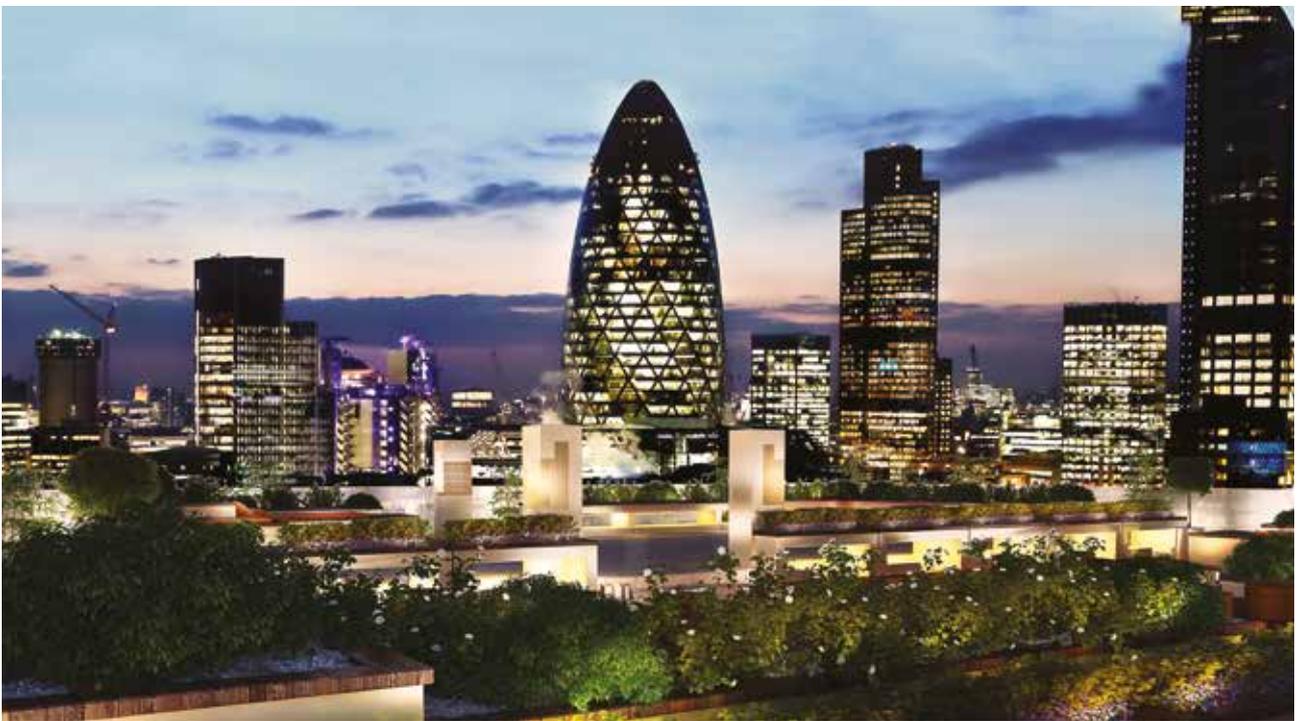




telfordhomes



Developing in London

# HIGHLIGHTS

6 months ended 30 September



Adjusted gross profit margin\*

# 28.6%

31 March 2013: 24.3%

Adjusted operating margin\*

# 13.2%

31 March 2013: 9.7%

Development pipeline

# 2,790

properties

31 March 2013: 2,260

Gearing

# 0%

31 March 2013: 47.3%

\* Before all interest charges including those expensed within cost of sales of £1.1 million (March 2013: £3.2 million)





**housebuilder**  
*awards*  
**2013**

**Winner of Medium  
Housebuilder of the year**

and

**Best design for four  
storeys or more**

Matchmakers Wharf, E9 (above)



## CHIEF EXECUTIVE'S STATEMENT

**Jon Di-Stefano**  
Chief Executive



“During the period Telford Homes has achieved an impressive rate of sales and has secured significantly higher profit margins, resulting in growth that has been ahead of market expectations.”

Telford Homes has continued to perform ahead of expectations with the strength of the inner London housing market leading to an impressive rate of sales and significantly higher profit margins. The Board is confident that a long term imbalance between supply and demand for the typical Telford Homes product will underpin the Group's growth plans and the £20 million of equity raised in June 2013 is already being utilised to increase the development pipeline.

### Results for the six months ended 30 September 2013

In contrast to last year the results for the year to 31 March 2014 are expected to be weighted towards the second half with a greater number of open market completions due in that period. These include the first completions at Avant-garde, the Group's joint venture development in Shoreditch, which will deliver an exceptionally high margin. The number of open market completions in the six months to 30 September 2013 was 225, down from 256 last year. The number for the full year to 31 March 2013 was 374.



Due to the timing of completions revenue has reduced slightly to £73.7 million (H1 2012: £78.3 million); however a combination of price inflation and continued cost control has resulted in gross profit increasing to £20.0 million (H1 2012: £16.8 million). Gross profit is stated after expensing loan interest that has been capitalised within inventories and adjusting for that interest, the gross profit margin achieved in the six months to 30 September 2013 was 28.6 per cent, substantially ahead of the 24.3 per cent reported for the year to 31 March 2013.

House price inflation in London during the period has been well documented, as has a fundamental lack of supply, and accordingly the Group has experienced exceptional levels of demand for some of its developments. This demand has moved prices well ahead of those assumed at the time the land was purchased, which in some cases was several years ago. Cost control remains important and the Group has fostered long term relationships with some of its key subcontractors in order to manage build costs as efficiently as possible.

Administrative expenses and selling expenses have both increased on the same period last year, the former as a result of employee costs and the latter due to the continuing success of the Group in selling its homes. Selling expenses are written off as incurred although the profit from homes being sold ahead of completion will be recognised in future years. A proportion of the total cost of £4.5 million (H1 2012: £3.7 million) is therefore effectively being invested in the Group's future profit growth. In line with the significant increase in gross margin, the operating margin before charging any interest has improved to 13.2 per cent from 9.7 per cent in the year to 31 March 2013.

AVANT-GARDE  
E1



## PARKSIDE QUARTER E14

Includes Computer Generated Images

Given the forecast completions at Avant-garde in the second half of the year the Board expects to report further margin improvements for the full year to 31 March 2014 with the operating margin anticipated to be in excess of 15 per cent.

Net finance costs have increased to £0.9 million (H1 2012: £0.5 million) due to arrangement fees and non-utilisation fees associated with the increase in the Group's corporate facility to £120 million which was concluded in April 2013.

Profit before tax for the first six months of the year has increased to £7.7 million against £6.5 million for the same period last year and £9.0 million for the year to 31 March 2013. The Group reported on 15 October 2013 that it anticipated profits for the year to 31 March 2014 would be significantly ahead of market expectations at that time, and the Board is pleased to confirm that the Group remains on track to deliver a substantial increase in profits for the year.

### Dividend

The Board is pleased to declare an 85 per cent increase in the interim dividend to 3.7 pence per share (H1 2012: 2.0 pence). The interim dividend, together with the full year dividend payable in July 2014, is expected to remain consistent with the Board's stated intention of paying around a third of earnings in dividends each year. The interim dividend will be paid on 10 January 2014 to those shareholders on the register at the close of business on 13 December 2013.



## Sales

The Group has maintained a strong rate of sales with contracts exchanged on 341 open market properties in the six months to 30 September 2013 (H1 2012: 218) at an average price of £373,000, up from £353,000 for the year to 31 March 2013. The prices achieved vary depending on the specific location of each development but there is no doubt that the Group has experienced double digit price growth in some locations over the past year. Including properties sold, subject to contract, the number of open market sales in the year to date is in excess of 450.

The Group's business model revolves around the fundamental strengths of London including a robust micro-economy, international reputation and a fantastic transport network. In addition London is suffering from a significant shortage of homes when compared to current demand let alone future population growth and although the supply of new homes is increasing it is unlikely to get anywhere near the estimated 40,000 plus that are required each year.

Demand has clearly been boosted in recent months by an increase in the availability of mortgage finance, with a combination of higher loan to value products and more affordable interest rates. While the government's 'Help to Buy' initiative is invaluable in some locations it is not as widely required in inner London and as a consequence Telford Homes is yet to make a single sale under this scheme or any of its predecessors. All of the Group's sales to date are to owner-occupiers who do not want or need very high loan to value mortgages or to investors who do not qualify for the schemes.

## THE BOATYARD E14

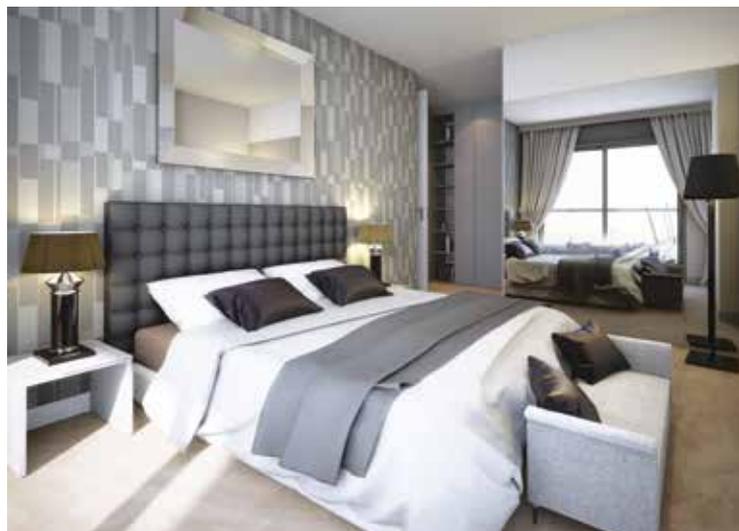
Computer Generated Images



The Group is therefore in a strong position where its current customers are not reliant on a scheme that is expected to have a finite life.

Given an improved economic situation and greater availability of finance at higher loan to values it is unlikely that the ability to 'own your own home' in London will get much better than it is at present, and yet still the demand for rented accommodation is incredibly high with numerous potential tenants for some properties. This is a function of the overall imbalance between supply and demand for homes and the fact that many people wishing to live in London still cannot afford to buy or simply do not want to buy. The proportion of people renting versus owning in London is likely to continue rising in the future but this will make it no different to many other global cities.

In order to increase the supply of homes in general, particularly for prospective tenants, investors in homes to be rented out are a vital part of the London market. Where the Group's developments have already been completed the homes sold to investors are being let to tenants, they are not standing empty. Telford Homes will continue to market its homes to both UK and overseas investors, however the Group will ensure that any properties being sold overseas are available to UK based buyers at the same time and on the same terms. The Group's open market sales in the year to date are well balanced between its typical markets with 34 per cent sold to owner-occupiers, 29 per cent to UK based investors and 37 per cent to overseas investors.



The last few months have seen several successful sales launches including Horizons near Canary Wharf where 113 of the 131 open market homes have already been sold. A third of these sales were secured in the UK where investment demand has increased in recent months and the remainder were sold in the Far East, including a significant number in China. Completions at Horizons are expected between winter 2016 and spring 2017. This success followed the launch of Lime Quay, E14 earlier in the year where 49 of the 60 open market homes have been sold to a similar mix of buyers.

The Group's sales outlets have continued to see exceptional demand from both owner-occupiers and UK investors even though the developments are being marketed a year or more ahead of completion. This includes regular sell outs of limited new releases at Bow Trinity, E3 and The Boatyard, E14 and consistent sales of the residual availability at several other developments. There are several development sales launches planned for 2014 and Telford Homes will continue to build on an increasingly international brand with a reputation for high quality finished product in well-connected, affordable, inner London locations.

## HORIZONS E14

Computer Generated Images



**STRATFORD  
PLAZA  
E15**

Computer Generated Images

**Development pipeline**

The Group has been able to substantially increase its development pipeline over the last few months following an oversubscribed share placing in June 2013 which raised £20 million of new equity. At the time of this placing the Group anticipated allocating the proceeds over the course of one year and then taking up to a further year to secure planning consents on sites purchased subject to planning. Acquisitions to date are broadly ahead of this schedule which is expected to lead to a faster investment return on the new equity.

Some of the more significant acquisitions over the last few months include two new developments in the centre of Stratford. The Group has sold all 198 open market apartments at its Stratford Plaza development and has received multiple enquiries regarding any remaining availability or similar developments for the future. The first of the new sites is known as Broadway Chambers which has been acquired with planning consent for 342 homes across two buildings, the tallest of which is 36 storeys. The second site is on Angel Lane and forms part of Westfield's redevelopment of the area adjacent to its shopping centre. It has been acquired subject to planning and is expected to provide 181 homes. The Group has made other significant purchases subject to planning including around 180 homes on Limeharbour, Isle of Dogs and 158 homes on Caledonian Road near Kings Cross.



The Group has also continued to pursue and acquire smaller sites with a quicker capital turnaround from a combination of affordable housing and stock transfer partners, local authorities and private owners. Some of these sites are being purchased subject to planning and some unconditionally without planning but only when the Group is confident of achieving a satisfactory consent. This includes a site for circa 35 homes on Hornsey Road in Islington which the Group recently acquired within 10 days of first being introduced to the owner. Telford Homes now has the financial ability to move quickly to acquire attractive sites in a competitive market and this gives the Group a distinct advantage.

The Group has an excellent track record in obtaining planning consents in a challenging environment. Knowledge of the planning process in each London borough and working in partnership with local authorities and other interested parties removes the majority of the risk in buying land without planning or subject to planning. The Board is pleased to report that there have been a number of successes in the last few months including permission to build 47 homes and a new church in Frampton Park, Hackney and, with the help of the Mayor of London, to build 101 homes and a new school on Beechwood Road, Dalston. Both developments are expected to commence next year and should be completed in spring 2016 and autumn 2016 respectively.

## BOW TRINITY E3

Includes Computer Generated Images



## LIME QUAY E14

Includes Computer Generated Images

In total the Group's development pipeline has increased by 23 per cent in 6 months to 2,790 properties at 30 September 2013 (31 March 2013: 2,260 properties) and 2,263 of these already have a planning consent (31 March 2013: 1,873).

### Cash and borrowings

Despite the Group's increased development pipeline a number of the new sites have been purchased subject to planning with the actual cash and debt commitment therefore being deferred. As a result cash balances are particularly high at 30 September 2013 at £55.2 million (31 March 2013: £23.7 million) with the majority of the placing funds adding to significant receipts from sales deposits and completion proceeds. The Group completed on the purchase of Broadway Chambers for £17.5 million in October 2013.

Borrowings have reduced to £46.0 million (31 March 2013: £58.1 million) and Telford Homes is therefore in a net cash position at 30 September 2013 of £9.1 million (31 March 2013: net debt of £34.4 million) with reported gearing therefore being zero for the first time in the Group's history (31 March 2013: 47.3 per cent). The Group's increased banking facility of £120 million currently has significant headroom available within it and net debt and gearing are expected to increase over the next 18 months as more land is acquired, planning consents are achieved and construction continues.



## Outlook

Telford Homes is developing in locations where prospective purchasers both want to live and can afford to live and that will continue as the Group further enhances its development pipeline. The business has been going from strength to strength with ongoing sales success, higher margins and increasing profits and this performance is underpinned by particularly strong demand for homes in London which is in excess of the current supply.

The Group is now 100 per cent sold in terms of the open market homes expected to legally complete in the year to 31 March 2014, over 80 per cent sold for 2015 and over 60 per cent sold for 2016. Together with affordable housing contracts this represents future revenue secured beyond 30 September 2013 in excess of £370 million.

This forward sales position enhances visibility over future profits and, given the current London market and plans for further investment in the development pipeline, the Board is very confident of the prospects and growth potential for Telford Homes over the next few years.

## Jon Di-Stefano

Chief Executive

26 November 2013

# PARLIAMENT HOUSE SE1

Computer Generated Images

## GROUP INCOME STATEMENT

30 SEPTEMBER 2013

	Note	Unaudited 6 months ended 30 September 2013 £000	Unaudited 6 months ended 30 September 2012 £000	Audited Year ended 31 March 2013 £000
<b>Revenue</b>		<b>73,731</b>	<b>78,324</b>	<b>142,408</b>
Cost of sales		(53,757)	(61,549)	(111,006)
<b>Gross profit</b>		<b>19,974</b>	<b>16,775</b>	<b>31,402</b>
Administrative expenses		(6,811)	(5,993)	(12,867)
Selling expenses		(4,478)	(3,716)	(7,935)
<b>Operating profit</b>		<b>8,685</b>	<b>7,066</b>	<b>10,600</b>
Finance income		168	62	319
Finance costs		(1,113)	(602)	(1,882)
<b>Profit before income tax</b>		<b>7,740</b>	<b>6,526</b>	<b>9,037</b>
Income tax expense	3	(1,745)	(1,547)	(2,010)
<b>Profit after income tax</b>		<b>5,995</b>	<b>4,979</b>	<b>7,027</b>
<b>Earnings per share:</b>				
Basic	5	11.1p	10.2p	14.3p
Diluted	5	10.8p	9.9p	13.8p

## GROUP STATEMENT OF COMPREHENSIVE INCOME

30 SEPTEMBER 2013

	Unaudited 6 months ended 30 September 2013 £000	Unaudited 6 months ended 30 September 2012 £000	Audited Year ended 31 March 2013 £000
Movement in excess tax on share options	312	164	511
Movement in derivative financial instruments hedged	123	–	–
<b>Other comprehensive income net of tax</b>	<b>435</b>	<b>164</b>	<b>511</b>
Profit for the period	5,995	4,979	7,027
<b>Total comprehensive income for the period</b>	<b>6,430</b>	<b>5,143</b>	<b>7,538</b>

# GROUP BALANCE SHEET

30 SEPTEMBER 2013

	Unaudited 30 September 2013 £000	Unaudited 30 September 2012 £000	Audited 31 March 2013 £000
<b>Non current assets</b>			
Property, plant and equipment	1,002	413	406
Deferred income tax assets	808	328	727
	1,810	741	1,133
<b>Current assets</b>			
Inventories	132,459	124,473	132,478
Trade and other receivables	8,987	8,824	19,377
Cash and cash equivalents	55,176	15,275	23,706
	196,622	148,572	175,561
<b>Total assets</b>	<b>198,432</b>	<b>149,313</b>	<b>176,694</b>
<b>Current liabilities</b>			
Trade and other payables	(53,145)	(29,796)	(44,715)
Borrowings	(46,034)	(46,997)	(58,106)
Current income tax liabilities	(1,486)	(1,563)	(1,141)
Hire purchase liabilities	–	(11)	(3)
<b>Total liabilities</b>	<b>(100,665)</b>	<b>(78,367)</b>	<b>(103,965)</b>
<b>Net assets</b>	<b>97,767</b>	<b>70,946</b>	<b>72,729</b>
<b>Capital and reserves</b>			
Issued share capital	5,873	4,960	5,028
Share premium	56,743	37,581	38,032
Retained earnings	35,151	28,405	29,669
<b>Total equity</b>	<b>97,767</b>	<b>70,946</b>	<b>72,729</b>

# GROUP STATEMENT OF CHANGES IN EQUITY

## 6 MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
<b>Balance at 1 April 2013</b>	<b>5,028</b>	<b>38,032</b>	<b>29,669</b>	<b>72,729</b>
Profit for the period	–	–	5,995	5,995
Total other comprehensive income	–	–	435	435
Dividend on equity shares	–	–	(1,412)	(1,412)
Proceeds of equity share issues	845	19,468	–	20,313
Cost arising from shares issued	–	(757)	–	(757)
Share-based payments	–	–	31	31
Sale of own shares	–	–	356	356
Write down in value of own shares	–	–	77	77
<b>Balance at 30 September 2013</b>	<b>5,873</b>	<b>56,743</b>	<b>35,151</b>	<b>97,767</b>

## 6 MONTHS ENDED 30 SEPTEMBER 2012 (UNAUDITED)

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
<b>Balance at 1 April 2012</b>	<b>4,950</b>	<b>37,503</b>	<b>23,750</b>	<b>66,203</b>
Profit for the period	–	–	4,979	4,979
Total other comprehensive income	–	–	164	164
Dividend on equity shares	–	–	(738)	(738)
Proceeds of equity share issues	10	78	–	88
Share-based payments	–	–	71	71
Sale of own shares	–	–	191	191
Purchase of own shares	–	–	(72)	(72)
Write down in value of own shares	–	–	60	60
<b>Balance at 30 September 2012</b>	<b>4,960</b>	<b>37,581</b>	<b>28,405</b>	<b>70,946</b>

## YEAR ENDED 31 MARCH 2013 (AUDITED)

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
<b>Balance at 1 April 2012</b>	<b>4,950</b>	<b>37,503</b>	<b>23,750</b>	<b>66,203</b>
Profit for the year	–	–	7,027	7,027
Total other comprehensive income	–	–	511	511
Dividend on equity shares	–	–	(1,727)	(1,727)
Proceeds of equity share issues	78	529	–	607
Share-based payments	–	–	100	100
Sale of own shares	–	–	362	362
Purchase of own shares	–	–	(483)	(483)
Write down in value of own shares	–	–	129	129
<b>Balance at 31 March 2013</b>	<b>5,028</b>	<b>38,032</b>	<b>29,669</b>	<b>72,729</b>

# GROUP CASH FLOW STATEMENT

30 SEPTEMBER 2013

	Unaudited 6 months ended 30 September 2013 £000	Unaudited 6 months ended 30 September 2012 £000	Audited Year ended 31 March 2013 £000
<b>Cash flow from operating activities</b>			
Operating profit	8,685	7,066	10,600
Depreciation	156	115	236
Write down in value of own shares	77	60	129
Share-based payments	31	71	100
(Profit) loss on sale of tangible fixed assets	(18)	6	8
Decrease in inventories	1,098	12,502	5,496
Decrease (increase) in receivables	10,525	8,006	(2,551)
Increase (decrease) in payables	8,235	(2,148)	12,752
	28,789	25,678	26,770
Interest paid	(2,719)	(1,872)	(3,437)
Income tax paid	(1,169)	(477)	(1,414)
<b>Cash flow from operating activities</b>	<b>24,901</b>	<b>23,329</b>	<b>21,919</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets	(758)	(154)	(272)
Proceeds from sale of tangible assets	24	–	3
Interest received	168	62	319
<b>Cash flow from investing activities</b>	<b>(566)</b>	<b>(92)</b>	<b>50</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of ordinary share capital	19,556	88	607
Purchase of own shares	–	(72)	(483)
Sale of own shares	356	191	362
Increase in bank loans	4,399	14,928	37,077
Repayment of bank loans	(15,761)	(34,771)	(46,502)
Dividend paid	(1,412)	(738)	(1,727)
Capital element of hire purchase payments	(3)	(7)	(16)
<b>Cash flow from financing activities</b>	<b>7,135</b>	<b>(20,381)</b>	<b>(10,682)</b>
<b>Net increase in cash and cash equivalents</b>	<b>31,470</b>	<b>2,856</b>	<b>11,287</b>
Cash and cash equivalents brought forward	23,706	12,419	12,419
<b>Cash and cash equivalents carried forward</b>	<b>55,176</b>	<b>15,275</b>	<b>23,706</b>

30 SEPTEMBER 2013

## 1 Basis of preparation

The interim accounts have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) in issue that are either endorsed by the EU and effective at 31 March 2014 or are expected to be endorsed and effective at 31 March 2014.

The interim accounts do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The figures for the half years ended 30 September 2013 and 30 September 2012 are unaudited. The interim accounts were approved by the directors on 26 November 2013 and have been reviewed by the auditors whose review report is unqualified and will be included in the interim report distributed to shareholders.

The directors have assessed the Group's projected business activities and available financial resources together with detailed forecasts for cash flow and relevant sensitivity analysis. The directors believe that the Group remains well placed to manage its business risks successfully. After making appropriate enquiries the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in preparing the interim accounts.

The Group's statutory accounts for the year ended 31 March 2013 were approved by the Board of directors on 28 May 2013, have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under Section 498 of the Companies Act 2006.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. 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 uncertainty were principally the same as those applied to the Group's financial statements as at 31 March 2013.

## 2 Accounting policies

### Accounting convention

The interim accounts have been prepared under the historical cost convention and on a basis consistent with the accounting policies in the financial statements for the year ended 31 March 2013.

The Group has adopted hedge accounting for its derivative financial instrument designated as a cash flow hedge which was entered into in the period. The hedge is used to mitigate financial exposures to movements in interest rates.

Changes in intrinsic fair value are recognised in other comprehensive income to the extent that the cash flow hedge is determined to be effective. All other changes in fair value are recognised immediately in the income statement. The hedged item is a variable rate bank loan. The accumulated gains and losses previously recognised in other comprehensive income are classified into the income statement as a financial expense over the life of the loan. This has the effect of fixing the interest rate recognised in the income statement to the hedged rate over the life of the loan.

## 3 Taxation

Taxation has been calculated on the profit for the six months ended 30 September 2013 at the estimated effective tax rate of 22.5% for current taxes only (September 2012: 23.8%).

#### 4 Dividends

The interim dividend declared for the six months ended 30 September 2013 is 3.7 pence per ordinary share and is expected to be paid on 10 January 2014 to those shareholders on the register at the close of business on 13 December 2013. This dividend was declared after 30 September 2013.

The interim dividend paid for the six months ended 30 September 2012 was 2.0 pence per ordinary share and the final dividend paid for the year ended 31 March 2013 was 2.8 pence per ordinary share.

#### 5 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding those held in the Share Incentive Plan, which are treated as cancelled. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

Earnings per share have been calculated using the following figures:

	Unaudited 6 months ended 30 September 2013	Unaudited 6 months ended 30 September 2012	Audited Year ended 31 March 2013
Weighted average number of shares in issue	53,919,745	48,959,318	49,162,688
Dilution – effect of share schemes	1,649,726	1,190,278	1,598,135
Diluted weighted average number of shares in issue	55,569,471	50,149,596	50,760,823
Profit on ordinary activities after taxation	£5,995,000	£4,979,000	£7,027,000
<b>Earnings per share:</b>			
Basic	11.1p	10.2p	14.3p
Diluted	10.8p	9.9p	13.8p

#### 6 Borrowings

On 26 April 2013 the Group signed a new £120 million facility which extends to 30 September 2016 with the same three banks that provided the prior facility being The Royal Bank of Scotland, HSBC and Santander.

#### 7 Equity issue

On 2 July 2013 the Company issued 8,000,000 Ordinary shares at 250p as a result of a share placing.

## TO TELFORD HOMES PLC

### Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2013, which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Equity, Group Cash Flow Statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

### 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 AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the Company's annual financial statements.

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 half-yearly financial report has been prepared in accordance with the basis of preparation set out in note 1.

### Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### 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 half-yearly financial report for the six months ended 30 September 2013 is not prepared, in all material respects, in accordance with the basis of preparation set out in note 1, and the AIM Rules for Companies.

### PricewaterhouseCoopers LLP

Chartered Accountants  
St. Albans

26 November 2013

### Notes:

- (a) The maintenance and integrity of the Telford Homes Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**Recently completed**

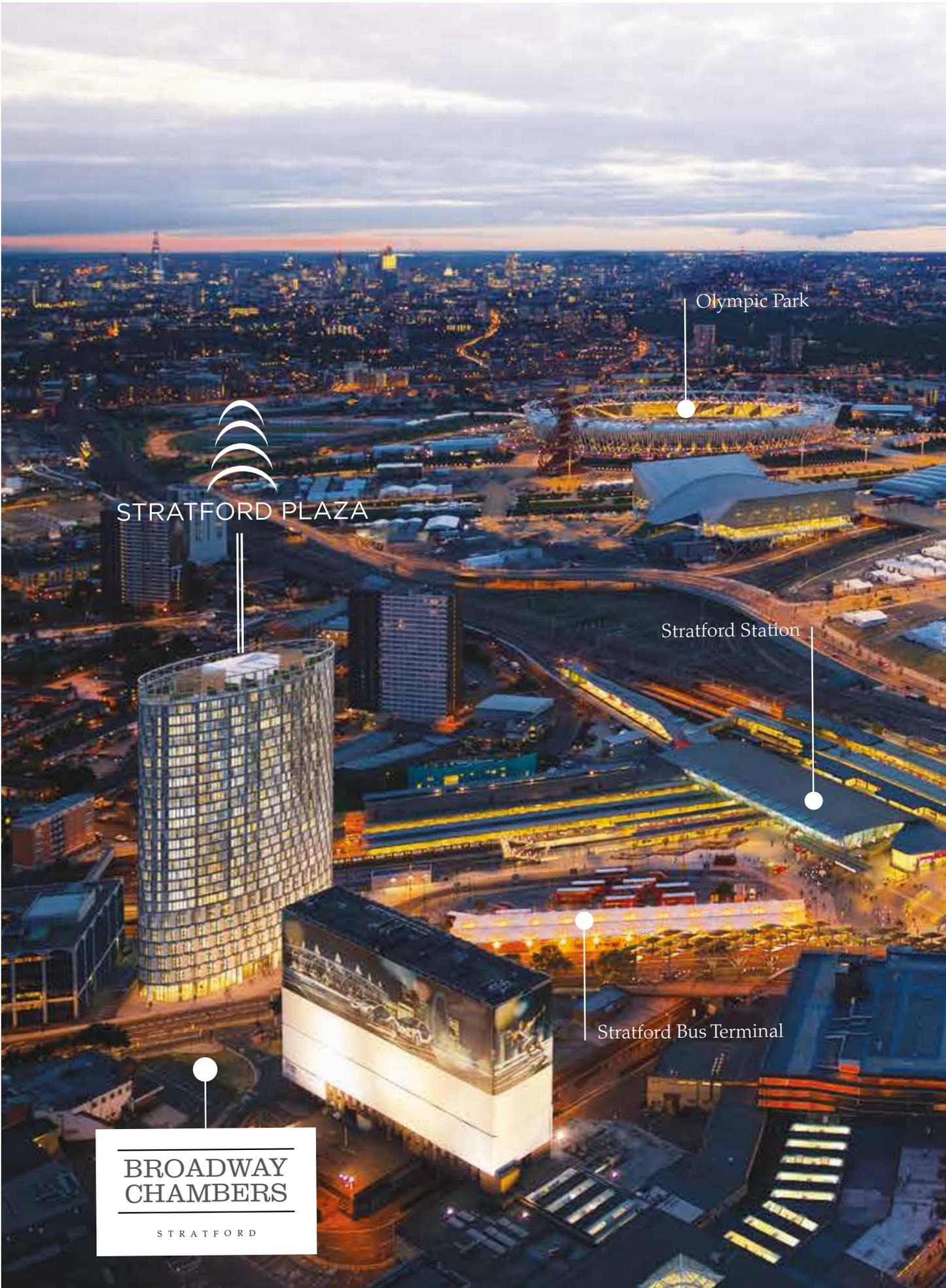
- 01 Matchmakers Wharf
- 02 Greenwich Creekside
- 03 Infinity
- 04 Nine
- 05 High Cedars (not shown on map)
- 06 E-pad
- 07 The Panoramic
- 08 Abode

**In design / under construction**

- 09 Avant-garde
- 10 St Georges Estate
- 11 Bede Estate (Bow Trinity)
- 12 Eric and Treby Estate (Bow Trinity)
- 13 Parliament House
- 14 Stratford Plaza
- 15 Parkside Quarter
- 16 Cityscape
- 17 Tredegar Road
- 18 The Boatyard
- 19 Lime Quay
- 20 Horizons
- 21 Broadway Chambers
- 22 King David Lane

**Future sites**

- 23 Allcroft Road
- 24 Caledonian Road
- 25 Beechwood Road
- 26 Frampton Park
- 27 Limeharbour
- 28 Angel Lane
- 29 Calders Wharf
- 30 Hornsey Road



STRATFORD PLAZA

Olympic Park

Stratford Station

Stratford Bus Terminal

**BROADWAY  
CHAMBERS**

STRATFORD



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# ANGEL LANE

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STRATFORD





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