

INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016
FOR
CRAVEN HOUSE CAPITAL PLC

CRAVEN HOUSE CAPITAL PLC

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FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016**

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CRAVEN HOUSE CAPITAL PLC

**COMPANY INFORMATION
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016**

CHAIRMAN:	Mr R Burrows
DIRECTORS:	Mr M J Pajak Mr B S Bindra Mr C P Morrison
SECRETARY:	Mr B Winters
REGISTERED OFFICE:	776-778 Barking Road London E13 9PJ
REGISTERED NUMBER:	05123368 (England and Wales)
AUDITORS:	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
BANKERS:	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB
SOLICITORS:	McEvoy Partners 27 Hatch St Lower Dublin 2 Ireland
NOMINATED ADVISER:	Spark Advisory Partners Limited 5 St John's Lane London EC1M 4BH

CRAVEN HOUSE CAPITAL PLC

STATEMENT BY THE BOARD OF DIRECTORS

Dear Shareholder

We are pleased to be able to report on the considerable growth in the Company's asset base that has delivered in the six-month period to the end of November 2016.

Following multiple capital raises at a premium to the then prevailing share price and the acquisition of assets utilising Craven's shares as acquisition currency, we are able to report a significant increase in the Net Asset Value of the Company to \$21.5 million. An increase of over 120% since May 2016 and 210% since November 2015.

The Company's results are reported in US Dollars for the first time; reflecting the fact that the Company's shares began trading in US Dollars during the period and that the underlying transactions, events and conditions that are most likely to impact on Craven's performance are more closely linked to the US Dollar than the GB Pound.

Despite Craven only undertaking one material investment during the period, the Investment Manager continues to evaluate a number of prospective opportunities and we look forward to reporting further investment activity in the coming weeks and months.

The Board of Directors
Craven House Capital Plc

CRAVEN HOUSE CAPITAL PLC

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016

As reported at the time of the release of the Company's full year results in November, the six-month period to 30 November 2016 was a period of transformative activity for Craven House.

Including the placing that occurred just prior to the start of the period, the Company raised \$14.7 million in new equity at an average of \$12.50 per share over a six month period and acquired a further \$2.9 million in assets utilising the Company's shares as acquisition currency at an average of \$12.21 per share.

As a result, the asset base of the company, on an NAV basis, more than doubled between May and November 2016 and has more than trebled in the twelve months to November 2016.

The majority of the new equity raised was deployed by the Company during the period by way of intercompany loans to Craven's subsidiaries in South Africa (\$1.5 million) and Angola (\$9.5 million) and, as previously announced, has begun to be invested in these respective jurisdictions, with further investment activity expected to be announced shortly.

As was announced in August 2016, the Company successfully completed the disposal of its investment in the Green Isle Hotel and Conference Centre for a total ROI of 214%. The value of all portfolio investments remained materially unchanged at the period end as there have been no matters of which the board are aware which would in their opinion impact the carrying value of investments.

The Company's income statement shows a profit of \$1.604 million for the period. The vast majority of this profit relates to the timing equity fund raises that occurred in May and June 2016; prior to the UK's EU referendum. This profit reflects the gain made as a result the dramatic movement of the GBP vs. USD immediately post the referendum; hence this profit is reflected as a positive administrative expense, rather than a portfolio return. This also accounts for the majority of the \$2.153m positive cash flow from operating activities.

As previously reported in July 2016, the Company was unsuccessful in its application to join the Specialist Fund Segment of the London Stock Exchange's Main Market, however successfully completed a share redenomination and consolidation on the 1st August 2016.

As at the period end, NAV stood at \$21.5 million versus a market capitalisation of \$17.9 million. Since this time, selling pressure from certain shareholders has seen the share price trade an increased discount to NAV; as of the 24th February 2017 Craven's market capitalisation stood at \$9.9 million – less than half of the Company's NAV.

As we have stated repeatedly, we remain undeterred by volatility in Craven's share price; we seek to buy good assets selling below their intrinsic value and our goal is to continue to grow the asset base of the Company and to acquire assets that have a long life and maintain their value in times of trouble. We successfully completed one such transaction since the detailed update provided in November; the purchase of a 500-hectare parcel of land in Canavieiras, Brazil – a property that benefits from 7.5km of direct ocean-front real estate.

Whilst we continue to evaluate a wide range of prospective transactions, the only other material event in the three months since the release of the year-end accounts occurred at the Company's AGM in January, whereby shareholders approved a broadening in the scope of the Company's Investing Policy to a global mandate.

Desmond Holdings Ltd
Investment Manager to Craven House Capital Plc

CRAVEN HOUSE CAPITAL PLC**INCOME STATEMENT
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016**

		Six months ended		Year Ended
		30 Nov 2016	30 Nov 2015	31 May 2016
		(Unaudited)	(Unaudited)	(Audited)
		\$'000	£'000	£'000
CONTINUING OPERATIONS				
Gross Portfolio return		160	(38)	(845)
Administrative expenses		1,407	(80)	(409)
		<hr/>	<hr/>	<hr/>
OPERATING PROFIT/ (LOSS)		1,567	(118)	(1,254)
Finance costs	2	(8)	(9)	(157)
Finance income		45	5	10
		<hr/>	<hr/>	<hr/>
PROFIT/(LOSS) BEFORE INCOME TAX		1,604	(122)	(1,401)
Income tax		-	-	-
		<hr/>	<hr/>	<hr/>
PROFIT/(LOSS) FOR THE PERIOD		1,604	(122)	(1,401)
		<hr/>	<hr/>	<hr/>
Earnings per share expressed In pence per share:				
Basic	6	0.39	(0.02)	(0.17)
Diluted	6	0.33	(0.02)	(0.17)

CRAVEN HOUSE CAPITAL PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016**

	Six months ended		Year Ended
	30 Nov 2016	30 Nov 2015	31 May 2016
	(Unaudited)	(Unaudited)	(Audited)
	\$'000	£'000	£'000
PROFIT/(LOSS) FOR THE PERIOD	1,604	(122)	(1,401)
OTHER COMPREHENSIVE INCOME	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,604	(122)	(1,401)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CRAVEN HOUSE CAPITAL PLC

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2016**

		Six months ended		Year Ended
		30 Nov 2016	30 Nov 2015	31 May 2016
		(Unaudited)	(Unaudited)	(Audited)
		\$'000	£'000	£'000
ASSETS				
NON-CURRENT ASSETS				
Investments at fair value through profit or loss	4	<u>19,147</u>	<u>4,635</u>	<u>4,810</u>
		<u>19,147</u>	<u>4,635</u>	<u>4,810</u>
CURRENT ASSETS				
Trade and other receivables		<u>3,100</u>	<u>337</u>	<u>2,696</u>
Cash and cash equivalents		<u>36</u>	<u>146</u>	<u>64</u>
		<u>3,136</u>	<u>483</u>	<u>2,760</u>
TOTAL ASSETS		<u><u>22,283</u></u>	<u><u>5,118</u></u>	<u><u>7,570</u></u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	5	<u>12,563</u>	<u>8,526</u>	<u>8,806</u>
Share premium		<u>23,054</u>	<u>7,391</u>	<u>10,451</u>
Retained earnings		<u>(14,142)</u>	<u>(11,332)</u>	<u>(12,611)</u>
TOTAL EQUITY		<u><u>21,475</u></u>	<u><u>4,585</u></u>	<u><u>6,646</u></u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		<u>677</u>	<u>134</u>	<u>509</u>
Financial liabilities-borrowings interest bearing loans and borrowings	7	<u>131</u>	<u>399</u>	<u>415</u>
		<u>808</u>	<u>553</u>	<u>924</u>
TOTAL LIABILITIES		<u><u>808</u></u>	<u><u>553</u></u>	<u><u>924</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>22,283</u></u>	<u><u>5,118</u></u>	<u><u>7,570</u></u>

CRAVEN HOUSE CAPITAL PLC

**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016**

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000	Total equity £'000
Balance at 1 June 2015	8,526	(11,210)	7,391	4,707
Changes in equity				
Total comprehensive income	-	(122)	-	(122)
Balance at 30 November 2015	8,526	(11,332)	7,391	4,585
Changes in equity				
Issue of share capital	280	-	3,230	3,510
Issue costs	-	-	(170)	(170)
Total comprehensive income	-	(1,279)	-	(1,279)
Balance at 31st May 2016	8,806	(12,611)	10,451	6,646
Changes in equity				
Issue of share costs	267	-	3,069	3,336
Issue costs	-	-	(86)	(86)
Balance at 28 July 2016	9,073	(12,611)	13,434	9,896

On 29 July 2016, the company carried out a consolidation and redenomination of ordinary shares. Shareholders received 1 new \$1 share for every 734 £0.001 shares held. On the same date there was a change in functional currency of the company in United States dollar.

	Called up share capital \$'000	Profit and loss account \$'000	Share premium \$'000	Total equity \$'000
Balance at 29 July 2016 (restated for redenomination)	11,938	(15,746)	17,675	13,867
Issue of share costs	625	-	5,379	6,004
Total comprehensive income	-	1,604	-	1,604
Balance at 30 November 2016	12,563	(14,142)	23,054	21,475

CRAVEN HOUSE CAPITAL PLC

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016**

	Six months ended		Year Ended
	30 Nov 2016	30 Nov 2015	31 May 2016
	(Unaudited)	(Unaudited)	(Audited)
	\$'000	£'000	£'000
Cash flows from operating activities			
Cash (used in)/generated from operations	2,153	(79)	(109)
Interest paid	-	-	-
Net cash (used in)/generated from operating activities	2,153	(79)	(109)
Cash flows from investing activities			
Sale of fixed asset investments	538	-	-
Issue of shares	10,485	-	1,073
Repayment of loans	(471)	-	-
Interest received	45	-	(44)
Net cash generated from investing activities	10,597	-	1,029
Cash flows used in financing			
Advance of loans	(13,531)	8	(1,073)
Repayment of loans	724	-	-
Net cash (used in)/generated from financing activities	(12,807)	8	(1,073)
(Decrease)/increase in cash and cash equivalents	(57)	(71)	(153)
Cash and cash equivalents at the beginning of period as restated in \$	93	217	217
Cash and cash equivalents at the end of the period	36	146	64
Cash and cash equivalents consist of:	36	146	64
Cash and cash equivalents included in current Assets			

During the period share capital called up, allotted but not fully paid amounted to \$3,000,000. This amount was received post period end.

1. ACCOUNTING POLICIES

General Information

Craven House Capital plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the company information page. The Company is listed on the AIM Market of the London Stock Exchange (code: CRV).

The next annual financial statements of Craven House Capital plc will be prepared in accordance with applicable International Financial Reporting Standards (IFRS) as adopted for use by the European Union. Accordingly, the interim financial information in this report has been prepared using accounting policies consistent with IFRS. IFRS are subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an on-going process of review and endorsement by the European Commission. The financial information has been prepared on the basis of the IFRS that the directors expect to be applicable as at 31st May 2017.

The financial information has been prepared under the historical cost convention except in relation to the fair value adjustments required by accounting standards. The principal accounting policies have been applied to all periods presented.

This financial information is unaudited and does not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006. The financial statements of the Company for the year ended 31 May 2016, which were prepared in accordance with IFRS as adopted for use by the European Union, have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not include any statement under Section 498 of the Companies Act 2006.

This financial information is presented in United States dollar, rounded to the nearest \$'000. United States dollar is now considered to be the currency of the primary economic environment in which the company operates following a significant change in the operation of the company and share redenomination on 29th July 2016. Previously the information was presented in pounds sterling.

The directors do not propose the issuance of a dividend.

The interim financial information for the six months ended 30 November 2016 was approved by the directors on 27th February 2017.

Going concern

The Company has considerable financial resources. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing financial information.

CRAVEN HOUSE CAPITAL PLC

**NOTES TO THE FINANCIAL INFORMATION - continued
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016**

2. Finance expense

	Six months ended		Year Ended
	30 Nov 2016 (Unaudited) \$'000	30 Nov 2015 (Unaudited) £'000	31 May 2016 (Audited) £'000
Loan interest	<u>8</u>	<u>9</u>	<u>157</u>
	<u>8</u>	<u>9</u>	<u>157</u>

3. Taxation

No tax charges arose in the period or in comparative periods as a result of losses incurred.

4. Investments at fair value through profit or loss

	Quoted Investments \$'000	Unquoted Investment \$'000	Total \$'000
At 1 June 2016 (restated for redenomination)	-	6,718	6,718
Additions	-	13,531	13,531
Disposals	-	(1,262)	(1,262)
Revaluations	-	160	160
At 30 th November 2016 (unaudited)	<u>-</u>	<u>19,147</u>	<u>19,147</u>

The revaluation outlined above represents the valuation applied to the resulting investments held by Craven Industrial Holdings Plc or its subsidiaries as at the 30 November 2016 and described in further detail below.

Unquoted investments at 30 November 2016 have been measured on a Level 3 basis as no observable market data was available. These investments are as follows:

Shares in Craven Industrial Holdings Plc are valued at \$19,147,218 representing a 100% holding. These have been valued based on the underlying investments within Craven Industrial Holdings plc at the 30 November 2016. The value of Craven Industrial Holdings plc is segmented across its principal investments as follows:

Shares in Craven House Industries Limited are valued at \$300,000, representing a 95% holding. Craven House Industries Limited is the 50.1% shareholder of Finishtec Acabamento Tecnicos em Matais Ltd ("Finishtec"). This shareholding has been valued on a net assets basis which the Directors believe represents the best indication of the fair value at the period end. Previously this investment was valued at the price of the recent investment and the change in valuation method was made to reflect current market conditions.

4. Investments at fair value through profit or loss (continued)

Shares in Ceniako Limited valued at \$1,293,020 representing a 49% holding. This has been valued at the price originally paid by Craven House Capital as the Directors believe that the price of recent investment continues to represent the best indication of the fair value at the period end based on the information available to them regarding net assets. There have been no changes or events subsequent to the original investment that would imply a change in the investment's fair value.

Shares in Kwikbuild Corporation Ltd valued at \$3,307,423 representing a 97% shareholding. This valuation is based on the value of the net assets of KwikBuild Corporation Ltd, which the Directors believe represent the best indication of the fair value at the period-end. The majority of these net assets comprise of investment in; a portfolio of agricultural and industrial investments, the valuation of which is supported by substantial land and real estate investments; and import and distribution businesses, the valuation of which is supported by a multiple of future earnings of the businesses. Previously the investment was valued at the transaction price and the change in valuation method was made to reflect current market conditions.

Shares in Pressfit Holdings Plc valued at zero, representing a 22.6% holding. The value of the shares have been written down to zero as the Directors believe that this is the best indication of the value at the period end.

Loans to Craven House Angola LDA valued at \$9,485,000 being the actual amount loaned during the period.

Loans To e-Kwikbuild Housing Co. (Pty) Ltd valued at \$1,476,200 being the actual amount loaned during the period and the preceding period, after repayments.

CRAVEN HOUSE CAPITAL PLC

**NOTES TO THE FINANCIAL INFORMATION - continued
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2016**

5. CALLED UP SHARE CAPITAL

Authorised, issued and fully paid share capital as at 30 November 2016 are as follows:

Number	Class:	Nominal Value	30 Nov 2016 (Unaudited) \$'000	31 May 2016 (Audited) £'000
2,469,131 (2015: 805,540,872)	Ordinary	\$1 (to 28.07.16 £0.001)	2,406	1,086
77,979,412	Deferred	£0.09	9,234	7,018
77,979,412	Deferred	£0.009	923	702
			12,563	8,806

The deferred shares carry no entitlement to receive notice of any general meeting, to attend, speak or vote at such general meeting. Holders are not entitled to receive dividends, and on a winding up of the Company holders of deferred shares are entitled to a return of capital only after the holder of each Ordinary share has received a return of capital together with a payment of £1 million per share. The deferred shares may be cancelled at any time for no consideration by way of a reduction in capital.

On 16 June 2016, the Company allotted 266,828,899 new ordinary shares to various shareholders as a new issue of shares.

On 29 July 2016, the company carried out a consolidation and redenomination of ordinary shares. Shareholders received 1 new \$1 share for every 734 £0.001 shares held.

On 30 August 2016, the Company allotted 205,423 new ordinary shares to Xenod Tour Oikod Epeix Afon Daktylidi AE in exchange for a convertible loan of \$2,500,000.

On 5 September 2016, the Company allotted 29,200 new ordinary shares to facilitate the purchase of a plot of residential land with a value of \$365,000.

On 12 September 2016, the Company allotted 150,800 new ordinary shares to various shareholders as a new issue of shares.

On 21 November 2016, the Company allotted 240,000 new ordinary shares to various shareholders as a new issue of shares. At the 30 November 2016 unpaid share capital, included in other receivables totalled \$3,000,000.

In the period, the Company extended the time scale of 112,024 fully transferable exercisable warrants issued in the year ended 31st May 2012. At the date of issue the warrants could be exercised on or before 30th June 2014, this period has now been extended to 30th June 2018.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit/ (loss) attributable to the equity holders for the period of \$1,604,000 and on weighted average number of shares in issue of 408,494,354 (Six months ended 30 November 2015: loss of £122,000 and 805,540,872 shares; Year ended 31 May 2016 loss of £1,401,000 and 818,029,058 shares) being the weighted average number of shares, in issue during the period.

7. LOANS

Other loans of \$131,000 comprises loans made by Wise Star Capital Investment Limited, a Hong Kong investment company. The loans were provided to enable the Company to make qualifying investments under its Investing Policy and to provide working capital for the Company.

The loan provided by Wise Star Capital Investment Limited includes interest payable at a rate of 6% per annum. The loan was provided for 12 months dated 1st September 2011; however this loan has since been extended to at least 31st May 2017.

8. RELATED PARTY DISCLOSURES

During the period, the Company entered into the following transactions with related parties and connected parties:

Loans from Wise Star Capital Investment Limited

At the year end the Company owed \$131,000 to Wise Star Capital Investment Limited, Mr M J Pajak was Director of Wise Star Capital Investment Limited during the year. Details of the loan are set out in note 7.

Management fees payable to Desmond Holdings Limited

During the period the Company incurred management fees of \$99,742 from Desmond Holdings Limited. At the year end, included in trade creditors, is an amount of \$97,255 payable to Desmond Holdings Limited in respect of unpaid invoices.

9. EVENTS AFTER THE REPORTING PERIOD

On 5 December 2016, the Company acquired the entire share capital of Universal Properties Brasil Administracao de Imoveis Ltda ("UPBAI") for a total cash consideration of USD \$3,100,000. UPBAI is a holding company and as such has no trading activity. Its sole asset is a 500 hectare parcel of land in Canavieiras in the Bahia region of Brazil. The property comprises of four neighbouring land parcels and benefits from 7.5km of direct ocean-front real estate.