THE CARDIFF PROPERTY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

www.cardiff-property.com
Stock code: CDFF

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.

OUR MISSION

The Group seeks to enhance shareholder value by developing its property portfolio and through strategic acquisitions.

CONTENTS

During the early part of the financial year the Thames Valley property market experienced a recovery from previous low levels of activity. However, this did not follow through for the remaining six-month period to September this year as tenants and investors were reluctant to commit to the property market resulting in a marked downturn in new lettings and investment sales particularly in the office sector.

Office, business unit and retail rents have adversely been affected by the reduction in activity although at Windsor and Maidenhead, our business unit rents have retained increases experienced over the past few years. Office rents remain under pressure with "working from home" continuing to affect both demand and occupancy.

Primarily as a result of rising interest rates, investment yields across the commercial sector have increased placing pressure on capital values.

J. Richard Wollenberg
Chairman

FINANCIAL HIGHLIGHTS

		2023	2022
Net Assets	£'000	**29,975**	29,812
Net Assets Per Share	£	**28.44**	27.56
Profit Before Tax	£'000	**1,262**	2,697
Earnings Per Share – Basic and diluted	pence	**104.62**	218.23
Dividend Per Share	pence	**22.0**	20.5
Gearing	%	**Nil**	Nil

LOCATIONS

The Group specialises in property investment and development in the Thames Valley.

BRACKNELL

1-10 Market Street*
12 retail units on ground and first floors totalling 7,900 sq. ft. Let primarily to local businesses and national franchisees on medium term leases producing £196,000 p.a.

Alston House, 25 Market Street*
Development completed in 2019 – 10 retail units on ground and first floor totalling 12,350 sq. ft. and 12 two-bedroom apartments on the second and third floors. All retail units are let on medium term leases producing £292,000 p.a. The apartments are let on Assured Shorthold Tenancy Agreements producing £149,000 gross p.a.

Gowring House Apartments*
30 one and two-bedroom apartments over five upper floors with lift access. 25 apartments sold, five let on Assured Shorthold Tenancy Agreements producing £63,000 gross p.a. including parking. Gowring House is conveniently located for Bracknell railway station with direct connections to London Waterloo and Reading and within walking distance of the new town centre, including the Lexicon and Peel Shopping Centre.

Gowring House Commercial*
3 ground floor retail units let on medium term leases producing £99,000 p.a.

Westview*
Adjacent to Gowring House, eight retail units on ground and first floors totalling 10,500 sq. ft. fully let on medium term leases producing £232,000 p.a.

BURNHAM

The Priory*
26,000 sq. ft. headquarters office building. Including 9,000 sq. ft. used as a Business Centre and 17,000 sq. ft. on three floors of adjacent offices. The majority of individual suites at the Business Centre are let with one floor of the main building currently available. Net rental currently £372,000 p.a. estimated to increase to £511,000 when fully let.

EGHAM

Heritage Court
Four retail units let on medium term leases and ground rents producing £84,000 p.a.

Station Road
Company Head Office totalling 1,450 sq. ft.

The White House
Five ground floor retail units with one floor of offices above totalling 12,000 sq. ft. Tenants include: Verisure, and Egham Essentials, producing £191,000 p.a. Part of the upper floor offices and one retail unit is vacant.

GUILDFORD

Tangley Place, Worplesdon*
2.5 acres, land in green belt.

MAIDENHEAD

Highway House*
Building demolished. Planning approval for a new 48,000 sq. ft. gross B1 office scheme being updated. Agents appointed to seek a pre-letting. Land let on short term lease for car parking at a rental of £55,000 p.a.

Maidenhead Enterprise Centre
Six business units totalling 14,000 sq. ft. All let producing £173,000 p.a.

SLOUGH

Datchet Meadows*
Development of 37 apartments. All sold on long leases producing ground rents of £22,000 p.a.

READING

Tilehurst
Tilehurst, Reading, vacant area of land totalling approximately 0.4 acres. Discussions with the Local Authority regarding development are ongoing.

WINDSOR

Windsor Business Centre
Four business units totalling 9,500 sq. ft. let on short term leases producing rental of £226,000 p.a. Planning approval for new 20,000 sq. ft. office scheme is being renewed.

*Owned by Campmoss Group our Joint Venture partner

CHAIRMAN'S STATEMENT

Dear Shareholder,

During the early part of the financial year the Thames Valley property market experienced a recovery from previous low levels of activity. However, this did not follow through for the remaining period to September this year as tenants and investors were reluctant to commit to the property market resulting in a marked downturn in new lettings and investment sales particularly in the office sector.

Office, business unit and retail rents have been adversely affected by the reduction in activity although at Windsor and Maidenhead, our business unit rents have retained increases experienced over the past few years. Office rents remain under pressure with "working from home" continuing to affect both demand and occupancy.

Primarily as a result of rising interest rates, investment yields across the commercial sector have increased placing pressure on capital values.

The Group's residential interests primarily in Bracknell benefitted from a strong rental market. All apartments are let on Assured Shorthold Tenancy Agreements which are renewed on an annual basis.

During the year the Group, including Campmoss our 47.62% Joint Venture, completed a number of lettings mainly to existing tenants renewing leases. Rent reviews where applicable were agreed at marginal increases.

Liaison with the Group's tenants which comprise mainly small businesses remains a priority. The majority of retail tenants continued to trade during the Covid period and have subsequently grown their businesses.

At The Priory, Burnham planning permission has been secured for a 75-bedroom Care Home and several opportunities for the site are being pursued.

At Windsor and Maidenhead, planning proposals continue to be discussed with the Local Authority and we are hopeful of a positive outcome. Shareholders should recognise that planning costs have risen substantially as a result of applications now requiring numerous independent reports. Planning lead in time and response have lengthened considerably leading to increased costs and uncertainties. The position is unlikely to improve in the short term.

FINANCIAL

For the year to 30 September 2023, the Group profit before tax was £1.3m (2022: £2.7m). This includes a negative revaluation of £0.3m (2022: positive revaluation £0.3m). Our share of after tax profit in Campmoss and its subsidiary amounted to £0.53m (2022: £0.87m). The Company received a dividend of £2.0m (2022: £3.0m) from its investment in Campmoss.

Revenue for the year which represented gross rental income, excluding Campmoss, totalled £0.7m (2022: £0.7m).

The profit after tax attributable to shareholders for the financial year was £1.11m (2022: £2.41m) and the earnings per share was 104.62p (2022: 218.23p).

At the year-end, the Company's commercial portfolio was valued by Kempton Carr Croft at a total of £5.64m (2022: £5.97m). 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 decline in capital values is due to the rapid increase in interest rates over the year.

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 fully owned subsidiary and residential apartments held by Campmoss.

The Group's total property portfolio, including the jointly controlled Campmoss group, was valued at £22.9m (2022: £22.3m).

The Company's share of the net assets of Campmoss group was £12.28m (2022: £13.76m) this is after receipt of dividends from Campmoss of £2.0m (2022: £3.0m).

The Group's total net assets as at the year-end were £29.98m (2022: £29.81m) equivalent to £28.44 per share (2022: £27.56) an increase of 3.2% over the year (2022: 8.1%). 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 or short-term deposit. At the year-end, the company had nil gearing (2022: nil).

During the year the company purchased and cancelled 27,977 (2022: 34,199) ordinary shares at a total cost of £0.68m (2022: £0.79m).

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 (2022: 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 18 January 2024. 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.

IFRS accounting requires that deferred tax is recognised on the difference between, the cost of properties, including applicable

CHAIRMAN'S STATEMENT CONTINUED

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 the 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 £3.07m (2022: £3.44m) equivalent to £2.91 (2022: £3.18) per share calculated using a tax rate of 25% (2022: 25%). This information is provided to shareholders as an additional non-statutory disclosure.

DIVIDEND

The Directors recommend a final dividend of 16.0p per share (2022: 15.0p) making a total dividend for the year of 22.0p (2022: 20.5p), an increase of 7.3%. The final dividend will be paid on 2 February 2024 to shareholders on the register at 19 January 2024.

THE PROPERTY PORTFOLIO

The Group, including Campmoss, continues to concentrate its property activities in the Thames Valley, primarily to the west of London, close to Heathrow Airport and in Surrey, Berkshire and Buckinghamshire. A detailed property review is set out in the strategic report on pages 5 to 11.

During the year the Company completed a number of new lettings in Maidenhead whilst progressing development plans at Windsor.

The Campmoss group property portfolio is predominantly let reflecting an active management policy. At The Priory, Stomp Road, Burnham a planning permission was granted for a new 75-bedroom care home whilst retaining the existing business centre. As mentioned earlier a number of opportunities are being considered. The current value of The Priory has been increased to £4.9m (2002: £4.3m).

The Groups property portfolio (including Campmoss) contains 43% retail, 7% business units, 13% residential and 37% offices (by value).

During the year, the Group investigated a number of acquisitions in the Thames Valley but in view of the uncertain market and economic conditions asking prices were considered to be unviable and therefore no purchases took place.

FOCUS ON ESG

The Group has a strategy of providing our tenants with environmentally sustainable and energy efficient and functional buildings when possible bearing in mind physical and financial constraints.

A large part of our property portfolio is relatively new having been developed by the Group within the last ten years. Where refurbishment has taken place the management team have given thought to all aspects of ESG together with related Health and Safety issues and implemented where viable and possible.

In respect of current planning applications design emphasis has been given towards sustainability and green policies as well as being energy efficient. Our aim is to create a good working environment and achieving a BREEAM rating of very good.

We continue to consider how the business can contribute towards the government policy of achieving a net zero economy. Due to the size of the business the amount of carbon emissions is very much limited however we continue to monitor and take appropriate action to reduce our impact on the climate.

The Company has included in this Annual Report climate-related financial disclosures consistent with the TCFD's recommendations and eleven recommended disclosures as required by LR 9.8.6 R (8). These can be found on pages 9 to 11.

QUOTED INVESTMENTS

The Company retains a small portfolio of quoted short-term retail bonds and equity investments with the former providing an income stream. The value has marginally decreased over the year and with the Retail Bond holdings approaching their maturity dates the proceeds when reinvested should attract a higher rate of return.

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

RELATIONSHIP AGREEMENT

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

MANAGEMENT AND TEAM

The Group's policy of close liaison with its tenants has been very challenging and I therefore wish to take this opportunity to thank all members of our small property team and our Joint Venture partners for their support and achievements during the year.

OUTLOOK

The prospect of high interest rates remaining over the next few years and the political and current economic uncertainty will inevitably limit any sustained recovery in the property market. The Thames Valley continues to retain its prime location status and should benefit from any recovery in the sector. There are many factors that will determine the direction of the property market over the next financial year, and I look forward to reporting further progress at the half year stage

J. Richard Wollenberg
Chairman
29 November 2023

STRATEGIC REPORT

The Directors present their Strategic Report on the Group for the year ended 30 September 2023.

REVIEW OF OUR BUSINESS

The Group specialises in property investment and development in the Thames Valley. The portfolio under management, including the total value of properties owned by our 47.62% Joint Venture, Campmoss Property Company Limited (and its subsidiary), is valued at the year-end at £22.9m. The Group's methodology is to acquire sites which, generally, have difficult planning considerations and use its expertise to add value by achieving planning and developing out the sites. The Group's business model is to grow by managing its existing freehold property portfolio and rapid response to opportunities as they arise and is focused on the long term.

PROPERTY PORTFOLIO UNDER MANAGEMENT

The total property portfolio below includes 100% of the assets of our jointly controlled Campmoss Group:

	2023 £'000	2022 £'000
Cardiff Group		
Investment properties	**5,655**	5,985
Own use freehold property	**290**	300
Inventory	**715**	694
	6,660	6,979
Campmoss Group		
Investment properties	**13,206**	12,336
Inventory	**2,999**	2,999
	16,205	15,335
Total	**22,865**	22,314

THE CARDIFF PROPERTY PLC PORTFOLIO

The Windsor Business Centre, Windsor, comprises four business units all let on short term leases. Planning Permission is being renewed for a new office scheme totalling, 20,000 sq. ft. gross and a detailed planning application is currently being prepared. The new scheme can incorporate a number of units and a marketing programme to seek a pre-letting is currently being prepared. The existing units are available for sale.

The White House, Egham, includes five ground floor retail units with air-conditioned offices on the upper floor. The retail units are all let on medium or short-term leases.

The Maidenhead Enterprise Centre, Maidenhead, comprises six individual business units. Individual units include industrial use on the ground floor with offices above. All units are let on a mixture of short and medium-term leases.

At Heritage Court, Egham, which adjoins the Company's offices, the building comprises four retail units all of which are let on short-term leases.

Tilehurst, Reading, comprising vacant area of land totalling approximately 0.4 acres. Discussions with the Local Authority are ongoing.

CAMPMOSS PROPERTY COMPANY LIMITED & SUBSIDIARY

The Campmoss Group, including its wholly owned subsidiary, Campmoss Property Developments Limited continued to actively manage its portfolio.

The Campmoss Group portfolio includes a range of office, retail and residential tenancies in Burnham, Bracknell, and Maidenhead which require active management in today's challenging market.

Results for the Campmoss Group are summarised below:

	2023 £'000	2022 £'000
Revenue	**1,233**	18,623
Cost of sales	**(1,329)**	(16,908)
Other income	**271**	248
Admin expenses	**(170)**	(192)
Surplus on fair value movement of investment properties	**725**	350
Net interest	**455**	111
Profit before tax	**1,185**	2,232
Tax	**(82)**	(408)
Profit after tax	**1,103**	1,824
Total comprehensive income for the year	**1,103**	1,824
Dividends	**(4,200)**	(6,300)
Net assets	**25,794**	28,891

CAMPMOSS GROUP PORTFOLIO

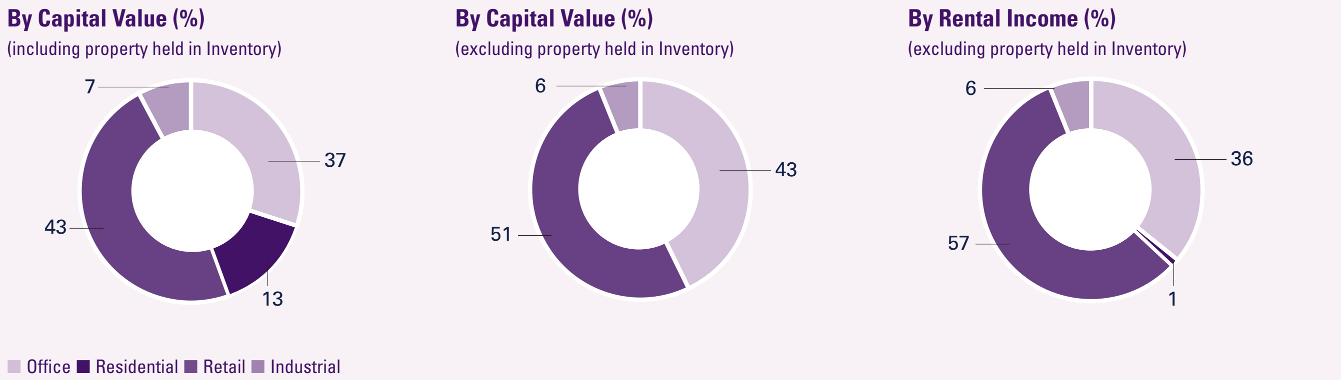
Britannia Wharf, Woking, all 52 apartments were sold during the prior year.

At Market Street, Bracknell, four adjacent buildings known as, 1-10 Market Street, Alston House, Westview and Gowring House comprise a total of 33 retail units on ground and first floor, with residential on the upper floors at Gowring House and Alston House. All retail units are let on medium term leases, primarily to national brand franchisees and small local businesses. At the year-end Campmoss Group held 5 apartments at Gowring House and 12 apartments at Alston House all of which are let on Assured Shorthold Tenancy Agreements.

At The Priory, Stomp Road, Burnham, the 26,000 sq. ft. existing office building comprises 17,000 sq. ft. of office premises on three floors and an adjoining Grade II Listed Office Building of 9,000 sq. ft. which is used as Business Centre. The majority of individual suites at the Business Centre are let with one floor of the main building currently available.

STRATEGIC REPORT CONTINUED

ANALYSIS OF GROUP PROPERTY PORTFOLIO



At Highway House, Norreys Drive, Maidenhead, planning was previously granted for a 48,000 sq. ft. gross new office scheme. A revised and updated office scheme to accord with changing market conditions is currently being prepared. A residential or care home scheme is also under consideration. The cleared site is let to an adjacent office user as a car park.

Taking into account difficult market conditions in the Thames Valley property market, and on external advice where available, the portfolio was valued at the year-end by the Directors of Campmoss and assessed at a current market value of £16.2m (2022: £15.3m). This figure includes property held for re-sale which is valued at the lower of cost or net realisable value.

Total revenue for the Campmoss Group for the year amounted to £1.2m (2022: £18.6m) representing £nil property sales (2022: £17.5m) and gross rental income £1.2m (2022: £1.1m). During the year Campmoss paid a dividend of £4.2m (2022: £6.3m) to its shareholders.

At the year-end Campmoss retained substantial cash balances which will fully fund the existing development programme. Cash balances are held on instant access or short-term deposits and gearing was £nil (2022: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal and emerging risks currently faced by the Group and its Joint Venture investment relate to:

- average length of unexpired tenancies and financial strength of tenants;
- changes in planning legislation;
- adverse market conditions resulting in a reduction in the value of the property portfolio;
- development risk;
- changes in interest rates;
- government policies (including policies relating to climate change legislation) and taxation;
- changes in investor sentiment towards the property sector;
- changes in lending policy by providers of finance;
- Cybercrime risk;
- Geopolitical risks;
- Reputation risk; and
- Legal and regulatory risk.

The Group mitigates these risks by managing its property portfolio taking regard of market rent and the terms of individual leases.

The Directors monitor available sources of information regarding the value of property and level of rental yields. They are also aware of potential changes in government policy and the implication of planning legislation and take action to reduce the risk to the Group where possible. External valuations of property held by Cardiff are commissioned annually. The Directors of Campmoss, the Joint Venture, carry out internal valuations of the Campmoss Group portfolio annually.

Development risk is mitigated by the use of experienced teams or development partners with robust Development Agreements.

Cash is deposited in fixed and variable interest rate accounts with such rates monitored to determine the appropriate length of time and level of funds to invest.

STRATEGIC REPORT CONTINUED

Common with many businesses cybercrime risk has become a greater focus of the business and external consultants and staff training are undertaken to minimise the evolving risk.

Geopolitical risks, for example the Ukraine Russia conflict, can have a significant impact on financial markets, this risk is mitigated as far as possible by maintaining cash balances that enable the Company to continue to repurchase own shares and minimising the equity investments held, currently 2.6% of net assets.

Reputational risks including ethics and integrity, cyber security and quality of service are considered in all aspects of the Group's business and actions taken to mitigate risks where possible through decision making in respect of development partners, and liaison with tenants.

Legal and regulatory risks specific to the industry are mitigated where possible by keeping up to date with changing requirements and use of external experts where applicable.

KEY PERFORMANCE INDICATORS

The key performance indicators used by the Directors for monitoring the performance of the business are shown in the graphs below and the consolidated five-year summary.

	Dividend per share pence	Net assets per share £	Profit before tax £'000	Earnings per share pence
2023	**22.00**	**28.44**	**1,262**	**104.62**
2022	20.50	27.56	2,697	218.23
2021	18.50	25.49	1,259	91.91
2020 restated	17.60	24.35	1,940	146.68
2019	17.10	22.85	1,653	123.1

The effectiveness of the Group's strategy is reflected in its performance over recent years. In the three years to 30 September 2022 net assets per share increased 20.6% from £22.85p per share to £27.56p per share, with a further increase of 3.2% to £28.44 at 30 September 2023. The Group benefits from substantial cash deposits and ongoing profitability. The interim and proposed final dividend increased from 17.10p per share to 20.50p per share over the period from September 2019 to September 2022 and, for the current year, the interim and proposed final dividend has been increased by 7.3% to 22.0p per share.

STRATEGIC REPORT CONTINUED

CONSOLIDATED FIVE YEAR SUMMARY

		2023	2022	2021	2020 Restated	2019
Income statement items						
Revenue being gross rental income	£'000	**662**	703	596	650	647
Profit before taxation	£'000	**1,262**	2,697	1,259	1,940	1,653
Dividends paid and proposed in respect of the year (1)	£'000	**232**	210	211	211	212
Dividend cover (2)	times	**5.4**	12.8	6.0	9.2	7.8
Dividend per share (3)	pence	**22.0**	20.5	18.5	17.6	17.1
Earnings per share (4)	pence	**104.62**	218.23	91.91	146.7	123.1
Balance sheet items						
Total assets	£'000	**30,919**	30,956	29,656	29,944	29,096
Total liabilities	£'000	**(944)**	(1,144)	(1,214)	(864)	(753)
Net assets	£'000	**29,975**	29,812	28,442	29,080	28,343
Number of shares in issue at 30 September	'000	**1,054**	1,082	1,116	1,195	1,240
Net assets per share attributable to shareholders (5)	£	**28.44**	27.56	25.49	24.35	22.85
Gearing	per cent	**nil**	nil	nil	nil	nil

(1) Dividends paid and proposed in respect of the year represent the interim paid and the final declared in any one financial year.

(2) Dividend cover is calculated as profit before taxation divided by dividends paid and proposed in respect of the year.

(3) Dividend per share is the interim dividend paid and final dividend proposed for the year ended 30 September.

(4) Earnings per share is calculated as profit after taxation divided by the weighted average number of shares, note 11.

(5) Net assets per share attributable to shareholders is calculated as net assets divided by number of shares in issue at 30 September.

Revenue, being gross rents receivable, amounted to £662,000 (2022: £703,000).

Sales of investment properties are treated as disposals of non-current assets with only the gain or loss on sale based on the difference between the proceeds and the balance sheet valuation being reflected in the income statement. Sales made by Campmoss Group are not included in the Group's revenue in accordance with IAS 28.

Your Board has again obtained independent valuations of the property portfolio (excluding those held by Campmoss Group which are based on Directors' valuations). These external valuations result in a decrease in the value of the Group's commercial portfolio of £332,000 (2022: £299,000 increase). Movements on the valuation of investment properties are taken to the Income Statement in accordance with IAS 40.

STATEMENT ON S172 OF THE COMPANIES ACT 2006

Section 172(1) of The Companies Act 2006 requires Directors of a Company to act in the way they consider, acting in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole taking into account:

a) the likely consequences of any decision in the long term,
b) the interests of the company's employees,
c) the need to foster the company's business relationships with suppliers, customers and others,
d) the impact of the company's operations on the community and the environment,
e) the desirability of the company maintaining a reputation for high standards of business conduct, and
f) the need to act fairly as between members of the company.

The stakeholders are key to the business for the following reasons:

- Employees – as noted in the Chairman's statement, in a challenging environment the Group's continued success is dependent upon our small management team and our Joint Venture partner. The relationship with the team is effective and feedback is honest and open, the newest member of the team joined seven years ago.

STRATEGIC REPORT CONTINUED

- Shareholders – ongoing support from shareholders, including support for resolutions at the AGM and lower volume of trades provides share price stability, see graph on page 19 to see how the share price has performed relative to the market.
- Tenants – are key to the business due to cash payments for rents. Relationships with tenants is very good with all tenants having a direct relationship with at least one member of the team. Working closely with tenants during the Covid-19 pandemic has helped to foster understanding relationships.

The Group is fortunate to have a loyal and long-standing shareholder base, and shareholders views are taken into account and discussed at Board meetings. Shareholder feedback during the year has been supportive and has not impacted on board decisions. Difficult decisions faced are limited to dealing with payment of rents on time which are managed by discussions with tenants. As the Board are shareholders, they consider whether any decisions made align with shareholders' best interests. The Company adopts a long-term investment and development strategy as set out in the Viability Statement on page 17.

The Company only has 6 employees including the Directors, so the remaining employees' views are sought as the team has a very close working relationship. The gender of the directors are two male, one female with the three employees all being female.

The Group selects suppliers based on their standards of business conduct and whose ethics in terms of environment and community align with the Group.

Any matters that are considered necessary are voted on at the AGM to ensure fairness between shareholders.

CORPORATE SOCIAL RESPONSIBILITY

In carrying out the Group's acquisition, development and management of commercial and residential property, we aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company. We continue to establish a diverse and dynamic workforce who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

The Group's policy is to minimise the risk of any adverse effect on the environment associated with its development activities with a thoughtful consideration of such key areas as energy use, pollution, transport, land use, ecology, renewable resources, health and wellbeing. The Group aims to reduce its carbon footprint as far as possible and adopts green and sustainable building methods where possible. The Group also aims to ensure that its contractors meet their legislative and regulatory requirements and that codes of best practice are met and exceeded. The Group is committed to maintaining high environmental standards in all its operations and minimising the impact of its activities on the surrounding environment. The nature of the work that we are involved in means that the Group has an opportunity, not only to minimise the negative impact on the environment but also to enhance and improve the environment in which we all live and work.

CLIMATE-RELATED FINANCIAL INFORMATION

The directors understand the significant importance investors, regulators and other users of corporate reporting place on climate and sustainability and have therefore been transparent in disclosing relevant information such that users of our annual report can make decisions about risks and opportunities related to climate change.

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. The Directors have considered the TCFD framework including the four pillars of Governance, Strategy, Risk Management and Metrics & Targets and their applicability to the Group.

The Company has included in this Annual Report climate-related financial disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and eleven recommended disclosures in accordance with LR 9.8.6 R (8). These can be found below.

The Board has considered the FRC 23 July 2023 published review of TCFD disclosures, focusing on climate-related metrics and targets. The Group acknowledges the FRC's desire to see concrete action plans and milestones rather than generic disclosures without a clear path to achieving emissions targets.

The TCFD has fulfilled its remit and disbanded concurrent with the release of its 2023 status report on 12 October 2023. The Financial Stability Board (FSB) has asked the IFRS Foundation to take over the monitoring of the progress of companies' climate-related disclosures which the Company will follow going forward.

Governance

a) Disclose the organisation's governance around climate-related risks and opportunities.

The Board aims to act responsibly in understanding initiatives that lower carbon emissions across the portfolio. Due to the size of the Company and having only three directors a separate risk committee has not been established but the need for one will be kept under review.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

The Company's management team involve the Directors and therefore all staff members will act responsibly in respect of lowering carbon emissions. There are only two other employees other than directors, but both have been engaged and understand the Group's strategy in respect of climate-related risks and opportunities. Due to the size of the Group the board have not delegated any responsibility for climate related risks to staff due to the inherent importance and evolving landscape.

Training and capabilities for both Directors and staff are recognised as being important and relevant training courses as well as the use of external consultants is under consideration.

Strategy

a) a) Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.

Climate-related risks including those related to the physical impacts of climate change (e.g. extreme changing market demand and carbon pricing) have been considered.

In identifying risks and opportunities, financial impact ranges have been assessed as follows:

- Low – less than £50,000
- Medium – between £50,001 and £250,000
- High – greater than £250.001

Time horizons have been assessed as follows:

- Short term – less than one year
- Medium term - one to three years
- Long term - greater than three years

Any new development undertaken will, incorporate tenant, statutory and legal requirements, including initiatives that potentially lower carbon emissions. In respect of current planning applications design emphasis has been given towards sustainability and green policies as well as being energy efficient creating a good working environment and working towards achieving a BREEAM rating of at least very good.

Since April 2023, it has been a legal requirement for all commercial rented properties to have an EPC (Energy Performance Certificate) rating of at least E. This is already a legal requirement for commercial and residential properties before they can receive a new or renewal lease, so EPC certificates are reviewed on a regular basis. This requirement was extended to include both new and existing commercial leases. A full review of the property portfolio is being undertaken and updated EPCs are being obtained where necessary. The Directors consider the impact of any improvement needed will be both medium term and medium cost across portfolio.

b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.

The main risks and opportunities due to climate-related risks are in respect of the existing property portfolio and any developments including those of our Joint Venture partner. The Chairman and director of out Joint Venture considers any changes in climate-related regulations and implications for the property portfolio. For the Company the development opportunity is limited to the Windsor Business Centre where any new development scheme would factor in appropriate costs. Planning regulations, building regulations and contracting partners would help ensure that compliance was achieved. In respect of current planning applications for the Group which includes Highways House, The Priory and Windsor Business Centre design emphasis has been given towards sustainability and green policies as well as being energy efficient creating a good working environment and working towards achieving a BREEAM rating of at least very good.

Sustainability aspirations	Topic area	Goals	Progress
Achieve carbon neutrality by 2030	Minimising our supply chain impact	Work closely with all suppliers and contractors to understand their carbon footprint. Evaluation of new suppliers to include consideration as to their ESG policies.	There were no changes in suppliers during the year ended 30 September 2023. Any changes in suppliers will involve completion of a supplier questionnaire including climate related risks as appropriate.
	Planning regulation environmental compliance	Ensure all planning applications include necessary environmental consideration reporting requirements.	Requirements for each local council where planning applications are submitted have been reviewed. External consultants appointed with detailed knowledge involved in all new planning application submissions.

STRATEGIC REPORT CONTINUED

Sustainability aspirations	Topic area	Goals	Progress
Energy use to be 100% renewable energy by 2025	Sustainable operations	Work towards achieving 100% percent renewable electricity by 2025.	Review of energy providers to the portfolio. Replace existing supply contracts with renewable energy contracts on renewal.

c) Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenarios.

For properties under management and new build changing climate scenarios are considered as part of risk management and where possible included in our strategy.

Requirement for insurance including a 2°C or lower scenarios has been discussed with the Company's insurance broker but is either not available or is deemed cost prohibitive.

The Directors have assessed the Group against various climate scenarios but consider any material changes will be long term given the limited size of the portfolio and the majority of our property is relatively new having been developed by the Group within the last ten years. Where refurbishment has taken place the management team have given thought to all aspects of ESG together with Health and Safety matters and implemented where viable and possible.

Risk Management

a) Describe the company's processes for identifying and assessing climate-related risks.

The Company's processes include the following:

- Keeping up to date with ever changing planning and government policy.
  - Building Regulations 2022 for example includes updated regulations include amendments to Approved Documents Part F (Ventilation) and Part L (Conservation of fuel and power) and the release of a new Approved Document for Overheating (Part O) and Infrastructure for charging electric vehicles (Part S).
  - The Future Homes Strategy will from 2025 require homes built to be 'zero carbon ready': such that they should not require further energy efficiency retrofit measures to become zero-carbon. The Standard is solely concerned with energy efficiency measures, thereby only addressing the in-use operational carbon of buildings.

b) Describe the company's processes for managing climate-related risks.

Due to the size of the business climate related risks are not considered material. The business will respond to each risk identified as the Board considers appropriate.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.

Due to the size of the business climate related risks are not considered material. The business will respond to each risk identified as the Board considers appropriate.

Metrics and Targets

a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.

The board is considering a proposal by a third party to assess the ESG reporting requirements applicable to the company and develop appropriate metrics.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

The Group recognise the revised disclosure of Scope 1 and Scope 2 GHG emissions to be independent of a materiality assessment and the revision to encourage disclosure of Scope 3 GHG emissions. As asset owners and managers, the Group notes disclosure recommendations in respect of GHG but notes that its scope 1 and 2 emissions are significantly below the 40 MWh threshold for other statutory reporting requirements and therefore sees no material need to provide this disclosure.

c) Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.

The Company is committed to acting responsibly in managing climate related risks and opportunities appropriate to the Company's property portfolio. As noted above the Group's energy consumption is significantly below statutory reporting thresholds and therefore the board has not established definitive reduction targets. The board will maintain a watching brief on this area.

J Richard Wollenberg
Chairman
29 November 2023

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

HEAD OFFICE
56 Station Road, Egham, TW20 9LF
Telephone: 01784 437444
E-mail: webmaster@cardiff-property.com
Web: www.cardiff-property.com

REGISTERED OFFICE
56 Station Road, Egham, Surrey, TW20 9LF

REGISTERED NUMBER
00022705

AUDITOR
MHA
Statutory Auditor
Building 4, Foundation Park, Roxborough Way,
Maidenhead, SL6 3UD

STOCKBROKERS AND FINANCIAL ADVISERS
Shore Capital
Cassini House, 57-58 St. James's Street, London, SW1A 1LD

BANKERS
HSBC Bank Plc
2nd Floor, 62-76 Park Street, London, SE1 9DZ

SOLICITORS
Blake Morgan LLP
One Central Square, Cardiff, CF10 1FS

Charsley Harrison LLP
Windsor House, Victoria Street, Windsor, SL4 1EN

REGISTRAR AND TRANSFER OFFICE
Neville Registrars Limited
Neville House, Steelpark Road, Halesowen, B62 8HD
Telephone: 0121 585 1131

J RICHARD WOLLENBERG (AGED 75)
Chairman and chief Executive
Was appointed a Director of the Company in 1980, became chief Executive in 1981 and chairman in 1989. J Richard Wollenberg has over 35 years' experience in property investment and development and has been actively involved in a number of corporate acquisitions, flotations, mergers and capital reorganisations of public and private companies. He is an Executive Director of Campmoss Property Company Limited and its subsidiary. He is also a Non-Executive Director of Aquila Services Group plc, which is quoted on the London Stock Exchange and a Non-Executive Director of Galileo Resources plc, quoted on AIM.

KAREN L CHANDLER (AGED 51)
Finance Director
Was appointed a Director of the Company on 21 January 2016. She is a chartered accountant having qualified with KPMG and has previously served as CFO of AIM quoted Zenergy Power plc (now Cloudcall Group plc) and of a number of private companies including GLID Wind Farms Limited and Advetec Holdings Limited. Karen is non-executive director of AdvancedAdvT Limited and Director of Celaton Limited.

NIGEL D JAMIESON BSC, FCSI (AGED 73)
Independent Non-Executive Director
Was appointed to the Board as a Non-Executive Director in 1991 and is chairman of the Company's Audit and Remuneration Committees. He has over 35 years' experience of the UK property market both as a general practice surveyor and as an investment analyst. He is an Executive Director of several independent property investment companies active in the London area and acts as an independent consultant to private clients on a range of property related matters.

NON-EXECUTIVE DIRECTOR OF WHOLLY OWNED SUBSIDIARY FIRST CHOICE ESTATES PLC

DEREK M JOSEPH BCOM, FCIS (AGED 73)
Derek is Chair of Aquila Services Group plc, quoted on the London Stock Exchange and specialising in urban regeneration and affordable housing. The Group trades through its three major subsidiaries, Altair Consultancy & Advisory Services Ltd, Oaks Limited and Aquila Treasury and Financial Solutions Ltd which is a treasury advisory company registered in the United Kingdom with the Financial Conduct Authority. The Aquila Group is currently undertaking assignments in 20 countries around the world and works for governments, city authorities, pan-national organisations, housing NGOs, trade bodies, as well as commercial organisations and banks involved in property investment.

Mr Joseph is also non-executive director of Assetcore Limited a second stage Fintech company, specialising in security management and an investment advisor to two major endowed charities.

Previously an Executive Director of Tribal Treasury Services Ltd and managing Director of HACAS Group PLC (now part of the Tribal Group), the largest independent quoted housing regeneration consultancy advising housing associations, local authorities and government departments on social housing, care and asset management. Derek's specialism was financial planning, structures, Joint Ventures and funding particularly for estate regeneration.

REPORT OF THE DIRECTORS

The Directors submit their annual report and the audited financial statements for the year ended 30 September 2023.

RESULTS

The results of the Group for the year are set out in the audited financial statements on pages 29 to 51.

DIVIDENDS

The Directors recommend a final dividend for the year of 16.0p per share (2022: 15.0p) payable on 2 February 2024. The total dividend paid and proposed in respect of the year, including the interim dividend of 6.0p (2022: 5.5p) per share, amounts to 22.0p per share (2022: 20.5p).

PRINCIPAL ACTIVITY

The principal activity of the Group during the year continued to be property investment and development. Certain information that fulfils these requirements and those of the UK Listing Authority Disclosure Rules and Transparency Rules which requires a management report can be found in the Chairman's Statement and Strategic Report on pages 5 to 11. A description of corporate social responsibility activities is included in the Strategic Report on page 9. The Company's statement on Corporate Governance can be found in the Corporate Governance report on pages 15 to 17 and it forms part of the Directors' Report and so is incorporated into this report by cross reference.

There are no persons with whom the Company has contractual or other arrangements which are essential to the business of the Company other than those included in the related party disclosures in note 25 on page 49.

BUSINESS REVIEW

See Strategic Report on pages 5 to 11.

LIKELY FUTURE DEVELOPMENTS

The Group expects to continue to generate rental income from its investment property portfolio. The Group intends to progress its development at the Windsor Business Centre and The Priory, Burnham, now that planning has been granted and will continue to try to secure planning at Colliers Way, Tilehurst. The Group does not currently nor intend to carry out research and development activities in the future.

FINANCIAL INSTRUMENT RISK

The Group's financial assets and liabilities are comprised predominantly of equity instruments in a Joint Venture, equity instruments in listed entities, and short-term cash deposits. The equity instruments represent long term positions taken by the Group and are held for both capital growth and income. The term and cash deposits which are held in financial institutions with an acceptable risk rating and have access terms which allow the Directors to pursue the Group's business objectives and service dividend policy. The risk profile and maturity of the Group's financial assets and liabilities is set out in note 26. The Group has not entered into any hedging arrangements.

DIRECTORS

The current Directors of the Company and the Non-Executive Director of a wholly owned subsidiary are listed on page 12. All served throughout the financial year.

In accordance with the Company's articles of association, J R Wollenberg will retire by rotation at the Annual General Meeting.

DIRECTORS' INTERESTS

Directors' and their connected persons interests in the ordinary shares of the Company were as follows:

	At 30 September 2023 Beneficial	At 30 September 2023 Beneficial
K L Chandler	**100**	100
N D Jamieson	**1,500**	1,500
J R Wollenberg	**618,838**	584,768

The increase in JR Wollenberg's shareholding in the year of 34,070 above are held by connected persons.

There were no changes in the Directors' shareholdings as stated above between 1 October 2023 and 29 November 2023.

At 30 September 2023 J Richard Wollenberg held 25,000 (2022: 25,000) ordinary shares of £1 each in Campmoss Property Company Limited, a Joint Venture, representing 2.38% (2022: 2.38%) of the issued share capital of that Company. No other Director has any interest in the share capital of any other Group Company.

DIRECTORS' OPTIONS

No Director held options at 30 September 2023 (2022: nil).

SUBSTANTIAL SHAREHOLDINGS

Other than J. Richard Wollenberg referred to above who with his family holds 58.7% (2022: 54.06%), the Company has not been notified of any holdings of 3% or more in the share capital of the Company at 29 November 2023.

ALLOTMENT OF SHARES

As special business at the Annual General Meeting, a resolution will be proposed to renew the power of your Directors to allot equity securities, pursuant to section 551 of the Companies Act 2006, such power being limited to one-third of the issued share capital of the Company. This authority may be renewed for five years but, in common with modern corporate governance practice, it is your Directors' intention that the resolution be limited to one year and that its renewal be proposed at each Annual General Meeting.

PRE-EMPTION RIGHTS

As special business at the Annual General Meeting a resolution will be proposed to renew for a further year the power of your Directors' to allot equity securities for cash

REPORT OF THE DIRECTORS CONTINUED

without first offering such securities to existing shareholders. The aggregate nominal amount of equity securities which may be allotted in this way shall not exceed £10,538, representing 5% of the present issued ordinary share capital of the Company.

PURCHASE OF OWN SHARES

At the Annual General Meeting held on 19 January 2023, authority was renewed empowering your Directors to make market purchases of up to 162,160 of the Company's own ordinary shares of 20p each. Under that authority, your Directors made market purchases of 27,977 shares (nominal value of £0.20 per share, total nominal value of £5,595) representing 2.6% of the issued share capital at 19 January 2023. These shares were purchased to enhance shareholder value and were purchased for an aggregate value of £679,000 (including stamp duty and charges) and cancelled. The number of shares in issue following these transactions was 1,053,810.

The existing authority for the Company to purchase its own shares expires at the conclusion of the Annual General Meeting to be held on 18 January 2024. The Directors wish to renew the authority and consent is therefore sought to approve resolution 8 set out in the Notice of Meeting on page [••] authorising the Directors to purchase up to 157,966 ordinary shares of 20p each (representing 14.99% of the present issued share capital), at a minimum price of 20p and a maximum price equal to 105% of the average of the middle market quotations for the ordinary shares of the Company as derived from the Daily Official List of The London Stock Exchange for the ten business days before the relevant purchase is made. The authority will expire at the conclusion of the Annual General Meeting in 2025 and it is your Directors' intention that a resolution for its renewal will be proposed at each succeeding Annual General Meeting.

The authority will only be exercised when the Directors are satisfied that it is in the interests of the Company so to do. The Company may hold in treasury any of its own shares purchased under this authority. This would give the Company the ability to reissue treasury shares and provides greater flexibility in the management of its capital base. Any shares purchased by the Company not held in treasury will be cancelled and the number of shares in issue reduced accordingly.

DONATIONS

Neither the Company or any subsidiary made any donations to a registered political party, other political organisation in the UK or any independent election candidate during this year or last.

AUDITOR

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that MHA be re-appointed as auditor will be put at the forthcoming Meeting.

PROVISION OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

GREENHOUSE GAS DISCLOSURES

The Cardiff Property plc has minimal greenhouse gas emissions to report from its operations and does not have responsibility for any other emissions producing sources under the 2018 Energy and Carbon Reporting Regulations, (including those within our underlying investment portfolio).

STREAMLINED ENERGY & CARBON REPORTING

The Group has not disclosed energy and carbon usage as it qualifies as a low energy user, using less than 40MWh per annum.

DIRECTORS AND OFFICER'S INDEMNITY INSURANCE

The Directors of the Company are covered by Directors and Officers Indemnity Insurance to the amount of £500,000 in each loss per policy period, with a sub-limit of £250,000 in respect of defence costs for pollution.

DISCLOSURE AND TRANSPARENCY RULES

Details of the Company's share capital are given in note 20. The Company has no share options.

There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Director as noted above.

The provisions covering the appointment and replacement of Directors are contained in the Company's articles, any changes to which require shareholder approval.

There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

RELATIONSHIP AGREEMENT

The Company has entered into a written and legally binding relationship agreement with the Board due to J R Wollenberg being a controlling shareholder, to address the requirements of LR9.2.2AD of the Listing Rules.

J Richard Wollenberg
Chairman
29 November 2023

CORPORATE GOVERNANCE

The Board is committed to maintaining appropriate standards of corporate governance.

The Board has had a strategy in place for a number of years. It meets regularly to review specific elements of its strategy ensuring it remains appropriate and is endorsed by the Board as a whole both in terms of its approach to investments and more widely in terms of its culture and in particular ensuring the directors act with integrity and promote the desired culture to the rest of the team.

The statement below, together with the report on Directors' remuneration on pages 18 to 21, explains how the Company has applied the principles set out in The UK Corporate Governance Code 2018 ("the Code") and contains the information required by section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules.

The Board have conducted an internal performance evaluation of the Board, its committees, and the individual Directors, led by independent Non-Executive Director Nigel D Jamieson supported by J Richard Wollenberg and Karen L Chandler. Given the size of the Company the Board has concluded that an independent facilitation of the performance evaluation was not necessary, but this will be kept under review. The Board has assessed the skills and knowledge of the Board and will continue to keep this under review.

DIVERSITY POLICY

The Board will apply a diversity policy when recruiting including consideration of age, gender, race, education and professional backgrounds. The Group has not recruited any new hires for over seven years. One of the three directors is female (33.3%) which is below the 40% target set by the FCA. The Finance Director is female however none of the board are from an ethnic minority group. Should a change in board be considered appropriate increasing the female representation and meeting the ethnic minority recommendations would be reviewed but with only three directors and one being female the current mix is considered appropriate.

All of the three other employees (100%) are female.

BOARD OF DIRECTORS

The Board currently consists of two Executive Directors and one independent Non-Executive Director. It meets regularly with staff throughout the year to discuss key issues and to monitor the overall performance of the Group. The Board has a formal schedule of matters reserved requiring Board approval. This includes publication of annual report and interim results, payment of dividends, purchasing of property, appointment of auditors, appointment of Directors, donations, property valuations, acquisition or disposal of investments and other material decisions. The Board met five times during the year.

Director	Board meetings attended	Audit committee meetings attended	Remuneration committee meetings attended
J R Wollenberg	5	2	2
KL Chandler	5	2	2
ND Jamieson	5	2	2
Total meetings held	5	2	2

JR Wollenberg has been Chairman for over nine years. The Board considers this appropriate given the level of shareholding JR Wollenberg and family hold. As noted in the remuneration report, the Chairman's bonus is linked to the increase in net assets which aligns to the strategic objectives of increasing shareholder value.

The Board views the Non-Executive Director as independent of the Board, notwithstanding his tenure being more than nine years. This is due to the range and depth of his external commitments and his ongoing experience in the property sector and his proven ability to challenge the Executive Directors at Board Meetings.

AUDIT COMMITTEE

The Audit Committee, which is chaired by the independent Non-Executive Director, Nigel Jamieson, comprises Nigel Jamieson and Richard Wollenberg, who have recent relevant financial experience.

The remit of the Audit Committee is to provide oversight of the Group finance and associated risk management procedures. The Audit Committee meets at least twice a year to consider the Group's financial affairs and the identified risks which may impact on the Group and to evaluate the adequacy of the safeguards which have been put in place to mitigate those risks. In addition, the Audit Committee meets periodically with the external auditors. The Audit Committee has previously concluded that due to the size of the Group an internal audit function is not required. This remains the view of the Audit Committee, but this decision will continue be reviewed at least annually.

Evaluation of external auditor and consideration of key findings

MHA were appointed as auditors with effect from 4 May 2023 and this is therefore their first year of appointment. The assessment of the independence and effectiveness of the external audit process and the approach taken to the appointment of the external auditors was carried out by the audit committee through an interview process and recommendations from other sources. The further evaluation of the audit process is described below.

Compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation Order 2014

The Group complies with the provisions of the Statutory Audit Services for Large Companies Market Investigation Order 2014 and as a PIE will change auditor at least once every ten years.

The Audit Committee meets with the auditor at least twice during the year. The Committee is satisfied that there has been effective engagement with the auditors.

At the Audit Committee meeting the auditors presented their audit findings and took questions from the Members on the scope of their work and their findings including those raised on internal procedures and controls. In keeping with best practice, the Audit Committee also met with the audit engagement partner without the Finance Director present. The Committee were satisfied with the effectiveness of the audit.

CORPORATE GOVERNANCE CONTINUED

The Audit Committee also considers auditor independence and, in doing so has a policy of not using the auditor for non-audit services. In advance of each audit, the Committee obtains confirmation from the external Auditor that they are independent and of the level of non-audit fees earned by them and their affiliates. No non-audit services were provided during the financial year ended 30 September 2023.

As part of the decision to recommend to the Board the re-appointment of the external auditor, the Committee considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Committee's choice of external auditor.

Financial reporting

After discussion with both management and the external auditor, the Audit Committee determined that the key risk of misstatement of the Group's financial statements related to property valuations in the context of current market conditions. This includes the property held by the Group's Joint Venture.

This issue was discussed with management during the year and with the auditor at the time the Committee reviewed and agreed the auditor's Group audit plan as well as at the conclusion of the audit of the financial statements.

Property valuation

As further explained in note 2 to the financial statements, our approach to valuing properties is to obtain an external independent valuation of the properties held by the Parent Company each year. The Directors of the Joint Venture value its properties each year considering yields on similar properties in the area, vacant space and covenant strength. They also consider external valuations and take external advice where necessary.

The Audit Committee is satisfied that the carrying value of properties is appropriate based on the use of an external independent valuer for The Cardiff Property portfolio and the experience and knowledge of the Directors in valuing the properties of the Joint Venture.

The Audit Committee discusses the results of the valuations with the Directors who provide information on assumptions used and provide appropriate explanation and evidence where possible for such assumptions.

REMUNERATION COMMITTEE

The Remuneration Committee consists of all Board Members and is chaired by Nigel Jamieson. It meets when required to consider all aspects of Directors' and staff remuneration, share options and service contracts. The Remuneration Committee met twice during the year.

COMPLIANCE STATEMENT

The Company has, other than where stated below, complied fully with the provisions set out in section 1 of the Code, during the year:

- the Chairman is also the Chief Executive;
- a Nominations Committee has not been established;
- the Audit Committee includes one Non-Executive Director (the Code recommends that the Audit Committee should comprise at least three, or in the case of smaller companies, two Non-Executive Directors); and
- the Remuneration Committee also consists of all Board Members (the Code recommends that the Remuneration Committee should comprise solely of Non-Executive Directors).

The Directors consider this structure to be a practical solution bearing in mind the Company's size and needs. However, it is intended to review this issue as the Group develops.

The Code requires that the Directors review the effectiveness of all internal controls, not only internal financial controls. This extends the requirement in respect of internal financial controls to cover all controls including financial, operational, compliance and risk management. The Company has procedures established which enable it to comply with the requirements of the Code in relation to internal controls.

INTERNAL CONTROL

The Directors confirm that they have reviewed the effectiveness of the Group's system of internal control for identifying, evaluating and managing the significant risks faced by the Group and they acknowledge their responsibility for that system. Such a system is designed to manage risk and can, however, only provide reasonable but not absolute assurance against material misstatement or loss.

The size of the Group and the small number of employees necessarily involves the Executive Directors closely in the day-to-day running of the Group's affairs. This has the advantage of the Executive Directors becoming closely involved with all transactions and risk assessments. Conversely, the Board is aware that its size also means that the division of functions to provide normal internal control criteria is problematic. The Board believes, however, that its close involvement with the day-to-day management of the Group eliminates, as far as possible, the risks inherent in its small size.

Key features of the system of internal control include:

- strategic planning – the Board considers the Group's position in respect of its marketplace and likely trends in that marketplace which will necessitate a change or adjustment to that position.
- investment appraisal and monitoring – all capital projects, contracts, business and property holdings and acquisitions are reviewed in detail and approved by the chairman or, if of a significant size, by the whole Board; and
- financial monitoring – cash flow and capital expenditure are closely monitored, and key financial information is reviewed by the Board on a regular basis.

The Board considers that there is an ongoing process for identifying, evaluating and managing the significant risks facing the Group that has been in place during the year, which is regularly reviewed and accords with the UK Corporate Governance Code (2018).

CORPORATE GOVERNANCE CONTINUED

INTERNAL FINANCIAL CONTROL

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions and disposals and for major capital expenditure;
- regular reporting and monitoring of development projects; and
- close involvement of the Chairman in the day-to-day operational matters of the Group.

The Directors consider the size of the Group and the close involvement of Executive Directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The Directors will continue to monitor this situation.

RELATIONS WITH SHAREHOLDERS

Presentations are given to investors by the Chairman when requested, normally following the publication of the half year and full year results, when interim and annual reports are published. The results of meetings with investors, media and analysts are discussed with Board Members to assist them in understanding the views of investors and others. All Directors, when possible, attend the Annual General Meeting at which they have the opportunity to meet with shareholders. Shareholders can vote electronically and can contact the Directors as required.

GOING CONCERN

After making enquiries the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from the date of this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

VIABILITY STATEMENT

In accordance with the 2018 revision of the Code, the Directors have assessed the prospect of the Company over a longer period than the 12 months required by the 'Going Concern' provision. The Board conducted this review for a period of five years, which was selected for the following reasons:

- the Group's strategic review covers a five-year period;
- for a major scheme five years is a reasonable approximation of the maximum time taken from obtaining planning permission to letting the property;
- most leases contain a five-year rent review pattern and therefore five years allows for the forecasts to include the reversion arising from those reviews; and
- the average unexpired lease term is between three and five years and there is a low void rate.

The five-year strategic review considers the Group's cash flows, dividend cover and other key financial ratios over the period. These metrics are subject to sensitivity analysis, which involves flexing a number of the main assumptions underlying the forecast both individually and in unison. Where appropriate, this analysis is carried out to evaluate the potential impact of the Group's principal risks actually occurring. The five-year review also makes certain assumptions about the normal level of capital recycling likely to occur and considers whether additional financing facilities will be required.

In its assessment of the viability of the Group, the Directors have considered each of the Group's principal risks and uncertainties detailed on page 6 and in note 3, and in particular the impact of a significant fall in the UK property market on the value of the Group's investment property portfolio. The Directors have also considered the Group's income and expenditure projections. The Group is in the enviable position of having significant cash balances. At 30 September 2023, the Cardiff Group had cash balances of £0.4m and a further £10.4m term deposits (generally with maturity dates of 95 days), in addition the Company has investments of £0.8m of which £0.7m 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 a number of years the Group would remain solvent.

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 2023, of £6.5m and a further £4.7m term deposits (generally with maturity dates of 95 days).

The Directors confirm that their assessment of the principal and emerging risks facing the Group was robust and comfort is taken from the average unexpired tenancies. Based upon the robust assessment of the principal risks facing the Group as detailed on page 6 and in note 3, and their stress-testing based assessment of the Group's prospects as described above, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

Registered office:
56 Station Road
Egham
Surrey
TW20 9LF

By order of the Board

K Chandler FCA
Secretary

29 November 2023

REMUNERATION REPORT

ANNUAL STATEMENT

Composition of the Remuneration Committee (not subject to audit)

Nigel D Jamieson	Independent Non-Executive Director, Chairman of the Committee
Karen L Chandler	Executive Director
J Richard Wollenberg	Executive Director

Remuneration policy is a matter for the Board as a whole. The Remuneration Committee works within the agreed policy to set individual Remuneration levels, although the Executive Directors do not participate in decisions regarding their own Remuneration. The Members of the Remuneration Committee have access to professional advice at the Company's expense, if necessary, in order to carry out their duties. No such advice was sought during the year. All Members served throughout the year. In setting Directors' Remuneration, the Committee has regard to other employees of the Company.

COMPLIANCE (NOT SUBJECT TO AUDIT)

In setting the Company's Remuneration policy for Directors, the Remuneration Committee has considered the best practice provisions annexed to The Financial Conduct Authority Listing Rules and the report has been prepared in accordance with the Directors' Remuneration Report Regulations 2019.

POLICY REPORT

Remuneration policies (not subject to audit)

The Remuneration policy was in effect from 1 October 2022 and prior and it is intended that these policies will be continued for the next year and subsequent years.

The Remuneration policy is designed to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Group and for long term enhancement of shareholder value. Remuneration packages take into account individual performance and the remuneration for similar jobs in other comparable companies where such companies can be identified. This would also be taken into account on appointment of any new Directors. The Committee believes that share ownership by Executive Directors and senior staff strengthens the link between their personal interests and those of shareholders.

There are currently no plans to employ additional Directors, but prior to appointing a new Director, various components that could be included in the remuneration package and the maximum level of variable remuneration would be reviewed and agreed by the Remuneration Committee.

Payments for loss of office would be determined by the Remuneration Committee considering contractual obligations as relevant.

Employees were not consulted in determining the directors' remuneration policy. Remuneration comparison measurements are used comparing remuneration to similar sized listed organisations and published comparison data available.

The main components of Executive Directors' remuneration are:

- basic salary – reviewed annually;
- annual performance bonus – members of staff (excluding Directors) are eligible to participate in the Company's discretionary bonus scheme. J Richard Wollenberg is eligible to receive a sum equal to 2.5 times the percentage increase in net asset value per share based upon current salary up to a maximum of 50% of that salary. The increase in net assets per share was 3.2% (2022: 8.1%). Karen Chandler is eligible to receive a bonus as determined by the Remuneration Committee, any such bonus not to exceed a maximum of 50% of her salary;
- taxable benefits – provision of health care for J Richard Wollenberg; and
- pension benefits – the Company has a workplace pension scheme which all employees meeting qualifying conditions are invited to join. J Richard Wollenberg is entitled to pension contributions at the rate of 20% (2022: 20%) of salary and bonuses, which for the year to 30 September 2023 he elected to take as salary. Additionally the remuneration committee approved a one off pension contribution for J R Wollenberg of £22,000 during the year.

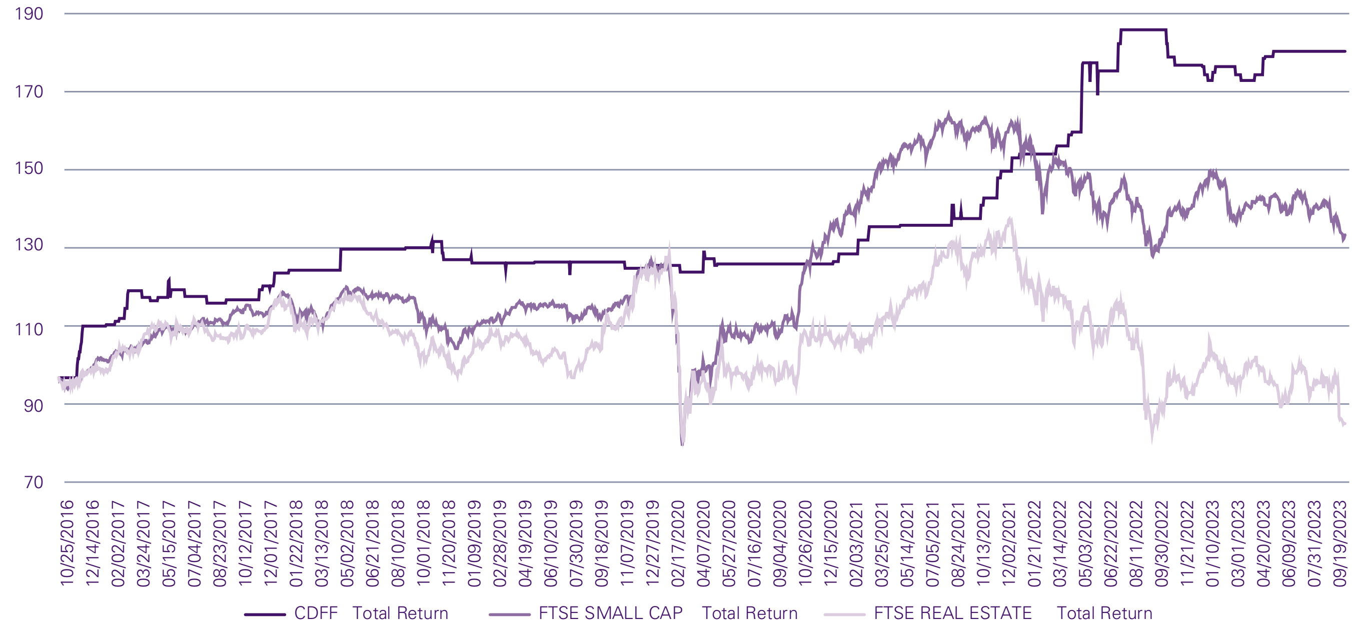
The Remuneration Committee considers the components of remuneration supports the short and long-term strategic objectives, with basic salary being fixed with an annual review, a performance bonus for the Executive Directors that are capped at a maximum of 50% of salary and in the case of the Chairman is linked to the increase in net assets which aligns his bonus to the strategic objectives of increasing shareholder value. The Finance Directors bonus is linked to her performance as assessed by the Remuneration Committee.

Remuneration policy for employees is consistent with the Directors, with a base salary and an annual bonus determined for the results for the year end September and paid in December each year, with pay rise being implemented from 1 January. There are only two employees other than the Directors.

The Company has an approved and unapproved option scheme, but no options have been granted in the current or previous financial year and all previous options have lapsed.

Share options – grants under the Company's approved share option scheme (approved by shareholders in general meeting) are set so that the aggregate option exercise price for each recipient may not be greater than 4 times annual salary and such grants are phased. Grants under the unapproved share option scheme (approved by shareholders in general meeting) are made by the Remuneration Committee upon the achievement of specified performance criteria.

REMUNERATION REPORT CONTINUED



Source: Datastream

The criteria applicable to both schemes were chosen as being those most likely to provide enhanced shareholder value from the performance of Executives. They are:

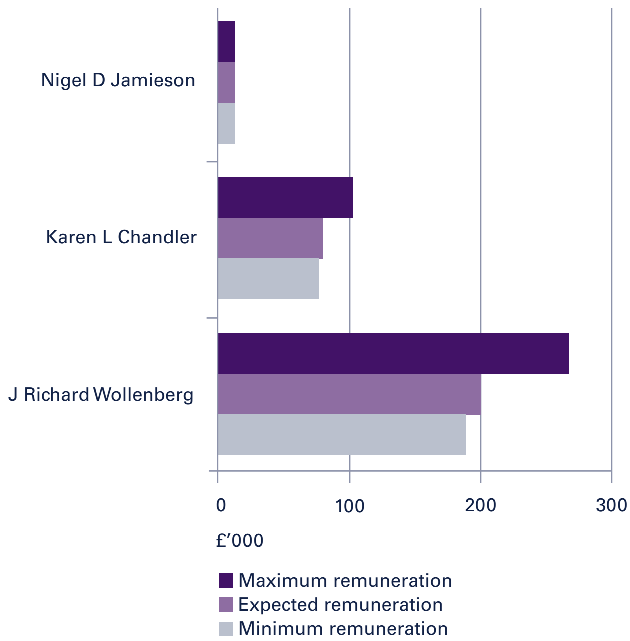
- on grant of an option, an increase in the average of the previous three years' earnings per share of at least 3% more than the corresponding increase in the Retail Price Index over the same period; and
- on exercise of an option, an increase in the average of the previous three years' net asset value per share of at least 3% more than the corresponding increase in the FTSE Real Estate Index over the same period.

It is intended that these policies will be continued for the next year and subsequent years.

IMPLEMENTATION REPORT (NOT SUBJECT TO AUDIT)

A graph showing the Company's total shareholder return relative to the FTSE Real Estate and FTSE Small Cap Indices is reproduced above. Total shareholder return is calculated to show the theoretical growth in the value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional shares. Company performance graphs are contained in the Strategic Report on page 7.

MAXIMUM, MINIMUM AND EXPECTED DIRECTOR REMUNERATION (£'000)



REMUNERATION REPORT CONTINUED

The remuneration paid to all employees, dividends paid, and purchase of own shares were as follows:

	2023 £'000	2022 £'000	% change
Total employee costs	**419**	392	6.9%
Dividends	**225**	210	7.1%
Purchase of own shares	**679**	791	(14.2%)

Total remuneration	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2022 to 2023**	**2021 to 2022**	**2020 to 2021**	**2019 to 2020**	**2018 to 2019**	**Percentage change over 5 years**
J R Wollenberg	200	195	184	190	182	177	3%	6%	-3%	4%	3%	13%
Karen Chandler	72	69	66	65	62	59	4%	5%	2%	5%	5%	22%
Nigel Jamieson	12	12	12	12	12	12	0%	0%	–	–	–	0%
Total employee costs	441	392	390	382	372	401	13%	1%	2%	3%	-7%	10%
Average number of employees	2	2	2	2.75	3	3						

DIRECTORS' REMUNERATION (SUBJECT TO AUDIT)

The total remuneration (including pension contributions) paid to the Chief Executive Officer was £200,000 (2022: £195,000) representing a 2.6% increase in the year. J Richard Wollenberg's basic salary has remained the same. The maximum potential remuneration of J Richard Wollenberg assuming the maximum bonus of 50% was received would be £260,000. There are no longer term incentives in place for any of the directors.

The emoluments of the Directors were as follows:

	Salary £'000	**Bonus £'000**	**Benefits £'000**	**Pension £'000**	**Total 2023 £'000**
As Executives					
J R Wollenberg	**141**	**11**	**26**	**22**	**200**
K L Chandler	**67**	**3**	**–**	**2**	**72**
	208	**14**	**26**	**22**	**272**
As Non-Executive					
N D Jamieson	**12**	**–**	**–**	**–**	**12**
	220	**14**	**26**	**24**	**284**

	Salary £'000	Bonus £'000	Benefits £'000	Pension £'000	Total 2022 £'000
As Executives					
J R Wollenberg	141	29	25	–	195
K L Chandler	64	3	–	2	69
	205	32	25	2	264
As Non-Executive					
N D Jamieson	12	–	–	–	12
	217	32	25	2	276

REMUNERATION REPORT CONTINUED

Percentage change 2022 to 2023

	Salary %	Bonus %	Benefits %	Pension %	Total %
As Executives					
J R Wollenberg	–	(62.1)	4.0	100.0	2.6
K L Chandler	4.7	–	–	–	4.3
	1.5	(56.3)	4.0	1,100.0	3.0
As Non-Executive					
N D Jamieson	–	–	–	–	–
	1.4	(56.3)	4.0	1,100.0	2.9

The above table includes bonuses, which are based on the results for the year to 30 September 2023 and are payable in December 2023, see page 18 for details of bonus calculation. Bonuses of £29,000 for J R Wollenberg and £3,000 for K L Chandler in respect of the year to 30 September 2022 were paid in December 2022. J R Wollenberg's salary includes £24,000 of pension contribution entitlement which was elected to be taken as salary.

2023	Bonus awarded £'000	Maximum bonus £'000	Bonus as percentage of maximum %
Executive Directors			
J R Wollenberg	11	71	15.5
K L Chandler	3	34	8.8
	14	105	13.3

2022	Bonus awarded £'000	Maximum bonus £'000	Bonus as percentage of maximum %
Executive Directors			
J R Wollenberg	29	71	40.8
K L Chandler	3	32	9.4
	32	103	31.1

The information above is in respect of the Company. In addition, J Richard Wollenberg is entitled to consultancy fees of £60,000 in respect of Campmoss Property Company Limited (2022: £60,000), see note 25. Benefits relates to the provision of health care and life assurance to J Richard Wollenberg.

The Directors are considered to be the only key management personnel of the Group. There have been no payments to past directors or payments for loss of office (2022: £nil).

Director's remuneration for the year to 30 September 2024 is expected to remain at similar levels, with the only significant variable being J R Wollenberg's bonus which is calculated with reference to the change in net assets.

Should a change in executive directors take place principle B.2 of the UK Corporate Governance Code would be followed.

DIRECTORS INTEREST IN SHARES (NOT SUBJECT TO AUDIT)

See page 13 of the Director's Report for details of Directors' interest in shares.

SERVICE CONTRACTS (NOT SUBJECT TO AUDIT)

J Richard Wollenberg has a service contract for a three-year rolling term. In the opinion of the Remuneration Committee the notice period is necessary in order to secure J Richard Wollenberg's services at the current terms of his employment.

K Chandler has a service contract which can be terminated by either party upon giving three months' notice in writing.

The contracts are available for inspection at the Company's registered office.

REMUNERATION OF NON-EXECUTIVE DIRECTOR (NOT SUBJECT TO AUDIT)

The remuneration of the Non-Executive Director is determined by the Board based upon comparable market levels. The Non-Executive Director is not eligible for any other benefits. His services can be terminated by either party upon giving three months' notice in writing.

VOTING RESULTS FROM PREVIOUS AGM (NOT SUBJECT TO AUDIT)

At the AGM held on 18 January 2023, 99.8% of votes cast were for the remuneration report including remuneration policy with 0.1% votes giving the Chairman discretion and 0.1% withheld. Whilst shareholder views have not specifically been sought the votes from the AGM are indicative of shareholder support.

EXTERNAL APPOINTMENTS (NOT SUBJECT TO AUDIT)

Executive Directors are allowed to accept external appointments with the consent of the Board, as long as these are not likely to lead to conflicts of interest. Executive Directors are allowed to retain the fees/remuneration paid.

The remuneration report was approved by the Board on 29 November 2023 and signed on its behalf by:

Nigel D Jamieson BSc, FCSI

Chairman of the Remuneration Committee

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards ("UK-adopted IAS") and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards ("UK-adopted IAS");
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

J Richard Wollenberg

29 November 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CARDIFF PROPERTY PLC

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of The Cardiff Property Plc. For the purposes of the table on page 24 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of The Cardiff Property Plc and its subsidiaries (the "Group"). The "Parent Company" is defined as The Cardiff Property Plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

OPINION

We have audited the financial statements of The Cardiff Property Plc for the year ended 30 September 2023.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Comprehensive Income
- the Consolidated Balance Sheet
- the Consolidated Cash Flow Statement
- the Consolidated Statement of Changes in Equity
- Notes 1 to 26 to the consolidated financial statements, including significant accounting policies
- the Company Balance Sheet
- the Company Statement of Changes in Equity and
- Notes 27 to 35 to the company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group's financial statements is applicable law and UK adopted international accounting standards ('UK-adopted IASs'). The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted IASs;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group's and the Parent Company's operations and specifically their business model.
- The evaluation of how those risks might impact on the available financial resources.
- Liquidity considerations including examination of cash flow projections at Group and Parent Company level.
- The evaluation of the base case scenarios and stress scenarios, in respect of the Group and the Parent Company, and the respective sensitivities and rationale.
- Viability assessments at Group and Parent Company levels, including consideration of reserve levels and business plans.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the company's financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT CONTINUED

OVERVIEW OF OUR AUDIT APPROACH

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.		
Materiality	**2023**	2022	
Group	**£599k**	£294k	2% (2021: 1% of gross assets) of net assets
Parent Company	**£322k**	£237k	2% (2021: 1% of gross assets) of net assets
Key audit matters			
Recurring	• Carrying value of investment properties (Group and Parent Company)		

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Investment Properties

Key audit matter description	The group and parent company generates returns principally through the development and rental of residential and commercial properties. These properties are accounted for using IAS 40's fair value model. Property valuations are relatively complex management estimates which include a significant amount of judgement on the part of the directors and their third-party valuation experts.
How the scope of our audit responded to the key audit matter	We obtained and reviewed the valuations prepared by the Directors and their appointed expert valuers noting the methodology used for those valuations and the inputs into these estimates. We assessed whether the approach used by the directors to determine the fair value of investment properties were consistent with the requirements of IFRS 13. We considered the expertise and experience of the management experts to ensure they were suitable for the purpose intended by management. We engaged our own auditor's expert to determine whether the approach used by the directors and their experts were consistent with accepted practice given the size, location and intended usage of those properties. In accordance with ISA 620, we have evaluated the adequacy of the Auditor's experts work to ensure that they have the capabilities to complete the work and that the work undertaken is adequate and that the conclusions are reasonable based on the findings. We used our specialised experience in the construction and real estate sector to challenge the assumptions and inputs and the key judgements made by the directors. Their management experts and our engaged auditor's experts. These challenges were addressed through discussion and a review of the evidence that both supported or contradicted the relevant judgements. We maintained a level of professional scepticism throughout our review of the valuations We confirmed that the valuations were appropriately reflected in the group financial statements and that fair value gains and losses were recognised in accordance with the requirements of IAS 40. We also confirmed that appropriate disclosures in respect of the valuations were included in the financial statements
Key observations communicated to the Group's Audit Committee	Based on the results of our audit procedures we are satisfied that the valuation of investment properties were reasonable that the measurement and presentation is consistent with the requirements of IAS 40 and IFRS 13.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at £599,493 (2021: £294,000) which was determined on the basis of 2% (2021: 1% of Group's gross assets) of the Group's net assets. Materiality in respect of the Parent Company was set at £322,419 (2021: £137,000), determined on the basis of 2% (2021: 1% of Group's gross assets) of the Parent Company's net assets. Net assets were deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements because this is the metric by which the performance and risk exposure of the Group is principally assessed. In our opinion this is therefore the benchmark with which the users of the financial statements are principally concerned].

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £359,696 (2021: £205,800) and at £193,451 (2021: £95,900) for the Parent Company which represents 60% (2021: 70%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £29,975 and £16,121 in respect of the Group and Parent Company respectively to the Audit Committee well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 5 reporting components of the group, we identified 5 components in the UK which represent the principal business units within the Group.

Full scope audits - Of the 5 components selected, audits of the complete financial information of 5 components were undertaken, these entities were selected based upon their size or risk characteristics and the requirement for a statutory audit that was completed by the Group Auditor for all entities. As such, the group audit has provided coverage to 100% of the group revenue, profit and loss for the year and total assets.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

The control environment

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We then engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the company's business activities, its processes and the geographic distribution of its activities.

We specifically considered the size of the business and the limited risks and opportunities relating to climate and the Board's plans to enhance its governance in this area.

We critically reviewed management's assessment and challenged the assumptions underlying their assessment. We also designed our audit procedures to specifically consider the Directors plans and specifically reviewed the disclosures made by the directors of their approach to compliance with the Task Force on Climate-related Financial Disclosures (TCFD).

REPORTING ON OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover

INDEPENDENT AUDITOR'S REPORT CONTINUED

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

STRATEGIC REPORT AND DIRECTORS REPORT

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

DIRECTORS' REMUNERATION REPORT

Those aspects of the director's remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

CORPORATE GOVERNANCE STATEMENT

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting;
- Directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities;
- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- Section describing the work of the audit committee.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Group and Parent Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in:

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received by branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Parent Company.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group and Parent Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements.
- We enquired of the directors and management concerning the Group and Parent's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's audit committee meetings, inspection of legal and [regulatory correspondence and correspondences from the regulators the FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;

  - enquiry of management around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the carrying value of investment properties as reported in the key audit matter section of our report; and
  - obtaining confirmations from third parties to confirm existence of a sample of transactions and balances
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

OTHER REQUIREMENTS

We were appointed by the Directors on 26th March 2023. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 1 years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Group or the Parent Company, and we remain independent of the Group and the Parent Company in conducting our audit.

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard (('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Jason Mitchell MBA BSc FCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
Maidenhead, United Kingdom
29 November 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £'000	2022 £'000
Revenue	4	**662**	703
Cost of sales		**(52)**	(64)
Gross profit		**610**	639
Administrative expenses		**(569)**	(461)
Other operating income	5	**646**	574
Operating profit before fair value movement on investment properties	6	**687**	752
Fair value (loss)/gain on investment properties	13	**(332)**	299
Operating profit		**355**	1,051
Financial income	7	**314**	80
Financial expense	7	**(6)**	(8)
Profit on sale of investment properties		**–**	706
Profit on the sale of investments		**74**	–
Share of profit of Joint Venture	15	**525**	868
Profit before taxation	4–9	**1,262**	2,697
Taxation	10	**(148)**	(291)
Profit for the financial year attributable to equity Holders		**1,114**	2,406
Earnings per share on profit for the financial year – pence			
Basic and diluted	11	**104.62**	218.23
Dividends			
Final 2022 paid 15.0p (2021: 13.5p)		**161**	150
Interim 2023 paid 6.0p (2022 5.5p)		**64**	60
		225	210
Final 2023 proposed 16.0p (2022: 15.0p)		**169**	162

These results relate entirely to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £'000	2022 £'000
Profit for the financial year		**1,114**	2,406
Items that cannot be reclassified subsequently to profit or loss			
Net change in fair value of other properties	14	**(10)**	59
Net change in fair value of investments at fair value through comprehensive income	15	**(37)**	(94)
Total comprehensive income and expense for the year attributable to the equity holders of the Parent Company		**1,067**	2,371

CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2023

	Notes	**2023 £'000**	**2023 £'000**	2022 £'000	2022 £'000
Non-current assets					
Freehold investment properties	13		**5,655**		5,985
Property, plant, and equipment	14		**290**		300
Right of use asset	14		**135**		145
Investment in Joint Venture	15		**12,283**		13,758
Other financial assets	15		**778**		898
			19,141		21,086
Current assets					
Inventory and work in progress	16	**715**		694	
Trade and other receivables	17	**274**		223	
Term deposits		**10,384**		4,041	
Cash and cash equivalents		**405**		4,912	
			11,778		9,870
Total assets			**30,919**		30,956
Current liabilities					
Trade and other payables	18	**(540)**		(599)	
Corporation tax		**(162)**		(198)	
			(702)		(797)
Non-current liabilities					
Lease liability	14		**(165)**		(172)
Deferred tax liability	19		**(77)**		(175)
Total liabilities			**(944)**		(1,144)
Net assets			**29,975**		29,812
Equity					
Called up share capital	20		**210**		216
Share premium account			**5,076**		5,076
Other reserves	21		**2,409**		2,450
Investment property fair value reserve	22		**2,193**		2,095
Retained earnings			**20,087**		19,975
Total equity			**29,975**		29,812
Net assets per share	12		**£28.44**		£27.56

These financial statements were approved by the Board of Directors on 29 November 2023 and authorised for issue on its behalf by:

J Richard Wollenberg
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023 £'000	2022 £'000
Cash flows from operating activities		
Profit for the year	**1,114**	2,406
Adjustments for:		
Depreciation right of use assets	**10**	10
Financial income	**(314)**	(80)
Financial expense	**6**	8
Profit on sale of investment property	**–**	(706)
Profit on sale of investment	**(74)**	
Share of profit of Joint Venture	**(525)**	(868)
Fair value (loss)/gain on investment properties	**332**	(299)
Taxation	**148**	291
Cash flows from operations before changes in working capital	**697**	762
Acquisition of inventory and work in progress	**(21)**	(5)
(Increase)/decrease in trade and other receivables	**(67)**	(67)
(Decrease)/increase in trade and other payables	**(58)**	(128)
Cash generated from operations	**551**	562
Tax paid	**(268)**	(218)
Net cash flows from operating activities	**283**	344
Cash flows from investing activities		
Interest received	**314**	81
Dividend from Joint Venture	**2,000**	3,000
Proceeds from sale of investment property	**–**	1,000
Proceeds from bond redemption	**80**	–
Acquisition of investment property, and plant and equipment	**(2)**	(39)
Proceeds from sale of investments	**79**	81
Increase in held term deposits	**(6,343)**	(2,134)
Net cash flows from investing activities	**(3,872)**	1,989
Cash flows from financing activities		
Purchase of own shares	**(679)**	(791)
Lease payments	**(14)**	(14)
Dividends paid	**(225)**	(210)
Net cash flows (used in)/from financing activities	**(918)**	(1,015)
Net(decrease)/increase in cash and cash equivalents	**(4,507)**	1,318
Cash and cash equivalents at beginning of year	**4,912**	3,594
Cash and cash equivalents at end of year	**405**	4,912

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Called up share capital £'000	Share premium account £'000	Other reserves (note 21) £'000	Investment property fair value reserve* £'000	Retained earnings £'000	Total equity £'000
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
Transactions with equity holders						
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 – Campmoss Group	–	–	–	153	(153)	–
At 30 September 2022	**216**	**5,076**	**2,450**	**2,095**	**19,975**	**29,812**
Profit for the year	**–**	**–**	**–**	**–**	**1,114**	**1,114**
Other comprehensive income – revaluation of investments	**–**	**–**	**(37)**	**–**	**–**	**(37)**
Net change in fair value of own use freehold property	**–**	**–**	**(10)**	**–**	**–**	**(10)**
Transactions with equity holders						
Dividends	**–**	**–**	**–**	**–**	**(225)**	**(225)**
Purchase of own shares	**(6)**	**–**	**6**	**–**	**(679)**	**(679)**
Total transactions with equity holders	**(6)**	**–**	**6**	**–**	**(904)**	**(904)**
Fair value movements on investment properties – Cardiff	**–**	**–**	**–**	**(332)**	**332**	**–**
Deferred taxation on fair value movements on investment properties – Cardiff	**–**	**–**	**–**	**98**	**(98)**	**–**
Fair value movements on investment properties – Campmoss Group	**–**	**–**	**–**	**332**	**(332)**	**–**
At 30 September 2023	**210**	**5,076**	**2,409**	**2,193**	**20,087**	**29,975**

* 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

1 ACCOUNTING STANDARDS

The consolidated results for the year ended 30 September 2023 and 2022 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 UK-adopted IAS and have been incorporated into the principal accounting policies as set out in note 2.

The Company has elected to prepare its Parent Company financial statements in accordance with FRS 101 (Reduced Disclosure Framework) and these are presented on pages 52 to 57.

2 ACCOUNTING POLICIES

Basis of preparation

The following principal accounting policies have been applied in dealing with items which are considered material in relation to the Group's financial statements. The financial statements have been prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through other comprehensive income; investment properties; and own use freehold property. These accounting policies have been applied consistently across the Group for the purposes of these consolidated financial statements. The financial statements are prepared in pounds sterling and presented to the nearest thousand.

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 on pages 5 to 11. The financial position of the Group, its property portfolio under management, asset base, liquidity and key performance indicators are described on pages 5 to 7.

In addition, note 20 includes the Group's objectives, policies and processes for managing its capital and note 26, its financial risk management objectives and details of its exposures to credit risk, liquidity risk, market risk, currency risk and interest rate risk.

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 2023, the Cardiff Group had cash balances of £0.4m and a further £10.4m term deposits (with maturity dates of 95 days), in addition the Company has investments of £0.8m of which £0.7m are readily marketable. The Group has an operating cost base including tax and dividends of under £1.0m per annum so even with no income for several years the Group would remain solvent.

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 2023, of £6.5m and a further £4.7m 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.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Basis of consolidation

The Group's financial statements consolidate those of the Company and its subsidiaries and equity account for the interest in the Joint Venture. Subsidiary companies are those entities under the control of the Company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated income statement from the date control is obtained or up to the date when control is lost. Intra-Group transactions are eliminated on consolidation.

A joint venture exists where the company has an exposure to the net assets of an arrangement for which the Company shares of control of the arrangement under a contract. The sharing of control is demonstrated where decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. The Group's investment in the Joint Venture is accounted for using the equity method, hence the Group's share of the gains and losses of the Joint Venture is included in the consolidated income statement and its interest in the net assets is included in investments in the consolidated balance sheet.

2 ACCOUNTING POLICIES (CONTINUED)

Use of estimates and judgements

The preparation of financial statements in conformity with UK-adopted IAS 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. These estimates are discussed in further detail in note 3.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are initially recognised at cost, including related transaction costs and annually revalued at fair value, with any change therein recognised in the income statement, and transferred to the investment property fair value reserve in the balance sheet. 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 portfolio each year. The Directors of the Joint Venture value its portfolio each year using their own experience and knowledge of the local property market with valuations considering yields on similar properties in the area, vacant space and covenant strength.

Design, construction and management expenses together with interest incurred in respect of investment properties in the course of initial development are capitalised until the building is effectively completed and available for letting. Thereafter they are charged to the income statement. Whilst under development such properties are classified either as inventory if development has commenced with a view to sale and are recorded at cost or retained within investment properties and revalued at the year end and surpluses or deficits are recognised in the income statement.

Proceeds from the sale of investment properties are not included in revenue, but in profit or loss on sale of investment property. The profit or loss on disposal is calculated with reference to the carrying amount in the balance sheet. Purchases and sales of investment properties are accounted for on completion.

Property, plant and equipment and depreciation

Property is stated at fair value using valuations prepared on the same basis as investment properties described above. Any surplus arising on the fair value is recognised in other comprehensive income except to the extent that it reverses a previous fair value deficit on the same asset recognised in profit and loss. Any deficit on fair value is recognised in profit and loss except to the extent that it reverses a previous fair value surplus on the same asset. Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Provision is made for depreciation so as to write off their cost on a straight-line basis over their expected useful lives as follows:

- Land — Not depreciated
- Freehold property — 50 years
- Motor vehicles — 4 years
- Fixtures, fittings and equipment — 4 years

In accordance with IAS 16.35 the fair value of the freehold property is presented by eliminating accumulated depreciation and adjusting the gross book value of the asset to equal revalued amount.

Impairment

The carrying amounts of the Group's assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss recognised where the recoverable amount is less than the carrying value of the asset. Any impairment losses are recognised in the income statement.

Inventory and work in progress

Inventory, being properties under development intended for ultimate resale and properties held for sale, are stated at the lower of cost, including attributable overheads, and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue consists of rental income, earned under operating leases granted, from properties held for investment purposes and from properties held in inventory which are currently occupied, together with the proceeds from the sale of properties held in inventory. Sales of such property are recognised on the date of completion. Rental income is recognised in the Income Statement on a straight-line basis over the total lease period. Payments due on early terminations of lease agreements are recognised in the Income Statement within revenue. Lease incentives are recognised as an integral part of the net consideration for the use of the property and amortised on a straight-line basis over the term of the lease.

Other income

Other income consists of management fees charged to Campmoss Group for services provided during the year and other items which are not revenue and are recognised in the period in which the income relates.

The services are distinct and are accounted for as separate performance obligations principally relating to when the costs recharged are incurred or the services are delivered.

Financial assets

Investments in equity securities are classified as assets recognised at fair value through comprehensive income (FVOCI) and are stated at fair value with any resultant gain or loss being recognised in other comprehensive income. When these investments are derecognised the cumulative gain or loss previously recognised in other comprehensive income is transferred from other reserves to retained earnings.

Term deposits where the call date is greater than 90 days from the date of deposit are shown separately on the balance sheet and are included in investing activities in the cash flow.

Trade and other receivables

Trade and other receivables are valued using the expected credit loss model using the simplified approach.

The Group recognises a loss allowance for ECL on trade receivables, which is updated at each financial reporting date to reflect changes in credit risk since initial recognition. Expected Credit Losses are estimated using provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value pf money where appropriate.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, that are repayable on demand and form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Reserves

Reserves comprises issued share capital, share premium, other reserves, investment property fair value reserve and retained earnings.

Dividends

Interim dividends are recorded in the financial statements when they are paid. Final dividends are recognised as a liability in the period in which they are approved by the Company's shareholders at the annual general meeting.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or equity respectively.

Current tax is expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 ACCOUNTING POLICIES (CONTINUED)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Leases

IFRS 16 – Leases was effective for the year ended 30 September 2020. IFRS 16 removes the distinction between operating and financial leases, which for lessees resulted in almost all operating leases being brought on balance sheet.

The right-of-use assets are recognised under lease agreements in which the Group is the lessee. The underlying assets mainly comprise property and are used in the normal course of business. The right-of-use assets comprise the initial measurement of the corresponding lease liability payments made at or before the commencement day as well as any initial direct costs and an estimate of costs to be incurred in dismantling the asset. The corresponding lease liability is included in the consolidated statement of financial position as a lease liability.

Right of use assets are subsequently recognised at cost less any accumulated depreciation and any accumulated impairment losses. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date of the lease to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability shall initially be measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (at an even rate over the carrying amount of the liability) and by reducing the carrying amount to reflect the lease payments made. No lease modification or reassessment changes have been made during the reporting period from changes in any lease terms or rent charges.

Finance income and expenses

Finance income comprises interest receivable and is recognised under the terms of the instrument as due.

Finance expense comprises the interest payments on the right of use assets as described above.

IFRS

The following standards are issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. It is not expected that these standards will have a material impact on the Group.

Standard	Effective date
Amendments to IFRS 3: References to Conceptual Framework	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	1 January 2023
Disclosure of accounting policies (Amendments to IAS 1	1 January 2023
Extension of temporary exemption of applying IFRS 9 (Amendments to IFRS 4)	1 January 2022
Deferred Tax relating to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Initial Application of IFRS 17 and IFRS 9 – Comparative Information Amendment to IFRS 17)*	1 January 2023
Definition of accounting estimates (Amendments to IAS 8)	1 January 2023
Amendments to IFRS 17 Insurance contracts	1 January 2023

* Subject to endorsement

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

The key accounting judgements are:

1. Fair value of the investment properties

An external valuer is used to value the investment properties held by Cardiff see note 13 for further details.

2. Classifying properties as investment properties or inventory

Properties are held as investment properties if they are held for capital appreciation and rental income and properties are held as inventory where they are being actively marketed for sale and the Group no longer intend to hold once a suitable sale can be negotiated. However there have been experiences in the past where an offer received for an investment property has been accepted and the property sold and similarly properties have been moved to inventory but a suitable offer has not been received so the property has continued to be held.

3. Management's assessment that inventories have not been impaired

Management asses the carrying value of inventories with reference to similar property valuations based on location, size and usage and their experience and also seek views from local estate agents.

4. Classification of Campmoss Group as a Joint Venture

Campmoss is jointly controlled by the Campmoss Board comprising of J R Wollenberg and E R Goodwin each of whom represents the interests of 50% of the shareholders. Decisions are made jointly, and Board approval is needed for all key decisions.

5. Carrying value of the Joint Venture

The investment properties in Campmoss Group form a substantial part of Campmoss Group's net assets and hence the carrying value of the Group's share of the Joint Venture. The properties are not independently valued but are valued by the Directors and by their nature valuations are subjective.

6. Recoverability of debtors

Judgement is required in assessing the recoverability of debtors, although the collection of the majority of rents for rent quarters to June and September gives significant comfort.

7. Discount in respect of Aquila Services Group Plc investment

A 40% discount has been applied to the Level 2 quoted share price of Aquila Services Group Plc when valuing the investment, due to shares having minimal trades relative to the percentage shareholding meaning any disposal would likely devalue the investment.

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 of judgement in which estimates have been used and the assumptions applied are:

1. valuation of investment properties while supported by third party valuations include estimates. All investment property owned by Cardiff has an independent third-party valuation performed annually. The properties owned by the Campmoss Group, are valued by the Campmoss Directors having due regard to independent third-party information and valuations as available; and
2. the deferred taxation provision uses these investment property valuations to calculate the gain or loss and hence deferred taxation liability. This liability is estimated based on the taxation rates expected to be in place in the future which may differ from the actual taxation rates at the time of sale.

4 SEGMENTAL ANALYSIS

The Group manages its operations in two segments, being property and other investment and property development. Property and other investment relate 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 Investment £'000	**Property Development £'000**	**Eliminations £'000**	**2023 Total £'000**
Rental income (wholly in the UK)	**436**	**226**	**–**	**662**
Property sales	**–**	**–**	**–**	**–**
Profit before taxation	**829**	**433**	**–**	**1,262**
Net operating assets				
Assets	**28,854**	**5,246**	**(3,181)**	**30,919**
Liabilities	**(3,882)**	**(243)**	**3,181**	**(944)**
Net assets	**24,972**	**5,003**	**–**	**29,975**

	Property Investment £'000	Property Development £'000	Eliminations £'000	2022 Total £'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	25,070	4,742	–	29,812

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

5 OTHER OPERATING INCOME

	2023 £'000	2022 £'000
Management fees receivable	**542**	535
Other income	**83**	15
Dividends received	**21**	24
Other operating income	**646**	574

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 OPERATING PROFIT BEFORE FAIR VALUE MOVEMENTS ON INVESTMENT PROPERTIES

	2023 **£'000**	2022 £'000
Included are the following expenses:		
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the annual accounts	**58**	37
Audit of subsidiary undertakings pursuant to legislation	**2**	4
Depreciation of plant and equipment	**–**	–
Depreciation right of use assets	**10**	10

7 FINANCIAL INCOME AND EXPENSE

	2023 **£'000**	2022 £'000
Bank and other interest receivable	**314**	80
Interest payments on right to use assets	**(6)**	(8)

8 EMPLOYEES

The average number of persons employed by the Group and the Company (including Executive Directors) during the year was:

	Number of employees	
	2023	2022
Management	**3**	3
Administration	**2**	2
	5	5

The aggregate payroll costs of these persons were as follows:

	2023 **£'000**	2022 £'000
Wages and salaries	**370**	344
Social security costs	**45**	43
Pension costs	**26**	5
	441	392

Pension costs represent amounts paid by the Group to the workplace pension and in 2023 £22,000 (2022: £nil) to JR Wollenberg's personal pension scheme.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9 DIRECTORS EMOLUMENTS

The emoluments of the Directors were as follows:

	Salary £'000	Bonus £'000	Benefits £'000	Pension £'000	Total 2023 £'000
As Executives					
J R Wollenberg	**141**	**11**	**26**	**22**	**200**
K L Chandler	**67**	**3**	**–**	**2**	**72**
	208	**14**	**26**	**24**	**272**
As Non-Executive					
N D Jamieson	**12**	**–**	**–**	**–**	**12**
	220	**14**	**26**	**24**	**284**

	Salary £'000	Bonus £'000	Benefits £'000	Pension £'000	Total 2022 £'000
As Executives					
J R Wollenberg	141	29	25	–	195
K L Chandler	64	3	–	2	69
	205	32	25	2	264
As Non-Executive					
N D Jamieson	12	–	–	–	12
	217	32	25	2	276

The above table includes bonuses, which are based on the results for the year to 30 September 2023 and are payable in December 2023, see page 18 for details of bonus calculation. Bonuses of £28,571 for J R Wollenberg and £3,000 for K L Chandler in respect of the year to 30 September 2022 were paid in January 2023 and December 2022 respectively. J R Wollenberg's salary includes £24,000 of pension contribution entitlement which he has elected to be taken as salary.

The information above is in respect of the Company. In addition, J Richard Wollenberg is entitled to consultancy fees of £60,000 from Campmoss Property Company Limited (2022: £60,000), see note 25.

Details of the Company's policy on Directors' remuneration are contained within the remuneration report on pages 18 to 21. Benefits relates to the provision of health care and life assurance for J Richard Wollenberg.

The Directors are considered to be the only key management personnel of the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 TAXATION

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on the result for the year	**230**	258
Deferred tax		
Revaluation of investment properties	**(99)**	56
Revaluation of investments	**17**	(23)
Taxation (all recognised in the profit and loss account)	**148**	291

Reconciliation of effective tax rate:

	2023 £'000	2022 £'000
Tax reconciliation		
Profit before taxation	**1,262**	2,697
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25% (2022: 19%)	**315**	512
Effects of:		
Joint Venture	**(131)**	(165)
Non-taxable income	**78**	(5)
Non-deductible expenditure	**1**	6
Adjustments relating to prior year	**–**	–
Other timing differences	**–**	33
Disposal of investment property	**–**	(27)
Non-taxable (surplus)/deficit on fair value	**(83)**	(63)
Change in tax rate	**(32)**	–
Total tax expense	**148**	291

The current corporation tax rate is 25%. Deferred tax is based on expected tax rate of 25%.

11 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 £1,114,000 (2022: £2,406,000 and the weighted average number of shares as follows:

	Weighted average number of shares 2023	2022
Basic and diluted shares	**1,064,204**	1,102,357
Earnings per share (p)	**104.62**	218.23

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

12 NET ASSETS PER SHARE

	2023	2022
Share in issue	**1,053,810**	1,081,787
Net assets per share (£)	**28.44**	27.56

13 FREEHOLD INVESTMENT PROPERTIES

	2023 £'000	2022 £'000
Group		
At beginning of year	**5,985**	5,968
Additions	**2**	38
Fair value movement in the year	**(332)**	299
Disposal of investment property	**–**	(320)
At end of year	**5,655**	5,985

	2023 £'000	2022 £'000
Company		
At beginning of year	**5,970**	5,920
Additions	**2**	38
Fair value movement in the year	**(332)**	332
Disposal of investment property	**–**	(320)
At end of year	**5,640**	5,970

The fair value of commercial investment property held by the Company was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Company's investment property portfolio every year. The land held by Thames Valley Retirement Homes Limited £15,000 (2022: £15,000) has not been independently valued as it is 0.3% (2022: 0.3%) of the Group's property portfolio and hence immaterial.

The Company's freehold commercial investment properties total value: £5,640,000 (2022: £5,970,000) have been valued by Kempton Carr Croft ("KCC").

All valuations of the Company's freehold commercial investment properties have been prepared in accordance with the RICS Valuation – Professional Standards (the "Red Book") and the International Valuation Standards on the basis of Market Value.

All of the commercial investment properties have been categorised as a Level 3 fair value in both years, based on the inputs to the valuation technique used. The residential property has been categorised as a Level 2 fair value in both years.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation technique and significant unobservable inputs
The valuation technique used in measuring the fair value of investment property is a discounted cash flow using the following significant inputs: net rental income and yield.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 FREEHOLD INVESTMENT PROPERTIES (CONTINUED)

Fair value using unobservable inputs (Level 3)

	2023 £'000	2022 £'000
Opening fair value	**5,970**	5,920
Additions	**2**	38
Gains and losses recognised in income statement (Fair value movement on investment properties)	**(332)**	332
Disposal of investment property	**–**	(320)
Closing fair value	**5,640**	5,970

Quantitative information about fair value measurements using unobservable inputs (Level 3)

The fair value referred to above of £5,640,000 (2022: £5,970,000) is based on the unobservable inputs of net rental income and yield.

The net rental income ranged between £94,000 (2022: £79,000) and £298,000 (2022: £244,000), and the initial yield ranged between 8.5% and 9.25% (2022: 6.5% and 9.0%).

A decrease in net rental income or estimated future rent will result in a decrease in the fair value, whereas a decrease in the discount rate (yield) will result in an increase in fair value. There are interrelationships between these rates as they are partially determined by market rate conditions. A +1% change in yield would reduce the portfolio value by £505,000 (2022: £654,000), while a -1% change in yield would increase the portfolio value by £616,000 (2022: £842,000). A +/- 10% change in rent would increase/(decrease) the value of the portfolio by £564,000 (2022: £597,000).

The historical cost of the commercial investment properties was:

	£'000
Group and Company	
At 30 September 2023	**3,643**
At 30 September 2022	**3,641**

The cumulative amount of interest capitalised at 30 September 2023 was £90,000 (2022: £90,000).

Amounts recognised in the profit and loss account

	2023 £'000	2022 £'000
Rental income from investment properties	**436**	494
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	**(12)**	(18)

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance, or enhancements other than normal Landlord obligations.

There have been no transfers to/from investment properties.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 PROPERTY, PLANT AND EQUIPMENT

Company and Group	Own use freehold property £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 30 September 2021	240	9	16	265
Additions	1	–	–	1
Disposals	–		–	–
Fair value movement	59	–	–	59
At 30 September 2022	**300**	**9**	**16**	**325**
Disposals	**–**	**(6)**	**–**	**(6)**
Fair value movement	**(10)**	**–**	**–**	**(10)**
At 30 September 2023	**290**	**3**	**16**	**309**
Depreciation				
At 30 September 2021	–	9	16	25
Disposals	–	–	–	–
Charge for year	–	–	–	–
At 30 September 2022	**–**	**9**	**16**	**25**
Disposals	**–**	**(6)**	**–**	**(6)**
Charge for year	**–**	**–**	**–**	**–**
At 30 September 2023	**–**	**3**	**16**	**19**
Net book value				
At 30 September 2023	**290**	**–**	**–**	**290**
At 30 September 2022	300	–	–	300

a) Own use freehold property was valued by Kempton Carr Croft at market value as at 30 September 2023. The valuation technique used in measuring the fair value of own use freehold property is fair value using unobservable inputs (level 3). The historic cost of the property is £213,000 (2022: £213,000). In accordance with IAS 16.35 the fair value of the freehold property is presented by eliminating accumulated depreciation and adjusting the gross book value of the asset to equal revalued amount.

The balance sheet shows the following amounts relating to leases:

	2023 £'000	2022 £'000
Right of use assets		
Land	**135**	145
Lease liabilities		
Current	**7**	7
Non-current	**158**	165
At end of year	**165**	172

	2023 £'000	2022 £'000
Group and Company		
Due within one year	**16**	15
Due within one to two years	**16**	16
Due within two to five years	**48**	47
Due after five years	**170**	186
Total financing charges	**(85)**	(92)
At end of year	**165**	172

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 PROPERTY, PLANT AND EQUIPMENT CONTINUED

The Right of use asset lease relates to a lease in respect of car park spaces in Windsor. The key assumptions in determining the Right of use asset are the discount rate applied of 5% (2022: 5%) and the assumed increase in rent at 5-yearly rent review dates of 9% (2022: 9%). The above lease has right of use contractual maturities of £7,000 (2022: £7,000) less than one year, £36,000 ((2022: £33,000) between two and five years and £122,000 (2022: £132,000) due in more than five years. Interest costs of £7,000 (2022: £8,000) in respect of this lease is included in the profit and loss account.

15 INVESTMENTS

	Shares in joint venture £'000	Unlisted investments £'000	Listed investments £'000	Total £'000
At 30 September 2021	15,890	4	1,069	16,963
Net change in investments at fair value through other comprehensive income	–	–	(94)	(94)
Disposed during the year	–	–	(81)	(81)
Share of profit of Joint Venture	868	–	–	868
Dividend paid by Joint Venture	(3,000)	–	–	(3,000)
At 30 September 2022	**13,758**	**4**	**894**	**14,656**
Net change in investments at fair value through other comprehensive income	**–**	**–**	**(37)**	**(37)**
Disposed during the year	**–**	**(4)**	**(79)**	**(83)**
Share of profit of Joint Venture	**525**	**–**	**–**	**525**
Dividend paid by Joint Venture	**(2,000)**	**–**	**–**	**(2,000)**
At 30 September 2023	**12,283**	**–**	**778**	**13,061**

Listed investments

These include minority stakes in The Renewables Infrastructure Group Limited, A2D Funding plc, Places for People, Bruntwood listed on The London Stock Exchange, ImmuPharma Plc and Galileo Resources plc, listed on AIM, and are designated as investments at fair value through other comprehensive income. Fair value has been assessed using Level 1 observable inputs being quoted share prices.

Aquila Services Group Plc listed on The London Stock Exchange is not considered to be sufficiently liquid and has been assessed using Level 2 with a 40% discount being applied to the quoted share price. Each 10% discount equates to a £24k provision based on the year end share price.

Joint Venture

The Group owns 47.62% (2022: 47.62%) and J R Wollenberg owns 2.38% (2022: 2.38%) of the total issued ordinary share capital of £1,050,000 of Campmoss Property Company Limited. Campmoss Property Company Limited was incorporated in England and Wales and has its registered office at 56 Station Road, Egham, Surrey, TW20 9LF.

E R Goodwin owns directly 0.05% and is a connected party to 47.57% of the total issued ordinary share capital of £1,050,000 of Campmoss Property Company Limited.

The Campmoss Board comprises J R Wollenberg and E R Goodwin who jointly control Campmoss by virtue of the respective shareholdings and Joint Venture Agreement governing the way in which the Campmoss entities are controlled. The Board has therefore determined that it has joint control of Campmoss.

The Group's share of the results of Campmoss Property Company Limited and its subsidiary undertakings for the year ended 30 September 2023 has been incorporated in the consolidated financial statements. The following figures have been derived from the financial statements of Campmoss Property Company Limited and those of its subsidiary undertakings for the year ended 30 September 2023.

15 INVESTMENTS (CONTINUED)

The Joint Ventures consolidated results were:

	2023 £'000	2022 £'000
Revenue	**1,233**	18,623
Cost of sales	**(1,329)**	(16,908)
Administrative expenses	**(170)**	(192)
Other operating income	**271**	248
Fair value movement on investment properties	**725**	350
Interest receivable	**456**	112
Interest payable	**(1)**	(1)
Taxation on ordinary activities	**(82)**	(408)
Profit after tax	**1,103**	1,824
Other comprehensive income	**–**	–
Total comprehensive income	**1,103**	1,824
Group's share of results of Joint Venture – 47.62% (2022: 47.62%)	**525**	868

The consolidated net assets of Campmoss Property Company Limited and its subsidiary undertakings were:

	2023 £'000	2022 £'000
Non-current assets		
Investment properties	**13,206**	12,336
Current assets		
Inventory and work in progress	**2,999**	2,999
Trade and other receivables	**504**	312
Term deposits	**4,674**	9,581
Cash and cash equivalents	**6,514**	6,585
Total current assets	**14,691**	19,477
Total assets	**27,897**	31,813
Current liabilities		
Trade and other payables	**(1,065)**	(1,917)
Non-current liabilities		
Deferred taxation	**(1,038)**	(1,005)
Total liabilities	**(2,103)**	(2,922)
Net assets	**25,794**	28,891
Group's share of results of Joint Venture – 47.62% (2022: 47.62%)	**12,283**	13,758

Investment properties are included at fair value based on Directors' valuations as at 30 September 2023.

The fair value referred to above of £13,206,000 (2022: £12,336,000) is based on the unobservable inputs of net rental income and yield.

The net rental income ranged between £55,000 (2022: £45,000) and £511,000 (2022: £511,000), and the initial yield ranged between 8.5% and 11.0% (2022: 9.0% and 11.9%).

A decrease in net rental income or estimated future rent will result in a decrease in the fair value, whereas a decrease in the discount rate (yield) will result in an increase in fair value. There are interrelationships between these rates as they are partially determined by market rate conditions. A +1% change in yield would reduce the portfolio value by £1,146,000 (2022: £1,017,000), while a -1% change in yield would increase the portfolio value by £1,388,000 (2022: £1,219,000). A +/- 10% change in rent would increase/(decrease) the value of the portfolio by £1,319,000 (2022: £1,232,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 INVENTORY AND WORK IN PROGRESS

	2023 £'000	2022 £'000
Opening costs	**694**	689
Additions	**21**	5
Write down	**–**	–
	715	694

This comprises development properties held for sale at The Windsor Business Centre. Expenses incurred on inventory were £12,000 (2022: £18,000).

17 TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Trade receivables	**113**	159
Other receivables	**34**	19
Prepayments and accrued income	**127**	45
	274	223

The Group applies the IFRS 9 simplified approach to measuring expected credit losses ('ECL') which uses lifetime expected loss allowance for all trade receivables. The expected loss rates are based on management assessment of historical losses from tenants which has been very low. Due to this, management believe there is no further credit risk provision required In excess of normal provision for doubtful receivables.

18 TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Rents invoiced in advance	**154**	154
Trade creditors	**12**	11
Other taxes and social security	**57**	56
Other creditors	**231**	296
Accruals	**86**	82
	540	599

19 DEFERRED TAXATION

	2023 £'000	2022 £'000
At beginning of year	**175**	126
(Credit)/debit for the year in the income statement	**(98)**	49
At end of year	**77**	175

Provision has been made for deferred taxation as follows:

	2023 £'000	2022 £'000
Difference between accumulated depreciation and amortisation and capital allowances	**77**	76
Other temporary differences	**–**	99
Deferred tax liability	**77**	175

Deferred tax is estimated using an effective tax rate of 25% (2022: 25%).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 SHARE CAPITAL

	2023 £'000	2022 £'000
Authorised		
4,500,000 (2022: 4,500,000) ordinary shares of 20 pence each	**900**	900
Allotted, called up and fully paid		
At 30 September 2022 1,081,787 (30 September 2021 1,115,986) ordinary shares of 20 pence each	**216**	223
Cancelled during the year 27,977 (2022: 34,199) ordinary shares of 20 pence each	**(6)**	(7)
At 30 September 2023 1,053,810 (30 September 2022: 1,081,787) ordinary shares of 20 pence each	**210**	216

The total number of ordinary shares under option is nil (2022: nil).

Capital management

The Board's objectives when managing capital are to maintain a balance between providing shareholders with an adequate return by means of a progressive dividend policy whilst ensuring the security of the Group supported by a sound capital structure. In order to maintain what the Directors consider is the optimal capital structure, the Group may adjust its dividend policy, issue new shares or return capital to shareholders.

21 OTHER RESERVES

	Equity investments at FVOCI £'000	Own use property reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Merger reserve £'000	Total £'000
At 30 September 2021 and 1 October 2021	21	27	531	30	1,869	2,478
Purchase of own shares	–	–	7	–	–	7
Fair value of other properties	–	59	–	–	–	59
Net change in fair value	(94)	–	–	–	–	(94)
At 30 September 2022 and 1 October 2022	**(73)**	**86**	**538**	**30**	**1,869**	**2,450**
Purchase of own shares	**–**	**–**	**6**	**–**	**–**	**6**
Fair value of other properties	**–**	**(10)**	**–**	**–**	**–**	**(10)**
Net change in fair value	**(37)**	**–**	**–**	**–**	**–**	**(37)**
At 30 September 2023	**(110)**	**76**	**544**	**30**	**1,869**	**2,409**

Equity investments at fair value through other comprehensive income reserve relates to the change in fair value of the Group's listed investments portfolio. The capital redemption reserve arises from the transfer from share capital of the nominal value of shares purchased for cancellation. The capital and merger reserves arise from the acquisition of subsidiaries.

22 INVESTMENT PROPERTY FAIR VALUE RESERVE

	2023 £'000	2022 £'000
At beginning of year	**2,095**	1,814
Transfer from retained earnings on fair value movement in the year – Cardiff	**(332)**	299
Deferred tax movement	**98**	–
Disposal of investment property – Cardiff	**–**	(171)
Transfer from retained earnings on fair value movement in the year – Campmoss Group	**332**	153
At end of year	**2,193**	2,095

The investment property fair value reserve represents surpluses and deficits arising on fair value movements of the Group's properties, including our share of Campmoss Group, our 47.62% Joint Venture. This reserve comprises unrealised profits and losses and is not available for distribution until realised through sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 COMMITMENTS

Expenditure on development and investment properties

There were nil commitments under contract at 30 September 2023 (2022: nil).

24 OPERATING LEASES

Operating leases granted

The Group owns commercial property which it leases out for rental income under operating leases. Rental income earned during the year was £662,000 (2022: £703,000) and direct operating expenses arising on the properties during the year were £12,000 (2022: £18,000). The properties are expected to generate rental yield between 8.5% and 9.25% depending on the type of property. Most lease contracts include market rate review clauses in the event that the lessee exercises their option to renew. The lessee does not have an option to purchase the property at the end of the lease. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2023 **£'000**	2022 £000
Within one year	**604**	586
Years two to five	**1,392**	1,592
More than five years	**581**	430
Total	**2,577**	2,608

25 RELATED PARTY TRANSACTIONS

During the year the Company entered into the following transactions with related parties:

		Value		**Balance owed by/(to) related party at 30 September**	
Party	**Nature of transaction**	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Campmoss Property Company Limited	Management fees received by the Company	**543**	535	**5**	12
	Consultancy fees received by J R Wollenberg (Director)	**60**	60	**45**	15
D M Joseph	Director's salary paid	**3**	3	**–**	–

Campmoss Property Company Limited is a Company in which J Richard Wollenberg is a Director and both he and the Company are shareholders.

Derek Joseph is a Non-Executive Director of First Choice Estates plc, a wholly owned subsidiary of the Company.

Details relating to the shareholdings and remuneration of key management personnel are set out in the Directors' Report on page 13 and note 9 on page 40.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

26 FINANCIAL INSTRUMENTS

The Group has exposure to credit risk, liquidity risk and market risk. This note presents information about the Group's exposure to these risks, along with the Group's objectives, processes and policies for managing the risks.

Credit risk

Credit risk is the risk of financial loss for the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients, amounts due from the Joint Venture and monies on deposit with financial institutions.

The Group has a credit policy in place and credit risk is monitored by the Board on an ongoing basis. Credit evaluations are carried out on all new tenants before credit is granted above certain thresholds. There is a spread of risks among a number of tenants with no significant concentration of risk with any one tenant. The Group establishes an allowance for impairment in respect of trade receivables where there is any doubt over recoverability.

The Group has significant monies on deposit at the year end, largely in short term treasury deposits. The Group's policy is to maximise interest income on these cash deposits whilst credit risk is mitigated through placing cash with leading highly rated financial institutions.

The carrying amount of financial assets represents the maximum exposure to credit risk as follows:

	2023	2022
	£'000	£000
Cash and cash equivalents	**405**	4,912
Term deposits	**10,384**	4,041
Trade and other receivables	**274**	223
Listed investments	**778**	894
	11,841	10,070

At 30 September 2023, the Group had £10,789,000 (2022: £8,953,000) deposited with banks and financial institutions of which: £405,000 (2022: £4,912,000) is available for withdrawal in less than 30 days; £10,384,000 (2022: £4,040,000) is available for withdrawal in 90-180 days and £nil (2022: £1,000) is available for withdrawal in over 180 days. As shown in the table above, the amounts available for withdrawal in over 90 days are classed as financial assets.

All financial assets are sterling denominated.

The ageing of trade receivables and other receivables along with the associated provision at the year-end was:

	2023		2022	
	Gross	**Provision**	Gross	Provision
	£000	**£000**	£000	£000
Not past due	**128**	**(15)**	158	(6)
Past due 31–90 days	**12**	**(12)**	9	(2)
Past due 90 days	**7**	**(7)**	9	(9)
	147	**(34)**	176	(17)
The movement in the provision during the year was as follows:				
At beginning of year		**17**		30
Amounts written back		**–**		(13)
Provided in year		**17**		–
At end of year		**34**		17

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

26 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, by preparing and regularly reviewing cash flow forecasts, that as far as possible, there will always be adequate liquidity to meet its liabilities as they fall due, without incurring unacceptable losses or risking damage to the Group's reputation.

In respect of cash deposits, the carrying value approximates to fair value because of the short maturity of the deposits. Interest rates are floating and based on the base rate. There is also no difference between the fair value of other financial assets and financial liabilities and their carrying value in the balance sheet.

The Group's financial liabilities comprise trade creditors and other creditors amounting to £454,000 (2022: £517,000) and are all repayable within one year and are non-interest bearing.

Banking facilities

The Company does not have loan or overdraft facilities. Sufficient cash resources are available to the Group to complete the current maintenance and development programme. The Board will keep this position under review.

Market risk

Market risk is the risk that changes in market prices such as currency rates, interest rates and stock market prices will affect the Group's results. This applies to the Group's listed investment portfolio which are a mix of AIM listed securities and retail bonds. The Group's objective is to manage and control market risk within suitable parameters.

The Group's listed investments are valued at £778,000 (2022: £894,000), a 10% fall in quoted prices would reduce the value of investments by £77,800 (2022: £89,400).

Currency risk

All of the Group's transactions are denominated in sterling. Accordingly, the Group has no direct exposure to exchange rate fluctuations. Furthermore, the Group does not trade in derivatives.

Interest rate risk

The Group does not undertake any hedging activity in this area. The main element of interest rate risk involves sterling deposits which are placed on a fixed rate deposit.

COMPANY BALANCE SHEET
AT 30 SEPTEMBER 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets:					
Investment properties	13		**5,640**		5,970
Right of use assets	14		**135**		145
Property, plant and equipment	14		**290**		300
			6,065		6,415
Investments	30		**4,062**		4,178
			10,127		10,593
Current assets					
Debtors	31	**203**		257	
Term deposits		**9,367**		3,041	
Cash at bank and in hand		**234**		2,716	
		9,804		6,014	
Current liabilities					
Trade and other payables	32	**(3,551)**		(1,431)	
Corporation tax		**(89)**		(158)	
		(3,640)		(1,589)	
Net current assets			**6,164**		4,425
Total assets less current liabilities			**16,291**		15,018
Lease liability	14		**(165)**		(172)
Deferred tax liability	33		**(77)**		(175)
Net assets			**16,049**		14,671
Capital and reserves					
Called up share capital	20		**210**		216
Share premium account			**5,076**		5,076
Investment property fair value reserve	34		**2,092**		2,326
Other reserves	35		**2,360**		2,401
Retained earnings			**6,311**		4,652
Shareholders' funds – equity			**16,049**		14,671

Profit for the financial year of the Company was £2,329,000 (2022: £4,395,000). In accordance with the provisions of Section 408 of the Companies Act 2006 the Company has not published a separate profit and loss account.

These financial statements were approved by the Board of Directors on 29 November 2023 and were authorised for issue on its behalf by:

J Richard Wollenberg
Director
Company number: 00022705

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Share capital £'000	Share premium account £'000	Investment property fair value reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
1 October 2021	223	5,076	2,165	2,429	1,419	11,312
Profit for the year	–	–	–	–	4,395	4,395
Other comprehensive income –						
Revaluation of investments	–	–	–	(94)	–	(94)
Fair value of other property	–	–	–	59	–	59
Transactions with equity holders						
Dividends	–	–	–	–	(210)	(210)
Purchase of own shares	(7)	–	–	7	(791)	(791)
Total transactions with equity holders	(7)	–	–	7	(1,001)	(1,001)
Fair value movement of investment properties	–	–	332	–	(332)	–
Disposal of property	–	–	(171)	–	171	–
At 30 September 2022 and 1 October 2022	**216**	**5,076**	**2,326**	**2,401**	**4,652**	**14,671**
Profit for the year	**–**	**–**	**–**	**–**	**2,329**	**2,329**
Other comprehensive income –						
Revaluation of investments	**–**	**–**	**–**	**(37)**	**–**	**(37)**
Fair value of other property	**–**	**–**	**–**	**(10)**	**–**	**(10)**
Transactions with equity holders						
Dividends	**–**	**–**	**–**	**–**	**(225)**	**(225)**
Purchase of own shares	**(6)**	**–**	**–**	**6**	**(679)**	**(679)**
Total transactions with equity holders	**(6)**	**–**	**–**	**6**	**(904)**	**(904)**
Fair value movement of investment properties	**–**	**–**	**(332)**	**–**	**332**	**–**
Deferred tax on revaluation of investment properties	**–**	**–**	**98**	**–**	**(98)**	**–**
At 30 September 2022	**210**	**5,076**	**2,092**	**2,360**	**6,311**	**16,049**

NOTES TO THE FINANCIAL STATEMENTS

27 ACCOUNTING POLICIES

The Cardiff Property plc (the "Company") is a Company incorporated and domiciled in the UK with its registered office at 56 Station Road, Egham, TW20 9LF. The principal activity of the Company during the year continued to be property investment.

The separate financial statements of the Company are presented as required by the CA 2006. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issues by the FRC. Accordingly, these FS have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the FRC.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IAS") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of The Cardiff Property plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Use of estimates and judgements

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3 where applicable to the Group and Company. Additionally, the assessment of investments in shares in Group Undertakings and share in Joint Venture are judgements made by the Directors of the Company.

Measurement convention

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards and with the Companies Act 2006. The financial statements are prepared on the historical cost basis except that investment properties and certain financial instruments are stated at their fair value.

Going concern

The Company remains profitable and cash generative and has a strong balance sheet. Accordingly, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis, the Company has significant cash balances and a modest cost base.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value.

In applying the fair value model in IAS 40 Investment Property:

i. investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
ii. no depreciation is provided in respect of investment properties applying the fair value model.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the revenue accounting policy in note 2.

Independent professional valuations for the Company's investment properties are obtained by the Directors annually. The most recent such valuations were obtained as at 30 September 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment - other, comprises property, motor vehicles and fixtures, fittings and equipment.

Property is stated at valuation. An independent professional valuation for the Company's freehold property is obtained by the Directors annually. The most recent valuation was at 30 September 2023. Surpluses or deficits arising are recognised in other comprehensive income.

Motor vehicles, plant and equipment are stated at cost less accumulated depreciation.

Provision is made for depreciation so as to write off their cost on a straight-line basis over their expected useful life as follows:

- Freehold property 50 years
- Motor vehicles 4 years
- Fixtures, fittings and equipment 4 years

In accordance with IAS 16.35 the fair value of the freehold property is presented by eliminating accumulated depreciation and adjusting the gross book value of the asset to equal revalued amount.

Investments

Listed investments are stated at fair value. See note 15.

Investments in Subsidiary Undertakings and Joint Ventures are stated at cost less any impairment. See note 30.

Cash at bank and in hand

Cash comprises cash in hand and deposits repayable in line with notice periods determined by the Company.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability to the extent that they are appropriately declared and authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the Directors' Report.

28 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

The key accounting judgements are:

1. Management's assessment that assets have not been impaired

Management asses the carrying value of assets with reference to similar property valuations based on location, size and usage and their experience and also seek views from local estate agents.

2. Discount in respect of Aquila Services Group Plc investment

A 40% discount has been applied to the Level 2 quoted share price of Aquila Services Group Plc when valuing the investment, due to shares having minimal trades relative to the percentage shareholding meaning any disposal would likely devalue the investment.

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 of judgement in which estimates have been used and the assumptions applied are:

1. Valuation of investment properties while supported by third party valuations include estimates. All investment property owned by Cardiff has an independent third-party valuation performed annually. The properties owned by the Campmoss Group, are valued by the Campmoss Directors having due regard to independent third-party information and valuations as available; and
2. The deferred taxation provision uses these investment property valuations to calculate the gain or loss and hence deferred taxation liability. This liability is estimated based on the taxation rates expected to be in place in the future which may differ from the actual taxation rates at the time of sale; and.
3. The need for an allowance against carrying value of investments in subsidiary and Joint Venture which are held at cost.

29 ADMINISTRATIVE EXPENSES

	2023 £'000	2022 £'000
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the annual accounts	**58**	37

Details of employee numbers and costs in respect of the Company, which are the same as the Group are given in note 8.

30 INVESTMENTS

	Shares in Group undertakings £'000	Shares in Joint Venture undertaking £'000	Listed investments £'000	Total £'000
At beginning of year	2,739	545	894	4,178
Disposals	–	–	(79)	(79)
Revaluation of investments	–	–	(37)	(37)
At end of year	**2,739**	**545**	**778**	**4,062**

Group undertakings
The Company's investments in Group undertakings, all of which are incorporated in England and Wales, are as follows:

	Issued share capital held	Type of shares held	Activity
First Choice Estates plc	100%	Ordinary shares of £1 each	Property development
Thames Valley Retirement Homes Limited	100%	Ordinary shares of £1 each	Property development
Village Residential plc	100%	Ordinary shares of 10p each	Dormant
Land Bureau Limited	100%	Ordinary shares of £1 each	Dormant
Campmoss Property Company Limited	47.62%	Ordinary shares of £1 each	Property investment
Campmoss Property Developments Limited	47.62%	Ordinary shares of £1 each	Property development

All of the above undertakings have been included within the consolidated financial statements. All of the above undertakings registered office is 56 Station Road, Egham, Surrey, TW20 9LF. The dormant companies accounts are unaudited.

Further information on listed investments and our Joint Venture, Campmoss Property Company Limited, is included in note 15 to the consolidated financial statements.

31 DEBTORS

	2023 £'000	2022 £'000
Trade debtors	**68**	113
Amounts owed by Joint Venture undertaking	**–**	89
Other debtors	**25**	20
Prepayments and accrued income	**110**	35
	203	257

The Company applies the IFRS 9 simplified approach to measuring expected credit losses ('ECL') which uses lifetime expected loss allowance for all trade receivables. The expected loss rates are based on management assessment of historical losses from tenants which has been very low. Due to this, management believe there is no further credit risk provision required In excess of normal provision for doubtful receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 CREDITORS

	2023 £'000	2022 £'000
Rents received in advance	**98**	99
Trade creditors	**12**	11
Amounts owed to subsidiary undertakings	**3,177**	994
Other taxes and social security	**45**	44
Other creditors	**148**	206
Accruals and deferred income	**71**	77
	3,551	1,431

33 DEFERRED TAX LIABILITY

Deferred taxation	2023 £'000	2022 £'000
At beginning of year	**175**	126
(Credit)/charge for the year in the profit and loss account	**(98)**	49
At end of year	**77**	175

Provision has been made for deferred taxation as follows:

	2023 £'000	2022 £'000
Difference between accumulated depreciation and amortisation and capital allowances	**77**	76
Other temporary differences	**–**	99
Deferred tax liability	**77**	175

Deferred tax is estimated using an effective tax rate of 25% (2022: 25%)

34 INVESTMENT PROPERTY FAIR VALUE RESERVE

	2023 £'000	2022 £'000
At beginning of year	**2,326**	2,165
Fair value movement in year	**(332)**	332
Deferred tax on fair value movement	**98**	–
Disposal of property	**–**	(171)
At end of year	**2,092**	2,326

35 OTHER RESERVES

	Fair value reserve £'000	Capital redemption reserve £'000	Merger reserve £'000	Total £'000
At 30 September 2021 and 1 October 2021	29	531	1,869	2,429
Fair value movement on property held for own use	59	–	–	59
Revaluation of investments	(94)	–	–	(94)
Purchase of own shares	–	7	–	7
At 30 September 2022 and 1 October 2022	**(6)**	**538**	**1,869**	**2,401**
Fair value movement on property held for own use	**(10)**	**–**	**–**	**(10)**
Revaluation of investments	**(37)**	**–**	**–**	**(37)**
Purchase of own shares	**–**	**6**	**–**	**6**
At 30 September 2023	**(53)**	**544**	**1,869**	**2,360**

The capital redemption reserve arises from the transfer from share capital of the nominal value of shares purchased for cancellation from the purchase of own shares and the merger reserves arise from the acquisition of subsidiaries.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of The Cardiff Property Public Limited Company will be held at 56 Station Road, Egham, Surrey TW20 9LF on Thursday 18 January 2024 at 12 noon, for the following purposes:

ORDINARY BUSINESS

1. To receive the reports of the Directors and auditor and the financial statements for the year ended 30 September 2023.
2. To approve the remuneration report for the year ended 30 September 2023 including the remuneration policy.
3. To declare a final dividend to be paid on 2 February 2024.
4. To re-elect as a Director, J Richard Wollenberg who retires by rotation.
5. To re-appoint MHA as auditor of the Company and to authorise the Directors to determine its remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass resolution 6 as an ordinary resolution and resolutions 7 and 8 as special resolutions.

6. That the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot, grant options over or otherwise deal with or dispose of the unissued share capital of the Company provided that the authority hereby given:
   (a) shall be limited to unissued shares in the share capital of the Company having an aggregate nominal value of £70,254; and
   (b) shall expire at the end of the next Annual General Meeting of the Company unless previously renewed or varied save that the Directors may, notwithstanding such expiry, allot, grant options over or otherwise deal with or dispose of any shares under this authority in pursuance of an offer or agreement so to do made by the Company before the expiry of this authority.

SPECIAL RESOLUTIONS

7. Subject to the passing of the preceding ordinary resolution the Directors be and they are hereby empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority conferred in that behalf by the preceding ordinary resolution, as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited:
   (a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements; and
   (b) to the allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal amount of £10,538 representing 5% of the present issued share capital of the Company;

   and shall expire on the date of the next Annual General Meeting of the Company or 15 months from the passing of this resolution, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

8. Pursuant to article 12(2) of the Company's articles of association that the Company be and is hereby unconditionally and generally authorised to make market purchases (as defined in section 693(4) of the Companies Act 2006) of ordinary shares of 20 pence each in the capital of the Company, provided that:
   (a) the maximum number of ordinary shares hereby authorised to be acquired is 157,966 representing 14.99% of the present issued share capital of the Company;
   (b) the minimum price which may be paid for such shares is 20 pence per share which amount shall be exclusive of expenses;
   (c) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount (exclusive of expenses) equal to 105% of the average of the middle market quotations for an ordinary share of the Company taken from the Daily Official List of The London Stock Exchange on the ten business days immediately preceding the day on which the share is contracted to be purchased;
   (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or fifteen months from the passing of this resolution, whichever is the earlier; and
   (e) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own shares in pursuance of any such contract.

Registered office:
56 Station Road
Egham
Surrey
TW20 9LF

By order of the Board

K Chandler FCA
Secretary

29 November 2023

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the company.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. A form of proxy accompanies this notice. Forms of proxy, to be valid, must be delivered to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen B62 8HD in accordance with the instructions printed thereon, not less than 48 hours before the time appointed for the holding of the meeting. As an alternative to returning a hard copy Form of Proxy, you may submit your proxy electronically at www.sharegateway.co.uk by using the Personal Proxy Registration Code as shown on the Form of Proxy. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of at least 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be) applies. If you need help with voting online, please contact our Registrars, Neville Registrars Limited +(0) 121 585 1131 or via email at info@nevilleregistrars.co.uk.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Neville Registrars (whose CREST ID is 7RA11) by the specified latest time(s) for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(A) of the Uncertificated Securities Regulations 2001.
5. If you are not a member of the company but you have been nominated under section 146 of the Companies Act 2006 (the 'Act') by a member of the company to enjoy information rights, you do not have the rights of members in relation to the appointment of proxies set out in notes 1, 2 and 3. The rights described in those notes can only be exercised by members of the company.
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Withheld" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
7. Information regarding the meeting, including the information required by section 311A of the Act, is available from www.cardiff-property.com.
8. As provided by Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the company 48 hours before the time set for the meeting shall be entitled to vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time shall be disregarded in determining the rights of any person to vote at the meeting.
9. As at 18:00 hours on 29 November 2023, the company's issued share capital comprised 1,053,810 ordinary shares of 20 pence each. Each ordinary share carries the right to one vote at a general meeting of the company and, therefore, the total number of voting rights in the company at 18:00 hours on 29 November 2023 is 1,053,810.
10. Under section 319A of the Act, the company must answer any question you ask relating to the business being dealt with at the meeting unless (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

11. If you are a person who has been nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person'), you may have a right under an agreement between you and the member of the company who has nominated you to have information rights (a 'Relevant Member') to be appointed or to have someone else appointed as a proxy for the meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the company) regarding any changes or queries relating to your personal details and your interest in the company (including any administrative matters). The only exception to this is where the company expressly requests a response from you.
12. Members satisfying the thresholds in section 338 of the Act may require the company to give, to members of the company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the Annual General Meeting includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the company not later than 6 weeks before the date of the Annual General Meeting.
13. Members satisfying the thresholds in section 338A of the Act may request the company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the company not later than 6 weeks before the date of the Annual General Meeting.
14. Members satisfying the thresholds in section 527 of the Act can require the company to publish a statement on its website setting out any matter relating to (i) the audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the company ceasing to hold office since the last Annual General Meeting, which the members propose to raise at the meeting. The company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the company's auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the company has been required to publish on its website pursuant to this right.
15. Copies of the Directors' service contracts will be available for inspection at the registered office of the company during usual business hours from the date of this notice until the date of the Annual General Meeting, and also during and at least fifteen minutes before the beginning of the Annual General Meeting.
16. The company may hold in treasury any of its own shares purchased under the authority conferred by resolution 8 above. This would give the company the ability to reissue treasury shares and provides greater flexibility in the management of its capital base. Any shares purchased by the company not held in treasury will be cancelled and the number of shares in issue reduced accordingly.

FINANCIAL CALENDAR

30 November 2023	Results announced for the year ended 30 September 2023
18 January 2024	Annual General Meeting
18 January 2024	Ex-dividend date for the final dividend
19 January 2024	Record date for the final dividend
2 February 2024	Final dividend to be paid
May 2024	Interim results for 2024 to be announced
30 September 2024	Year end

22039900788
Printed on Carbon Captured paper

The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.

Consultancy, design and production by:
jonesandpalmer.co.uk

The Cardiff Property plc
56 Station Road, Egham
Surrey TW20 9LF
Tel: 01784 437444
www.cardiff-property.com