

27 August 2019



RAVEN PROPERTY GROUP

Raven Property Group Limited (“Raven” or the “Company”)

2019 Interim Results

Raven today announces its unaudited results for the six months ended 30 June 2019.

Highlights

- **Net operating income of £64.3 million for the six months to 30 June 2019 (30 June 2018: £57.6 million);**
- **Average occupancy of 90% for the period (30 June 2018: 84%);**
- **Basic underlying earnings per share 5.31p (30 June 2018: 0.67p);**
- **IFRS profit for the period of £26.2 million (30 June 2018: loss of £28.8 million);**
- **Diluted net asset value per share increases by 40% to 67p (31 December 2018: 48p);**
- **14.8% of the Company’s ordinary shares purchased for 36p per share and cancelled on 21 August 2019;**
- **On a proforma basis, this increases net asset value per share by a further 5p;**
- **Proposed distribution of 1.25p per ordinary share by way of a tender offer buy back of 1 in 44 shares at 55p.**

Glyn Hirsch CEO said “We are pleased with these results which reflect steadily improving market conditions and finally, some currency movements working in our favour. “

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This announcement contains forward-looking statements that involve risk and uncertainties. The Group’s actual results could differ materially from those estimated or anticipated in the forward-looking statements as a result of many factors. Information contained in this announcement relating to the Company should not be relied upon as a guide to future performance.

About Raven Property Group Limited

Raven Property Group Limited was founded in 2005 to invest in class A warehouse complexes in Russia and lease to Russian and International tenants. Its Ordinary Shares and preference shares are listed on the Main Market of the London Stock Exchange and admitted to the Official List of the UK Listing Authority and the Official List of The International Stock Exchange (“TISE”). Its Ordinary Shares also have a secondary listing on the main board of the Johannesburg Stock Exchange and the Moscow Stock Exchange. Its convertible preference shares are admitted to the Official List of TISE and to trading on the

SETSqx market of the London Stock Exchange. The Group operates out of offices in Guernsey, Moscow and Cyprus and has an investment portfolio of circa 1.9 million square metres of Grade "A" warehouses in Moscow, St Petersburg, Rostov-on-Don, Novosibirsk and Nizhny Novgorod and 49,000 square metres of commercial office space in St Petersburg. For further information visit the Company's website: www.theravenpropertygroup.com

Financial Summary

Income Statement for the 6 months ended:	30 June 2019	30 June 2018
Net Rental and Related Income (£m)	64.3	57.6
Underlying Earnings after tax (£m)	32.4	4.4
Underlying Basic EPS (pence)	5.31	0.67
Revaluation surplus/(deficit) (£m)	18.2	(26.1)
IFRS Earnings/(loss) after tax (£m)	26.2	(28.8)
Distribution per share (pence)	1.25	1.25

Balance Sheet at:	30 June 2019	31 December 2018
Investment Property Market Value (£m)	1,337	1,194
Diluted NAV per share (pence)	67	48

Letting Summary

Warehouse Portfolio Maturities

Maturities '000 sqm	2019	2020	2021	2022	2023-2032	Total
Maturity profile at 1 January 2019	244	258	358	221	602	1,683
Renegotiated and extended	(38)	(3)	(18)	0	(33)	(92)
Maturity profile of renegotiations	21	12	0	11	48	92
Vacated/terminated	(117)	0	(3)	0	0	(120)
New Lettings	30	1	4	4	77	116
Maturity profile at 30 June 2019	140	268	341	236	694	1,679
Maturity profile with breaks	211	438	463	136	431	1,679

Office Portfolio Maturities

Maturities '000 sqm	2019	2020	2021	2022	2023-2032	Total
Maturity profile at 1 January 2019	11	7	1	16	14	49
Break exercised	4	(4)	0	0	0	0
Vacated/terminated	(10)	0	0	0	0	(10)
New Lettings	0	1	0	0	6	7
Maturity profile at 30 June 2019	5	4	1	16	20	46
Maturity profile with breaks	7	1	2	21	15	46

Lease Currency Mix

	USD	RUB	EUR	Vacant	Total
Sqm %	19%	67%	3%	11%	100%

Secured debt currency profile

	USD	RUB	EUR	Total
Debt portfolio%	11%	37%	52%	100%

Chairman's Message

I am pleased to report that it has been a positive six months trading for the Group. Average occupancy in our warehouse portfolio ran at 90% compared to 84% in the same period last year, boosting our net rental and related income. Today we are 90% let with a further 2% of vacant space subject to letters of intent.

Our balance sheet too continues to adapt to match our income profile. Secured debt today is 37% Rouble denominated and 52% Euro with two US Dollar denominated facilities remaining. We expect to refinance the last of those US Dollar facilities before the year end and there to be a continuing increase in Rouble weighting as we convert Euro debt. Should the Russian Central Bank continue to ease interest rates then that will accelerate the transition to Roubles.

We have seen a significant improvement in our net asset value per share since the year end, increasing from 48p to 67p as the Rouble strengthened and asset valuations continued to improve.

The threat of increased US sanctions against Russia and the effect of the current trade war tensions on the oil price have dampened the strength of the Rouble since 30 June but without exposure to US Dollar liabilities the immediate impact of events such as these on our balance sheet has been significantly reduced. With Brexit weighing heavily on the UK, the Rouble remains strong against Sterling compared to the position at 31 December 2018.

We have completed the buy back and cancellation of 14.8% of our ordinary shares following the various ordinary shareholder and preference shareholder votes on 20 August 2019. This also supports a strengthening of our net asset value per share. It does, however, mean that Woodford Investment Management is no longer a stakeholder in our business. Neil Woodford has been a staunch supporter of Raven and we thank him for that support.

We intend to pay an interim distribution of 1.25p by way of tender offer buy back in the usual manner, with 1 in 44 shares being purchased at 55p.

Richard Jewson
Chairman
26 August 2019

Chief Executive's Review

Dear shareholders

The first half of the year has shown a continuing improvement in our market. Tenant demand is good and rents are increasing as Russian Central Bank rates ("CBR") continue to fall and there are early signs of yield compression too.

We have let 115,002sqm of space in the first six months of the year at steadily improving rents. Today, prime Moscow dry warehouse rents have increased to Roubles 4,100 per sqm. With average annual indexation of 5.9% these levels are more attractive than they have been for a while.

We have continued to work on the liability side of our balance sheet and have only two US Dollar debt facilities remaining. Both of these will be converted to a Rouble/Euro mix before the year end.

There has also been a significant change in our shareholder register following the well publicised events at Woodford Investment Management ("WIM"). The opportunity to purchase the WIM ordinary shares for cancellation at a significant discount to net asset value was too good to miss and on a proforma basis, would result in a further 5p increase in net asset value per share. It is disappointing to see one of our longest standing supporters withdraw but life goes on. The WIM holding of convertible and irredeemable preference shares were placed with over 35 institutions.

With the reduced number of 511 million ordinary shares now in issue we should see more benefit in any upward valuation or distribution.

Property Update

At 30 June 2019, our warehouse portfolio comprised 1.89 million sqm and our office portfolio, 49,000sqm of space. Average occupancy for the six months ran at 90% compared to 84% for the same period last year. Today, occupancy levels hold at 90% with a further 2% of vacant space subject to letters of intent ("LOIs").

Warehouse Portfolio

New warehouse lettings in the six months to 30 June 2019 totaled 115,002sqm with a further 91,584sqm of existing leases renegotiated and extended. Tenants vacated 119,812sqm of space including one major tenant vacating 91,284sqm at the end of June.

As at 30 June 2019 we had 140,114sqm of warehouse leases maturing in the second half of the year and 71,644sqm of potential lease breaks. Of those, we expect 46,652sqm of maturing tenants and 4,760sqm of breaks to vacate before the year end.

Since the period end, we have let 19,562sqm of vacant warehouse space and renegotiated and extended 31,818sqm of maturing leases. A further 38,713sqm of vacant space and 109,383sqm of negotiations on currently let space are subject to LOIs.

Prime Moscow warehouse rents are in the range Roubles 3,800 to 4,100 per sqm today as compared to Roubles 3,800 to 4,000 per sqm at the end of 2018. Prime yields remain in the range 10.75% to 12.25%.

Currency Mix

Rouble denominated leases accounted for 67% (31 December 2018: 61%) of the total warehouse space at the period end and US Dollar leases 19% (31 December 2018: 26%). The average Rouble rent was 5,118 per sqm (31 December 2018: 4,900 per sqm) and the average US Dollar rent was \$147 per sqm (31 December 2018: \$148 per sqm). Rouble denominated leases had a weighted average term to maturity of 4.2 years (31 December 2018: 4.5 years) and US Dollar leases 2.2 years (31 December 2018: 2.1 years).

Office Portfolio

Our St Petersburg office portfolio has seen significant changes in tenancy as a result of known lease expiries, but overall performance is satisfactory with rents continuing to increase. In the year to date, we have let 11,530sqm of vacant space with maturities of 10,171sqm vacating, including a single tenant from 6,936sqm. Average Rouble rents at the period end were Roubles 14,207 per sqm (31 December 2018: 13,997 per sqm).

Results

Underlying Earnings

Improving average occupancy, increasing to 90% from 84% for the same period last year, together with revenue generated from the 123,200sqm of acquisitions completed in the second half of last year supported net rental and related income of £64.3 million for the six months (30 June 2018: £57.6 million). Underlying earnings before foreign exchange profits were £13.4 million (30 June 2018: £8.6 million) and £32.4 million (30 June 2018: £4.4 million) after foreign exchange movements. The recovery of the Rouble from the weak position at the end of 2018 generated foreign exchange gains of £18.9 million in the income statement (30 June 2018: loss of £4.2 million).

IFRS Earnings

An IFRS profit of £26.2 million (30 June 2018: loss of £28.8 million) includes a profit on the revaluation of property of £18.2 million (30 June 2018: loss of £26.1 million) reflecting the continuing improvement in ERV's and yields. This was offset by mark to market losses on interest caps of £13.9 million (30 June 2018: profit of £2.6 million), principally on CBR caps taken out towards the end of 2018, the movement indicative of the positive outlook for further CBR cuts.

Net Asset Value

Our net asset value has made a marked recovery from the year end, our property asset values increasing both in Rouble terms and on translation to Sterling when compared to the very weak Rouble position at 31 December 2018. From a Sterling/Rouble rate of 88.4 at the year end the Rouble strengthened to 79.9 at 30 June 2019, the latter being close to the three year average of 80. This resulted in an increase of £129.3 million on the equivalent Sterling value of our properties.

Diluted, Net Asset Value per share of 67p at 30 June 2019 is a 40% increase on the year end value of 48p.

Financing

The transition of our secured finance facilities to a Rouble/Euro blend continues. Today, of the £677 million (31 December 2018: £643 million) secured debt, 37% (31 December 2018: 31%) is Rouble denominated, 52% (31 December 2018: 35%) Euro denominated and 11% (31 December 2018: 34%) US Dollar denominated. We are currently engaged in extending £122 million of facilities, including the near term maturities, and converting another 8% into Rouble facilities. We do not expect to hold any US Dollar denominated debt at the year end.

Our blended cost of debt is 7.39% (31 December 2018: 7.69%), the weighted average term to maturity 3.6 years (31 December 2018: 4.0 years) and all facilities have floating rate interest hedged with interest caps. The secured debt loan to value ratio at 30 June 2019 was 50.0% (31 December 2018: 53.3%).

Cash flow

Cash balances are slightly up on the year end at £83 million (31 December 2018: £73 million), with a small cash inflow in the six months before the effect of the strengthening Rouble.

Share Buy Back

Following the EGM held on 20 August, the Company purchased 89,144,978 of its ordinary shares, representing 14.8% of the shares in issue, for 36p per share. This represents a significant discount to the Company's net asset value per share. The shares have now been cancelled and, on a proforma basis, this would add a further 5p to the Company's basic net asset value per share as at 30 June 2019.

Tender offer

We are proposing a distribution of the equivalent of 1.25p per ordinary share by way of tender offer buy back of 1 in 44 shares at 55p (30 June 2018: 1.25p by way of an offer of 1 in 44 shares at 55p).

Glyn Hirsch
Chief Executive Officer
26 August 2019

Corporate Governance

Principal risks and uncertainties

Internal controls and an effective risk management regime are integral to the Group's continued operation. The assessment of risks faced by the Group, together with their potential impact and possible mitigating actions, is set out in the Risk Report on pages 40 to 43 of the Group's 2018 Annual Report. These risks fall into five main categories: political and economic risk; financial risk; property investment; Russian domestic risk; and personnel risk.

Having reviewed the principal risks and uncertainties for the Group in relation to the first half of 2019, the Board believes that these have remained consistent with those presented in the 2018 Annual Report.

Going concern

The financial position of the Group, its cash flows, liquidity and borrowings are described in the Chief Executive's Review and the accompanying financial statements and related notes. During the period the Group had, and continues to hold, substantial cash and short term deposits and is generating underlying profits. As a consequence, the Directors believe the Group is well placed to manage its business risks.

After making enquiries and examining major areas that could give rise to significant financial exposure, the Board has a reasonable expectation that the Company and the Group have adequate resources to continue its operations for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in the preparation of the accompanying interim financial statements.

Directors' Responsibility Statement

The Board confirms to the best of its knowledge:

The condensed financial statements have been prepared in accordance with IAS 34 as adopted by the European Union, and that the half year report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The names and functions of the Directors of Raven Property Group Limited are disclosed in the 2018 Annual Report of the Group.

This responsibility statement was approved by the Board of Directors on the 26 August 2019 and is signed on its behalf by

Mark Sinclair
Chief Financial Officer

Colin Smith
Chief Operating Officer

INDEPENDENT REVIEW REPORT TO RAVEN PROPERTY GROUP LIMITED

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 30 June 2019 which comprises the Condensed Unaudited Group Income Statement, the Condensed Unaudited Group Statement of Comprehensive Income, the Condensed Unaudited Group Balance Sheet, the Condensed Unaudited Group Statement of Changes in Equity, the Condensed Unaudited Group Cash Flow Statement and the related notes 1 to 20. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

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

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
26 August 2019

**Condensed Unaudited Group Income Statement
For the six months ended 30 June 2019**

	Notes	Underlying earnings £'000	Six months ended 30 June 2019 Capital & other £'000	Total £'000	Underlying earnings £'000	Six months ended 30 June 2018 Capital & other £'000	Total £'000
Gross revenue	2	87,731	-	87,731	79,405	-	79,405
Property operating expenditure and cost of sales		(23,429)	-	(23,429)	(21,781)	-	(21,781)
Net rental and related income	2	64,302	-	64,302	57,624	-	57,624
Administrative expenses	3	(11,419)	(953)	(12,372)	(12,272)	(1,652)	(13,924)
Share-based payments and other long term incentives	17b	-	(873)	(873)	(637)	(1,163)	(1,800)
Foreign currency profits / (losses)		18,943	-	18,943	(4,238)	-	(4,238)
Share of profits of joint ventures		701	-	701	148	-	148
Operating profit / (loss) before profits and losses on investment property		72,527	(1,826)	70,701	40,625	(2,815)	37,810
Unrealised profit / (loss) on revaluation of investment property	7	-	18,073	18,073	-	(26,537)	(26,537)
Unrealised profit on revaluation of investment property under construction	8	-	92	92	-	459	459
Operating profit / (loss)	2	72,527	16,339	88,866	40,625	(28,893)	11,732
Finance income	4	1,281	-	1,281	1,611	4,240	5,851
Finance expense	4	(37,227)	(19,298)	(56,525)	(35,334)	(8,185)	(43,519)
Profit / (loss) before tax		36,581	(2,959)	33,622	6,902	(32,838)	(25,936)
Tax	5	(4,195)	(3,212)	(7,407)	(2,500)	(400)	(2,900)
Profit / (loss) for the period		32,386	(6,171)	26,215	4,402	(33,238)	(28,836)
Earnings per share:	6						
Basic (pence)				4.30			(4.42)
Diluted (pence)				3.89			(4.42)
Underlying earnings per share:	6						
Basic (pence)		5.31			0.67		
Diluted (pence)		4.16			0.67		

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRS as adopted by the EU. The "underlying earnings" and "capital and other" columns are both supplied as supplementary information permitted by IFRS as adopted by the EU. Further details of the allocation of items between the supplementary columns are given in note 6.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of the parent company. There are no non-controlling interests.

The accompanying notes are an integral part of this statement.

**Condensed Unaudited Group Statement Of Comprehensive Income
For the six months ended 30 June 2019**

	Six months ended 30 June 2019 £'000	Six months ended 30 June 2018 £'000
Profit / (loss) for the period	26,215	(28,836)
Other comprehensive income, net of tax		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Foreign currency translation on consolidation	85,406	16,927
Total comprehensive income for the period, net of tax	<u>111,621</u>	<u>(11,909)</u>

All income is attributable to the equity holders of the parent company. There are no non-controlling interests.

The accompanying notes are an integral part of this statement.

**Condensed Unaudited Group Balance Sheet
As at 30 June 2019**

	Notes	30 June 2019 £'000	31 December 2018 £'000
Non-current assets			
Investment property	7	1,319,486	1,175,440
Investment property under construction	8	33,875	30,548
Plant and equipment		6,499	3,574
Investment in joint ventures		7,308	6,566
Other receivables		3,672	15,535
Derivative financial instruments		7,101	21,953
Deferred tax assets		25,455	24,405
		<u>1,403,396</u>	<u>1,278,021</u>
Current assets			
Inventory		358	356
Trade and other receivables		41,876	43,658
Derivative financial instruments		-	349
Cash and short term deposits		83,012	73,450
		<u>125,246</u>	<u>117,813</u>
Total assets		<u>1,528,642</u>	<u>1,395,834</u>
Current liabilities			
Trade and other payables		44,758	66,192
Derivative financial instruments		-	1
Interest bearing loans and borrowings	10	78,260	75,565
		<u>123,018</u>	<u>141,758</u>
Non-current liabilities			
Interest bearing loans and borrowings	10	598,965	567,865
Preference shares	11	109,783	109,271
Convertible preference shares	12	213,872	206,116
Other payables		19,579	17,797
Deferred tax liabilities		66,569	57,400
		<u>1,008,768</u>	<u>958,449</u>
Total liabilities		<u>1,131,786</u>	<u>1,100,207</u>
Net assets		<u>396,856</u>	<u>295,627</u>
Equity			
Share capital	13	6,005	6,233
Share premium		92,829	103,144
Warrants	14	-	98
Own shares held	15	(4,582)	(5,965)
Convertible preference shares		11,212	11,212
Capital reserve		(263,034)	(281,001)
Translation reserve		36,576	(48,887)
Retained earnings		517,850	510,793
Total equity		<u>396,856</u>	<u>295,627</u>
Net asset value per share (pence):	16		
Basic		67	48
Diluted		67	48

The accompanying notes are an integral part of this statement.

**Condensed Unaudited Group Statement Of Changes In Equity
For the six months ended 30 June 2019**

	Notes	Share Capital £'000	Share Premium £'000	Warrants £'000	Own Shares Held £'000	Convertible Preference Shares £'000	Capital Reserve £'000	Translation Reserve £'000	Retained Earnings £'000	Total £'000
At 1 January 2018		6,606	124,568	438	(3,652)	11,212	(166,494)	(98,741)	517,901	391,838
Loss for the period		-	-	-	-	-	-	(28,836)	(28,836)	
Other comprehensive income		-	-	-	-	-	16,927	-	-	16,927
Total comprehensive income for the period		-	-	-	-	-	16,927	(28,836)	(11,909)	
Warrants exercised		79	2,199	(314)	-	-	-	-	-	1,964
Ordinary shares cancelled		(313)	(15,973)	-	14	-	-	-	-	(16,272)
Own shares acquired		-	-	-	(4,235)	-	-	-	-	(4,235)
Own shares allocated		-	-	-	1,886	-	-	-	(934)	952
Transfer in respect of capital losses		-	-	-	-	-	(23,338)	-	23,338	-
At 30 June 2018		6,372	110,794	124	(5,987)	11,212	(189,832)	(81,814)	511,469	362,338
For the six months ended 30 June 2019										
At 31 December 2018		6,233	103,144	98	(5,965)	11,212	(281,001)	(48,887)	510,793	295,627
On adoption of IFRS 16 Leases		-	-	-	-	-	-	57	(390)	(333)
Restated as at 1 January 2019		6,233	103,144	98	(5,965)	11,212	(281,001)	(48,830)	510,403	295,294
Profit for the period		-	-	-	-	-	-	-	26,215	26,215
Other comprehensive income		-	-	-	-	-	85,406	-	-	85,406
Total comprehensive income for the period		-	-	-	-	-	85,406	26,215	111,621	
Warrants exercised	13 / 14	17	486	(69)	-	-	-	-	-	434
Warrants lapsed	13 / 14	-	-	(29)	-	-	-	-	29	-
Ordinary shares cancelled	13 / 15	(245)	(10,801)	-	151	-	-	-	-	(10,895)
Own shares acquired	15	-	-	-	(106)	-	-	-	-	(106)
Own shares allocated	15	-	-	-	1,338	-	-	-	(830)	508
Transfer in respect of capital profits		-	-	-	-	-	17,967	-	(17,967)	-
At 30 June 2019		6,005	92,829	-	(4,582)	11,212	(263,034)	36,576	517,850	396,856

The accompanying notes are an integral part of this statement.

**Condensed Unaudited Group Cash Flow Statement
For the six months ended 30 June 2019**

	Notes	Six months ended 30 June 2019 £'000	Six months ended 30 June 2018 £'000
Cash flows from operating activities			
Profit / (loss) before tax		33,622	(25,936)
Adjustments for:			
Depreciation	3	822	370
Share of profits of joint ventures		(701)	(148)
Finance income	4	(1,281)	(5,851)
Finance expense	4	56,525	43,519
(Profit) / loss on revaluation of investment property	7	(18,073)	26,537
Profit on revaluation of investment property under construction	8	(92)	(459)
Foreign exchange (profits) / losses		(18,943)	4,238
Non-cash element of share-based payments and other long term incentives	17b	873	1,163
		<u>52,752</u>	<u>43,433</u>
<i>Changes in operating working capital</i>			
Decrease in operating receivables		1,391	1,275
Increase in other operating current assets		(2)	(1)
Decrease in operating payables		(8,304)	(1,776)
		<u>45,837</u>	<u>42,931</u>
Tax paid		(4,122)	(2,333)
Net cash generated from operating activities		<u>41,715</u>	<u>40,598</u>
Cash flows from investing activities			
Payments for property improvements		(2,971)	(3,967)
Refund of VAT on acquisition of investment property		3,920	12,754
Acquisition of subsidiaries		(187)	-
Payment of deferred consideration on acquisition of investment property		(12,255)	(7,062)
Purchase of plant and equipment		(1,224)	(1,385)
Investment in joint ventures		(14)	-
Loans granted		(75)	-
Loans repaid		30	-
Interest received		1,258	1,599
Net cash used in investing activities		<u>(11,518)</u>	<u>1,939</u>
Cash flows from financing activities			
Proceeds from long term borrowings		35,309	108,326
Repayment of long term borrowings		(1,308)	(124,848)
Loan amortisation		(12,396)	(11,692)
Bank borrowing costs paid		(27,188)	(25,029)
Exercise of warrants		434	1,963
Ordinary shares purchased		(10,826)	(20,383)
Dividends paid on preference shares		(5,650)	(5,757)
Dividends paid on convertible preference shares		(6,367)	(6,441)
Proceeds from disposal of derivative financial instruments		2,363	-
Premium paid for derivative financial instruments		(7)	(2,776)
Net cash used in financing activities		<u>(25,636)</u>	<u>(86,637)</u>
Net increase / (decrease) in cash and cash equivalents		<u>4,561</u>	<u>(44,100)</u>
Opening cash and cash equivalents		73,450	197,137
Effect of foreign exchange rate changes		5,001	(2,999)
Closing cash and cash equivalents		<u>83,012</u>	<u>150,038</u>

The accompanying notes are an integral part of this statement.

**Notes to the Condensed Unaudited Group Financial Statements
For the six months ended 30 June 2019**

1. Basis of accounting

Basis of preparation

The condensed unaudited financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards adopted for use in the European Union ("IFRS") and have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The condensed financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2018.

Significant accounting policies

The accounting policies adopted in the preparation of the condensed financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2018, except for the adoption of new standards that became effective on 1 January 2019. The Group has applied for the first time IFRS 16 Leases and IFRIC 23 Uncertainty over income tax treatments. IFRS 16 and IFRIC 23 do not have a material impact on the financial position or financial performance of the Group.

The Group has not adopted early any standard, interpretation or amendment that has been issued but is not yet effective.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowings are described in the Chief Executive's Review and the notes to these interim financial statements. After making appropriate enquiries and examining sensitivities that could give rise to financial exposure, the Board has a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in the preparation of these interim financial statements.

Foreign currency

As disclosed in the 2018 Annual Report, the Group has changed the currency in which it presents its consolidated financial statements from US Dollars to Sterling. As a consequence, the Group's results for the six months to 30 June 2018 have been restated in Sterling. On consolidation the results and financial position of all the Group entities that have functional currency different from the Group's presentation currency (Sterling) are translated into the presentation currency using the following rates:

	30 June 2019	31 December 2018
Balance Sheet		
- Roubles	79.9105	88.3524
- US Dollars	1.2669	1.2736
- Euro	1.1127	1.1142
	30 June 2019	30 June 2018
Income Statement *		
- Roubles	84.5079	81.7804
- US Dollars	1.2934	1.3759
- Euro	1.1447	1.1370

* These are the average rates for the six months ended 30 June 2018 and 2019, which are used unless this does not approximate the rates ruling at the dates of the relevant transactions in which case the item of income or expenditure is translated at the transaction date rate.

2. Segmental information

The Group has three operating segments, which are managed and report independently to the Board of Directors. These comprise:

Property investment - acquire, develop and lease commercial property in Russia
 Roslogistics - provision of warehousing, transport, customs brokerage and related services in Russia
 Raven Mount - sale of residential property in the UK.

(a) Segmental information for the six months ended and as at 30 June 2019

For the six months ended 30 June 2019	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Segment Total £'000	Central Overhead £'000	Total £'000
Gross revenue	79,516	8,155	60	87,731	-	87,731
Operating costs / cost of sales	(19,304)	(4,097)	(28)	(23,429)	-	(23,429)
Net rental and related income	60,212	4,058	32	64,302	-	64,302
Administrative expenses						
Running general & administration expenses	(7,847)	(994)	(183)	(9,024)	(2,395)	(11,419)
Aborted project costs	(131)	-	-	(131)	-	(131)
Depreciation	(659)	(162)	(1)	(822)	-	(822)
Share-based payments and other long term incentives	(90)	-	-	(90)	(783)	(873)
Foreign currency profits	18,941	2	-	18,943	-	18,943
	70,426	2,904	(152)	73,178	(3,178)	70,000
Unrealised profit on revaluation of investment property	18,073	-	-	18,073	-	18,073
Unrealised profit on revaluation of investment property under construction	92	-	-	92	-	92
Share of profits of joint ventures	-	(197)	898	701	-	701
Segment profit / (loss)	88,591	2,707	746	92,044	(3,178)	88,866
Finance income						1,281
Finance expense						(56,525)
Profit before tax						33,622

As at 30 June 2019

	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Total £'000
Assets				
Investment property	1,319,486	-	-	1,319,486
Investment property under construction	33,875	-	-	33,875
Investment in joint ventures	-	213	7,095	7,308
Inventory	-	-	358	358
Cash and short term deposits	81,249	1,034	729	83,012
Segment assets	1,434,610	1,247	8,182	1,444,039
Other non-current assets				42,727
Other current assets				41,876
Total assets				1,528,642
Segment liabilities				
Interest bearing loans and borrowings	677,225	-	-	677,225
Capital expenditure				
Corporate acquisitions	187	-	-	187
Payments for property improvements	2,971	-	-	2,971
Payment of deferred consideration on acquisition of investment property	12,255	-	-	12,255
	15,413	-	-	15,413

(b) Segmental information for the six months ended and as at 30 June 2018

	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Segment Total £'000	Central Overhead £'000	Total £'000
Gross revenue	71,475	7,865	65	79,405	-	79,405
Operating costs / Cost of sales	(17,788)	(3,955)	(38)	(21,781)	-	(21,781)
Net rental and related income	53,687	3,910	27	57,624	-	57,624
Administrative expenses						
Running general & administration expenses	(7,676)	(1,060)	(241)	(8,977)	(3,295)	(12,272)
Aborted project costs	(1,282)	-	-	(1,282)	-	(1,282)
Depreciation	(214)	(156)	-	(370)	-	(370)
Share-based payments and other long term incentives	(175)	-	-	(175)	(1,625)	(1,800)
Foreign currency losses	(4,237)	(1)	-	(4,238)	-	(4,238)
	40,103	2,693	(214)	42,582	(4,920)	37,662
Unrealised loss on revaluation of investment property	(26,537)	-	-	(26,537)	-	(26,537)
Unrealised profit on revaluation of investment property under construction	459	-	-	459	-	459
Share of profits of joint ventures	-	-	148	148	-	148
Segment profit / (loss)	14,025	2,693	(66)	16,652	(4,920)	11,732
Finance income						5,851
Finance expense						(43,519)
Profit before tax						(25,936)

For the six months ended 30 June 2018

	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Total £'000
Capital expenditure				
Payments for property improvements	4,134	-	-	4,134
Payment of deferred consideration on acquisition of investment property	7,359	-	-	7,359
	11,493	-	-	11,493

(c) Segmental information as at 31 December 2018

	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Total £'000
Assets				
Investment property	1,175,440	-	-	1,175,440
Investment property under construction	30,548	-	-	30,548
Investment in joint ventures	-	369	6,197	6,566
Inventory	-	-	356	356
Cash and short term deposits	69,605	1,358	2,487	73,450
Segment assets	1,275,593	1,727	9,040	1,286,360
Other non-current assets				65,467
Other current assets				44,007
Total assets				1,395,834
Segment liabilities				
Interest bearing loans and borrowings	643,430	-	-	643,430
Capital expenditure				
Corporate acquisitions	33,249	-	-	33,249
Other acquisitions	27,239	-	-	27,239
Property improvements	2,741	-	-	2,741
	63,229	-	-	63,229

3. Administrative expenses

	Six months ended 30 June 2019 £'000	Six months ended 30 June 2018 £'000
Employment costs	6,713	6,892
Directors' remuneration	1,248	1,715
Office running costs and insurance	1,295	1,442
Travel costs	686	645
Auditors' remuneration	355	304
Legal and professional	982	1,124
Aborted project costs	131	1,282
Depreciation	822	370
Registrar costs and other administrative expenses	140	150
	12,372	13,924

4. Finance income and expense

	Six months ended 30 June 2019 £'000	Six months ended 30 June 2018 £'000
Finance income		
<i>Total interest income on financial assets not at fair value through profit or loss</i>		
Income from cash and short term deposits	1,258	1,599
Interest receivable from joint ventures	23	12
<i>Other finance income</i>		
Change in fair value of open interest rate derivative financial instruments	-	4,240
Finance income	1,281	5,851
Finance expense		
Interest expense on loans and borrowings measured at amortised cost	26,477	25,461
Interest expense on preference shares	6,162	6,159
Interest expense on convertible preference shares	9,990	9,968
Total interest expense on financial liabilities not at fair value through profit or loss	42,629	41,588
Change in fair value of open forward currency derivative financial instruments	20	68
Change in fair value of foreign currency embedded derivatives	-	186
Change in fair value of open interest rate derivative financial instruments	13,876	1,677
Finance expense	56,525	43,519

5. Taxation

	Six months ended 30 June 2019 £'000	Six months ended 30 June 2018 £'000
The tax charge for the period can be reconciled to the profit per the Income Statement as follows:		
Profit / (loss) before tax	33,622	(25,936)
Tax at the Russian corporate tax rate of 20%	6,724	(5,187)
Tax effect of financing arrangements	22	(1,524)
Tax effect of non deductible preference share coupon	3,230	3,225
Tax effect of foreign exchange movements	(2,450)	(216)
Movement in provision for uncertain tax positions	(1,992)	(295)
Tax effect of other income not subject to tax and non-deductible expenses	3,312	2,194
Tax effect of property depreciation on revaluations	(2,982)	2,221
Tax on dividends and other inter company gains	1,594	691
Movement on previously unprovided deferred tax assets	(51)	1,791
	7,407	2,900

The tax effect of financing arrangements reflects the impact of intra group funding in each jurisdiction. Foreign exchange movements on intra group financing are taxable or tax deductible in Russia but not in other jurisdictions. In accordance with its accounting policy, the Group is required to estimate its provision for uncertain tax positions and the movement in the provision is reflected above. Other income and expenditure not subject to tax arises in Guernsey.

6. Earnings measures

In addition to reporting IFRS earnings the Group also reports its own underlying earnings measure. The Directors consider underlying earnings to be a key performance measure, as this is the measure used by Management to assess the return on holding investment assets for the long term and the Group's ability to declare covered distributions. As a consequence the underlying earnings measure excludes investment property revaluations, gains or losses on the disposal of investment property, intangible asset movements, gains and losses on derivative financial instruments, share-based payments and other long term incentives (to the extent not settled in cash), the accretion of premiums payable on redemption of preference shares and convertible preference shares, depreciation and amortisation of loan origination costs (as these represent non-cash expenses that do not affect the ability to declare covered distributions); and material non-recurring items, together with any related tax.

The Group is also required to report Headline earnings per share as required by the listing requirements of the Johannesburg Stock Exchange.

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended 30 June 2019		Six months ended 30 June 2018	
	£'000	£'000	£'000	£'000
Earnings				
Net profit / (loss) for the period prepared under IFRS		26,215		(28,836)
Adjustments to arrive at underlying earnings:				
<i>Administration expenses</i>				
Depreciation	822		370	
Aborted project costs	131		1,282	
		953		1,652
Share-based payments and other long term incentives		873		1,163
Unrealised (profit) / loss on revaluation of investment property		(18,073)		26,537
Unrealised profit on revaluation of investment property under construction		(92)		(459)
<i>Finance income</i>				
Change in fair value of open interest rate derivative financial instruments		-		(4,240)
<i>Finance expense</i>				
Change in fair value of open forward currency derivative financial instruments	20		68	
Change in fair value of open interest rate derivative financial instruments	13,876		1,677	
Change in fair value of foreign currency embedded derivatives	-		186	
Premium on redemption of preference shares and amortisation of issue costs	181		208	
Premium on redemption of convertible preference shares and amortisation of issue costs	3,623		3,621	
Amortisation of loan origination costs	1,598		2,425	
		19,298		8,185
<i>Tax</i>				
Movement on deferred tax arising on depreciation and revaluation of investment property	3,293		267	
Tax on unrealised foreign exchange movements in loans	(81)		133	
		3,212		400
Underlying earnings		32,386		4,402

	Six months ended 30 June 2019		Six months ended 30 June 2018	
	£'000	£'000	£'000	£'000
Calculation of Headline earnings				
Net profit / (loss) for the period prepared under IFRS		26,215		(28,836)
<i>Adjustments to arrive at Headline earnings:</i>				
Unrealised (profit) / loss on revaluation of investment property		(18,073)		26,537
Unrealised profit on revaluation of investment property under construction		(92)		(459)
Movement on deferred tax arising on revaluation of investment property		3,212		400
Headline earnings		11,262		(2,358)

	30 June 2019 Weighted average shares		30 June 2018 Weighted average shares		
	Earnings £'000	No. '000	Earnings £'000	No. '000	EPS Pence
IFRS					
Basic	26,215	610,057	(28,836)	653,093	(4.42)
Effect of dilutive potential ordinary shares:					
Warrants (note 14)	-	603	-	-	-
LTIP (note 17)	-	197	-	-	-
2016 Retention scheme (note 17)	-	2,047	-	-	-
Convertible preference shares (note 12)	9,990	318,047	-	-	-
Diluted	36,205	930,951	(28,836)	653,093	(4.42)

	30 June 2019			30 June 2018		
	Earnings £'000	Weighted average shares No. '000	EPS Pence	Earnings £'000	Weighted average shares No. '000	EPS Pence
Underlying earnings						
Basic	32,386	610,057	5.31	4,402	653,093	0.67
Effect of dilutive potential ordinary shares:						
Warrants (note 14)	-	603		-	4,052	
LTIP (note 17)	-	197		-	777	
2016 Retention scheme (note 17)	-	2,047		-	3,584	
Convertible preference shares (note 12)	6,367	318,047		-	-	
Diluted	<u>38,753</u>	<u>930,951</u>	4.16	<u>4,402</u>	<u>661,506</u>	0.67

	Earnings £'000	Weighted average shares No. '000	EPS Pence	Earnings £'000	Weighted average shares No. '000	EPS Pence
Headline earnings						
Basic	11,262	610,057	1.85	(2,358)	653,093	(0.36)
Effect of dilutive potential ordinary shares						
Warrants (note 14)	-	603		-	-	
LTIP (note 17)	-	197		-	-	
2016 Retention scheme (note 17)	-	2,047		-	-	
Diluted	<u>11,262</u>	<u>612,904</u>	1.84	<u>(2,358)</u>	<u>653,093</u>	(0.36)

The finance expense for the period relating to the convertible preference shares is greater than Headline earnings per shares and thus the convertible preference shares are not dilutive for Headline earnings per share.

7. Investment property

Asset class	Logistics Moscow Level 3 £'000	Logistics St Petersburg Level 3 £'000	Logistics Regions Level 3 £'000	Office St Petersburg Level 3 £'000	30 June 2019 Total £'000
Location					
Fair value hierarchy *					
Market value at 1 January 2019	840,613	147,978	144,843	60,402	1,193,836
Property improvements	(116)	566	1,045	160	1,655
Unrealised profit / (loss) on revaluation	8,721	2,324	5,893	(1,177)	15,761
On translation to presentation currency	88,792	15,640	15,356	6,395	126,183
Market value at 30 June 2019	<u>938,010</u>	<u>166,508</u>	<u>167,137</u>	<u>65,780</u>	<u>1,337,435</u>
Tenant incentives and contracted rent uplift balances	(13,108)	(4,087)	(1,245)	(758)	(19,198)
Head lease obligations	1,249	-	-	-	1,249
Carrying value at 30 June 2019	<u>926,151</u>	<u>162,421</u>	<u>165,892</u>	<u>65,022</u>	<u>1,319,486</u>

Revaluation movement in the period ended 30 June 2019

Gross revaluation	8,721	2,324	5,893	(1,177)	15,761
Movement on tenant incentives and contracted rent uplift balances	566	(41)	11	(282)	254
Impact of translation to presentation currency	1,445	430	133	50	2,058
Revaluation reported in the Income Statement	<u>10,732</u>	<u>2,713</u>	<u>6,037</u>	<u>(1,409)</u>	<u>18,073</u>

Asset class	Logistics Moscow Level 3 £'000	Logistics St Petersburg Level 3 £'000	Logistics Regions Level 3 £'000	Office St Petersburg Level 3 £'000	31 December 2018 Total £'000
Location					
Fair value hierarchy *					
Market value at 1 January 2018	854,288	144,910	117,871	60,682	1,177,751
Corporate acquisition	-	-	30,805	-	30,805
Other acquisition	27,239	-	-	-	27,239
Property improvements	1,430	293	504	514	2,741
Unrealised loss on revaluation	(97,641)	(6,468)	(10,795)	(4,686)	(119,590)
On translation to presentation currency	55,297	9,243	6,458	3,892	74,890
Market value at 31 December 2018	<u>840,613</u>	<u>147,978</u>	<u>144,843</u>	<u>60,402</u>	<u>1,193,836</u>
Tenant incentives and contracted rent uplift balances	(13,674)	(4,046)	(1,256)	(476)	(19,452)
Head lease obligations	1,056	-	-	-	1,056
Carrying value at 31 December 2018	<u>827,995</u>	<u>143,932</u>	<u>143,587</u>	<u>59,926</u>	<u>1,175,440</u>

Revaluation movement in the year ended 31 December 2018

Gross revaluation	(97,641)	(6,468)	(10,795)	(4,686)	(119,590)
Movement on tenant incentives and contracted rent uplift balances	41	203	8	(70)	182
Impact of translation to presentation currency	(1,626)	(532)	(150)	(48)	(2,356)
Revaluation reported in the Income Statement	<u>(99,226)</u>	<u>(6,797)</u>	<u>(10,937)</u>	<u>(4,804)</u>	<u>(121,764)</u>

*Classified in accordance with the fair value hierarchy, see note 19. There were no transfers between fair value hierarchy in 2018 or 2019.

At 30 June 2019 the Group has pledged investment property with a value of £1,328 million (2018: £1,153 million) to secure banking facilities granted to the Group (see note 10).

8. Investment property under construction

Asset class Location Fair value hierarchy *	Assets under construction			Land Bank Regions Level 3 £'000	30 June 2019 Total £'000
	Moscow	Regions	Sub-total		
	Level 3 £'000	Level 3 £'000			
Market value at 1 January 2019	19,342	8,335	27,677	2,537	30,214
Costs incurred	30	42	72	-	72
On translation to presentation currency	2,027	883	2,910	219	3,129
Unrealised profit / (loss) on revaluation	261	(169)	92	-	92
Market value at 30 June 2019	21,660	9,091	30,751	2,756	33,507
Head lease obligations	368	-	368	-	368
Carrying value at 30 June 2019	22,028	9,091	31,119	2,756	33,875

Asset class Location Fair value hierarchy *	Assets under construction			Land Bank Regions Level 3 £'000	31 December 2018 Total £'000
	Moscow	Regions	Sub-total		
	Level 3 £'000	Level 3 £'000			
Market value at 1 January 2018	19,736	5,618	25,354	2,873	28,227
Costs incurred	18	10	28	-	28
Corporate acquisition	-	2,444	2,444	-	2,444
On translation to presentation currency	(268)	(636)	(904)	(336)	(1,240)
Unrealised (loss) / profit on revaluation	(144)	899	755	-	755
Market value at 31 December 2018	19,342	8,335	27,677	2,537	30,214
Head lease obligations	334	-	334	-	334
Carrying value at 31 December 2018	19,676	8,335	28,011	2,537	30,548

*Classified in accordance with the fair value hierarchy (see note 19). There were no transfers between fair value hierarchy in 2018 or 2019.

No borrowing costs were capitalised in the period (31 December 2018: £nil).

At 30 June 2019 the Group has pledged investment property under construction with a value of £30.8 million (31 December 2018: £25.3 million) to secure banking facilities granted to the Group (note 10).

9. Valuation assumptions and key inputs

Class of property	Carrying amount		Valuation technique	Input	Range	
	30 June 2019 £'000	31 December 2018 £'000			30 June 2019	31 December 2018
Completed investment property						
Moscow - Logistics	926,151	827,995	Discounted cash flow	ERV per sqm	Rub 3,700 to Rub 4,350	Rub 3,500 to Rub 3,800
				ERV growth	5.00% to 7.00%	4.00% to 7.00%
				Discount rate	10.85% to 12.50%	10.75% to 12.60%
				Exit cap rate	10.50% to 11.50%	10.50% to 11.50%
				Vacancy rate	1% to 66%	1% to 50%
				Passing rent per sqm	\$100 to \$170	\$113 to \$170
				Passing rent per sqm	Rub 3,150 to Rub 12,315	Rub 3,000 to Rub 12,315
St Petersburg - Logistics	162,421	143,932	Discounted cash flow	ERV per sqm	Rub 3,800 to Rub 4,000	Rub 3,800
				ERV growth	5.00% to 7.00%	6.00%
				Discount rate	12.30% to 12.50%	12.30% to 12.50%
				Exit cap rate	11.75%	11.75%
				Vacancy rate	0% to 12%	0% to 29%
				Passing rent per sqm	\$111 to \$137	\$109 to \$133
				Passing rent per sqm	Rub 2,456 to Rub 5,628	Rub 2,456 to Rub 5,260
Regional - Logistics	165,892	143,587	Discounted cash flow	ERV per sqm	Rub 3,700 to Rub 4,100	Rub 3,800
				ERV growth	5.00% to 7.00%	6.00%
				Discount rate	12.25% to 12.50%	12.25% to 12.50%
				Exit cap rate	11.75%	11.75%
				Vacancy rate	0% to 5%	0% to 9%
				Passing rent per sqm	\$107 to \$143	\$107 to \$138
				Passing rent per sqm	Rub 3,800 to Rub 18,869	Rub 3,750 to Rub 7,300
St Petersburg - Office	65,022	59,926	Discounted cash flow	ERV per sqm	Rub 11,667 to Rub 12,426	Rub 10,976 to Rub 12,366
				ERV growth	2.00% to 4.00%	2.00% to 4.00%
				Discount rate	12.00% to 12.25%	12.00% to 12.25%
				Exit cap rate	11.25% to 12.25%	11.25% to 12.25%
				Vacancy rate	0% to 15%	1% to 8%
				Passing rent per sqm	\$428	\$408
				Passing rent per sqm	€ 508	€410 to €413
Passing rent per sqm	Rub 4,384 to Rub 18,319	Rub 4,384 to Rub 17,570				
Other key information						
			Description	30 June 2019	Range	31 December 2018
Moscow - Logistics			Land plot ratio	34% - 65%		34% - 65%
			Age of building	1 to 14 years		1 to 14 years
			Outstanding costs (£'000)	1,315		2,290
St Petersburg - Logistics			Land plot ratio	48% - 57%		48% - 57%
			Age of building	5 to 11 years		4 to 10 years
			Outstanding costs (£'000)	678		282
Regional - Logistics			Land plot ratio	48% - 61%		48% - 61%
			Age of building	9 to 10 years		9 years
			Outstanding costs (£'000)	378		363
St Petersburg - Office			Land plot ratio	148% to 496%		148% to 496%
			Age of building	10 to 12 years		10 to 12 years
			Outstanding costs (£'000)	95		23

Investment property under construction	Carrying amount		Valuation technique	Input	Range	
	30 June 2019 £'000	31 December 2018 £'000			30 June 2019	31 December 2018
Moscow - Logistics	22,028	19,676	Comparable	Value per ha	Rub 19.0m to Rub 33.5m	Rub 17.9m to Rub 33.6m
Regional - Logistics	9,091	8,335	Comparable	Value per ha	Rub 9.5m to Rub 20.4m	Rub 9.7m to Rub 20.6m

10. Interest bearing loans and borrowings

Bank loans	30 June 2019 £'000	31 December 2018 £'000
Loans due for settlement within 12 months	78,260	75,565
Loans due for settlement after 12 months	598,965	567,865
	677,225	643,430

The Group's borrowings have the following maturity profile:

On demand or within one year	78,260	75,565
In the second year	157,517	20,730
In the third to fifth years	265,907	333,862
After five years	175,541	213,273
	677,225	643,430

The amounts above include unamortised loan origination costs of £7.7 million (31 December 2018: £7.1 million) and interest accruals of £1.1 million (31 December 2018: £1.3 million).

The Group's interest bearing loans and borrowings have a weighted average all-in interest rate of 7.39% (2018: 7.69%) and a weighted average term to maturity of 3.65 years (2018: 4.0 years).

11. Preference shares

Issued share capital:	30 June 2019 £'000	31 December 2018 £'000
At 1 January	109,271	108,263
Premium on redemption of preference shares and amortisation of issue costs	181	417
Scrip dividends	331	591
At 30 June / 31 December	109,783	109,271

Issued share capital:	30 June 2019 Number	31 December 2018 Number
At 1 January	99,556,534	99,143,192
Scrip dividends	239,901	413,342
At 30 June / 31 December	99,796,435	99,556,534
Shares in issue	99,853,303	99,613,402
Held by the Company's Employee Benefit Trusts	(56,868)	(56,868)
At 30 June / 31 December	99,796,435	99,556,534

12. Convertible preference shares

Issued share capital:	30 June 2019 £'000	31 December 2018 £'000
At 1 January	206,116	198,870
Reissued in the period / year	4,133	-
Premium on redemption of preference shares and amortisation of issue costs	3,623	7,246
At 30 June / 31 December	213,872	206,116

	30 June 2019 Number	31 December 2018 Number
Issued share capital:		
At 1 January	192,388,886	192,388,886
Reissued in the period / year	3,552,907	-
At 30 June / 31 December	195,941,793	192,388,886
Shares in issue	198,189,014	198,189,014
Held by the Company's Employee Benefit Trusts	(2,247,221)	(5,800,128)
At 30 June / 31 December	195,941,793	192,388,886

The convertible preference shares are convertible to ordinary shares at the holder's request at any time prior to their redemption date of 6 July 2026 at a rate that is currently 1.553 ordinary shares for each convertible preference share.

13. Share capital

	30 June 2019 £'000	31 December 2018 £'000
Issued share capital		
At 1 January	6,233	6,606
Issued in the period / year for cash on warrant exercises	17	85
Repurchased and cancelled in the period / year	(245)	(458)
At 30 June / 31 December	6,005	6,233

	30 June 2019 Number	31 December 2018 Number
Issued share capital		
At 1 January	623,269,434	660,571,843
Issued in the period / year for cash on warrant exercises	1,734,577	8,500,126
Repurchased and cancelled in the period / year	(24,509,961)	(45,802,535)
At 30 June / 31 December	600,494,050	623,269,434

Details of own shares held are given in note 15.

14. Warrants

	30 June 2019 £'000	31 December 2018 £'000
At 1 January	98	438
Exercised in the period / year	(69)	(340)
Lapsed in the period / year	(29)	-
At 30 June / 31 December	-	98

	30 June 2019 Number	31 December 2018 Number
At 1 January	2,448,226	10,948,352
Exercised in the period / year	(1,734,577)	(8,500,126)
Lapsed in the period / year	(713,649)	-
At 30 June / 31 December	-	2,448,226

15. Own shares held

	30 June 2019 £'000	31 December 2018 £'000
At 1 January	(5,965)	(3,652)
Acquired under tender offers	-	(4,160)
Other acquisitions	(106)	(75)
Allocation to satisfy employee bonuses (note 17)	647	1,278
Cancelled	151	36
Allocation to satisfy LTIP options exercised (note 17)	691	608
At 30 June / 31 December	(4,582)	(5,965)

	30 June 2019 Number	31 December 2018 Number
At 1 January	10,760,656	5,150,122
Acquired under a tender offer	-	8,000,000
Other acquisitions	253,679	173,958
Allocation to satisfy employee bonuses (note 17)	(876,000)	(1,704,000)
Cancelled	(298,039)	(48,613)
Allocation to satisfy LTIP options exercised (note 17)	(922,110)	(810,811)
At 30 June / 31 December	8,918,186	10,760,656

Allocations to satisfy LTIP options exercised are transfers by the Company's Employee Benefit Trusts upon the exercise of fully vested options in the period. The amounts shown for share movements are net of the Trustees' participation in tender offers during the period from grant to exercise.

16. Net asset value per share

	30 June 2019 Number		31 December 2018 Number	
Number of ordinary shares (note 13)	600,494,050		623,269,434	
Less own shares held (note 15)	(8,918,186)		(10,760,656)	
	591,575,864		612,508,778	

	30 June 2019		31 December 2018	
	Net asset value £'000	Ordinary shares No. '000	Net asset value £'000	Ordinary shares No. '000
Net asset value per share	396,856	591,576	295,627	612,509
Effect of dilutive potential ordinary shares:				
Warrants (note 14)	-	-	612	2,448
LTIP (note 17)	-	-	266	1,062
2016 Retention Scheme (note 17)	-	-	2,095	4,998
Fully diluted net asset value per share	396,856	591,576	298,600	621,017

	Net asset value per share Pence		Net asset value per share Pence
	67		48
	67		48

The carrying value of the convertible preference shares at 30 June 2019 (see note 12) when divided by the number of ordinary shares that would be issued on conversion, is greater than basic net asset value per share and thus the convertible preference shares are not dilutive at 30 June 2019.

17. Share-based payments and other long term incentives

(a) Movements in Executive Share Option Schemes

	Six months ended 30 June 2019 No of options	Weighted average exercise price	Six months ended 30 June 2018 No of options	Weighted average exercise price
Outstanding at the beginning of the period	1,062,162	25p	1,872,973	25p
Exercised during the period				
- LTIP	(1,062,162)	25p	(810,811)	25p
Outstanding at the end of the period	-	25p	1,062,162	25p
Represented by:				
- LTIP	-		1,062,162	
Exercisable at the end of the period	-	25p	1,062,162	25p

(b) Income statement charge for the period	Six months ended	Six months ended
	30 June 2019 £'000	30 June 2018 £'000
2016 Retention Scheme	541	1,051
Bonuses	332	-
Annual Performance incentive - 2018	-	-
Annual Performance Incentive - 2017	-	749
Five Year Performance Plan	-	-
	873	1,800
Satisfied by or to be satisfied by allocation of:		
Ordinary shares (IFRS 2 expense)	332	749
Convertible preference shares (IFRS 2 expense)	541	414
Cash	-	637
	873	1,800

In accordance with Company's Remuneration Policy an Annual Performance Incentive was not due for 2018. Certain bonuses awarded to employees below executive level for performance in 2018 were settled in ordinary shares of the Company.

18. Ordinary dividends

The Company did not declare a final dividend for the year ended 31 December 2018 (2017: none) and instead implemented a tender offer buy back for ordinary shares on 31 May 2019 on the basis of 2 in every 51 shares held and a tender price of 45 pence per share, the equivalent of a final dividend of 1.75 pence per share. (2017: 1 in every 17 shares at 52p per share the equivalent of 3p per share).

19. Fair value measurement

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments as at the balance sheet date:

	30 June 2019		31 December 2018	
	Carrying Value £'000	Fair Value £'000	Carrying Value £'000	Fair Value £'000
Non-current assets				
Loans receivable	504	466	676	627
Restricted cash	-	-	12,249	12,249
Derivative financial instruments	7,101	7,101	21,953	21,953
Current assets				
Trade receivables	28,340	28,340	27,803	27,803
Restricted cash	3,644	3,644	1,792	1,792
Other current receivables	1,059	1,059	907	907
Derivative financial instruments	-	-	349	349
Cash and short term deposits	83,012	83,012	73,450	73,450
Non-current liabilities				
Interest bearing loans and borrowings	598,965	615,176	567,865	561,076
Preference shares	109,783	134,725	109,271	130,494
Convertible preference shares	213,872	221,414	206,116	226,057
Rent deposits	16,444	13,736	16,425	13,130
Other payables	3,135	3,135	1,372	1,372
Current liabilities				
Interest bearing loans and borrowings	78,260	78,260	75,565	75,565
Derivative financial instruments	-	-	1	1
Rent deposits	6,801	6,801	7,242	7,242
Deferred consideration on property acquisition	-	-	12,197	12,197
Other payables	4,516	4,516	5,262	5,262

Fair value hierarchy

The following table provides the fair value measurement hierarchy* of the Group's assets and liabilities.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total Fair Value £'000
As at 30 June 2019				
Assets measured at fair value				
Investment property	-	-	1,319,486	1,319,486
Investment property under construction	-	-	33,875	33,875
Derivative financial instruments	-	7,101	-	7,101
Liabilities measured at fair value				
Derivative financial instruments	-	-	-	-
As at 31 December 2018				
Assets measured at fair value				
Investment property	-	-	1,175,440	1,175,440
Investment property under construction	-	-	30,548	30,548
Derivative financial instruments	-	22,302	-	22,302
Liabilities measured at fair value				
Derivative financial instruments	-	1	-	1

* Explanation of the fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities that can be accessed at the balance sheet date.

Level 2 - Use of a model with inputs that are directly or indirectly observable market data.

Level 3 - Use of a model with inputs that are not based on observable market data.

The Group's foreign currency derivative financial instruments are call options and are measured based on spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies. The Group's interest rate derivative financial instruments are interest rate caps. These contracts are valued using a discounted cash flow model and consideration is given to the Group's own credit risk.

20. Events since the balance sheet date

On 21 August 2019, the Company completed the purchase of 89,144,978 ordinary shares from two of its institutional shareholders for a total consideration of £32.1 million. The ordinary shares purchased were cancelled. The purchase and cancellation has increased NAV per share. On a proforma basis NAV per share at 30 June 2019 would increase from 67 pence to 72 pence per ordinary share.