

## FINAL VERSION

Date: 21 November 2019  
 On behalf of: First Property Group plc ("First Property" or "the Group")  
 Embargoed: 0700hrs

### First Property Group plc Interim Results for the six months to 30 September 2019

First Property Group plc (AIM: FPO), the award winning property fund manager and investor with operations in the United Kingdom and Central Europe, today announces its interim results for the six months to 30 September 2019.

#### Financial Highlights:

- Profit before tax up 8.0% to £2.98 million (2018 proforma: £2.76 million);
- Diluted earnings per share up 22.5% to 2.07 pence (2018: 1.69 pence);
- Adjusted NAV up 3.8% to 59.65 pence per share (31 March 2019: 57.48 pence per share);
- Interim dividend up 2.3% to 0.45 pence per share (2018: 0.44 pence per share).

#### Operational Highlights:

- Total assets under management £698 million (31 March 2019: £706 million);
- Third party assets under management £602 million (31 March 2019: £611 million);
- Weighted average unexpired fund management contract term: 5.2 years (31 March 2019: 5.8 years);
- Approved by the Financial Conduct Authority (FCA) as full-scope Alternative Investment Fund Manager (AIFM) enabling the Group to raise and manage third party funds in excess of €500 million.

#### Financial Summary:

	Unaudited Six months to 30 Sept 2019	Unaudited Six months to 30 Sept 2018 PROFORMA*	Unaudited Six months to 30 Sept 2018	Percentage change	Audited Year to 31 March 2019
<b>Income Statement:</b>					
Revenue	£8.08m	£7.36m*	£11.16m	+9.8%*	£20.44m
Statutory profit before tax	£2.98m	£2.76m*	£3.82m	+8.0%*	£8.31m
Diluted earnings per share	2.07p		1.69p	+22.5%	4.85p
Dividend per share	0.45p		0.44p	+2.3%	1.66p
Average £/€ rate	0.889		0.886		0.881

\* Recalculated on a Proforma basis in order to enable like for like comparison with the current period, by treating the deconsolidated entity Fprop Opportunities plc (FOP) as an associate rather than a subsidiary. (See Note 2 Reconciliation and Note 3 Segmental Analysis in the notes to the accounts).

			Percentage change vs. 31 March 2019	
<b>Balance Sheet at period end:</b>				
Adjusted net assets per share (EPRA basis)	59.65p		+3.8%	57.48p
Cash Balances	£8.55m		-12.2%	£9.74m
Period end £/€ rate	0.885			0.862
Properties at market value	£96.3m		+1.8%	£94.6m
LTV of properties at market value	70.1%			70.4%
Associates and Investments at market value	£30.3m		+2.7%	£29.5m
Group gearing ratio	49.9%			50.4%

\*\*Prior to deconsolidation of Fprop Opportunities plc (FOP), which held £2.03 million of cash.

	£698m	£730m	£706m
<b>Total assets under management:</b>			
United Kingdom	57.5%	58.0%	58.9%
Poland	40.2%	39.9%	38.9%
Romania	2.3%	2.1%	2.2%

#### Commenting on the results, Ben Habib, Chief Executive of First Property Group, said:

"I am pleased to be reporting on another satisfactory six months for the Group.

"Our profit before tax increased by 8% to £2.98 million, mainly due to an increased contribution from our fund management division and Chałubińskiego 8 (CH8), one of the two office towers in Warsaw owned by the Group. In view of this profit growth and the sustainability of the Group's earnings, the directors have once again recommended an increased interim dividend.

The occupational market for properties under our management remains generally healthy. New investment opportunities are harder to find at present but they always exist. As ever, I look forward to the future with confidence."

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**A briefing for analysts will be held at 10:30hrs today at the headquarters of First Property Group plc, 32 St James's Street, London, SW1A 1HD. Participants can also attend by telephone on +44 330 336 9401, passcode 514362. A copy of the accompanying investor presentation can be accessed simultaneously at <http://www.fprop.com/media-news/presentations/>. An audio recording of the call will subsequently be posted on the company website, [www.fprop.com/audio/](http://www.fprop.com/audio/).**

**For further information please contact:**

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**Notes to Investors and Editors:**

First Property Group plc is an award winning property fund manager and investor with operations in the United Kingdom and Central Europe. Its focus is on higher yielding commercial property with sustainable cash flows. The company is flexible and takes an active approach to asset management. Its earnings are derived from:

- Fund management - via its FCA regulated and AIFMD approved subsidiary, First Property Asset Management Ltd (FPAM), which earns fees from investing for third parties in property. FPAM currently manages thirteen funds which are invested across the United Kingdom, Poland and Romania.
- Group Properties - principal investments by the Group, to earn a return on its own capital, usually in partnership with third parties. Investments comprise nine commercial properties in Poland and Romania and non-controlling interests in ten of the thirteen funds managed by FPAM.

Listed on AIM the Company has offices in London, Warsaw and Bucharest. Around one third of the shares in the Company are owned by management and their families. Further information about the Company and its products can be found at: [www.fprop.com](http://www.fprop.com).

# FINAL VERSION

## CHIEF EXECUTIVE'S STATEMENT

### Performance:

I am pleased to report interim results for the six months ended 30 September 2019. Please note the 2018 income statement has been recalculated on a "Proforma" basis to enable like for like comparison with the current period, by treating the deconsolidated entity Fprop Opportunities plc (FOP) as an associate rather than a subsidiary. (See Note 2 Reconciliation and Note 3 Segmental Analysis)

Revenue earned by the Group increased by 9.8% on a proforma basis (following the deconsolidation of FOP) to £8.08 million (2018 proforma: £7.36 million) yielding an 8.0% increase in profit before tax of £2.98 million (2018 proforma: £2.76 million). The increase in profit before tax is mainly attributable to higher contributions from the fund management division and Chałubińskiego 8 (CH8), one of the two office towers in Warsaw owned by the Group.

Diluted earnings per share increased by 22.5% to 2.07 pence (2018: 1.69 pence), more than the increase in profit before tax, due to a lower deferred tax charge.

The Group ended the period with net assets under the cost basis of accounting of £46.55 million (31 March 2019: £46.29 million). It is the accounting policy of the Group to carry its properties and interests in associates at the lower of cost or market value. The net assets of the Group when adjusted to their market value less any deferred tax liabilities (EPRA basis) increased by 3.3% from the financial year-end to £67.68 million (31 March 2019: £65.51 million).

Group cash balances at the period end stood at £8.55 million (30 September 2018: £10.01 million, of which £2.03 million was held by FOP [since deconsolidated]). Capital expenditure on the nine directly owned Group properties which was not recoverable from tenants amounted to £0.78 million (2018: £0.58 million), of which some £0.7 million was incurred on Chałubińskiego 8 (CH8). In addition, the Group purchased 500,000 of its own Ordinary Shares for a total consideration of £214,000. These are now held in treasury.

### Dividend:

The Directors have resolved to increase the interim dividend by 2.3% to 0.45 pence per share (2018: 0.44 pence per share) which will be paid on 3 January 2020 to shareholders on the register at 29 November 2019, with an ex-dividend date of 28 November 2019.

### Review of Operations:

#### PROPERTY FUND MANAGEMENT (First Property Asset Management Ltd or FPAM)

Third party assets under management reduced by 1.6% since the financial year-end to £602 million (31 March 2019: £611 million). The decrease was primarily attributable to the sale of one property in the UK on behalf of the fund managed for SIPS. Some 67% of third party assets under management were located in the UK, 32% in Poland, and 1% in Romania.

Fund management fees are generally levied monthly by FPAM by reference to the value of properties under management. In the case of Fprop Offices LP, the Group is entitled to a share of total profits in lieu of fund management fees and to receive annual payments on account equivalent to 10% of total cumulative income profits and realised capital gains. Under its accounting policy the Group will not recognise unrealised property revaluations above the properties' original cost. These payments are adjusted annually, if necessary, for any overpayments made in previous years up to a maximum of total past cumulative payments received.

Revenue earned by this division increased by 11.5% to £2.03 million (2018 proforma: £1.82 million), resulting in profit before unallocated central overheads and tax increasing by 25.0% to £1.00 million (2018: £0.80 million), representing 24.4% of Group profit before unallocated central overheads and tax (2018 proforma: 20.0%). The increase in revenue and profit earned by this division is mainly due to accrued contributions of £247,000 from Fprop Offices LP (2018: £nil). Future entitlements to payment in respect of this fund are being earned at a rate of some £750,000 - £950,000 per annum before property revaluations and thus act as a buffer against possible refund liabilities in the future.

At the period end FPAM's fund management fee income, excluding performance fees and the profit share from Fprop Offices LP, was being earned at an annualised rate of £3.56 million (31 March 2019: £3.34 million).

FPAM's weighted average unexpired fund management contract term at the period end was 5.2 years (2018: 6.3 years).

On 1 November 2019 FPAM's application to be a full scope Alternative Investment Fund Manager (AIFM) was approved by the Financial Conduct Authority (FCA), enabling the Group to raise and manage third party funds in excess of €500 million.

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The reconciliation of movement in third party funds under management during the period is shown below:

	Funds managed for third parties (including funds in which the Group is a minority shareholder)			
	UK £m	CEE £m	Total £m	No. of prop's
<b>As at 1 April 2019</b>	<b>416.0</b>	<b>195.1</b>	<b>611.1</b>	<b>71</b>
Purchases	-	-	-	-
New fund mandates	-	-	-	-
Property sales	(8.0)	-	(8.0)	(1)
Capital expenditure	1.2	0.2	1.4	-
Property depreciation	-	(0.2)	(0.2)	-
Property revaluation	(7.7)	(0.2)	(7.9)	-
FX revaluation	-	5.1	5.1	-
<b>As at 30 Sept 2019</b>	<b>401.5</b>	<b>200.0</b>	<b>601.5</b>	<b>70</b>

At the period end FPAM managed 12 (2018: 12) closed-end third party funds. A brief synopsis of the value of assets and maturity of each of these vehicles is set out below:

Fund	Country of investment	Fund expiry	% of total assets under management	Assets under management at market value at 30 Sept 2019	Assets under management at market value at 30 Sept 2018
			%age	£m	£m
SAM & DHOW	UK	Rolling	-	*	*
5PT	Poland	Dec 2022	1.3	8.1	8.2
UK PPP	UK	Feb 2022	14.0	84.2	92.0
SIPS	UK	Jan 2025	25.2	151.6	166.3
FRS	Romania	Sept 2025	0.2	1.1	2.5
FGC	Poland	Aug 2024	3.7	22.2	22.2
FKR	Poland	Apr 2024	3.9	23.6	23.4
SPEC OPPTS	UK	Jan 2027	3.2	19.1	19.1
OFFICES	UK	June 2024	24.4	146.5	145.8
FPL	Poland	June 2028	10.6	63.7	64.0
FCL	Romania	June 2028	1.3	7.9	7.9
FOP	Poland	Oct 2025	12.2	73.5	-
<b>Total</b>			<b>100.0</b>	<b>601.5</b>	<b>551.4</b>

\* Not subject to recent revaluation

### GROUP PROPERTIES

At the period end Group Properties comprised:

1. Nine directly owned commercial properties in Poland and Romania which are accounted for under the cost model as set out in the table below:

Country	Sector	No. of properties	Book value	Market value	Contribution to Group profit before tax period to 30 Sept 2019*	Contribution to Group profit before tax period to 30 Sept 2018*
			£m	£m	£m	£m
Poland	Offices	3	72.5	83.9	2.6	2.0
Poland	Convenience retail	4	5.2	5.5	0.1	0.0
Romania	Office & logistics	2	4.2	6.9	0.1	0.1
<b>Total</b>		<b>9</b>	<b>81.9</b>	<b>96.3</b>	<b>2.8</b>	<b>2.1</b>

\*Prior to the deduction of direct overhead and unallocated central overhead expenses.

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### 2. Non-controlling interests in ten of the thirteen funds managed by FPAM of which seven are accounted for as Associates under the cost model and three are accounted for as Investments in funds:

Fund	% owned by First Property Group	Book value of First Property's share in fund	Current market value of holdings	Group's share of post-tax profits earned by fund 30 Sept 2019	PROFORMA Group's share of post-tax profits earned by fund 30 Sept 2018
	%age	£'000	£'000	£'000	£'000
<b>a) Associates</b>					
5PT	37.8%	1,053	1,206	73	25
RPT/E AND S	-	-	-	-	(9)*
FRS	24.1%	161	268	11	275
FOP	40.0%	10,572	10,722	751	720
FGC	28.2%	2,214	2,530	156	168
FKR	18.1%	1,379	1,910	97	85
FPL	23.4%	2,057	9,909	8	(59)
FCL	17.4%	501	480	43	(2)
<b>Sub Total</b>		<b>17,937</b>	<b>27,025</b>	<b>1,139</b>	<b>1,203</b>
<b>b) Investments</b>					
UK PPP	0.9%	799	799	33	29
SPEC OPSS	4.8%	553	553	32	20
OFFICES	1.6%	1,954	1,954	67	108
<b>Sub Total</b>		<b>3,306</b>	<b>3,306</b>	<b>132</b>	<b>157</b>
<b>Total</b>		<b>21,243</b>	<b>30,331</b>	<b>1,271</b>	<b>1,360</b>

\* Representing the Group's share of the loss from its associate share in RPT/E AND S prior to its consolidation into the Group's accounts on 1 August 2018.

Revenue from Group Properties increased by 9.2% to £6.05 million (2018 proforma: £5.54 million), generating a profit before unallocated central overheads and tax of £3.10 million (2018 proforma: £3.20 million) and representing 75.6% (2018 proforma: 80.0%) of Group profit before unallocated central overheads and tax. Of this, £1.83 million (2018 proforma: £1.84 million) was contributed by the Group's nine directly owned properties and £1.27 million (2018 proforma: £1.36 million) was contributed by the Group's non-controlling interests in ten of its thirteen funds. The reduction in profit from the Group's non-controlling interests in funds was mainly attributable to the non-repeat of profit on sale (2018: £216,000) by an Associate (Fprop Romanian Supermarkets).

The yield (annualised net operating income divided by market value) of all nine directly owned properties is some 10%. Total gross debt secured against them amounted to £67.5 million (31 March 2019: £66.7 million). Interest expense in the first half in respect of them amounted to some £0.67 million. The current weighted average borrowing cost is 1.84% (31 March 2019: 2.15%) per annum. In order to mitigate the effects of potential interest rate rises, we have fixed the interest rate on some 42% of the loans by value. A one percentage point increase from current interest rates on the balance of the loan interest which is not fixed would increase the Group's interest bill by £460,000 per annum (31 March 2019: £485,000).

Loan repayments in respect of the nine directly owned properties in the first half amounted to some £2.75 million.

A summary of the three largest directly owned properties is below:

1. Chałubińskiego 8, Warsaw (CH8, value circa €40 million) – prime location in Warsaw's central business district, some 300 metres from Warsaw's central station. In recent years the property has benefitted from capital expenditure to upgrade the lobby, the mechanical and electrical equipment and thirteen of the eighteen floors owned by the Group. The property is now around 80% let (2018: circa 60% let). Net operating income is being earned at an annualised rate of €1.3 million (2018: €0.7 million) and should rise to some €3.2 million once fully let;
2. Prokom Building, Gdynia (net book value circa €30 million) - has been let to Warsaw Stock Exchange listed Asseco since it was first built in 2005. It contributes some €2.6 million per annum to Group profit before tax Asseco's lease is scheduled to expire on 28 October 2020. It is no longer in full occupation of the building and has sub-let some of it. We have begun negotiations to re-lease the property, some of which we would hope to conclude prior to the end of the current lease period. However, it is likely that there will be some vacancy from November 2020, with a consequent reduction in operating income generated by the property, until all the vacant space can be re-leased;
3. Blue Tower, Warsaw (value circa €25 million) – prime location in Warsaw's central business district. The Group owns 48% of the tower and 90% of Corp Sp. z o.o., the company which is constitutionally tied to manage the building. The Group's 48% share is virtually fully let. In recent years the property has benefitted from capital expenditure to upgrade the ground floor reception and retail area and all of the fifteen floors owned by the Group. Net operating income is being earned at an annualised rate of some €1.83 per annum (2018: €1.74 million).

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## Commercial Property Markets Outlook

### **Poland:**

GDP continues to grow at some 3.5% per annum or more.

The scale of commercial property development which has accompanied this economic growth has resulted in pressure on rents and capital values. There are signs, however, that the balance of pricing power may be changing in favour of landlords in some sub-sectors, such as offices in Warsaw, where take-up has exceeded supply for some time now.

Investor demand for commercial property remains high with volumes expected to finish 2019 at around €7 billion (2018: €7.1 billion).

Banking terms for commercial property loans are comparable to those obtainable in Western Europe.

### **Romania:**

GDP growth is expected to slow in 2019 to 4.1% per annum, and to slow further still in 2020 and 2021 to around 3.5% per annum.

The occupier market is growing with the economy but, as in Poland, rental growth remains elusive given the scale of new development.

Investor demand for commercial property continues to improve but volumes remain below larger peers in CEE. Around €1 billion of commercial property is expected to transact in 2019, as it did in 2018. Bank lending margins continue to be under downward pressure, which should boost investment demand for commercial property (although bank appetite for long exposures remains low). Some regional cities are starting to become more attractive for secondary market investors with Cluj-Napoca leading the pack.

### **United Kingdom:**

GDP growth has slowed to an annualised rate of around 0.5%, not helped by political uncertainty.

The commercial property market generated total returns of only 1.9% in the year to 30 September, mainly due to a reduction in capital values in the retail sector. However, secondary older office buildings are performing well because they are diminishing in number as conversions to residential use take place, which is leading to rental growth.

Total transaction volumes over the same period are around a third lower compared to the previous year. Our sense is that a standoff exists between buyers, who require a discount in compensation for political uncertainty, and sellers who are generally unwilling to sell at such prices.

We remain broadly positive about the prospects of the UK commercial property market.

### **Current Trading and Prospects**

I am pleased to be reporting on another satisfactory six months for the Group.

Our profit before tax increased by 8% to £2.98 million, mainly due to an increased contribution from our fund management division and Chałubińskiego 8 (CH8), one of the two office towers in Warsaw owned by the Group. In view of this profit growth and the sustainability of the Group's earnings, the directors have once again recommended an increased interim dividend.

The occupational market for properties under our management remains generally healthy. New investment opportunities are harder to find at present but they always exist. As ever, I look forward to the future with confidence.

**Ben Habib**  
**Chief Executive**  
21 November 2019

**CONSOLIDATED INCOME STATEMENT**  
for the six months to 30 September 2019

	Notes	<b>Six months to 30 Sept 2019 (unaudited)</b>	Six months to 30 Sept 2018 PROFORMA*	Six months to 30 Sept 2018 (unaudited)	Year to 31 Mar 2019 (audited)
		<b>Total results</b>	Total results	Total results	Total results
		<b>£'000</b>	£'000	£'000	£'000
<b>Revenue</b>		<b>8,077</b>	7,356	11,157	20,437
<b>Cost of sales</b>		<b>(1,705)</b>	(1,469)	(2,452)	(4,491)
<b>Gross profit</b>		<b>6,372</b>	5,887	8,705	15,946
Profit on sale of 'FOP' shares		-	32	32	64
Gain on loss of control of subsidiary		-	-	-	4,827
Write down/ impairment loss to an investment property	7	-	-	32	(2,984)
Impairment of goodwill on acquisition		-	(27)	(27)	(27)
Loss on disposal of subsidiary		-	(5)	(5)	(5)
Operating expenses		<b>(4,006)</b>	(3,804)	(4,110)	(9,320)
<b>Operating profit</b>		<b>2,366</b>	2,083	4,627	8,501
Share of results in associates	8	<b>1,139</b>	1,203	483	1,600
Investment income		<b>132</b>	157	157	273
Interest income	4	<b>42</b>	17	47	114
Interest expense	4	<b>(696)</b>	(703)	(1,495)	(2,180)
<b>Profit before tax</b>		<b>2,983</b>	2,757	3,819	8,308
Tax charge	5	<b>(613)</b>	(817)	(1,052)	(1,943)
<b>Profit for the period</b>		<b>2,370</b>	1,940	2,767	6,365
<b>Attributable to:</b>					
<b>Owners of the parent</b>		<b>2,350</b>	1,924	1,924	5,514
<b>Non-controlling interests</b>		<b>20</b>	16	843	851
		<b>2,370</b>	1,940	2,767	6,365
<b>Earnings per share</b>					
<b>Basic</b>	6	<b>2.11p</b>	1.73p	1.73p	4.95p
<b>Diluted</b>	6	<b>2.07p</b>	1.69p	1.69p	4.85p

\* Recalculated on a Proforma basis in order to enable like for like comparison with the current period, by treating the deconsolidated entity Fprop Opportunities plc (FOP) as an associate rather than a subsidiary. (See Note 2 Reconciliation and Note 3 Segmental Analysis).

All operations are continuing.

CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME

for the six months to 30 September 2019

	Six months to 30 Sept 2019 (unaudited)	Six months to 30 Sept 2018 PROFORMA*	Six months to 30 Sept 2018 (unaudited)	Year to 31 Mar 2019 (audited)
	Total results	Total results	Total results	Total results
	£'000	£'000	£'000	£'000
<b>Profit for the period</b>	<b>2,370</b>	1,940	2,767	6,365
<b>Other comprehensive income</b>				
<b>Items that may subsequently be reclassified to profit or loss</b>				
Exchange differences on retranslation of foreign subsidiaries	(451)	(1,329)	(1,453)	(1,784)
Foreign exchange profit recycled to the Income Statement on disposal	-	-	-	(721)
Net gain/(loss) on financial assets at fair value through Other Comprehensive Income	(52)	-	-	29
Taxation	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,867</b>	611	1,314	3,889
<b>Total comprehensive income for the period attributable to:</b>				
<b>Owners of the parent</b>	<b>1,847</b>	595	595	3,414
<b>Non-controlling interests</b>	<b>20</b>	16	719	475
	<b>1,867</b>	611	1,314	3,889

\* Recalculated on a Proforma basis in order to enable like for like comparison with the current period, by treating the deconsolidated entity Fprop Opportunities plc (FOP) as an associate rather than a subsidiary. (See Note 2 Reconciliation and Note 3 Segmental Analysis).

All operations are continuing.



## CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 September 2019

	Notes	As at 30 Sept 2019 (unaudited)	As at 31 Mar 2019 (audited)	As at 30 Sept 2018 (unaudited)
		£'000	£'000	£'000
<b>Non-current assets</b>				
Goodwill		153	153	153
Investment properties	7	67,956	67,348	137,062
Property, plant and equipment		61	58	50
Interest in associates	8a	17,937	17,054	5,993
Other financial assets at fair value through OCI	8b	3,306	3,539	3,543
Other receivables	9	1,133	1,312	1,574
Deferred tax assets		2,828	2,779	4,417
<b>Total non-current assets</b>		<b>93,374</b>	92,243	152,792
<b>Current assets</b>				
Inventories – land and buildings		15,025	14,817	15,505
Current tax assets		29	28	59
Trade and other receivables	9	4,890	5,918	4,714
Cash and cash equivalents		8,553	9,738	10,009
<b>Total current assets</b>		<b>28,497</b>	30,501	30,287
<b>Current liabilities</b>				
Trade and other payables	10	(4,923)	(7,078)	(5,627)
Financial liabilities	11a	(6,749)	(6,329)	(10,057)
Current tax liabilities		(193)	(80)	(326)
<b>Total current liabilities</b>		<b>(11,865)</b>	(13,487)	(16,010)
<b>Net current assets</b>		<b>16,632</b>	17,014	14,277
<b>Total assets less current liabilities</b>		<b>110,006</b>	109,257	167,069
<b>Non-current liabilities</b>				
Financial liabilities	11b	(60,745)	(60,348)	(112,095)
Deferred tax liabilities		(2,712)	(2,623)	(4,210)
<b>Net assets</b>		<b>46,549</b>	46,286	50,764
<b>Equity</b>				
Called up share capital		1,166	1,166	1,166
Share premium		5,791	5,791	5,790
Share-based payment reserve		179	179	203
Foreign exchange translation reserve		(1,180)	(731)	69
Purchase of own shares reserve		(2,462)	(2,248)	(2,291)
Investment revaluation reserve		(93)	(41)	(70)
Retained earnings		43,046	42,056	38,955
Equity attributable to the owners of the parent		46,447	46,172	43,822
Non-controlling interests		102	114	6,942
<b>Total equity</b>		<b>46,549</b>	46,286	50,764
<b>Net assets per share</b>	6	<b>41.90p</b>	41.46p	39.39p

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months to 30 September 2019

	Share Capital	Share Premium	Share- Based Payment Reserve	Foreign Exchange Translation Reserve	Purchase of own Shares	Investment Revaluation Reserve	Retained Earnings	Non- controlling Interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2018</b>	<b>1,166</b>	<b>5,789</b>	<b>203</b>	<b>1,398</b>	<b>(95)</b>	<b>(70)</b>	<b>38,344</b>	<b>6,187</b>	<b>52,922</b>
Profit for the period	-	-	-	-	-	-	2,767	-	2,767
Net gain/ (loss) on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Movement on foreign exchange	-	-	-	(1,329)	-	-	-	(124)	(1,453)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,329)</b>	<b>-</b>	<b>-</b>	<b>2,767</b>	<b>(124)</b>	<b>1,314</b>
Change in proportion held by non-controlling interests	-	-	-	-	-	-	-	58	58
Sale of treasury shares	-	1	-	-	5	-	-	-	6
Purchase of treasury shares	-	-	-	-	(2,201)	-	-	-	(2,201)
Non-controlling interests	-	-	-	-	-	-	(843)	843	-
Dividends paid	-	-	-	-	-	-	(1,313)	(22)	(1,335)
<b>At 30 Sept 2018</b>	<b>1,166</b>	<b>5,790</b>	<b>203</b>	<b>69</b>	<b>(2,291)</b>	<b>(70)</b>	<b>38,955</b>	<b>6,942</b>	<b>50,764</b>
Profit for the period	-	-	-	-	-	-	3,598	-	3,598
Net gain/ (loss) on financial assets at fair value through other comprehensive income	-	-	-	-	-	29	-	-	29
Foreign exchange profit recycled	-	-	-	(721)	-	-	-	-	(721)
Movement on foreign exchange	-	-	-	(79)	-	-	-	(252)	(331)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(800)</b>	<b>-</b>	<b>29</b>	<b>3,598</b>	<b>(252)</b>	<b>2,575</b>
Change in proportion held by non-controlling interests	-	-	-	-	-	-	-	1,015	1,015
Deconsolidation of FOP	-	-	-	-	-	-	-	(7,598)	(7,598)
Sale of treasury shares	-	1	-	-	5	-	-	-	6
Exercise of share options	-	-	(24)	-	38	-	-	-	14
Non-controlling interests	-	-	-	-	-	-	(8)	8	-
Dividends paid	-	-	-	-	-	-	(489)	(1)	(490)
<b>At 1 April 2019</b>	<b>1,166</b>	<b>5,791</b>	<b>179</b>	<b>(731)</b>	<b>(2,248)</b>	<b>(41)</b>	<b>42,056</b>	<b>114</b>	<b>46,286</b>
Profit for the period	-	-	-	-	-	-	2,370	-	2,370
Net gain/ (loss) on financial assets at fair value through other comprehensive income	-	-	-	-	-	(52)	-	-	(52)
Movement on foreign exchange	-	-	-	(449)	-	-	-	(2)	(451)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(449)</b>	<b>-</b>	<b>(52)</b>	<b>2,370</b>	<b>(2)</b>	<b>1,867</b>
Purchase of treasury shares	-	-	-	-	(214)	-	-	-	(214)
Non-controlling interests	-	-	-	-	-	-	(20)	20	-
Dividends paid	-	-	-	-	-	-	(1,360)	(30)	(1,390)
<b>At 30 Sept 2019</b>	<b>1,166</b>	<b>5,791</b>	<b>179</b>	<b>(1,180)</b>	<b>(2,462)</b>	<b>(93)</b>	<b>43,046</b>	<b>102</b>	<b>46,549</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months to 30 September 2019

	Notes	Six months to 30 Sept 2019 (unaudited) £'000	Six months to 30 Sept 2018 (unaudited) £'000	Year to 31 Mar 2019 (audited) £'000
<b>Cash flows from operating activities</b>				
Operating profit		2,366	4,627	8,501
Adjustments for:				
Depreciation of investment property, and property, plant & equipment		1,057	1,177	5,167
Profit on the sale of 'FOP' shares		-	(32)	(64)
Gain on loss of control of subsidiary		-	-	(4,827)
(Reversal of impairment loss)/impairment loss to investment properties		-	(32)	(32)
Impairment of goodwill on business acquisition		-	27	27
Loss on disposal of subsidiary		-	5	5
(Increase)/decrease in inventories		(48)	35	96
(Increase)/decrease in trade and other receivables		1,301	728	(1,285)
(Decrease)/increase in trade and other payables		(2,193)	(2,441)	(187)
Other non-cash adjustments		153	3	599
<b>Cash generated from operations</b>		<b>2,636</b>	<b>4,097</b>	<b>8,000</b>
Income taxes paid		(473)	(614)	(1,268)
<b>Net cash flow from operating activities</b>		<b>2,163</b>	<b>3,483</b>	<b>6,732</b>
<b>Cash flow (used in)/from investing activities</b>				
Capital expenditure on investment properties	7	(777)	(586)	(1,531)
Proceeds from partial disposal of financial assets held at fair value through Other Comprehensive Income	8a	256	93	549
Purchase of property, plant and equipment		(6)	(4)	(36)
Proceeds from the sale of 'FOP' shares		-	149	2,630
Cash paid on acquisition of new subsidiaries		-	(527)	(527)
Cash and cash equivalents received on acquisitions of new subsidiaries		-	421	421
Cash disposed following deconsolidation of subsidiaries		-	-	(2,046)
Investment in funds		-	(464)	(468)
Proceeds from funds	8b	218	537	569
Investment in shares of new associates		-	(460)	(527)
Payment for Rights Issue 5PT		-	(138)	(138)
Interest received	4	42	47	114
Dividends from associates	8a	-	506	590
Distributions received		95	157	273
<b>Net cash flow (used in)/from investing activities</b>		<b>(172)</b>	<b>(269)</b>	<b>(127)</b>
<b>Cash flow (used in)/from financing activities</b>				
Net repayment of shareholder loan in subsidiary		-	(121)	(121)
Proceeds from bank loan		1,769	-	-
Repayment of bank loans		(1,458)	(1,656)	(3,179)
Repayment of finance lease		(1,291)	(1,819)	(3,065)
Repayment from the sale of 'FOP' shareholder loan		-	21	326
Purchase of new treasury shares		(214)	(2,201)	(2,201)
Sale of shares held in Treasury		-	6	12
Exercise of share options		-	-	47
Interest paid		(656)	(1,419)	(2,180)
Dividends paid		(1,360)	(1,313)	(1,802)
Dividends paid to non-controlling interests		(30)	(22)	(23)
<b>Net cash flow (used in)/from financing activities</b>		<b>(3,240)</b>	<b>(8,524)</b>	<b>(12,186)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,249)</b>	<b>(5,310)</b>	<b>(5,581)</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>9,738</b>	<b>15,315</b>	<b>15,315</b>
<b>Currency translation gains/(losses) on cash and cash equivalents</b>		<b>64</b>	<b>4</b>	<b>4</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>8,553</b>	<b>10,009</b>	<b>9,738</b>

**1. Basis of Preparation**

- These interim consolidated financial statements for the six months ended 30 September 2019 have not been audited or reviewed and do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. They have been prepared in accordance with the Group's accounting policies as set out in the Group's latest annual financial statements for the year ended 31 March 2019 and are in compliance with IAS 34 "Interim Financial Reporting". These accounting policies are drawn up in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as adopted by the European Union (EU).
- The comparative figures for the financial year ended 31 March 2019 are not the full statutory accounts for the financial year but are abridged from those accounts prepared under IFRS which have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include references to any matter 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.
- These interim financial statements were approved by a committee of the Board on 20 November 2019.

## FINAL VERSION

### 2. Reconciliation of prior period to Proforma Income Statement and Proforma Statement of Comprehensive Income (6 months to 30 September 2018)

	Original	Less:	Add:	Adjustment:	PROFORMA
	6 months to 30 September 2018	'FOP' (per published segment)	Reinstate 'FOP' Asset Management fee elimination	'FOP' Contribution as an Associate	6 months to 30 September 2018
	£'000	£'000	£'000	£'000	£'000
Revenue	11,157	4,070	269	-	7,356
Cost of sales	(2,452)	(983)	-	-	(1,469)
<b>Gross profit</b>	<b>8,705</b>	<b>3,087</b>	<b>269</b>	-	<b>5,887</b>
Profit on sale of 'FOP' shares	32	-	-	-	32
Write down/impairment loss to investment property	32	32	-	-	-
Impairment of goodwill on acquisition of subsidiary	(27)	-	-	-	(27)
Loss on disposal of subsidiary	(5)	-	-	-	(5)
Operating expenses	(4,110)	(575)	(269)	-	(3,804)
<b>Operating profit</b>	<b>(4,627)</b>	<b>2,544</b>	-	-	<b>2,083</b>
Share of results in associates	483	-	-	720	1,203
Investment income	157	-	-	-	157
Interest income	47	30	-	-	17
Interest expense	(1,495)	(792)	-	-	(703)
<b>Profit before tax</b>	<b>3,819</b>	<b>1,782</b>	-	<b>720</b>	<b>2,757</b>
Tax charge					
- Current tax	(752)	(240)	-	-	(512)
- Deferred tax	(300)	5	-	-	(305)
	<b>1,052</b>	<b>(235)</b>	-	-	<b>(817)</b>
<b>Profit after tax for the period</b>	<b>2,767</b>	<b>1,547</b>	-	<b>720</b>	<b>1,940</b>
<b>Attributable to:</b>					
Owners of the parent	1,924	720	-	720	1,924
Non-controlling interests	843	827	-	-	16
	<b>2,767</b>	<b>1,547</b>	-	<b>720</b>	<b>1,940</b>
<b>Other comprehensive income</b>					
Exchange differences on retranslation of foreign subsidiaries	(1,453)	(124)	-	-	(1,329)
Foreign exchange profit recycled to the Income Statement on disposal	-	-	-	-	-
Net gain/(loss) on financial assets at fair value through Other Comprehensive Income	-	-	-	-	-
Taxation	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,314</b>	<b>1,423</b>	-	<b>720</b>	<b>611</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the parent	595	720	-	720	595
Non-controlling interests	719	703	-	-	16
	<b>1,314</b>	<b>1,423</b>	-	<b>720</b>	<b>611</b>
<b>Reconciliation for adjustment to Share of results in associates:</b>					
					<b>PROFORMA</b>
					<b>6 months to 30 September 2018</b>
				£'000	£'000
Share of results in associates					483
Adjustments for:					
'FOP' profit before tax for 6 months to 30 September 2018 (per Note 3 Segmental Analysis)				1,782	
Tax expense attributable to 'FOP'				(235)	
<b>Profit after tax</b>				<b>1,547</b>	
Less:					
'FOP' non-controlling interests for 6 months ended 30 September 2018				(827)	
					720
<b>Share of results in associates on a Proforma basis</b>					<b>1,203</b>

## FINAL VERSION

### 3. Segmental Analysis

#### Segment reporting for the six months to 30 September 2019

Direct costs incurred by First Property Group plc relating to the cost of the Board and the related share listing costs are shown separately under unallocated central costs. The staff incentive accrual is included under unallocated central costs but will be reallocated across all segments at the year end.

	Group Properties Division				TOTAL
	Fund Management Division	Group properties	Associates and investments	Unallocated central overheads	
	Property fund management				
	£'000	£'000	£'000	£'000	£'000
Rental income	-	5,484	-	-	5,484
Service charge income	-	567	-	-	567
Asset management fees	1,779	-	-	-	1,779
Performance related fee income	247	-	-	-	247
<b>Total revenue</b>	<b>2,026</b>	<b>6,051</b>	<b>-</b>	<b>-</b>	<b>8,077</b>
Depreciation and amortisation	(15)	(899)	-	-	(914)
<b>Operating profit</b>	<b>1,003</b>	<b>2,492</b>	<b>-</b>	<b>(1,129)</b>	<b>2,366</b>
Share of results in associates	-	-	1,139	-	1,139
Investment income	-	-	132	-	132
Interest income	-	36	-	6	42
Interest expense	-	(696)	-	-	(696)
<b>Profit/(loss) before tax</b>	<b>1,003</b>	<b>1,832</b>	<b>1,271</b>	<b>(1,123)</b>	<b>2,983</b>
<b>Analysed as:</b>					
Underlying profit/loss before tax before adjusting for the following items:	748	2,853	1,271	(476)	4,396
Write down, impairment loss/reversals	-	-	-	-	-
Profit on the sale of 'FOP' shares	-	-	-	-	-
Goodwill write off on acquisition of associates	-	-	-	-	-
Group's share of revaluation losses on associates	-	-	-	-	-
Gain on loss of control of subsidiary	-	-	-	-	-
Performance related fee income	247	-	-	-	247
Depreciation on investment property	-	(879)	-	-	(879)
Staff incentives	-	-	-	(656)	(656)
Realised foreign currency (losses)/gains	8	(142)	-	9	(125)
<b>Profit/(loss) before tax</b>	<b>1,003</b>	<b>1,832</b>	<b>1,271</b>	<b>(1,123)</b>	<b>2,983</b>

Revenue for the six months to 30 September 2019 from continuing operations consists of revenue arising in the United Kingdom 12% (2018: 10%) and Central and Eastern Europe 88% (2018: 90%) and all relates solely to the Group's principal activities.

## FINAL VERSION

### Segment reporting for the six months to 30 September 2018 (PROFORMA)

The proforma figures for the six months ended 30 September 2018 have included the removal of FOP as a separate segment and replaced it with a new segment entitled 'Associates and investments'. The new segment includes the percentage share of FOP had it been accounted for as an associate for the first six months 30 September 2018 together with the Group's interests in associates and distribution income from its other investments (both previously included within Group Properties). The intercompany elimination of FOP's asset management charge has been reversed for the proforma period.

	Fund Management Division		Group Properties Division		TOTAL
	Property fund management	Group properties	Associates and investments	Unallocated central overheads	
	£'000	£'000	£'000	£'000	£'000
Rental income	-	5,020	-	-	5,020
Service charge income	-	515	-	-	515
Asset management fees	1,743	-	-	-	1,743
Performance related fee income	78	-	-	-	78
<b>Total revenue</b>	<b>1,821</b>	<b>5,535</b>	<b>-</b>	<b>-</b>	<b>7,356</b>
Depreciation and amortisation	(19)	(964)	-	-	(983)
<b>Operating profit</b>	<b>798</b>	<b>2,522</b>	<b>-</b>	<b>(1,237)</b>	<b>2,083</b>
Share of results in associates	-	-	1,203	-	1,203
Investment income	-	-	157	-	157
Interest income	-	15	-	1	16
Interest expense	-	(702)	-	-	(702)
<b>Profit/(loss) before tax</b>	<b>798</b>	<b>1,835</b>	<b>1,360</b>	<b>(1,236)</b>	<b>2,757</b>
<b>Analysed as:</b>					
Underlying profit/loss before tax before adjusting for the following items:	720	2,939	1,144	(498)	4,305
Write down, impairment loss/reversals	-	-	-	-	-
Profit on the sale of 'FOP' shares	-	32	-	-	32
Goodwill write off on acquisition of associates	-	(27)	-	-	(27)
Group's share of revaluation gains on associates	-	-	216	-	216
Gain on loss of control of subsidiary	-	(5)	-	-	(5)
Performance related fee income	78	-	-	-	78
Depreciation on investment property	-	(874)	-	-	(874)
Staff incentives	-	-	-	(735)	(735)
Realised foreign currency (losses)/gains	-	(230)	-	(3)	(233)
<b>Profit/(loss) before tax</b>	<b>798</b>	<b>1,835</b>	<b>1,360</b>	<b>(1,236)</b>	<b>2,757</b>

# FINAL VERSION

Segment reporting six months to 30 September 2018 (as originally reported)

	Fund	Group Properties Division			TOTAL
	Management Division	Group properties	Group fund properties ('FOP')	Unallocated central overheads	
	Property fund management				
	£000	£000	£000	£'000	£'000
Rental income	-	5,020	3,272	-	8,292
Service charge income	-	515	798	-	1,313
Asset management fees	1,474	-	-	-	1,474
Performance related fee income	78	-	-	-	78
<b>Total Revenue</b>	<b>1,552</b>	<b>5,535</b>	<b>4,070</b>	<b>-</b>	<b>11,157</b>
Depreciation and amortisation	(19)	(964)	(194)	-	(1,177)
<b>Operating profit</b>	<b>798</b>	<b>2,522</b>	<b>2,544</b>	<b>(1,237)</b>	<b>4,627</b>
Share of results in associates	-	483	-	-	483
Investment income	-	157	-	-	157
Interest income	-	15	31	1	47
Interest expense	-	(702)	(793)	-	(1,495)
<b>Profit/(loss) before tax</b>	<b>798</b>	<b>2,475</b>	<b>1,782</b>	<b>(1,236)</b>	<b>3,819</b>
<b>Analysed as:</b>					
Underlying profit/(loss) before tax before adjusting for the following items:	720	3,363	1,798	(498)	5,383
Profit on the sale of 'FOP' shares	-	32	-	-	32
Goodwill on acquisition of associates	-	(27)	-	-	(27)
Group's share of revaluation gains on associates	-	216	-	-	216
Loss on loss of control of subsidiary	-	(5)	-	-	(5)
Reversal of impairment loss to investment properties	-	-	32	-	32
Performance related fee income	78	-	-	-	78
Depreciation on investment property	-	(874)	-	-	(874)
Staff incentives	-	-	-	(735)	(735)
Realised foreign currency (losses)/gains	-	(230)	(48)	(3)	(281)
<b>Profit/(loss) before tax</b>	<b>798</b>	<b>2,475</b>	<b>1,782</b>	<b>(1,236)</b>	<b>3,819</b>



# FINAL VERSION

Segment reporting year to 31 March 2019

	Fund Management Division		Group Properties Division		TOTAL
	Property fund management	Group properties	Group fund properties ('FOP')	Unallocated central overheads	
	£'000	£'000	£'000	£'000	£'000
Rental income	-	9,658	3,272	-	<b>12,930</b>
Service charge income	-	1,748	798	-	<b>2,546</b>
Asset management fees	3,420	-	-	-	<b>3,420</b>
Performance related fee income	1,541	-	-	-	<b>1,541</b>
<b>Total revenue</b>	<b>4,961</b>	<b>11,406</b>	<b>4,070</b>	<b>-</b>	<b>20,437</b>
Depreciation and amortisation	(37)	(1,991)	(200)	-	<b>(2,228)</b>
<b>Operating profit</b>	<b>3,031</b>	<b>2,048</b>	<b>6,136</b>	<b>(2,714)</b>	<b>8,501</b>
Share of results in associates	-	1,687	(87)	-	<b>1,600</b>
Investment income	-	273	-	-	<b>273</b>
Interest income	-	78	31	5	<b>114</b>
Interest expense	-	(1,387)	(793)	-	<b>(2,180)</b>
<b>Profit/(loss) before tax</b>	<b>3,031</b>	<b>2,699</b>	<b>5,287</b>	<b>(2,709)</b>	<b>8,308</b>
<b>Analysed as:</b>					
Underlying profit/(loss) before tax before adjusting for the following items:	1,981	7,467	2,058	(1,012)	<b>10,494</b>
Write down, impairment (losses)/reversals	-	(3,043)	32	-	<b>(3,011)</b>
Profit on the sale of 'FOP' shares	-	64	-	-	<b>64</b>
Group's share of revaluation losses on associates	-	-	(764)	-	<b>(764)</b>
Gain on loss of control of subsidiary	-	606	4,221	-	<b>4,827</b>
Performance related fee income	1,541	-	-	-	<b>1,541</b>
Depreciation on investment property	-	(1,740)	-	-	<b>(1,740)</b>
Staff incentives	(476)	(190)	(212)	(1,669)	<b>(2,547)</b>
Realised foreign currency (losses)/gains	(15)	(465)	(48)	(28)	<b>(556)</b>
<b>Total</b>	<b>3,031</b>	<b>2,699</b>	<b>5,287</b>	<b>(2,709)</b>	<b>8,308</b>
Assets - Group	1,630	98,118	-	5,942	<b>105,690</b>
Share of net assets of associates	-	17,362	-	(308)	<b>17,054</b>
Liabilities	(398)	(74,254)	-	(1,806)	<b>(76,458)</b>
<b>Net assets</b>	<b>1,232</b>	<b>41,226</b>	<b>-</b>	<b>3,828</b>	<b>46,286</b>

## FINAL VERSION

### 4. Interest Income/(Expense)

	Six months ended 30 Sept 2019	Six months ended 30 Sept 2018 PROFORMA	Six months ended 30 Sept 2018	Year ended 31 Mar 2019
	£'000	£'000	£'000	£'000
Interest income – bank deposits	11	9	10	18
Interest income – other	31	8	37	96
<b>Total interest income</b>	<b>42</b>	<b>17</b>	<b>47</b>	<b>114</b>

	Six months ended 30 Sept 2019	Six months ended 30 Sept 2018 PROFORMA	Six months ended 30 Sept 2018	Year ended 31 Mar 2019
	£'000	£'000	£'000	£'000
Interest expense – property loans	(519)	(517)	(1,057)	(1,571)
Interest expense – bank and other	(29)	(24)	(32)	(49)
Finance charges on finance leases	(148)	(162)	(406)	(560)
<b>Total interest expense</b>	<b>(696)</b>	<b>(703)</b>	<b>(1,495)</b>	<b>(2,180)</b>

### 5. Tax Expense

The tax charge is based on a combination of actual current and deferred tax charged at an effective rate that is expected to apply to the profits for the full year.

	Six months ended 30 Sept 2019	Six months ended 30 Sept 2018 PROFORMA	Six months ended 30 Sept 2018	Year ended 31 Mar 2019
	£'000	£'000	£'000	£'000
Current tax	(586)	(512)	(752)	(1,284)
Deferred tax	(27)	(305)	(300)	(659)
<b>Total</b>	<b>(613)</b>	<b>(817)</b>	<b>(1,052)</b>	<b>(1,943)</b>

### 6. Earnings/NAV Per Share

The basic earnings per ordinary share is calculated on the profit on ordinary activities after taxation and after non-controlling interests on the weighted average number of ordinary shares in issue, during the period.

Figures in the table below have been used in the calculations.

	Six months ended 30 Sept 2019	Six months ended 30 Sept 2018	Year ended 31 Mar 2019
Basic earnings per share	2.11p	1.73p	4.95p
Diluted earnings per share	2.07p	1.69p	4.85p

	Number	Number	Number
Weighted average number of Ordinary shares in issue (used for basic earnings per share calculation)	111,318,482	111,398,291	111,353,468
Number of share options	2,610,000	2,700,000	2,610,000
<b>Total number of Ordinary shares used in the diluted earnings per share calculation</b>	<b>113,928,482</b>	<b>114,098,291</b>	<b>113,963,468</b>

	£'000	£'000	£'000
Basic earnings	2,350	1,924	5,514
Notional interest on share options assumed to be exercised	8	4	8
Diluted earnings	2,358	1,928	5,522

	Six months ended 30 Sept 2019	Six months ended 30 Sept 2018	Year ended 31 Mar 2019
Net assets per share	41.90p	39.39p	41.46p
Adjusted net assets per share	59.65p	62.21p	57.48p

Adjusted net assets per share are calculated using the fair value of all investments.

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The following numbers have been used to calculate both the net assets and adjusted net assets per share:

	Six months ended 30 Sept 2019	Six months ended 30 Sept 2018	Year ended 31 Mar 2019
	Number	Number	Number
Number of shares in issue at period end	110,854,001	111,253,003	111,354,001
	£'000	£'000	£'000
Net assets excluding Non-controlling interest	46,447	43,822	46,172
<b>For adjusted net assets per share</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Number of shares in issue at period end	110,854,001	111,253,003	111,354,001
Number of share options assumed to be exercised	2,610,000	2,700,000	2,610,000
<b>Total</b>	<b>113,464,001</b>	<b>113,953,003</b>	<b>113,964,001</b>
<b>For adjusted net assets per share</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Net assets excluding Non-controlling interests	46,447	43,822	46,172
Investment properties at fair value net of deferred taxes	5,925	11,211	4,664
Inventories at fair value net of deferred taxes	5,837	4,922	5,416
Investments in associates and other financial investments	9,088	-	8,875
Other items	381	10,932	381
<b>Total</b>	<b>67,678</b>	<b>70,887</b>	<b>65,508</b>

### 7. Investment Properties

	Six months ended 30 Sept 2019	Year ended 31 Mar 2019	Six months ended 30 Sept 2018
	£'000	£'000	£'000
1 April	67,348	132,180	132,180
Capital expenditure	777	1,531	586
Disposals	-	(63,907)	-
Additions through acquisitions	-	5,406	5,406
Depreciation	(1,021)	(2,111)	(1,146)
Impairment loss to an investment property	-	(2,984)	-
Fair value adjustment	-	-	32
Foreign exchange translation	852	(2,767)	4
<b>Total at end of period</b>	<b>67,956</b>	<b>67,348</b>	<b>137,062</b>

Investment properties owned by the Group, and indirectly via FOP are stated at cost less depreciation and accumulated impairment losses.

### 8. Investments in associates and other financial investments

	Six months ended 30 Sept 2019	Year ended 31 Mar 2019	Six months ended 30 Sept 2018
	£'000	£'000	£'000
<b>a) Associates</b>			
Cost of investment at beginning of period	17,054	4,725	4,725
Additions	-	13,172	1,595
Disposals	-	(1,304)	-
Repayment of shareholder loan	(256)	(549)	(92)
Transfer from associate to subsidiary status	-	-	(212)
Share of associates profit after tax	1,139	2,364	483
Impairment	-	(764)	-
Dividends received	-	(590)	(506)
Cost of investment at end of period	17,937	17,054	5,993

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	Six months ended 30 Sept 2019 £'000	Year ended 31 Mar 2019 £'000	Six months ended 30 Sept 2018 £'000
<b>Investments in associates</b>			
5th Property Trading Ltd	1,361	1,288	1,192
Fprop Romanian Supermarkets Ltd	161	150	393
Fprop Galeria Corso Ltd	2,214	2,089	2,040
Fprop Krakow Ltd	1,379	1,308	1,279
Fprop Cluj Ltd	501	458	458
Fprop Phoenix Ltd	2,057	2,049	939
Fprop Opportunities plc (FOP)	10,572	10,020	-
	<b>18,245</b>	<b>17,362</b>	<b>6,301</b>
Less: Group share of profit after tax withheld on sale of property to an associate in 2007	(308)	(308)	(308)
Cost of investment at end of period	<b>17,937</b>	<b>17,054</b>	<b>5,993</b>

The withheld profit figure of £308,000 represents the removal of the percentage of intercompany profit resulting from the sale of the property in 2007 to 5th Property Trading Ltd (an associate). The figure will reduce when there is a reduction in First Property Group's stake in 5th Property Trading Ltd.

	Six months ended 30 Sept 2019 £'000	Year ended 31 Mar 2019 £'000	Six months ended 30 Sept 2018 £'000
<b>b) Other financial investments</b>			
Cost of investment at 1 April	3,539	4,517	4,517
Additions	37	468	463
Repayments	(218)	(569)	(537)
Disposal	-	(900)	(900)
(Decrease)/increase in fair value during the period	(52)	23	-
Cost of investment at end of period	<b>3,306</b>	<b>3,539</b>	<b>3,543</b>

### 9. Trade and Other Receivables

	Six months ended 30 Sept 2019 £'000	Year ended 31 Mar 2019 £'000	Six months ended 30 Sept 2018 £'000
<b>Current assets</b>			
Trade receivables	1,128	1,408	2,124
Less provision for impairment of receivables	(320)	(297)	(912)
Trade receivables net	808	1,111	1,212
Other receivables	2,910	2,836	2,459
Prepayments and accrued income	1,172	1,971	1,043
	<b>4,890</b>	<b>5,918</b>	<b>4,714</b>
<b>Non-current assets</b>			
Other receivables	1,133	1,312	1,574

Other receivables include a balance of £1.13 million relating to the deferred consideration from the sale of an investment property located in Romania, which is receivable after one year. This has been discounted to reflect its current value.

### 10. Trade and Other Payables

	Six months ended 30 Sept 2019 £'000	Year ended 31 Mar 2019 £'000	Six months ended 30 Sept 2018 £'000
<b>Current liabilities</b>			
Trade payables	2,296	2,798	2,841
Other taxation and social security	938	855	827
Other payables and accruals	1,343	3,235	1,426
Deferred income	346	190	533
	<b>4,923</b>	<b>7,078</b>	<b>5,627</b>

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## 11. Financial Liabilities

	Six months ended 30 Sept 2019 £'000	Year ended 31 Mar 2019 £'000	Six months ended 30 Sept 2018 £'000
<b>a) Current liabilities</b>			
Loans repayable by subsidiary (FOP) to third party shareholders	-	-	1,356
Bank loans	4,079	3,780	4,951
Finance leases	2,670	2,549	3,750
	<b>6,749</b>	<b>6,329</b>	<b>10,057</b>
<b>b) Non-current liabilities</b>			
Bank loans	36,864	35,783	68,181
Finance leases	23,881	24,565	43,914
	<b>60,745</b>	<b>60,348</b>	<b>112,095</b>
<b>c) Total obligations under financial liabilities</b>			
Repayable within one year	6,749	6,329	10,057
Repayable within one and five years	53,247	54,073	97,876
Repayable after five years	7,498	6,275	14,219
	<b>67,494</b>	<b>66,677</b>	<b>122,152</b>

Loans repayable by Fprop Opportunities plc (FOP) to third party shareholders are unsecured and repayable on demand.

Six bank loans and one finance lease (all denominated in Euros) totalling £67.49 million (31 March 2019: £66.68 million) included within financial liabilities are secured against investment properties owned by the Group and one property owned by the Group shown under inventories. These bank loans and this finance lease are otherwise non-recourse to the Group's assets.

The interim results are being circulated to all shareholders and can be downloaded from the company's web site ([www.fprop.com](http://www.fprop.com)). Further copies can be obtained from the registered office at 32 St James's Street, London SW1A 1HD.