



# The Cardiff Property plc

Interim Report  
2013

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# The Cardiff Property plc

The group, including Campmass, specialises in property investment and development in the Thames Valley. The total portfolio under management, valued in excess of £33m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.

## Highlights

		<b>Six months 31 March 2013 (Unaudited)</b>	Six months 31 March 2012 (Unaudited)	Year 30 September 2012 (Audited)
<b>Revenue</b>	£'000	<b>254</b>	279	523
<b>Net assets per share</b>	pence	<b>1,243</b>	1,188	1,205
<b>Profit before tax</b>	£'000	<b>655</b>	350	435
<b>Earnings per share</b>	pence	<b>47.0</b>	22.6	26.5
<b>Interim/total dividend per share</b>	pence	<b>3.3</b>	3.3	12.3
<b>Gearing</b>	%	<b>Nil</b>	Nil	Nil

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## Interim Management Report

The Thames Valley commercial property market is primarily dominated by hi-tech and service oriented companies. There has been a marginal increase in letting activity in the six months to 31 March 2013, although larger corporates remain reluctant to commit to long term property decisions.

Enquiries and take up from small businesses have similarly improved, but many are constrained in their expansionary plans by the high level of business rates which is now becoming a greater proportion of property costs. Commercial leases are typically granted for a maximum term of 10 years, often with a tenant option to break after 5 years and an initial rent free period.

Financial markets have continued their recovery and overall confidence in the prime commercial property market has improved. The strength of the investment and letting market in central and west London offers positive indicators for commercial property located in the Thames Valley.

Residential values in Berkshire and Surrey generally remain unchanged. The high level of letting enquiries received is encouraging.

### Dividend

Your directors have declared an unchanged interim dividend of 3.3p (2012: 3.3p) which will be paid on 5 July 2013 to shareholders on the register on 7 June 2013.

### Financial

For the half year ended 31 March 2013 profit before tax amounted to £0.66m (March 2012: £0.35m; September 2012: £0.44m) which included an after tax profit from Campmoss Property Company Limited, our 47.62% jointly controlled entity, of £0.50m (March 2012: £0.14m; September 2012: £0.03m). The figures for Campmoss included profit on the sale of development properties as referred to below.

Revenue which represents gross rental income totalled £0.25m (March 2012: £0.28m; September 2012: £0.52m).

The group's share of revenue of Campmoss amounted to £1.30m (March 2012: £0.53m; September 2012: £1.09m) representing gross rental income of £0.88m (March 2012: £0.53m; September 2012: £1.09m) and property sales of £0.42m (March 2012: nil; September 2012: nil). The revenue figures for Campmoss are not included in group revenue.

The profit after tax attributable to shareholders for the 6 month period to 31 March 2013 amounted to £0.62m (March 2012: £0.30m; September 2012: £0.35m) and earnings per share was 47.0p (March 2012: 22.6p; September 2012: 26.5p).

Net assets of the group as at 31 March 2013 were £16.44m (March 2012: £15.90m; September 2012: £15.94m). The company's share of the net assets of Campmoss amounted to £6.71m (March 2012: £6.33m; September 2012: £6.22m).

## Interim Management Report **continued**

Net assets were equivalent to 1,243p per share (March 2012: 1,188p; September 2012: 1,205p). At the half year the company had nil gearing (March 2012: nil; September 2012: nil) whilst that for Campmoss was 70% (March 2012: 65%; September 2012: 104%).

The directors are of the opinion that, in the current market, any change in the value of the group's property portfolio as at 31 March 2013 would not be material.

The company did not purchase any of its own shares during the period (March 2012: nil; September 2012: 16,720) and, other than mentioned above, there have been no material events or material changes in assets, liabilities or related party relationships since 30 September 2012.

### **Investment and development portfolio**

The group's portfolio, including Campmoss, comprises a range of freehold offices, retail and industrial units and a care home, located in the Thames Valley along the M4, A3 and M25 corridor to the west of Heathrow Airport.

At The White House, Egham, works to the upper floor offices are now close to completion with part already let. The five ground floor retail units are all occupied. Construction of the town centre scheme, which includes a hotel, apartments and further retail space has commenced and will, when completed, be a considerable boost to the Egham town centre commercial presence.

At The Windsor Business Centre and The Maidenhead Business Centre, which together comprise ten business units, all units are currently let on a mix of short and medium term leases. Two units are expected to become available before the year end.

At Heritage Court, Egham, three retail units are let on medium term leases. The lease on the fourth unit expires in June 2013 and is currently being marketed by local agents.

The company retains a freehold, two bedroom residential property in Egham which is let on an Assured Shorthold Tenancy. The property is located adjacent to our existing commercial investment at The White House.

### **Campmoss Property Company Limited**

Campmoss continues to refurbish and upgrade its freehold commercial property portfolio as well as progressing alternative planning submissions on existing properties.

Worplesdon View, a 78 bed care home at Tangleby Place, Worplesdon, is let to Barchester Healthcare Homes on a long term lease. Planning submissions for associated healthcare services on the adjoining land are currently being prepared.

At The Priory, Burnham, the business centre is fully occupied. Following a lease expiry on the adjacent three floors of office space, the ground and first floors have now been let whilst works to refurbish the upper floor are currently in progress.

At Britannia Wharf, Woking, the ground and two upper floors are occupied on short and medium term leases. Refurbishment of the lower ground floor office area will commence shortly. As part of the company's long term investment strategy, plans for a residential scheme are being progressed.

At Market Street, Bracknell, all twelve retail units are let on short to medium term leases. At Gowring House, Market Street, Bracknell, two of the retail units are occupied with the remaining unit currently under offer. A change of use was recently granted for a specific user. The first and second floors are now let to a gym operator and junior fitness centre, whilst planning proposals to change the remaining three upper floors from office to residential use have been submitted.

At Clivemont House and Highway House, Maidenhead, both buildings have been demolished. Whilst the office letting market remains quiet, alternative uses for the individual sites, which would improve value, are being reviewed.

At Kiln Lane, Bracknell, which comprises fourteen business units and an adjacent office suite, four leases are due to expire shortly and discussions are progressing with existing and prospective tenants.

At Datchet Meadows, a development of 37 residential units located between Datchet and Slough, 22 apartments are currently let on annual Assured Shorthold Tenancy Agreements. 4 sales were completed during the first half of the financial year, bringing the total sold to 14. The remaining apartment is under offer for sale. All let units are available for sale or re-let at the expiry of existing tenancy agreements.

### Quoted Investments

The company retains small holdings in ImmuPharma and Galileo Resources. The company was one of the original investors in both companies and I remain a director of Galileo Resources.

### Registrar & Transfer Office

The company's registrar is Neville Registrars Ltd. They can be contacted at Neville House, 18 Laurel Lane, Halesowen B63 3DA, telephone number 0121 585 1131 and email: info@nevilleregistrars.co.uk.

### Outlook

The group, including Campmoss, has achieved a number of lettings, lease surrenders and sales during the first half of the year and, as a consequence, Campmoss has reduced its indebtedness and the group has a strong financial platform to progress as the market recovers.

Some analysts believe that the commercial property market is poised for a turnaround and recovery in rental values. Although a return of confidence is welcome, I and my fellow directors are of the view that any sustained recovery is unlikely in the short term. The group has a number of interesting projects to plan and complete and I look forward to reporting further at the end of the financial year.

### J Richard Wollenberg

Chairman  
29 April 2013

## Condensed Consolidated Interim Income Statement

for the six months ended 31 March 2013

	<b>Six months 31 March 2013 (Unaudited) £'000</b>	Six months 31 March 2012 (Unaudited) £'000	Year 30 September 2012 (Audited) £'000
<b>Revenue</b>	<b>254</b>	279	523
Cost of sales	<b>(57)</b>	(37)	(82)
<b>Gross profit</b>	<b>197</b>	242	441
Administrative expenses	<b>(223)</b>	(213)	(419)
Other operating income	<b>127</b>	127	264
<b>Operating profit before gains/(losses) on investment properties and other investments</b>	<b>101</b>	156	286
Profit on sale of other investments	<b>2</b>	—	27
Deficit on revaluation of investment properties	<b>—</b>	—	(22)
<b>Operating profit</b>	<b>103</b>	156	291
Financial income	<b>54</b>	54	111
Share of results of jointly controlled entity	<b>498</b>	140	33
<b>Profit before taxation</b>	<b>655</b>	350	435
Taxation	<b>(34)</b>	(47)	(85)
<b>Profit for the period attributable to equity holders</b>	<b>621</b>	303	350
<b>Earnings per share on profit for the period — pence</b>			
Basic and diluted	<b>47.0</b>	22.6	26.5
<b>Dividends</b>			
Final 2012 paid 9.0p (2011: 9.0p)	<b>119</b>	121	121
Interim 2012 paid 3.3p (2011: 3.3p)	<b>—</b>	—	44
	<b>119</b>	121	165
Final 2012 proposed 9.0p	<b>—</b>	—	119
Interim 2013 proposed 3.3p (2012: 3.3p)	<b>44</b>	44	—
	<b>44</b>	44	119

The above results relate entirely to continuing activities. There were no acquisitions or disposals of businesses during these periods.

# Condensed Consolidated Interim Balance Sheet

at 31 March 2013

	<b>31 March 2013 (Unaudited) £'000</b>	31 March 2012 (Unaudited) £'000	30 September 2012 (Audited) £'000
<b>Non-current assets</b>			
Freehold investment properties	4,020	4,002	3,980
Investment in jointly controlled entity	6,718	6,327	6,220
Property, plant and equipment	185	185	184
Other financial assets	440	321	458
Deferred tax asset	4	4	4
<b>Total non-current assets</b>	<b>11,367</b>	10,839	10,846
<b>Current assets</b>			
Stock and work in progress	668	668	668
Trade and other receivables	1,419	2,123	2,189
Cash and cash equivalents	3,586	2,874	2,808
<b>Total current assets</b>	<b>5,673</b>	5,665	5,665
<b>Total assets</b>	<b>17,040</b>	16,504	16,511
<b>Current liabilities</b>			
Corporation tax	(132)	(156)	(98)
Trade and other payables	(401)	(378)	(409)
<b>Total current liabilities</b>	<b>(533)</b>	(534)	(507)
<b>Non-current liabilities</b>			
Deferred tax liability	(65)	(66)	(64)
<b>Total non-current liabilities</b>	<b>(65)</b>	(66)	(64)
<b>Total liabilities</b>	<b>(598)</b>	(600)	(571)
<b>Net assets</b>	<b>16,442</b>	15,904	15,940
<b>Equity</b>			
Called up share capital	264	268	264
Share premium account	5,076	5,076	5,076
Other reserves	2,625	2,486	2,640
Investment property revaluation reserve	(1,103)	(834)	(1,158)
Retained earnings	9,580	8,908	9,118
<b>Shareholders' funds attributable to equity holders</b>	<b>16,442</b>	15,904	15,940
<b>Net assets per share</b>	<b>1,243p</b>	1,188p	1,205p

## Condensed Consolidated Interim Statement of Cash Flows

for the six months ended 31 March 2013

	<b>Six months 31 March 2013 (Unaudited) £'000</b>	Six months 31 March 2012 (Unaudited) £'000	Year 30 September 2012 (Audited) £'000
<b>Cash flows from operating activities</b>			
Profit for the period	<b>621</b>	303	350
Adjustments for:			
Depreciation	<b>1</b>	1	2
Financial income	<b>(54)</b>	(54)	(111)
Share of profit of jointly controlled entity	<b>(498)</b>	(140)	(33)
Profit on sale of other investments	<b>(2)</b>	—	(27)
Surplus on revaluation of investment properties	<b>—</b>	—	22
Taxation	<b>34</b>	47	85
<b>Cash flows from operations before changes in working capital</b>	<b>102</b>	157	288
Decrease in trade and other receivables	<b>770</b>	77	11
Decrease in trade and other payables	<b>(8)</b>	(46)	(15)
<b>Cash generated from operations</b>	<b>864</b>	188	284
Tax paid	<b>—</b>	—	(98)
<b>Net cash flows from operating activities</b>	<b>864</b>	188	186
<b>Cash flows from investing activities</b>			
Interest received	<b>54</b>	54	111
Acquisition of investments, and property, plant and equipment	<b>(41)</b>	—	—
Proceeds on disposal of investments and property, plant and equipment	<b>20</b>	—	40
<b>Net cash flows from investing activities</b>	<b>33</b>	54	151
<b>Cash flows from financing activities</b>			
Purchase of own shares	<b>—</b>	—	(117)
Dividends paid	<b>(119)</b>	(121)	(165)
<b>Net cash flows from financing activities</b>	<b>(119)</b>	(121)	(282)
<b>Net increase in cash and cash equivalents</b>	<b>778</b>	121	55
Cash and cash equivalents at beginning of period	<b>2,808</b>	2,753	2,753
<b>Cash and cash equivalents at end of period</b>	<b>3,586</b>	2,874	2,808

## Other Primary Statements

for the six months ended 31 March 2013

### Condensed Consolidated Interim Statement of Comprehensive Income and Expense

	<b>Six months 31 March 2013 (Unaudited) £'000</b>	Six months 31 March 2012 (Unaudited) £'000	Year 30 September 2012 (Audited) £'000
<b>Profit for the financial period</b>	<b>621</b>	303	350
<b>Other items recognised directly in equity</b>			
Net change in fair value of available for sale assets	—	—	150
<b>Total comprehensive income and expense for the period attributable to equity holders of the parent company</b>	<b>621</b>	303	500

## Other Primary Statements *continued*

for the six months ended 31 March 2013

### Condensed Consolidated Interim Statement of Changes in Equity

	Share capital £'000	Share premium account £'000	Other reserves £'000	Investment property revaluation reserve £'000	Retained earnings £'000	<b>Total equity £'000</b>
<b>At 1 October 2011</b>	268	5,076	2,486	(834)	8,726	<b>15,722</b>
Profit for the period	—	—	—	—	303	<b>303</b>
<i>Transactions with equity holders</i>						
Dividends	—	—	—	—	(121)	<b>(121)</b>
Total transactions with equity holders	—	—	—	—	(121)	<b>(121)</b>
<b>At 31 March 2012</b>	268	5,076	2,486	(834)	8,908	<b>15,904</b>
Profit for the period	—	—	—	—	47	<b>47</b>
Other comprehensive income	—	—	150	—	—	<b>150</b>
<i>Transactions with equity holders</i>						
Purchase of own shares	(4)	—	4	—	(117)	<b>(117)</b>
Dividends	—	—	—	—	(44)	<b>(44)</b>
Total transactions with equity holders	(4)	—	4	—	(161)	<b>(161)</b>
Transfer on revaluation of investment properties	—	—	—	(324)	324	<b>—</b>
<b>At 30 September 2012</b>	264	5,076	2,640	(1,158)	9,118	<b>15,940</b>
Profit for the period	—	—	—	—	621	<b>621</b>
<i>Transactions with equity holders</i>						
Dividends	—	—	—	—	(119)	<b>(119)</b>
Total transactions with equity holders	—	—	—	—	(119)	<b>(119)</b>
Transfer on sale of other investments	—	—	(15)	—	15	<b>—</b>
Transfer on revaluation of investment properties	—	—	—	55	(55)	<b>—</b>
<b>At 31 March 2013</b>	264	5,076	2,625	(1,103)	9,580	<b>16,442</b>

## Statement of Responsibility

for the six months ended 31 March 2013

The directors are responsible for preparing the condensed consolidated interim financial statements for the six months ended 31 March 2013 and they acknowledge, to the best of their knowledge and belief, that:

- the condensed consolidated set of interim financial statements for the six months ended 31 March 2013 has been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the EU;
- the interim management report includes a fair review of the information required by:
  - a) DTR 4.2.7R of the Disclosure and Transparency Rules, being 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 interim financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the group during that period; and any changes in the related party transactions described in the last annual report that could do so.

**J Richard Wollenberg**, Chairman

**David A Whitaker**, Finance director

**Nigel D Jamieson**, Independent non-executive director

29 April 2013

# Notes to the Condensed Consolidated Interim Financial Statements

for the six months ended 31 March 2013

## 1. Basis of preparation

This condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. As required by the Disclosure and Transparency Rules of the Financial Services Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the group's published consolidated financial statements for the year ended 30 September 2012.

The comparative figures for the financial year ended 30 September 2012 are not the group's statutory accounts for that financial year. Those accounts have been reported on by the group's auditor and delivered to the registrar of companies. The report of the auditor was: unqualified; did not give any reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

### Accounting policies

The condensed consolidated interim financial statements have been prepared applying the accounting policies that were applied in the preparation of the group's published financial statements for the year ended 30 September 2012. Whilst numerous other IFRSs and Interpretations have been endorsed in the period to 31 March 2013 and have been adopted by the group, none of them has had a material impact on these interim financial statements.

### Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key areas in which estimates have been used and the assumptions applied are in valuing investment properties and properties in the jointly controlled entity, in valuing available for sale assets, in classifying properties and in the calculating of provisions.

An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the company's property portfolio at the end of each financial year. The directors of the jointly controlled entity value its portfolio each year; such valuation takes into account yields on similar properties in the area, vacant space and covenant strength. The directors of the group and jointly controlled entity review the valuations for the interim financial statements.

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### Going concern

The group has sufficient financial resources to enable it to continue in operational existence for the foreseeable future, to complete the current maintenance and development program and meet its liabilities as they fall due. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these interim financial statements.

## 2. Segmental analysis

The group manages its operations in two segments, being property and other investments and property development. The results of these segments are regularly reviewed by the board as a basis for the allocation of resources, in conjunction with individual site investment appraisals and to assess their performance. Information regarding the revenue and profit before taxation for each reportable segment is set out below:

	<b>Six months 31 March 2013 (Unaudited) £'000</b>	Six months 31 March 2012 (Unaudited) £'000	Year 30 September 2012 (Audited) £'000
<b>Revenue (wholly in the United Kingdom)</b>			
Property and other investments being gross rents receivable	<b>254</b>	279	523
<b>Profit before taxation</b>			
Property and other investments	<b>477</b>	236	199
Property development	<b>178</b>	114	236
	<b>655</b>	350	435

The operations of the group are not seasonal.

## Notes to the Condensed Consolidated Interim Financial Statements

for the six months ended 31 March 2013

### 3. Taxation

The tax position for the six month period is estimated on the basis of the anticipated tax rates applying for the full year.

### 4. Dividends

The interim dividend of 3.3p per share will be paid on 5 July 2013 to shareholders on the register on 7 June 2013. Under accounting standards this dividend is not included in the condensed consolidated interim financial statements for the six months ended 31 March 2013.

### 5. Earnings per share

Earnings per share has been calculated using the profit after tax for the period of £621,000 (March 2012: £303,000; September 2012: £350,000) and the weighted average number of shares as follows:

	Weighted average number of shares		
	<b>31 March 2013</b>	31 March 2012	30 September 2012
Basic and diluted	<b>1,322,287</b>	1,339,007	1,322,862

## Directors and Advisers

### Directors

J Richard Wollenberg  
Chairman and Chief Executive

David A Whitaker FCA  
Finance director

Nigel D Jamieson BSc, FCSI  
Independent non-executive director

### Secretary

David A Whitaker FCA

### Non-executive director of wholly owned subsidiary

#### First Choice Estates plc

Derek M Joseph BCom, FCIS

### Head office

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### Registered office

3 Assembly Square  
Britannia Quay  
Cardiff Bay CF10 4AX

### Auditor

KPMG Audit Plc

### Stockbrokers and financial advisers

Westhouse Securities Limited

### Bankers

HSBC Bank plc

### Solicitors

Morgan Cole

### Registrar and transfer office

Neville Registrars Limited  
Neville House  
18 Laurel Lane  
Halesowen  
B63 3DA  
Telephone: 0121 585 1131

### Registered number

22705

## Financial Calendar

### 2013

30 April  
5 June  
7 June  
5 July  
30 September  
December

Interim results for 2013 announced  
Ex dividend date for interim dividend  
Record date for interim dividend  
Interim dividend to be paid  
End of accounting year

### 2014

January  
February

Final results for 2013 announced  
Annual General Meeting  
Final dividend to be paid

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