

**THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY
AND ITS SUBSIDIARIES
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FOR RELEASE

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23 November 2022

THE CARDIFF PROPERTY PLC

(The Group, including Campmoss, specialises in property investment and development in the Thames Valley. The total portfolio including the jointly controlled Campmoss investment and development portfolio, valued in excess of £22m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.)

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Highlights:

		2022	2021
Net Assets	£'000	29,812	28,442
Net Assets Per Share	£	27.56	25.49
Profit Before Tax	£'000	2,697	1,259
Earnings Per Share – Basic and diluted	pence	218.23	91.91
Dividend Per Share	pence	20.5	18.5
Gearing	%	Nil	Nil

Richard Wollenberg, Chairman, commented:

“During the financial year under review the Thames Valley property market saw a marked upturn in activity with new lettings and investment sales reaching pre-pandemic levels. The last few months have however, seen a downturn in confidence following rising inflation worries and increases in interest rates and building costs.

In the current economic climate, the property market will be sensitive to economic and fiscal projections. Whilst the Thames Valley has historically remained resilient compared to the general market, the impact of current uncertainties cannot be underestimated.”

For further information:

The Cardiff Property plc
Shore Capital

Richard Wollenberg
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THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY AND ITS SUBSIDIARIES

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Chairman's Statement

Dear Shareholder,

During the financial year under review the Thames Valley property market saw a marked upturn in activity with new lettings and investment sales reaching pre-pandemic levels. The last few months have however, seen a downturn in confidence following rising inflation worries and increases in interest rates and building costs.

In the current economic climate, the property market will be sensitive to economic and fiscal projections. Whilst the Thames Valley has historically remained resilient compared to the general market, the impact of current uncertainties cannot be underestimated.

The Group, including Campmoss Property Company Limited "Campmoss" our 47.62% joint venture, completed a number of new lettings and agreed rent increases as a result of rent reviews.

Office rental levels remained firm over the year with lease terms on new leases being agreed for periods of between 5-10 years. A number of our leases include increases in rent and service charges linked to the Retail Price Index.

The majority of our retail tenants in Bracknell and Egham remained open during the pandemic and during the year new and existing lettings achieved marginal increases.

The Thames Valley residential market remained firm as evidenced by the successful sale of all apartments at Britannia Wharf, Surrey. Residential rental levels have also benefitted from increased demand over the year.

The Company's business units at Maidenhead, which offer ground floor industrial use with first floor offices, achieved small rental increases as leases expired or rents were reviewed. Business and warehouse space in the Thames Valley remained in demand although it should be remembered that the trend of working from home continues to place a strain on the office rental market.

Business units at the Windsor Business Centre, Windsor are let on a short-term basis whilst detailed plans are being prepared for submission.

Following the grant of planning for Affordable Housing, the Company's freehold property at Cowbridge Road, Cardiff, was sold to a local Housing Association in excess of book value.

At Burnham and Maidenhead, commercial property owned by Campmoss is let on a short-term basis whilst development proposals are discussed with the Local Authority.

FINANCIAL

For the year to 30 September 2022, the Group profit before tax was £2.70m (2021: £1.26m). This figure includes an investment property value increase of £0.30m (2021: £0.53m) for the Group and an after tax profit of £0.87m (2021: £0.07m) from our share in Campmoss and its subsidiary. The major contribution to the increase in Campmoss profit resulted from the sale of all apartments at the recently completed residential development at Britannia Wharf, Woking. The Company also received a dividend of £3.0m (2021: £0.50m) from its investment in Campmoss.

Revenue for the year, which represented gross rental income, excluding Campmoss, totalled £0.70m (2021: £0.60m). The sale of property in Cowbridge Road, Cardiff realised £1.02m.

The profit after tax attributable to shareholders for the financial year was £2.41m (2021: £1.08m) and the earnings per share was 218.23p (2021: 91.91p).

At the year-end, the Company's commercial portfolio was valued by Kempton Carr Croft at a total of £5.97m (2021: £5.92m) this valuation excludes the Company's freehold office property which was also valued by Kempton Carr Croft and is included in the balance sheet at valuation classified as property, plant and equipment.

The increase in the value of the commercial portfolio results from the increase in valuation less the carrying value of our investment property at Cowbridge Road, Cardiff, as mentioned earlier.

Property when completed and retained for re-sale is held as stock at the lower of cost or net realisable value. At the year-end this related to commercial property at The Windsor Business Centre owned by First Choice Estates plc, the Company's wholly owned subsidiary.

The Group's total property portfolio, including the jointly controlled Campmoss Group, was valued at £22.3m (2021: £34.8m). The majority of the reduction in value relates to the sale of Britannia Wharf, Woking by Campmoss.

The Company's share of the net assets of Campmoss Group, after receipt of the £3.0m dividend from Campmoss group, was £13.76m (2021: £15.9m).

The Group's total net assets as at the year-end were £29.81m (2021: £28.44m) equivalent to £27.56 per share (2021: £25.49) an increase of 8.1% over the year (2021: 4.7%). The Group, including Campmoss, has adequate financial facilities and resources to complete works in progress as well as the envisaged development programme. Cash balances are held on instant access or short-term deposit. At the year-end, the Company had nil gearing (2021: nil). During the year the Company purchased and cancelled 34,199 (2021: 78,525) ordinary shares at a total cost of £0.79m (2021: £1.49m).

The Company may hold in treasury any of its own shares purchased. This gives the Company the ability to reissue treasury shares and provides greater flexibility in the management of its capital base. At the year end the Company held nil (2021 : nil) shares in treasury. Any shares purchased by the Company not held in treasury will be cancelled and the number of shares in issue reduced accordingly.

The Company proposes to continue its policy of purchasing its own shares, whether to be held in treasury or to be cancelled, and a resolution renewing the directors' authority will be placed before the forthcoming Annual General Meeting to be held on 19 January 2023. This authority will only be exercised in circumstances where the directors regard such purchases to be in the best interests of shareholders as a whole. Full details are available on the Company's website www.cardiff-property.com.

Current IFRS accounting requires that deferred tax is recognised on the difference between, the cost of properties, including applicable indexation and quoted investments and their current market value. However, IFRS accounting does not require the same treatment in respect of the Group's unquoted investment in Campmoss, our 47.62% owned joint venture, which represents a substantial part of the Company's net assets. Whilst provision is made in Campmoss accounts for deferred tax, should the shares held in Campmoss be disposed of, for indicative purposes, based on the value in the Company's balance sheet at the year-end this would result in a tax liability of £3.44m (2021 : £3.9m) equivalent to £3.18 (2021: £3.56) per share calculated using a tax rate of 25% (2021: 25%). This information is provided to shareholders as an additional non-statutory disclosure.

DIVIDEND

The Directors recommend a final dividend of 15.0p per share (2021: 13.5p) making a total dividend for the year of 20.5p (2021: 18.5p), an increase of 10.8%. The final dividend will be paid on 3 February 2023 to shareholders on the register at 20 January 2023.

THE PROPERTY PORTFOLIO

The Group including Campmoss continues to concentrate its property activities in the Thames Valley, to the west of London, close to Heathrow Airport and in Surrey, Berkshire and Buckinghamshire.

During the year the Company completed lettings at Egham and Maidenhead whilst progressing development plans at Windsor.

Campmoss achieved new lettings at Burnham and Bracknell whilst planning applications are being prepared in respect of The Priory, Burnham and Highway House, Maidenhead.

Close liaison with our tenants remains a priority and continuing arrangements allowing some of our retail tenants to pay rental monthly rather than quarterly will remain in place. Most of the rental invoiced over the last two quarters has been received.

The Group (including Campmoss) total property portfolio contains: 43% retail sector, 8% business units, 14% residential and 35% offices (by value).

A number of property acquisitions in the Thames Valley were considered but not progressed as asking prices were considered to be unviable.

QUOTED INVESTMENTS

The Company retains a small portfolio of quoted short-term retail bonds and equity investments, with the former providing an attractive income stream. The value of the portfolio marginally decreased over the year primarily due to a number of bond holdings approaching their maturity date and increases in interest rates.

The equity investments include Aquila Services Group plc (the largest UK based affordable housing consultancy group) and Galileo Resources plc (a mining exploration company). I remain a Non-Executive Director of both.

RELATIONSHIP AGREEMENT

The Company has entered into a written and legally binding relationship agreement with myself, its controlling shareholder, to address the requirements of LR9.2.2AD of the Listing Rules.

MANAGEMENT AND TEAM

In a challenging environment the Group's continued success is dependent upon our small management team and our joint venture partner. I therefore wish to take this opportunity to thank them all for their support and achievements over the year.

OUTLOOK

Political and economic uncertainty together with rising inflation and increased interest rates will inevitably affect the property market. In the short-term activity in the property market will be limited as companies will not commit to investment decisions until clarity can be given. The fall in the value of the pound against other currencies will certainly attract some overseas investors but current uncertainties will limit their interest.

The next few months will prove challenging with events in the UK economy eagerly watched by investors.

I look forward to reporting to you further at the half year.

J. Richard Wollenberg
Chairman
22 November 2022

**Consolidated Income Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022	2021
	£'000	£'000
Revenue	703	596
Cost of sales	(64)	(33)
	<hr/>	<hr/>
Gross profit	639	563
Administrative expenses	(461)	(502)
Other operating income	574	553
	<hr/>	<hr/>
Operating profit before fair value movement on investment properties	752	614
Fair value movement on investment properties	299	533
	<hr/>	<hr/>
Operating profit	1,051	1,147
Financial income	80	54
Financial expense	(8)	(9)
Profit on sale of investment properties	706	-
Share of profit of Joint Venture	868	67
	<hr/>	<hr/>
Profit before taxation	2,697	1,259
Taxation	(291)	(181)
	<hr/>	<hr/>
Profit for the financial year attributable to equity holders	2,406	1,078
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Earnings per share on profit for the financial year – pence		
Basic and diluted	218.23	91.91
	<hr/> <hr/>	<hr/> <hr/>
Dividends		
Final 2021 paid 13.5p (2020: 12.8p)	150	152
Interim 2022 paid 5.5p (2021 5.0p)	60	59
	<hr/>	<hr/>
	210	211
	<hr/> <hr/>	<hr/> <hr/>
Final 2022 proposed 15.0p (2021: 13.5p)	162	151
	<hr/> <hr/>	<hr/> <hr/>

These results relate entirely to continuing operations.

**Consolidated statement of comprehensive income and expense
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022	2021
	£'000	£'000
Profit for the financial year	2,406	1,078
Items that cannot be reclassified subsequently to profit or loss		
Net change in fair value of other properties	59	8
Net change in fair value of investments at fair value through comprehensive income	(94)	(21)
	_____	_____
Total comprehensive income and expense for the year attributable to the equity holders of the Parent Company	2,371	1,065
	=====	=====

Consolidated Balance Sheet
AT 30 SEPTEMBER 2022

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Non-current assets				
Freehold investment properties		5,985		5,968
Property, plant, and equipment		300		240
Right of use asset		145		155
Investment in Joint Venture		13,758		15,890
Other financial assets		898		1,073
		<hr/>		<hr/>
		21,086		23,326
Current assets				
Inventory and work in progress	694		689	
Trade and other receivables	223		140	
Term deposits	4,041		1,907	
Cash and cash equivalents	4,912		3,594	
	<hr/>		<hr/>	
		9,870		6,330
Total assets		<hr/>		<hr/>
		30,956		29,656
Current liabilities				
Trade and other payables	(599)		(752)	
Corporation tax	(198)		(158)	
	<hr/>		<hr/>	
		(797)		(910)
Non-current liabilities				
Lease liability		(172)		(178)
Deferred tax liability		(175)		(126)
		<hr/>		<hr/>
Total liabilities		(1,144)		(1,214)
Net assets		<hr/>		<hr/>
		29,812		28,442
Equity				
Called up share capital		216		223
Share premium account		5,076		5,076
Other reserves		2,450		2,478
Investment property fair value reserve		2,095		1,814
Retained earnings		19,975		18,851
		<hr/>		<hr/>
Total equity		29,812		28,442
		<hr/>		<hr/>
Net assets per share		£27.56		£25.49
		<hr/>		<hr/>

**Consolidated Cash Flow Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022	2021
	£'000	£'000
Cash flows from operating activities		
Profit for the year	2,406	1,078
<i>Adjustments for:</i>		
Depreciation right of use assets	10	10
Financial income	(80)	(54)
Financial expense	8	9
Profit on sale of investments	(706)	-
Share of profit of Joint Venture	(868)	(67)
Fair value movement on investment properties	(299)	(533)
Taxation	291	181
	<hr/>	<hr/>
Cash flows from operations before changes in working capital	762	624
Acquisition of inventory and work in progress	(5)	(1)
(Increase)/decrease in trade and other receivables	(67)	97
(Decrease)/increase in trade and other payables	(128)	223
	<hr/>	<hr/>
Cash generated from operations	562	943
Tax paid	(218)	(43)
	<hr/>	<hr/>
Net cash flows from operating activities	344	900
	<hr/>	<hr/>
Cash flows from investing activities		
Interest received	81	49
Dividend from Joint Venture	3,000	500
Proceeds from sale of investment property	1,000	462
Acquisition of investment property, and plant and equipment	(39)	(45)
Acquisition of investments	-	(169)
Proceeds from sale of investments	81	-
Increase in held term deposits	(2,134)	(159)
	<hr/>	<hr/>
Net cash flows from investing activities	1,989	638
	<hr/>	<hr/>
Cash flows from financing activities		
Purchase of own shares	(791)	(1,492)
Lease payments	(14)	(14)
Dividends paid	(210)	(211)
	<hr/>	<hr/>
Net cash flows (used in)/from financing activities	(1,015)	(1,717)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	1,318	(179)
Cash and cash equivalents at beginning of year	3,594	3,773
	<hr/>	<hr/>
Cash and cash equivalents at end of year	4,912	3,594
	<hr/> <hr/>	<hr/> <hr/>

**Consolidated statement of changes in equity
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Share premium account	Other reserves	Investment property fair value reserve*	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 October 2020	239	5,076	2,475	3,139	18,151	29,080
Profit for the year	-	-	-	-	1,078	1,078
Other comprehensive income – revaluation of investments	-	-	(21)	-	-	(21)
Net change in fair value of own use freehold property	-	-	8	-	-	8
<i>Transactions with equity holders</i>						
Dividends	-	-	-	-	(211)	(211)
Purchase of own shares	(16)	-	16	-	(1,492)	(1,492)
Total transactions with equity holders	(16)	-	16	-	(1,703)	(1,703)
Fair value movements on investment properties - Cardiff	-	-	-	526	(526)	-
Disposal of property - Cardiff	-	-	-	(259)	259	-
Fair value movements on investment properties – Campmoss Group	-	-	-	(1,592)	1,592	-
At 30 September 2021	223	5,076	2,478	1,814	18,851	28,442
Profit for the year	-	-	-	-	2,406	2,406
Other comprehensive income – revaluation of investments	-	-	(94)	-	-	(94)
Net change in fair value of own use freehold property	-	-	59	-	-	59
<i>Transactions with equity holders</i>						
Dividends	-	-	-	-	(210)	(210)
Purchase of own shares	(7)	-	7	-	(791)	(791)
Total transactions with equity holders	(7)	-	7	-	(1,001)	(1,001)
Fair value movements on investment properties - Cardiff	-	-	-	299	(299)	-
Disposal of property - Cardiff	-	-	-	(171)	171	-

Fair value movements on investment properties on Campmoss Group	-	-	-	153	(153)	-
At 30 September 2022	216	5,076	2,450	2,095	19,975	29,812

* - Includes fair value movements on investment properties held by Campmoss Group, our Joint Venture, which are presented in investment property fair value reserve to demonstrate these are unrealised.

Notes to the Financial Statements FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Basis of preparation

The consolidated results for the year ended 30 September 2022 and 2021 are prepared in accordance with UK-adopted international accounting standards (“UK-adopted IAS”) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS and have been incorporated into the principal accounting policies.

The financial information set out above does not constitute the company’s statutory financial statements for the years ended 30 September 2022 or 30 September 2021 but is derived from those financial statements. Statutory financial statements for 2021 have been delivered to the Registrar of Companies and those for 2022 will be delivered in due course. The auditor has reported on those financial statements; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the financial statements for 2022 nor 2021.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will continue to meet its liabilities as they fall due. The Group’s activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman’s Statement and Strategic Report. The financial position of the Group, its property portfolio under management, asset base, liquidity and key performance indicators.

The Group has sufficient financial resources to enable it to continue to trade and to complete the current maintenance and development programme. The Group is ungeared, and the cash flow forecasts do not assume any debt being required. Therefore, the Directors believe that the Group is well placed to manage its business risks successfully despite the current economic uncertainty.

The Group is in the enviable position of having significant cash balances at 30 September 2022, the Cardiff Group had cash balances of £4.9m and a further £4.0m term deposits (with maturity dates of 95 days), in addition the Company has investments of £0.9m of which £0.8m are readily marketable. The Group has an operating cost base including tax and dividends of under £1m per annum so even with no income for several years the Group would remain solvent.

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

The Cardiff Group receives a management fee from Campmoss of around £0.5m per annum, there is no reason to assume this income would not be received as the Campmoss Group had cash balances at 30 September 2022, of £6.6m and a further £9.6m term deposits (with maturity dates of 95 days). Campmoss have an annual operating cost base excluding development but including the Cardiff management fee of under £1.5m, so Campmoss Group similarly has a strong balance sheet.

New, revised or changes to existing financial reporting standards

Subject to the adoption of the IFRS's available for application noted below, this announcement is prepared on the basis of the accounting policies as set out in the most recently published set of annual financial statements.

IFRS

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. None are expected to have a material impact on the consolidated financial statements of the Group.

2. Segmental analysis

The Group manages its operations in two segments, being property and other investment and property development. Property and other investment relates to the results for The Cardiff Property Company Limited where properties are held as investment property with Property Development relating to the results of First Choice Estates Plc and Thames Valley Retirement Homes Limited. 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 results and net operating assets for each reportable segment are set out below:

	Property and other investment	Property Development	Eliminations	2022 Total
	£'000	£'000	£'000	£'000
Rental income (wholly in the UK)	494	209	-	703
Property sales	706	-	-	706
Profit before taxation	2,433	264	-	2,697
Net operating assets				
Assets	27,006	5,038	(1,088)	30,956
Liabilities	(1,936)	(296)	1,088	(1,144)
Net assets	<u>25,070</u>	<u>4,742</u>	<u>-</u>	<u>29,812</u>

FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

	Property and other investment	Property Development	Eliminations	2021 Total
	£'000	£'000	£'000	£'000
Rental income (wholly in the UK)	434	162	-	596
Property sales	462	-	-	462
Profit before taxation	1,096	163	-	1,259
Net operating assets				
Assets	26,607	4,851	(1,802)	29,656
Liabilities	(2,765)	(251)	1,802	(1,214)
Net assets	<u>23,842</u>	<u>4,600</u>	<u>-</u>	<u>28,442</u>

“Eliminations” relate to inter segment transactions and balances which cannot be specifically allocated but are eliminated on consolidation.

3. Earnings per share

Earnings per share has been calculated in accordance with IAS 33 - Earnings Per Share using the profit after tax for the financial year of £2,406,000 (2021 : £1,078,000) and the weighted average number of shares as follows:

	Weighted average number of shares	
	2022	2021
Basic and diluted shares	<u>1,102,357</u>	<u>1,172,532</u>
Earnings per share (p)	<u>218.23</u>	<u>91.91</u>

There is no difference between basic and diluted shares as the Company has no potentially dilutive instruments in issue.

Financial Calendar

23 November 2022	Results announced for the year ended 30 September 2022
19 January 2023	Annual General Meeting/General Meeting
19 January 2023	Ex-dividend date for the final dividend
20 January 2023	Record date for the final dividend
3 February 2023	Final dividend to be paid
May 2023	Interim results for 2023 to be announced
30 September 2023	Year end

Directors and Advisers

Directors

J Richard Wollenberg
Chairman and chief executive

Karen L Chandler FCA
Finance director

Nigel D Jamieson BSc, FCSI
Independent non-executive director

Secretary

Karen L Chandler FCA

Non-executive director of wholly owned subsidiary

First Choice Estates plc
Derek M Joseph BCom, FCIS

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Statutory Auditor

PKF Littlejohn. LLP

Stockbrokers and financial adviser

Shore Capital

Bankers

HSBC Bank Plc

Solicitors

Blake Morgan LLP
Charsley Harrison LLP

Registrar and transfer office

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Telephone: 0121 585 1131

Registered number

00022705