	(1.6)
Decrease in other financial assets	5.1	4.1	8.1
Interest received	0.4	0.3	1.1
Net cash inflow from investing activities	4.8	3.6	7.6
Cash flows from financing activities			
Repayment of bank and other borrowings	(43.4)	(8.0)	(13.8)
Proceeds from new loans	-	22.0	71.0
Debt arrangement and facility fees	-	(1.1)	(1.2)
Dividends paid	(33.5)	(25.6)	(41.7)
Net cash (outflow)/inflow from financing activities	(76.9)	(12.7)	14.3
Net (decrease)/increase in cash and cash equivalents	(38.6)	(28.1)	45.4
Cash and cash equivalents at the beginning of the period	187.4	142.0	142.0
Cash and cash equivalents at end of the period	148.8	113.9	187.4

Notes to the condensed consolidated interim financial statements (unaudited)

1 Basis of preparation

Crest Nicholson Holdings plc is a public limited company incorporated, listed on the London Stock Exchange and domiciled in England and Wales. The address of the registered office is Crest House, Pyrcroft Road, Chertsey, Surrey KT16 9GN.

These condensed consolidated interim financial statements for the six months ended 30 April 2016 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 October 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

These condensed consolidated interim financial statements have been prepared and approved by the Directors in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee as adopted by the European Union (together 'EU IFRS'), and with those parts of the Companies Act 2006 applicable to companies reporting under EU IFRS, and have been prepared on the historical cost basis except for other financial assets, which are stated at their fair value.

These condensed consolidated interim financial statements do not comprise statutory financial statements within the meaning of Section 434 of the Companies Act 2006. Statutory financial statements for the year ended 31 October 2015 were approved by the Board of Directors on 26 January 2016 and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These condensed interim financial statements have been reviewed, not audited. The auditor's review opinion for the period to 30 April 2016 is set out on pages 16 and 17.

After making due enquiries and re-assessing the principal risks, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

Segmental reporting

The Executive Management Team, which is accountable to the Board, has been identified as the chief operating decision-maker for the purposes of determining the Group's operating segments. The Executive Management Team approves investment decisions, allocates Group resources and performs divisional performance reviews. The Group operating segments are considered to be its divisions (including the regional divisions, as well as the Major Projects and Strategic Land divisions), each of which has its own management board. All divisions are engaged in residential-led, mixed use developments in the United Kingdom and therefore, having regard to the aggregation criteria in IFRS 8, the Group has one reportable operating segment.

2 Accounting policies

The accounting policies applied in the condensed consolidated interim financial statements are consistent with those applied by the Group in its Annual Integrated Report for the year ended 31 October 2015, other than as set out below.

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

(ii) The following new standards, amendments to standards and interpretations are applicable to the Group and are mandatory for the first time for the financial year beginning 1 November 2015: IAS 19 (amendment) Employee Benefits. The amendment has not had a significant effect on the Group's financial statements. There are no standards, amendments or interpretations that are not yet effective that would be expected to have a significant effect on the Group's net assets.

Notes to the condensed consolidated interim financial statements (unaudited)

3 Accounting estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Integrated Report for the year ended 31 October 2015, with the exception of changes in estimates that are required in determining the provision for income taxes.

4 Seasonality

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

5 Dividends on equity shares

	Half year ended 30 April 2016 £m	Half year ended 30 April 2015 £m	Full year ended 31 October 2015 £m
Dividends recognised as distributions to equity shareholders in the period:			
Final dividend for the year ended 31 October 2015 of 13.3 pence per share (2014: 10.2 pence per share)	33.5	25.6	25.6
Interim dividend for the year ended 31 October 2015: 6.4 pence per share	-	-	16.1
	33.5	25.6	41.7
Dividends declared as distributions to equity shareholders in the period:			
Proposed final dividend for the year ended 31 October 2015: 13.3 pence per share	-	-	33.4
Proposed interim dividend for the year ending 31 October 2016 of 9.1 pence per share (2015: 6.4 pence per share)	23.1	16.1	-

The proposed interim dividend was approved by the Board on 14 June 2016 and, in accordance with IAS 10 "Events after the Reporting Period", has not been included as a liability in this condensed consolidated interim financial information.

6 Taxation

The taxation expense on profit for the half year ended 30 April 2016 is 18.9% (30 April 2015: 19.9%) and reflects the best estimate of the weighted average annual effective tax rate for the full financial year.

Notes to the condensed consolidated interim financial statements (unaudited)

7 Earnings per share

The basic EPS for the six months ended 30 April 2016 is based on the weighted average number of shares in issue during the period of 252.7m (April 2015: 251.5m, October 2015: 251.5m). Diluted EPS has been calculated after adjusting the weighted average number of shares in issue for all potentially dilutive shares held under unexercised options.

	Earnings	Weighted average number of shares	Per share amount
	£m	millions	pence
Half year ended 30 April 2016			
Basic earnings per share	58.9	252.7	23.3
Effect of share options	-	4.9	
Diluted earnings per share	58.9	257.6	22.9
Half year ended 30 April 2015			
Basic earnings per share	46.7	251.5	18.6
Effect of share options	-	4.9	
Diluted earnings per share	46.7	256.4	18.2
Full year ended 31 October 2015			
Basic earnings per share	124.1	251.5	49.3
Effect of share options	-	5.0	
Diluted earnings per share	124.1	256.5	48.4

8 Interest-bearing loans and borrowings

	As at 30 April 2016	As at 30 April 2015	As at 31 October 2015
	£m	£m	£m
Non-current			
Revolving credit facility	170.0	157.0	206.0
Revolving credit facility issue costs	(2.6)	(3.3)	(2.9)
Other loans	5.6	8.7	7.5
	173.0	162.4	210.6
Current			
Other loans	1.9	12.1	7.4
	1.9	12.1	7.4

At 30 April 2016, the Group had undrawn revolving credit facilities of £70.0m (April 2015: £83.0m, October 2015: £34.0m) and cash and cash equivalents of £148.8m (April 2015: £113.9m, October 2015: £187.4m).

Notes to the condensed consolidated interim financial statements (unaudited)

9 Share Capital

	Shares issued	Nominal value	Share capital	Share premium account
	Number	Pence	£	£
Half year ended 30 April 2016				
As at 31 October 2015	251,661,200	5	12,583,060	71,660,903
Issue of share capital	2,046,024	5	102,301	2,742
As at 30 April 2016	253,707,224	5	12,685,361	71,663,645

During the period the Company issued 1,133 new ordinary shares of 5 pence each to satisfy share options under the SAYE scheme which became exercisable at a price of 247 pence per share, 110,097 new ordinary shares of 5 pence each to satisfy share options under the deferred bonus plan which became exercisable at nil pence per share, and 1,934,794 new ordinary shares of 5 pence each to satisfy share options under the 2013 LTIP which became exercisable at nil pence per share.

10 Other financial assets

	As at 30 April 2016 £m	As at 30 April 2015 £m	As at 31 October 2015 £m
At beginning of the period	24.2	28.4	28.4
Disposals	(5.1)	(4.1)	(8.1)
Imputed interest	1.6	1.6	3.9
At end of the period	20.7	25.9	24.2
Of which:			
Non-current assets	19.9	23.6	23.0
Current assets	0.8	2.3	1.2
	20.7	25.9	24.2

Other financial assets carried at fair value are categorised as level 3 (inputs not based on observable market data) within the hierarchical classification of IFRS 13 Revised. For all other financial instruments carrying values are equal to their fair values.

Other financial assets comprise shared equity loans secured by way of a second charge on the property. The loans can be repaid at any time within the loan agreement, the amount of which is dependent on the market value of the asset at the date of repayment. The assets are recorded at fair value, being the estimated amount receivable by the Group, discounted to present day values.

The fair value of future anticipated cash receipts takes into account directors' views of an appropriate discount rate (incorporating purchaser default rate), future house price movements and the expected timing of receipts. These assumptions are given below and are reviewed at each period end.

Assumptions

	As at 30 April 2016	As at 30 April 2015	As at 31 October 2015
Discount rate, incorporating default rate	10.5%	10.5%	10.5%
House price inflation for the next three years	3.0%	3.0%	3.0%
Timing of receipt	10 to 16 years	10 to 15 years	10 to 15 years

Notes to the condensed consolidated interim financial statements (unaudited)

Sensitivity – effect on value of other financial assets (less)/more

	30 April 2016 Increase assumptions by 1% / year £m	30 April 2016 Decrease assumptions by 1% / year £m
Discount rate, incorporating default rate	(0.7)	0.8
House price inflation for the next three years	0.4	(0.4)
Timing of receipt	(1.0)	1.0

The difference between the anticipated future receipt and the initial fair value is charged over the estimated deferred term to financing, with the financial asset increasing to its full expected cash settlement value on the anticipated receipt date. The imputed interest credited to financing for the half year ended 30 April 2016 was £1.6m (2015: £1.6m, full year to 31 October 2015 £3.9m).

At initial recognition, the fair values of the assets are calculated using a discount rate, appropriate to the class of assets, which reflects market conditions at the date of entering into the transaction. The Directors consider at the end of each reporting period whether the initial market discount rate still reflects up to date market conditions. If a revision is required, the fair values of the assets are remeasured at the present value of the revised future cash flows using this revised discount rate. The difference between these values and the carrying values of the assets is recorded against the carrying value of the assets and recognised directly in the statement of comprehensive income.

11 Related party transactions

With the exception of below, related parties are consistent with those disclosed in the Group's Annual integrated report for the year ended 31 October 2015.

In January 2016 the Group entered into a joint venture with A2Dominion to procure and develop a site in Walton On Thames, Surrey. As part of the agreement the Group provided funding to the joint venture of £12.0m to acquire the freehold land.

There were other movements in joint venture loans of £5.3m during the period mainly relating to the provision of working capital funding to Kitewood Cossall Limited, an entity which the Group holds a 50% interest.

The Group received £0.7m (half year 2015: £nil) interest on joint venture funding and £0.1m (half year 2015: £nil) in joint venture project management fees.

12 General information

Crest Nicholson Holdings plc is a public limited company incorporated and domiciled in the UK and has its primary listing on the London Stock Exchange.

The registered office address is Crest House, Pyrcroft Road, Chertsey, Surrey KT16 9GN.

Independent review report to Crest Nicholson Holdings plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Crest Nicholson Holdings plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-yearly financial report of Crest Nicholson Holdings plc for the 6 month period ended 30 April 2016. 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 Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 April 2016;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Cash Flow Statement for the period then ended;
- the Condensed 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 half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-yearly financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly financial report 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 Rules and Transparency Rules 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.

Independent review report to Crest Nicholson Holdings plc (continued)

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

We have read the other information contained in the half-yearly financial report 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 June 2016

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

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