23 August 2019

Glenveagh Properties PLC

Interim Results 2019

Glenveagh Properties PLC ("Glenveagh" or the "Group") a leading Irish homebuilder listed on Euronext Dublin and the London Stock Exchange announces its Interim Results for the period ended 30 June 2019.

Financial Highlights

- Revenue of €45.5m (H1 2018: €1.3 million);
- 158 units sales (H1 2018: 6 (six)) driven by starter-home developments at an ASP of €287k (H1 2018: €199k);
- Gross profit of €7.5m (H1 2018: €0.3 million). The corresponding gross margin of 16.5% (H1 2018: 16.7%[1]) is impacted by a significant investment in the marketing of sites where sales have yet to complete. Pro-forma gross margin is 17.6% for the period when these costs are excluded;
- Net loss after tax of €3.5 million (H1 2018 loss: €7.2 million);
- Inventory of €903 million inclusive of €710m in land (13,350 units) and €193 million investment in work-in-progress;
- Total site acquisition investment of c. €106[2] million in the period (2,050 units) following six strategic additions to the Group's development land portfolio; and
- Net debt of €42.1 million at 30 June (31 December 2018: Net cash €130.7 million) reflecting the significant construction growth during the period.

Operational Highlights

- The Group is currently selling from 13 sites with 800 units sold, signed or reserved (including Herbert Hill where exclusive discussions are on-going) at 19 August. Of these, 490 units were sold or have a signed binding contract in place at 19 August (excluding Herbert Hill);
- Consistent with the Group's strategy of maximising the number of open outlets Glenveagh has been actively constructing on 17 sites in the period. In excess of 455 units which are due for delivery in 2019 are now through practical completion[3], substantially underpinning the Group's delivery target for 2019 of 725. Furthermore, existing open sites are capable of delivering in excess of 4,000 units;
- Construction Price Inflation ("CPI") remains in line with expectations with over 65% of costs associated with 2020 deliveries now agreed. CPI on housing schemes is less than 3% on current tendering; and
- 16 applications at various stages of the planning process totalling in excess of 6,500 units.

[1] Underlying, excluding rental income
[2] Excl. stamp duty and fees
[3] At 19 August 2019

Glenveagh's Executive Chairman John Mulcahy commented:

"Positive momentum has been maintained during the first six months of the current financial year, customer demand has been solid and costs were also well managed. Notably, the starter home market remained strong during the period and we saw no evidence of change to first-time buyer behaviour. We have made good progress in the current period and we are pleased with the levels of output and the investments we are making which will further enhance our position in the market. The Glenveagh management team remains focussed on delivering profitable growth and cash conversion in the medium term while building scale and continuing to develop out the platform.

A functioning and sustainable housing market requires the orderly supply of the right product attractive to owner-occupiers as well as institutional investors and the rental market. Accordingly, our core product of starter homes, building quality rental product and placemaking with local authorities through mixed-tenure schemes, holds the best potential proposition for the Irish residential market.

I want to thank all of our employees, shareholders and industry partners for supporting our business."

Outlook

The Company is well-positioned to deliver a successful outcome for the year and the Board remains confident that results will be in line with its expectations.

Forthcoming events

Glenveagh has delivered on its IPO objectives to date and the Group has good visibility on achieving its medium-term volume targets. As the proceeds from our IPO and follow-on placing have now been substantially invested in the growth of the business, and our full operational infrastructure is now in place, management intend to present an updated business plan (the "Updated Business Plan") to shareholders as part of a Capital Markets Day ("CMD") to be held during Q1 2020. The Board is confident that the Group will achieve its current volume guidance. The timing of the CMD will ensure that the Updated Business Plan has the benefit of increased visibility on both, the impact of Brexit, and the forthcoming Irish Government Budget with the potential implications for the Help to Buy (HTB) incentive.

Furthermore, to ensure the Group has the flexibility to return value to shareholders in the future, we intend to commence the process for increasing the Group's distributable reserves. This process will take place over the coming months in conjunction with the establishment of a longer-term capital returns policy aligned to the Updated Business Plan. Further communication to shareholders will follow in due course.

Principal risks and uncertainties

The directors consider the principal risks and uncertainties to which the Group is exposed which may impact performance in the financial year and coming six months. The Group proactively identifies, assesses, monitors and manages these risks. The principal risks and uncertainties have not changed significantly since the publication of the 2018 Annual Report.

Results Presentation

A conference call for analysts and investors will take place at 8.30am this morning to present the financial and operational results followed by a Q&A session. Please pre-register at the link below to ensure your attendance is confirmed ahead of the commencement of the call:

- Click this link to register for the conference
- Ireland +353 (0) 1 2460271 / UK +44 (0) 20 3059 2697 / USA +1 347 532 1806;
- Conference PIN 5062243 followed by *0;

For further information please contact:

Investors:	**Media:**
Glenveagh Properties PLC	**Gordon MRM**
Michael Rice (CFO)	Ray Gordon 087 241 7373
Conor Murtagh (Director, Strategy & IR)	David Clerkin 087 830 1779
investors@glenveagh.ie	glenveagh@gordonmrm.ie

Note to Editors

Glenveagh Properties PLC is a leading Irish homebuilder listed on Euronext Dublin and the London Stock Exchange. With a focus on strategically located developments in the Greater Dublin Area, Cork, Limerick and Galway, the Group comprises two complementary divisions, Glenveagh Homes and Glenveagh Living.

Glenveagh Homes delivers high quality starter homes to its private and institutional customers with selective developments of mid-size and executive houses and apartments in areas of high demand.

Glenveagh Living delivers houses and apartments for the public sector and institutional investors. Its Partnerships business focusses on mixed-tenure and joint venture opportunities with the public sector in Ireland, while its PRS business delivers large-scale private rental product for institutional investors.
www.glenveagh.ie

Glenveagh Properties PLC: Business, Financial and Market Review

1. Business Review

i. Sales

Sales for 2019 are progressing to plan and ahead of construction with 800 units sold, signed or reserved at 19 August. This includes our Herbert Hill development (90 units) where exclusive discussions are ongoing with completion expected in H2. The Group finished H1 2019 with 158 completed unit sales. HPI on comparable product was c.3% in the period[4].

a. Site commentary

Open sales outlets now total 13 with strong absorption rates at existing schemes and solid private buyer demand experienced at new selling sites including Donabate (Semple Woods), Eden (Blackrock Villas) and Kilcock (Ledwill Park). Three further sites have launched or are planned for H2 at Leixlip (Barnhall Meadows), Maryborough Ridge (Mount Woods) and Stamullen (Silver Banks).

Reservation numbers across the business are benefitting from the Group's strategy of increasing the number of open sales outlets to optimise the quantity of sold units from each site and reduce individual site dependency. Customer feedback on the quality of our delivered product remains very strong.

b. Project Coastline

On 25 March 2019 the Group announced that it had exchanged contracts with Irish Residential Properties REIT PLC ("I●RES") whereby Glenveagh agreed to forward sell 118 housing units to I●RES. The transaction comprised two, three and four bed homes at Taylor Hill Balbriggan and Semple Woods Donabate. The Gross Development Value ("GDV") was €38m[5] with all units scheduled for delivery in 2019.

ii. Construction Progress

We are now actively constructing on 17 sites. With over 455 of the 725 units due for delivery in 2019 now through practical completion we have substantially de-risked our delivery targets for 2019. Works are continuing at Maryborough Ridge (Mount Woods), Kilcock (Ledwill Park) and Eden (Blackrock Villas), all of which are delivering units in 2019 / early 2020. Site openings for 2019 have included Stamullen (Silver Banks), Leixlip (Barnhall Meadows) and Bray (Dargan Hall). Existing open sites are capable of delivering in excess of 4,000 units[6]. A further three construction sites are scheduled to open later in 2019.

CPI remains in line with expectations at a Group level and visibility on 2020 costs has increased with 65% of costs associated with 2020 deliveries now agreed. Construction price inflation on our housing developments continues to be muted (less than 3% on current tendering) with higher inflation evident on the limited number of apartment schemes currently out for tender in the Homes business.

iii. Glenveagh Living ("Living")

Our Living business continues to focus on the PRS and Mixed-Tenure segments.

---

[4] Based on reservations in the period for starter-homes
[5] Inclusive of VAT
[6] Subject to planning on certain future phases

PRS

During the period the Living business progressed its 1,850+ unit PRS land portfolio in terms of master planning and design, and submitted its first fast-track planning application in respect of its East Road site in the Dublin Docklands for 560 units. The planning decision on East Road is expected in Q4 2019 with the balance of the Docklands portfolio reaching the formal application phase during H1 2020 with the adjacent Castleforbes site residential SHD application process (Stage 1) to commence Q4 2019.

A planning application has already been lodged on the non-residential elements of the Castleforbes site (hotel and office) and Glenveagh has entered into a pre-let transaction with Whitbread plc for a proposed 250-bedroom hotel on the site. Securing a strong counterparty like Whitbread with a robust institutionally accepted covenant will add value to the overall project and provide Glenveagh with flexibility in the context of future exit options for Castleforbes.

Given the scarcity value embedded in our PRS portfolio the Group continue to explore its exit options for these sites. The base case exit structure is to forward fund / forward sell the existing portfolio to institutional investors. We are making solid progress and look forward to updating the market further in due course.

Mixed-Tenure and Joint Ventures

Glenveagh has identified a pipeline of over 5,000 units which are likely to be tendered by local authorities in the coming years. Of that pipeline, Glenveagh is actively tendering on schemes which, if awarded, could deliver up to 2,000 units across the three tenure types (Private (for sale and PRS), Social and Affordable). These processes are likely to reach a conclusion (with contracts awarded) in 2020. Glenveagh believes that mixed-tenure is a long-term opportunity for the Group.

iv. Planning

98% of our lands are zoned residential. We have the necessary Full Planning Permission ("FPP") in place to deliver all units out to 2020. To further de-risk our near-term unit delivery targets and ensure we have 'shovel ready' sites available in the medium-term, we are highly active in both the fast-track Strategic Housing Development ("SHD") planning process and local authority applications. The total number of permitted units in the portfolio today is 4,350.

The Group also has 16 applications at various stages of the planning process totalling 6,500 units.

v. Acquisitions

During the period, the Group has strategically added to its development land portfolio via six attractive acquisitions. The total development land investment during the period was c. €106m (2,050 units), including c.€7m (300 units) on an acquisition announced today.

Acquiring development land with the Group's existing capital resources continues to be accretive to returns. Management's view remains that the appropriate landbank size is approximately five years in duration when the business is as at full run-rate (currently 2,500 units in 2023).

Our landbank was assembled at attractive rates in the context of both cost per plot (€51k) and site cost as a percentage of NDV (17%) and in locations with significant pent up demand for starter-home product. Glenveagh is therefore well positioned to deliver housing to the deepest and most sustainable segment of the market with 84% of Build-to-Sell units across the Homes landbank at €350k or less[7]. With an average site size of approximately 260 units coupled with a focus on starter-homes, the

[7] Excluding non-core sites and Living PRS assets

Group's portfolio is positioned to generate returns in the current mortgage and market environment and we believe is the most fruitful and sustainable part of the private sales market over the longer term.

a. Land acquisition announced today

The Group has completed the acquisition of a 30 acre site in Drogheda, Co. Meath with the potential to deliver up to 300 residential units for a consideration of c. €7 million. Construction will be commencing in Q3 on an existing planning permission which totals 156 units on a portion of the site. Drogheda is a large urban centre (population 41k) which is host to excellent amenities and a good transport network with regular train services to Dublin Connolly station.

b. Other land acquisitions completed in the period

In May the Group completed the acquisition of a 7 acre site in Howth, Co. Dublin with the potential to deliver up to 200 residential apartment units[8] for a consideration of €14 million. The acquisition is expected to complete by Q3 2019. Howth is an established, affluent coastal town in Dublin. It benefits from a wide range of local amenities, including a host of restaurants, cafes and leisure facilities. Whilst benefitting from a picturesque setting, Howth also offers excellent accessibility. It is situated approximately 13km north east of Dublin's city centre and 13.5km east of Dublin's international airport.

During the period, the Group also completed the acquisition of a 11 acre site in Bray, Co. Wicklow with the potential to deliver up to 150 units focused on housing for a consideration of €10 million. Bray is a coastal town located 20km south of Dublin City Centre which is easily accessible via the N11 and is located on the DART line. The site is located within an 800-acre estate containing Killruddery House.

As announced at the time of our full-year results, the Group completed the acquisition of two sites for a consideration of approximately €50m ("Project Arrow"). Located at Leixlip and Newbridge Co. Kildare, the properties currently have full planning permission for 793 units. During the period the previously announced acquisitions at Maryborough Ridge, Cork and Castleknock, Dublin also completed.

2. Financial Review

i. Group performance

Total revenue for the period was €45.5 million (H1 2018: €1.3 million), of which €45.3 million (H1 2018: €1.2 million) relates to the completion of 158 units (H1 2018: 6 units). Over 77% of these units came from our developments aimed at first-time buyers and the demand in this segment of the market remains very strong. Average Selling Price ("ASP") for the period was €287k (H1 2018: €199k.)

The Group's gross profit for the period amounted to €7.5 million (H1 2018: €0.3 million) with a corresponding margin of 16.5%. Gross margin for H1 reflects a significant investment in the marketing of sites (€0.5 million) where sales have yet to complete. Pro-forma gross margin of 17.6% for the period when these costs are excluded.

The Group's operating loss for the period was €2.8 million (H1 2018: €7.8 million) which includes central costs of €9.7 million (H1 2018: €8.0 million), and €0.6million of depreciation and amortisation giving total administrative costs of €10.3 million.

ii. Balance Sheet

[8] Subject to planning

The Group has shown continued growth in the period with land increasing to €710.0 million (2018: €617.9 million). The Group has also invested heavily in work in progress with a significant operational ramp up to 17 active sites and a related work in progress balance of €193.0 million at (2018: €101.0million). The work in progress position is expected to unwind materially in H2 as signed and reserved units complete. The investment in the land portfolio and work in progress has been financed through the Group's net cash balances and working capital facility, with net debt of €42.1 million at the end of the period (31 December 2018: net cash €130.7 million).

iii. Cash Flow

The Group deployed significant cash in the period consistent with its medium and long-term objectives. The cash outflows predominantly relate to the €181.6 million deployed on land and construction activity. These significant cash movements, along with a number of other operational cash flows, gave rise to a net cash outflow for the Group of €173.0 million in the period, pre financing activities.

As anticipated, the Group utilised its working capital facility to a greater extent in H1 2019 in order to finance the working capital requirements of new and existing sites, giving rise to a net debt position of €42.1m at 30 June.

3. Market Review

i. The Land Market

The overall land environment is stable with the Group continuing to see limited competition for suburban single-family development sites, particularly for multi-year starter-home schemes. Prime city-centre sites and well-located PRS apartment sites continue to attract a significant premium and so the Group avoids competitive processes in favour of seeking value opportunities off-market.

The vacant site levy is impacting the timing and extent of land supply into the market. The levy was 3% in 2018 and 7% in 2019.

Glenveagh will continue to make incremental land acquisitions on an opportunistic basis now that its land portfolio is reaching optimal size.

ii. Build-to-Sell ("BTS")

The strong demand for housing in Ireland is driven by the fundamentals of population growth (net migration 34k[9]), household formation, employment and affordability (wage growth 3.5%[9]).

Notwithstanding that, chronic undersupply continues to be a feature of housing delivery with c.19k dwellings delivered in the 12 months to June 2019 versus demand estimates of 36k+[10]. We believe that the demand / supply imbalance in the residential sector will continue for some years, as evidenced by the recent planning permissions and completions data. Permissions granted fell 4% yoy in Q1[11], following a similar drop in Q418.

First-time buyers (FTB) continue to underpin a modest recovery in mortgage approvals. In the six months to June, the number of FTB mortgage approvals grew by 12.5% y-o-y[12]. Glenveagh's view is that the deepest and most attractive part of the residential market is starter-homes. We relentlessly

[9] Source: CSO
[10] Source: Davy
[11] Source: CSO
[12] BPFI

innovate in how we plan, design, build and sell desirable new homes that are within reach of as many people as possible.

iii. Private Rental Sector ("PRS")

PRS is attractive in Ireland given its young and growing population, the expectation of significant future population growth (30%+ forecast from 2010 to 2046[13]), low vacancy rates and attractive rental growth rates. Vacancy rates remained low (1.4%) in the period and rental growth continued to be strong (8.3%[14]). Prime PRS Residential Net Initial Yields continue to move below 4%[15] although Dublin's PRS yields remain higher than other major European gateway cities.

Supply of rental accommodation has been constrained by the continued exit of the private landlord from the rental market, both in terms of the sale of existing dwellings to owner occupiers and the purchase of new accommodation. As a result, the participation of institutional PRS landlords is required to ensure there is a enough supply of rental accommodation.

Demand for PRS is underpinned by the growth in city center employment driven by the significant office development and take-up primarily in Dublin, but is also becoming a feature of suburban and commuter belt locations, consistent with other major markets. PRS comprised 41% of investment spend in the Irish market in the first half of 2019. Office demand also continued to rise quarter-on-quarter in Q2 standing at an all-time high of almost 400,000m^2 at the mid-year point.

iv. Mixed-Tenure

The housing shortage in Ireland is not just restricted to the private sector. The public sector housing crisis in Ireland is acute, with over 70,000 on waiting lists for appropriate accommodation. The largest landowner in the Irish market is the State, either through major governmental agencies, or via local authorities. Our view is that an increasing feature of housing provision in Ireland in the coming years will be through Mixed-Tenure schemes. In terms of Government policy *Rebuilding Ireland's* goal is to ramp up delivery of housing from its current undersupply across all tenures.

Local Authorities are currently active in this sector through public tender processes to select development partners for their residential lands. In this way they can leverage the value of the land to secure the delivery of social and affordable housing in a mixed tenure environment.

[13] European Commission
[14] Daft.ie
[15] CBRE

Glenveagh Properties PLC

Statement of directors' responsibilities in respect of the condensed consolidated interim financial statements

The Directors are responsible for preparing this interim management report in all material respects, in accordance with IAS 34, Interim Financial Reporting as adopted by the EU, the Transparency (Directive 2004/109/EC) Regulations 2007, and the Transparency Rules of the Central Bank of Ireland.

The directors are responsible for designing, implementing and maintaining such internal controls as they determine are necessary to enable the preparation of the interim financial information that is free from material misstatement whether due to fraud or error.

We confirm that to the best of our knowledge:

(1) the condensed set of financial statements in the half-yearly financial report of Glenveagh Properties PLC ("the Company") for the six months ended 30 June 2019 ("the interim financial information") which comprises condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and the related explanatory notes, have been presented and prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union.

(2) The interim financial information presented, as required by the Transparency (Directive 2004/109/EC) Regulations 2007, includes:

a. an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements;
b. a description of the principal risks and uncertainties for the remaining six months of the financial year;
c. related parties' transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the entity during that period; and
d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the entity in the first six months of the current financial year.

On behalf of the Board

John Mulcahy
Director

Stephen Garvey
Director

23 August 2019

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's review report on the condensed consolidated interim financial statements to the members of Glenveagh Properties PLC

Introduction

We have been engaged by the company to review the condensed set of consolidated interim financial statements in the half-yearly financial report for the six months ended 30 June 2019 which comprises condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and the related explanatory notes. Our review was conducted having regard to the Financial Reporting Council's ("FRCs") International Standard on Review Engagements ("ISRE") (UK and Ireland) 2410, *'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated interim financial statements in the half-yearly report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting'* as adopted by the EU, the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for ensuring that the condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

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

Scope of review

We conducted our review having regard to the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* 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 (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated interim financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's review report on the condensed consolidated interim financial statements to the members of Glenveagh Properties PLC *(continued)*

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin, Ireland

23 August 2019

Glenveagh Properties PLC

Condensed consolidated statement of profit or loss and other comprehensive income

for the six months ended 30 June 2019

	Note	**2019 €'000**	**2018 €'000**
Revenue	*8*	**45,468**	1,296
Cost of sales		**(37,947)**	(996)
Gross profit		**7,521**	300
Administrative expenses		**(10,271)**	(8,077)
Operating loss		**(2,750)**	(7,777)
Finance expense		**(999)**	(389)
Loss before tax		**(3,749)**	(8,166)
Income tax credit	*11*	**279**	1,007
Loss after tax		**(3,470)**	(7,159)
Other comprehensive income		**-**	-
Total comprehensive loss for the period attributable of the owners of the Company		**(3,470)**	(7,159)
Basic loss per share (cents)		**(0.40)**	(1.07)
Diluted loss per share (cents)		**(0.40)**	(1.07)

Glenveagh Properties PLC

Condensed consolidated balance sheet

as at 30 June 2019

	Note	**30 June 2019 €'000**	**31 December 2018 €'000**
Assets			
Non-current assets			
Property, plant and equipment	*13*	**12,588**	11,497
Intangible assets	*14*	**843**	727
Deferred tax asset	*11*	**487**	208
Restricted cash	*20*	**1,500**	1,500
		15,418	13,932
Current assets			
Inventory	*12*	**902,983**	718,862
Trade and other receivables	*15*	**15,607**	14,507
Income tax receivable		**32**	340
Cash and cash equivalents	*16*	**37,371**	130,701
		955,993	864,410
Total assets		**971,411**	878,342
Equity			
Share capital	*17*	**1,052**	1,052
Share premium	*17*	**879,281**	879,281
Retained earnings		**(84,131)**	(80,661)
Share-based payment reserve		**43,686**	43,443
Total equity		**839,888**	843,115
Liabilities			
Non-current liabilities			
Trade and other payables	*18*	**1,803**	1,803
Lease liabilities		**278**	5
		2,081	1,808
Current liabilities			
Trade and other payables	*18*	**49,287**	33,386
Loans and borrowings	*19*	**79,523**	-
Lease liabilities		**632**	33
		129,442	33,419
Total liabilities		**131,523**	35,227
Total liabilities and equity		**971,411**	878,342

Glenveagh Properties PLC
Condensed consolidated statement of changes in equity
for the six months ended 30 June 2019

	Share Capital			Share-based		
	Ordinary shares €'000	**Founder shares €'000**	**Share premium €'000**	**payment reserve €'000**	**Retained earnings €'000**	**Total equity €'000**
Balance as at 1 January 2019	**871**	**181**	**879,281**	**43,443**	**(80,661)**	**843,115**
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	**(3,470)**	**(3,470)**
Other comprehensive income	-	-	-	-	-	-
	-	**-**	**-**	**-**	**(3,470)**	**(3,470)**
Transactions with owners of the Company						
Equity-settled share-based payments	**-**	**-**	**-**	**243**	**-**	**243**
	-	**-**	**-**	**243**	**-**	**243**
Balance as at 30 June 2019	**871**	**181**	**879,281**	**43,686**	**(84,131)**	**839,888**

Glenveagh Properties PLC

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2018

	Share capital			Share-based		
	Ordinary shares €'000	**Founder shares €'000**	**Share premium €'000**	**payment reserve €'000**	**Retained earnings €'000**	**Total equity €'000**
Balance as at 1 January 2018	667	200	666,381	47,548	(74,112)	640,684
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(7,159)	(7,159)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(7,159)	(7,159)
Transactions with owners of the Company						
Equity-settled share-based payments	-	-	-	184	-	184
	-	-	-	184	-	184
Balance as at 30 June 2018	667	200	666,381	47,732	(81,271)	633,709

Glenveagh Properties PLC
Condensed consolidated statement of cash flows
for the six months ended 30 June 2019

	Note	30 June 2019 €'000	30 June 2018 €'000
Cash flows from operating activities			
Loss for the period		**(3,470)**	(7,159)
Adjustments for:			
Depreciation and amortisation	*10*	**605**	91
Finance costs		**999**	389
Profit on sale of property, plant and equipment	*10*	**(434)**	-
Equity-settled share-based payment expense	*9*	**243**	184
Tax credit	*11*	**(279)**	(1,007)
		(2,336)	(7,502)
Changes in:			
Inventories		**(181,562)**	(183,637)
Trade and other receivables		**(4,063)**	(3,441)
Trade and other payables		**15,504**	17,538
Cash used in operating activities		**(172,457)**	(177,042)
Interest paid		**(884)**	(109)
Tax refund received		**308**	-
Net cash used in operating activities		**(173,033)**	(177,151)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*13*	**(911)**	(7,352)
Acquisition of intangible assets	*14*	**(155)**	(226)
Acquisition of subsidiary, net of cash acquired		**-**	(13,663)
Proceeds from the sale of property, plant and equipment		**1,160**	-
Net cash from/(used in) investing activities		**94**	(21,241)
Cash flows from financing activities			
Proceeds from borrowings	*19*	**80,000**	11,000
Transaction costs related to loans and borrowings		**-**	(1,025)
Payment of lease liabilities		**(391)**	(199)
Net cash from financing activities		**79,609**	9,776
Net decrease in cash and cash equivalents in the period		**(93,330)**	(188,616)
Cash and cash equivalents at the beginning of the period		**130,701**	351,796
Cash and cash equivalents at the end of the period		**37,371**	163,180

Glenveagh Properties PLC

Notes to the condensed consolidated interim financial statements

1 Reporting entity

Glenveagh Properties PLC ("the Company") is domiciled in the Republic of Ireland. The Company's registered office is 15 Merrion Square North, Dublin 2. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as "the Group") and cover the six month period ended 30 June 2019 ("the period"). The Group's principal activities are the construction and sale of residential houses and apartments for the private buyer and local authorities. The financial information for the six months ended 30 June 2019 does not constitute statutory financial statements as defined in the Companies Act 2014. A copy of the financial statements for the financial year ended 31 December 2018 are available on the Company's website (https://glenveagh.ie/). The auditor's report accompanying those financial statements was unqualified.

2 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the financial year ended 31 December 2018 ("last annual financial statements") which have been prepared in accordance with IFRS as adopted by the EU. The interim financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

This is the Group's first set of consolidated financial statements in which IFRS 16 *Leases* has been applied. Other than the adoption of IFRS 16 which has been described in note 5, the accounting policies adopted are consistent with those of the previous accounting period.

3 Functional and presentation currency

These consolidated financial statements are presented in Euro which is the Company's functional currency. All amounts have been rounded to the nearest thousand unless otherwise indicated.

4 Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

5 Changes in significant accounting policies

Except for the transition to IFRS 16 *Leases* as described below, the accounting policies applied in these interim financial statements are the same as those applied in the last annual financial statements.

This change in accounting policy is also expected to be reflected in the Group's consolidated financial statements as at and for the financial year ending 31 December 2019.

The Group has initially adopted IFRS 16 *Leases* from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

5 Changes in significant accounting policies *(continued)*

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the right-of-use asset has been measured at an amount equal to the lease liability. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policy are disclosed below.

Policy applicable from 1 January 2019

a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed.

b) As a lessee

The Group leases assets including a property, motor vehicles and plant and machinery. For leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risk and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Group presents right-of-use assets in the same line item as it presents underlying assets of the same nature that it owns. The carrying amounts of right-of-use assets are as below:

	Property, plant and equipment			
	Property €'000	**Motor Vehicles €'000**	**Plant and Equipment €'000**	**Total €'000**
Balance at 1 January 2019	875	305	47	1,227
Balance at 30 June 2019	**578**	**336**	**36**	**950**

5 Changes in significant accounting policies *(continued)*

b) As a lessee (continued)

i) Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost (present value of future lease payments), and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or as appropriate, change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

ii) Transition

Previously, the Group classified most property, plant and machinery and motor vehicle leases as operating leases under IAS 17. The leases typically run for a period of 1-3 years. Some leases include an option to renew the lease for an additional period after the end of the non-cancellable period.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group leases items of plant and machinery. Certain of these leases were classified as finance leases under IAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

c) As a lessor

In certain instances the Group acts as a lessor in relation to certain property assets. These arrangements are not material to the Group's condensed consolidated interim financial statements.

5 Changes in significant accounting policies *(continued)*

d) Impact on financial statements

i) Impact on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition is summarised below.

	1 January 2019 €'000
Right-of-use assets presented in Property, Plant and Equipment	**1,227**
Lease liabilities	**1,227**

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The discount rate applied for all leases ranged between 2.5%-4%.

	1 January 2019 €'000
Operating lease commitment at 31 December 2018 disclosed in the Group's consolidated financial statements	**1,305**
Discounted using the incremental borrowing rate at 1 January 2019	**1,248**
Finance lease liabilities recognised as at 31 December 2018	**38**
Recognition exemption for leases with less than 12 month of lease term at transition	**(59)**
Lease liabilities recognised at 1 January 2019	**1,227**

ii) Impact on the June 2019 period

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised €1.0 million of right-of-use assets and €0.9 million of lease liability as at 30 June 2019.

The Group has recognised depreciation and interest costs instead of operating lease expense in relation to those leases under IFRS 16. During the six months ended 30 June 2019, the Group recognised €0.4 million of depreciation expense and €0.01 million of interest costs from these leases in the statement of profit or loss and other comprehensive income. For the six-month period ended 30 June 2018, €0.2 million relating to operating lease rentals was included in the statement of profit or loss and other comprehensive income. The impact of applying IFRS 16 on the consolidated statement of cash flow is additional deprecation recognised of €0.4 million.

6 Going concern

The Group has recorded a loss before tax of €3.5 million *(2018: €7.2 million).* The Group has a cash balance of €37.4 million *(31 December 2018: €130.7 million)* and has committed undrawn funds available of €45.0 million *(31 December 2018: €125.0 million)*. Having considered the Group's cash flow forecasts, the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future and that it is appropriate to prepare the interim consolidated financial statements on a going concern basis.

7 Segmental information

The Group has considered the requirements of IFRS 8 *Operating Segments* in the context of how the business is managed and resources are allocated.

The Group is organised into two key reportable segments, being Glenveagh Homes and Glenveagh Living. Internal reporting to the Chief Operating Decision Maker ("CODM") is provided on this basis. The CODM has been identified as the Executive Committee.

The Group currently operates solely in the Republic of Ireland and therefore no geographically segmented financial information is provided.

Glenveagh Homes
Glenveagh Homes develops and builds starter, mid-size and executive and high-end homes (both houses and apartments) for the residential market in Ireland, with a focus principally on the Greater Dublin Area, as well as the Cork, Limerick and Galway regions.

Glenveagh Living
Glenveagh Living's strategic focus is on designing, developing and delivering residential solutions for institutional investors, social and affordable landlords, government entities and strategic landowners. Glenveagh Living intends to augment its operations with partnership arrangements to design, develop and deliver residential schemes for purchase by institutional investors, approved housing authorities and governmental and local authorities in Ireland. Glenveagh Living is also the Group's delivery platform for Private Rental Sector ("PRS") projects, which are residential projects that governmental authorities promote by offering a range of financial incentives, such as by granting guarantees and other financial risk sharing incentives, in order to increase the supply of properties in the build-to-rent market. Glenveagh Living develops residential schemes for private sector investors in PRS projects.

7 Segmental information *(continued)*

Segmented analysis by assets is presented below:

Segmental financial results

	30 June 2019 €'000	30 June 2018 €'000
Revenue		
Glenveagh Homes	**45,433**	1,296
Glenveagh Living	**35**	-
Revenue for reportable segments	**45,468**	1,296

	30 June 2019* €'000	30 June 2018 €'000
Operating profit/(loss)		
Glenveagh Homes	**2,996**	(1,679)
Glenveagh Living	**(801)**	(402)
Operating profit/(loss) for reportable segments	**2,195**	(2,081)
Reconciliation to results for the period		
Segment results – operating profit/(loss)	**2,195**	(2,081)
Finance expense	**(999)**	(389)
Directors' remuneration	**(1,224)**	(1,202)
Corporate function payroll costs	**(1,635)**	(1,390)
Depreciation	**(120)**	-
Professional fees	**(624)**	(916)
Share-based payment expense	**(243)**	(184)
Gain on sale of property, plant and equipment	**441**	-
Other corporate costs	**(1,540)**	(2,004)
Loss before tax	**(3,749)**	(8,166)

Notes to the condensed consolidated interim financial statements

7 Segmental information *(continued)*

Segment assets and liabilities

	30 June 2019*			31 December 2018		
	Glenveagh Homes €'000	**Glenveagh Living €'000**	**Total €'000**	**Glenveagh Homes €'000**	**Glenveagh Living €'000**	**Total €'000**
Segment assets	**771,349**	**158,150**	**929,499**	632,503	130,324	762,827
Reconciliation to Consolidated Balance Sheet						
Deferred tax asset			**327**			71
Trade and other receivables			**340**			1,117
Cash and cash equivalents			**29,773**			106,650
Property, plant and equipment			**11,472**			7,677
			971,411			878,342
Segment liabilities	**45,615**	**2,829**	**48,444**	30,708	2,660	33,368
Reconciliation to Consolidated Balance Sheet						
Trade and other payables			**3,556**			1,663
Loans and Borrowings			**79,523**			196
			131,523			35,227

*The Group has initially applied IFRS 16 at 1 January 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases. As a result, the Group recognised €1.2 million of right-of-use assets and liabilities from those lease contracts. Certain of these assets and liabilities are included in the Homes segment while leases entered into by corporate entities are not allocated to either operating segment and appear within the relevant reconciling financial statement caption in the above note as at 30 June 2019. The Group has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.

8 Revenue

	30 June 2019 €'000	30 June 2018 €'000
Residential property sales	**45,297**	1,194
Property rental and other income	**171**	102
	45,468	1,296

9 Share-based payment arrangements

(a) Description

The Group operates three equity-settled share-based payment arrangements being the Founder Share scheme, the Long-Term Incentive Plan ("LTIP") and the Savings Related Share Option Scheme (known as the Save As You Earn or "SAYE" scheme). As described below, options were granted under the terms of the LTIP in the period while there was no movement in the SAYE scheme during the period under review.

LTIP Grant in the period

On 17 April 2019, the Remuneration and Nomination Committee approved the grant of 2,698,210 options to certain members of the management team (which do not include Executive Directors) in accordance with the terms of the Company's LTIP. These options will vest on completion of a three-year service period from grant date subject to the achievement of certain performance condition hurdles based on the Company's TSR across the vesting period. 25% of the award will vest once the 3-year annualised TSR reaches 6.25% per annum with the remaining options vesting on a pro rata basis up to 100% if TSR of 12.5% is achieved. The entire grant of options remain outstanding at 30 June 2019.

	Number of Options 2019	Number of Options 2018
LTIP options in issue at 1 January	**2,351,743**	1,588,500
Granted during the period	**2,698,210**	319,180
Forfeited during the period	**(230,172)**	-
LTIP options in issue at 30 June	**4,819,781**	1,907,680

9 Share-based payment arrangements *(continued)*

(b) Measurement of fair values

The fair value of LTIP options granted in the period was measured using a Monte Carlo simulation. Service and non-market conditions attached to the arrangements were not taken into account when measuring fair value. The inputs used in measuring fair value at grant date were as follows:

	2019 Tranche 1	**2018 Tranche 1**	**2018 Tranche 2**
Fair value at grant date	**€0.32**	**€0.48**	**€0.31**
Share price at grant date	€0.85	€1.16	€0.87
Valuation methodology	Monte Carlo	Monte Carlo	Monte Carlo
Exercise price	€0.001	€0.001	€0.001
Expected volatility	27.0%	34.3%	28.1%
Expected life	3 years	3 years	3 years
Expected dividend yield	0%	0%	0%
Risk free rate	-0.55%	-0.45%	-0.42%

The exercise price of all options granted under the LTIP to date is €0.001 and all options have a 7-year contractual life.

Given the Group did not have an extensive trading history at grant date, expected share price and TSR volatility was based on the volatility of a comparator group of peer companies over the expected life of the equity instruments granted together with consideration of the Group's actual trading volatility to date.

(c) Expense recognised in profit or loss

The Group recognised an expense of €0.2 million (*2018: €0.2* million) in the consolidated statement of profit or loss in respect of options granted under the LTIP and SAYE arrangements.

10 Other information

	30 June 2019 €'000	**30 June 2018 €'000**
Amortisation of intangible assets	**80**	16
Depreciation of property, plant and equipment	**909**	244
Employment costs	**7,268**	5,646
Profit on sale of property, plant and equipment	**434**	-

Included within depreciation is €0.4m *(six-month period 30 June 2018: €0.2m)* which was capitalised in inventory in the period.

11 Income tax

	30 June 2019 €'000	**30 June 2018 €'000**
Current tax for the period	**-**	10
Deferred tax credit for the period	**(279)**	(1,017)
Total income tax credit	**(279)**	(1,007)

11 Income tax *(continued)*

	30 June 2019 €'000	30 June 2018 €'000
Loss before tax for the period	**(3,749)**	(8,166)
Tax credit at standard Irish income tax rate of 12.5%	**(469)**	(1,021)
Tax effect of:		
Income taxed/expenses deductible at the higher rate of corporation tax	**157**	(2)
Non-deductible expenses	**21**	(2)
Prior period under accrual	**-**	9
Other adjustments	**12**	9
Total income tax credit	**(279)**	(1,007)

Movement in deferred tax balances	**Balance at 1 January 2019 €'000**	**Recognised in the period €'000**	**Balance at 30 June 2019 €'000**
Tax losses carried forward	**208**	**279**	**487**

The tax losses arise in Ireland and have no expiry date. Management has considered it probable that future profits will be available against which the above losses can be recovered and, therefore, the related deferred tax asset can be realised.

12 Inventory	**30 June 2019 €'000**	**31 December 2018 €'000**
Land held for development (i)	**689,152**	597,028
Development expenditure (ii)	**192,961**	100,964
Development rights	**20,870**	20,870
	902,983	718,862

(i) Development land acquisitions completed in the period

Maryborough Ridge, Cork

As at 31 December 2018, the Group entered into an unconditional contract to acquire 24.34 acres of zoned land for residential development at Maryborough Ridge a development site at Douglas, Co. Cork for total consideration of €12.5 million (excluding fees and stamp duty). A deposit of €1.3 million was paid pre-year end and was recognised within trade and other receivables as at 31 December 2018. The transaction subsequently completed in February 2019.

12 Inventory *(continued)*

(i) Development land acquisitions completed in the period (continued)

Castleknock
As at 31 December 2018, the Group had contracted to acquire a development site at Carpenterstown Road, Castleknock, Co. Dublin for total consideration of €9.3 million (excluding fees and stamp duty). A deposit of €0.9 million was paid pre-year end and was recognised within trade and other receivables at 31 December 2018. The transaction subsequently completed in January 2019.

Project Arrow
In March 2019 the Group acquired two development sites located in Leixlip and Newbridge, Co. Kildare for total consideration of approximately €50 million (excluding fees and stamp duty).

Killruddery, Co. Wicklow / Howth, Co. Dublin
In June 2019 the Group acquired two development sites for an aggregate consideration of approximately €24m (excluding fees and stamp duty) at Killruddery, Bray Co. Wicklow and at Howth Co. Dublin.

(ii) Employment cost capitalised

€5.8 million of employment costs incurred in the period have been capitalised in inventory *(June 2018: €3.7 million.*

13 Property, plant and equipment

During the period, the Group recognised total additions to property, plant and equipment of €1.4 million *(six months ended 30 June 2018: €7.8 million)* which included expenditure on land and buildings of €Nil *(six months ended 30 June 2018: €6.3 million)*, with €1.4 million *(six months ended 30 June 2018: €1.5 million)* invested in plant and machinery, fixtures and fittings and computer equipment. Depreciation recognised in the period was €0.9 million *(six months ended 30 June 2018: €0.2 million)*. During the period, the Group entered into new lease agreements for the use of motor vehicles. On lease commencement, the Group recognised €0.1 million of right-of-use assets and lease liabilities (see Note 5). Assets with a carrying value of €0.7 million were disposed of in the period resulting in a profit on disposal of €0.4 million which was included in administration expenses in the condensed consolidated statement of profit or loss.

14 Intangible assets

During the period, the Group recognised total additions to intangible assets of €0.2 million *(six months ended 30 June 2018: €0.2 million)* which included expenditure on computer software of €0.2 million *(six months ended 30 June 2018: €0.2 million)*. Amortisation recognised in the period was €0.1 million *(six months ended 30 June 2018: €0.02 million)*.

15 Trade and other receivables

	30 June 2019 €'000	31 December 2018 €'000
Trade receivables	**7,187**	249
Other receivables	**94**	70
Prepayments	**1,589**	1,065
Unamortised transaction costs on debt facility	**-**	788
VAT recoverable	**-**	6,461
Construction bonds	**4,055**	3,377
Deposits for sites	**2,682**	2,497
	15,607	14,507

The carrying value of all trade and other receivables is approximate to their fair value and are repayable on demand.

16 Cash and cash equivalents

	30 June 2019 €'000	31 December 2018 €'000
Cash at bank	**37,371**	130,701

17 Share capital and share premium

(a) Authorised share capital

As at 30 June 2019 and 31 December 2018	Number of shares	€'000
Ordinary shares of €0.001 each	1,000,000,000	1,000
Founder shares of €0.001 each	200,000,000	200
Deferred shares of €0.001 each	200,000,000	200
	1,400,000,000	**1,400**

(b) Issued share capital

As at 30 June 2019 and 31 December 2018	Number of shares	Share capital €'000	Share premium €'000
Ordinary shares of €0.001 each	871,333,550	871	879,281
Founder shares of €0.001 each	181,006,838	181	-
	1,052,340,388	**1,052**	**879,281**

18 Trade and other payables

	30 June 2019 €'000	31 December 2018 €'000
Trade payables	**11,102**	7,821
Payroll and other taxes	**2,629**	2,787
Inventory accruals	**35,265**	21,289
Other accruals	**685**	3,096
VAT payable	**1,409**	-
Interest accrual	-	196
	51,090	35,189
Non-current	**1,803**	1,803
Current	**49,287**	33,386
	51,090	35,189

The carrying value of all trade and other payables is approximate to their fair value and are repayable on demand.

19 Loans and Borrowings

(a) Loans and borrowings

The Group is party to a Revolving Credit Facility for a total of €250 million (of which €125 million is committed) with a syndicate of domestic and international banks for a term of 3 years at an interest rate of one-month EURIBOR (subject to a floor of 0 per cent.) plus a margin. At June 2019, €80.0 million *(31 December 2018: €nil)* had been drawn on the facility. Pursuant to the RCF agreement, there is a fixed and floating charge in place over certain assets of the Group as continuing security for the discharge of any amounts drawn down.

	30 June 2019 €'000	31 December 2018 €'000
Revolving Credit Facility	**80,000**	-
Unamortised transaction costs*	**(617)**	-
Interest accrued	**140**	-
Total loans and borrowings	**79,523**	-

The Group's RCF was entered into with AIB, Barclays and HSBC and is subject to primary financial covenants calculated on a quarterly basis:

- A maximum net debt to net assets ratio;
- The Group is required to maintain a minimum cash balance of €25.0 million throughout the term of the facility; and
- A minimum EBITDA to net interest coverage ratio.

*The Group had €Nil loans and borrowings at 31 December 2018 and accordingly the unamortised transaction costs asset was classified within trade and other receivables at that date. Interest accrued was classified within trade and other payables at 31 December 2018.

19 Loans and Borrowings *(continued)*

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

		Cash flows		**Non cash changes**				
	1 January 2019	**Credit facility drawdown**	**Payment of lease liability**	**Amortisation of transaction costs**	**Interest on lease liability**	**IFRS 16 transition adjustment**	**New leases**	**30 June 2019**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Liabilities								
Loans and borrowings	**-**	80,000	-	-	-	-	-	**80,000**
Unamortised transaction costs	**(788)**	-	-	171	-	-	-	**(617)**
Lease liability	**38**	-	(391)	-	14	1,189	60	**910**
	(750)	80,000	(391)	171	14	1,189	60	**80,293**

19 Loans and Borrowings *(continued)*

(c) Net (debt) / funds reconciliation

	30 June 2019 €'000	**31 December 2018 €'000**
Cash and cash equivalents	**37,371**	130,701
Loans and borrowings	**(79,523)**	-
Total net (debt) / funds	**(42,152)**	130,701

20 Restricted cash

The restricted cash balance relates to €1.5 million held in escrow until the completion of certain infrastructural works relating to the Group's residential development at Balbriggan, Co. Dublin. The estimated fair value of restricted cash as at 30 June 2019 is its carrying value.

21 Financial instruments and financial risk management

a) Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	Carrying Amount Financial assets at amortised cost	
	30 June 2019 €'000	**31 December 2018* €'000**
Financial assets not measured at fair value		
Trade receivables	**7,187**	249
Other receivables	**94**	70
Construction bonds	**4,055**	3,377
Deposits for sites	**2,682**	2,497
Cash and cash equivalents	**37,371**	130,701
Restricted cash (non-current)	**1,500**	1,500
Total financial assets	**52,889**	138,394

21 Financial instruments and financial risk management

a) Accounting classification and fair value

Cash and cash equivalents are short-term deposits held at fixed rates.

	Carrying amount Other financial liabilities	
	30 June 2019 €'000	**31 December 2018* €'000**
Financial liabilities not measured at fair value		
Trade payables	**11,102**	7,821
Loans and borrowings	**79,523**	-
Lease liabilities	**910**	38
Inventory accrual	**35,265**	21,289
Other accruals	**685**	3,096
Total financial liabilities	**127,485**	32,244

Trade payables and other current liabilities are non-interest bearing.

The financial assets and financial liabilities detailed above are categorised as level 2 in the fair value hierarchy.

*The Group has initially applied IFRS 16 at 1 January 2019. Under the transition method chosen, comparative information is not restated.

22 Related Party Transactions

There were no related party transactions other than Directors' remuneration incurred in the six-month period ended 30 June 2019.

Prior period related party transactions

On 12 March 2018, the Group entered into an Acquisition and Profit Share Agreement ("APSA") with Targeted Investment Opportunities ICAV ("TIO"), a wholly owned subsidiary of OCM Luxembourg EPF III S.a.r.l. (OCM) (and an entity in which John Mulcahy and Justin Bickle are directors).

Under the terms of the APSA, the Group acquired certain development rights in respect of sites at The Square Shopping Centre, Tallaght, Dublin 24 and Gateway Retail Park, Knocknacarra, Co. Galway. The development rights will (subject to planning) entitle the Group to develop at least 750 residential units under two joint business plans to be undertaken with Sigma Retail Partners (on behalf of TIO) which will also entitle TIO to control and benefit from any retail development at both sites. The Directors have determined that joint control over both sites continues to exist and it remains appropriate that the arrangements have been accounted for as joint operations in accordance with IFRS 11 *Joint Arrangements* at 30 June 2019.

The APSA also stipulates certain profit sharing arrangements in relation to the residential development opportunity at both sites together with a third site at Bray Retail Park, Bray, Co. Wicklow under which TIO would be entitled to a share of profit on any residential development should certain returns be achieved. There has been no significant change in the ASPA arrangement during the six-month period ended 30 June 2019. The fair value of the contingent consideration at the acquisition date was initially recognised at €nil and this remains appropriate at 30 June 2019. The contingent consideration will be remeasured to fair value at each reporting date until the contingency is settled.

22 Related Party Transactions *(continued)*

The agreement defines certain default events including TIO not possessing good and marketable title over the development sites and TIO not transferring good and marketable title over the development sites. On the occurrence of a default event, the Group shall be entitled to recover the aggregate purchase consideration in respect of the development rights. OCM has agreed to guarantee this obligation of TIO.

23 Commitments and contingent liabilities

Land acquisition subject to re-zoning

During 2018, the Group contracted to acquire 66 acres of currently unzoned land in the Greater Dublin Area subject to appropriate residential zoning being awarded in the next local authority development plan on at least 30 acres of the site. Once this minimum threshold is achieved, the Group has committed to acquiring the entire site at a fixed price per acre on land zoned for residential development with the remaining land to be acquired at market value.

Hollystown Golf and Leisure Limited ("HGL")

During 2018, the Group acquired 100 per cent of the share capital of HGL. Under the terms of an overage covenant signed in connection with the acquisition, the Group has committed to paying the vendor an amount equal to an agreed percentage of the uplift in market value of the property should any lands owned by HGL, that are not currently zoned for residential development be awarded a residential zoning. This commitment has been treated as contingent consideration and the fair value of the contingent consideration at the acquisition date was initially recognised at €nil. At the reporting date, the fair value of this contingent consideration was considered insignificant.

Maryborough Ridge, Cork

The Group also entered into a licence agreement to develop a further 18.65 acres at the Maryborough Ridge site. At 31 December 2018 an amount of €6.9 million was recognised in inventory reflecting the initial licence fee paid and related stamp duty and acquisition costs. The remaining €6.1 million of the licence fee is payable in equal instalments in line with milestones outlined in the licence agreement which will bring the total consideration to approximately €13.0 million.

Under the terms of the licence agreement, the Group has committed to paying the vendor further variable amounts dependent on the number of units developed and unit sale prices achieved in excess of those contemplated in the licence agreement. As these commitments are based on uncertain future events, the Group has treated them as contingent liabilities. The Group will reassess these commitments at each reporting date.

24 Subsequent events

Rathmullan Road, Drogheda

Subsequent to period end, the Group entered into a contract to acquire a site at Rathmullan Road, Drogheda, Co. Meath which has full planning permission to deliver 156 starter-homes. The transaction involves cash consideration of €7.4 million (excluding stamp duty and fees) and is scheduled to complete in Q3 2019.

Founder Share Scheme

The second Test Period of the Founder Share Scheme completed on 30 June 2019 and the Performance Condition for that Test Period was not satisfied during the period.

Other than the events outlined above, no other events requiring disclosure have occurred since 30 June 2019.

25 Approved financial statements

The Directors approved the condensed consolidated interim financial statements on 23 August 2019.