

Vernon Property Plc

Unaudited Interim condensed financial statements for the six months ended 31 August 2017.

CHAIRMAN'S STATEMENT

On behalf of the Board I am pleased to present the unaudited interim condensed results for Vernon Property Plc (the "Company") for the 6-month period between 1 March 2017 to 31 August 2017.

The Company's strategy is to focus on providing loans secured against UK property, the funding of which would principally be by way of the issuance of a 10-year 5.0% bond. The company has raised bonds of £2,370,988 to date.

Following the period end, Mark Rowland Felton has resigned as director of the company on 16 November 2017 and Martin Andrew Myers was appointed on the same day.

During the six months ending 31 August 2017, GCC Management Limited has repaid £544,519 of loan outstanding and the Company has also made one further loan of £1,155,912 to Eastbury Investments Limited, a property investment company.

The Company expects to continue to generate revenue from interest on the lending to real estate special purpose vehicle companies.

The Company has made small trading profits during this period which is in line with expectations.

Martin Myers

Director

Date: 28 November 2017.

The Board of Directors of the Company at its meeting on 28 November 2017 examined and approved the interim condensed financial results of the Company for the 6-month period from 1 March 2017 to 31 August 2017.

Vernon Property Plc

Martin Myers

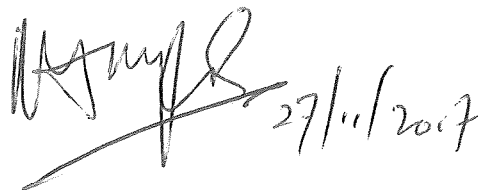
020 3651 8300

Alfred Henry Corporate Finance

Nick Michaels/Jon Isaacs

CSE Corporate Adviser(s)

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Interim Condensed Statement of Comprehensive Income

For the six months ended 31 August 2017

		Six Months Ended 31 August 2017 Unaudited GBP'000s	Period Ended 31 August 2016 Unaudited GBP'000s	Year Ended 28 February 2017 Audited GBP'000s
	Notes			
Revenue		130	23	73
Administrative expenses		(51)	(32)	(90)
Operating profit/(loss)		79	(9)	(17)
Finance costs		(72)	(30)	(97)
Profits/(Loss) on ordinary activities before taxation		7	(39)	(114)
Income tax expense		-	-	-
Profits/(Loss) for the period from continuing operations attributable to shareholders		7	(39)	(114)
Earnings/(Loss) per share - pence	3	14p	78p	228p

Interim Condensed Statement of Financial Position

As at 31 August 2017

		31 August 2017 Unaudited GBP'000s	31 August 2016 Unaudited GBP'000s	28 February 2017 Audited GBP'000s
	Notes			
Assets				
Secured Loans		1,661	943	1,050
Other receivables		79	44	27
Cash and cash equivalents		383	891	961
Unpaid Share Capital		37	37	37
Total Assets		2,160	1,915	2,075
Capital and reserves				
Share capital	4	50	50	50
Retained earnings		(158)	(91)	(166)
Total Equity		(108)	(41)	(116)
Non-current liabilities	5	2,160	1,930	2,151
Current liabilities		108	26	40
Total Liabilities		2,268	1,956	2,191
Total Equity and Liabilities		2,160	1,915	2,075

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Interim Condensed Statement of Cash Flows

For the six months ended 31 August 2017

	Six Months Ended 31 August 2017 Unaudited GBP'000s	Period Ended 31 August 2016 Unaudited GBP'000s	Year Ended 28 February 2017 Audited GBP'000s
Cash flows from operating activities			
Profits/(Loss) before tax	7	(39)	(114)
Adjustments for:			
Interest expense	72	30	97
Changes in working capital	(52)	(22)	(10)
Decrease/(Increase) in receivables	9	(22)	(8)
(Decrease)/Increase in payables			
Net cash generated/utilised in operating activities	36	(53)	(35)
Cash flows from investing activities			
Purchase of investments	(1,156)	(780)	(1,837)
Repayment of investment	544	-	949
Finance Cost Paid	-	-	(51)
Net cash outflows from Investing activities	(612)	(780)	(939)
Cash flows from financing activities			
Issue of ordinary share capital	-	-	-
(Redemption)/Proceeds from issue of debenture loans	(2)	1,687	1,898
Net cash generated from financing activities	(2)	1,687	1,898
Net decrease in cash and cash equivalents	(578)	854	924
Cash and cash equivalent at the beginning of the period	961	37	37
Cash and cash equivalents at end of the period	383	891	961

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Interim Condensed Statement of Changes in Equity

For the six months ended 31 August 2017

	Share Capital GBP'000s	Retained Earnings GBP'000s	Total GBP'000s
As at 28 February 2017	50	(165)	(115)
Issue of share capital	-	-	-
Profit for the period	-	7	7
As at 31 August 2017	50	(158)	(108)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

1. Basis of accounting

- 1.1 General Information – Vernon Property Plc is a public limited company and has bonds listed on the Cyprus Stock Exchange. The Company is incorporated in the United Kingdom and the registered office is situated at 13 David Mews, Marylebone, London, W1U 6EQ.
- 1.2 This interim report, which incorporates the financial information of the Company, has been prepared using the historical cost convention, on a going concern basis and in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.
- 1.3 The interim condensed financial statements for the six months ended 31 August 2017 have been prepared on accordance with International Accounting Standard 34 “Interim Financial Report” and have not been audited by the external auditors of the Company.
- 1.4 The unaudited results for six months ended 31 August 2017 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

Going concern

The Company made profits of £7,408 for the six months ended 31 August 2017 and in a total negative equity position of £108,417 as at 31 August 2017. The unaudited interim condensed financial statements have been prepared on a going concern basis, based on a business review carried out by the Directors and from anticipated future profitable trading. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Board of Directors of the Company at its meeting on 28 November 2017 examined and approved the interim condensed financial results of the Company for the six months ended 31 August 2017.

2. Standards and Interpretations adopted with no material effect on financial statements

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Company.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have material impact on the Company.

3. Loss per share

	Six Months Ended 31 August 2017 Unaudited	Period Ended 31 August 2016 Unaudited	Year Ended 28 February 2017 Audited
	Pence	Pence	Pence
Earnings/(Loss) per share: basic & diluted	14	(78)	(228)

Earnings per ordinary share is based on the Company’s profits for the financial period of £7,408 (2016: Loss of £52,022)

The weighted average number of shares used in the calculation is 50,000.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

4. Called up Share Capital

	Number	31 August 2017 £'000	31 August 2016 £'000	28 February 2017 £'000
50,000 Ordinary shares of 100p each	50,000	50	50	50

5. Non-current Liabilities

Non-current Liabilities include bonds issued of £2,370,988 (2016: £2,373,254) offset by finance costs of £210,072 (2016: £221,938). These bonds have accrued the coupon based on 5% since issuance of the first bonds in February 2016.