



The Cardiff Property plc

Interim Report

2012

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The Cardiff Property plc

The group, including Campmass, specialises in property investment and development in the Thames Valley. The total portfolio under management, valued in excess of £31m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.

Highlights:

		Six months 31 March 2012 (Unaudited)	Six months 31 March 2011 (Unaudited)	Year 30 September 2011 (Audited)
Revenue	£'000	279	268	546
Net assets per share	pence	1,188	1,148	1,174
Profit before tax	£'000	350	446	788
Earnings per share	pence	22.6	28.5	50.3
Interim/total dividend per share	pence	3.3	3.3	12.3
Gearing	%	Nil	Nil	Nil

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Interim Management Report

The Thames Valley is one of the few prime commercial property locations in the United Kingdom and any signs of economic growth should be identifiable. It is, therefore, disappointing to note that, whilst some commercial lettings have taken place, the general level of activity is still disappointing.

Office lettings that have been completed are primarily centred towards second hand space with lease terms typically for a maximum of 10 years with a break at year 5. Landlords' incentives in terms of rent free periods or contributions to a tenant fit out costs are still material. Confidence in the office market remains low and, as a consequence, only a few new schemes, specifically located close to Heathrow Airport, have commenced. In contrast the Thames Valley is experiencing increased tenant interest for small well located retail and business units.

The continuing bleak outlook for the eurozone economy remains a disturbing factor. Until these uncertainties are removed the commercial property market is unlikely to show any rental or capital value improvement. Confidence is key both to major office tenants and potential investors.

Residential prices in Berkshire and Surrey have remained fairly buoyant although again the level of activity is low. The number of letting enquiries received is encouraging and rental levels have retained the increase experienced towards the end of last year.

Dividend

Your directors have declared an unchanged interim dividend of 3.3p (2011: 3.3p) which will be paid on

6 July 2012 to shareholders on the register on 8 June 2012.

Financial

For the half year ended 31 March 2012 profit before tax amounted to £0.35m (March 2011: £0.45m; September 2011: £0.79m) which included an after tax profit from Campmass Property Company Limited, our 47.62% jointly controlled entity, of £0.14m (March 2011: £0.23m; September 2011: £0.38m). The comparative figures for Campmass included profit on sale of development properties. There were no such sales in the six months ended 31 March 2012.

Revenue totalled £0.28m (March 2011: £0.27m; September 2011: £0.55m) representing gross rental income.

The group's share of revenue of Campmass amounts to £0.53m (March 2011: £0.51m; September 2011: £1.53m) representing gross rental income of £0.53m (March 2011: £0.51m); September 2011: £1.0m) and property sales of £nil (March 2011: £nil; September 2011: £0.53m). The Campmass revenue figures are not included in group revenue.

Profit after tax attributable to shareholders for the six month period amounted to £0.30m (March 2011: £0.38m; September 2011: £0.67m). Basic earnings per share was 22.6p (March 2011: 28.5p; September 2011: 50.3p).

Net assets of the group as at 31 March 2012 were £15.90m (March 2011: £15.37m; September 2011: £15.72m). The company's share of the net assets

Interim Management Report continued

of Campmass amounted to £6.33m (March 2011: £6.04m; September 2011: £6.19m). Net assets were equivalent to 1,188p per share (March 2011: 1,148p; September 2011: 1,174p). Gearing for Cardiff was nil (March 2011: nil; September 2011: nil) and for Campmass 65% (March 2011: 57%; September 2011: 71%).

The directors are of the opinion that, in the current market, any change in value of the group's property portfolio as at 31 March 2012 would not be material.

The company did not purchase any of its own shares during the period (March 2011: nil; September 2011: nil) and there have been no material events or material changes in assets, liabilities or related party relationships since 30 September 2011.

Investment and development portfolio

The commercial property investment portfolio comprises a range of office, retail and industrial units located in Egham, Windsor, Maidenhead and Cardiff.

At The White House, Egham, which comprises five ground floor retail units with offices above, one unit is available and discussions to renew existing leases are well advanced. The building is located in the High Street and it is encouraging to note the high level of enquiries received particularly for the retail units. As previously anticipated retail rental levels are expected to remain similar to those previously achieved whilst the office rentals will be lower.

At the Windsor Business Centre, Windsor, and the Maidenhead Enterprise Centre, Maidenhead, which together comprise ten business units, all are fully let on short and medium term leases.

At Heritage Court, Egham, three retail units are let on medium to long term leases and an offer, subject to planning, has been received for the one vacant unit.

Campmass Property Company Limited

The refurbishment of our property at Market Street, Bracknell, has proved successful. Over the past 12 months fifteen small retail units have been refurbished, thirteen of which are now let and two currently under offer. At Gowring House, Market Street, Bracknell, part of the second floor has been let and discussions are being held with a prospective tenant for the first floor area which recently received a planning consent for D2 leisure use.

The office buildings at Britannia Wharf, Woking, and The Priory, Burnham, are both fully let and discussions with existing tenants are being held with regard to the renewal or extension of existing leases.

At Tangle Place, Worplesdon, the development of a 78 bedroom care home is well advanced and expected to complete by mid 2012. The completed building has been pre-let to Barchester Healthcare Homes on a long term lease at a commencing rental of £790,000 per annum.

At Datchet Meadows, Slough, the development of 37 apartments comprises 1, 2 and 3 bedroom units. Ten apartments have been sold and twenty four apartments are currently let on Assured Shorthold Tenancy Agreements. Whilst all apartments remain available for sale the level of letting enquiries has been encouraging.

Quoted Investments

The company retains small holdings in Tribal Group, ImmuPharma and Galileo Resources. I remain a director of Galileo Resources, quoted on AIM.

Shareholders' telephone dealing service

This service, which offers a free share sale service to those shareholders who wish to dispose of holdings of 1,000 shares or less, has been in place for many years. Recently the service has not been widely used and in view of the increasing cost of this service the company has decided to withdraw this free dealing facility with effect from 1 June 2012. Shareholders should be aware that the provision and/or withdrawal of this service should not be construed as an encouragement to buy or sell the company's shares. If in any doubt shareholders should contact their own financial advisors.

Outlook

Although the overall level of commercial enquiries in the Thames Valley remains disappointing it is encouraging to report new lettings at a number of our small retail units at Bracknell. At our two office development sites at Maidenhead, where both buildings have now been demolished, it is difficult to see any office pre-letting agreements being achieved in the immediate future. Prospective tenants continue to require flexibility in their lease arrangements and the over-supply of office accommodation in certain Thames Valley locations is likely to remain a continuing restriction for some time. The group, including Campmoss, continues to manage the existing portfolio whilst seeking new opportunities. In the meantime I look forward to reporting further progress at the end of the financial year.

J Richard Wollenberg

Chairman
30 April 2012

Condensed Consolidated Interim Income Statement

for the six months ended 31 March 2012

	Six months 31 March 2012 (Unaudited) £'000	Six months 31 March 2011 (Unaudited) £'000	Year 30 September 2011 (Audited) £'000
Revenue	279	268	546
Cost of sales	(37)	(30)	(94)
Gross profit	242	238	452
Administrative expenses	(213)	(203)	(416)
Other operating income	127	126	263
Operating profit before gains/(losses) on investment properties and other properties	156	161	299
Surplus on revaluation of investment properties	—	—	7
Deficit on revaluation of other properties	—	—	(7)
Operating profit	156	161	299
Financial income	54	52	106
Share of results of jointly controlled entity	140	233	383
Profit before taxation	350	446	788
Taxation	(47)	(64)	(115)
Profit for the period attributable to equity holders	303	382	673
Earnings per share on profit for the period — pence			
Basic and diluted	22.6	28.5	50.3
Dividends			
Final 2011 paid 9.0p (2010: 9.0p)	121	121	121
Interim 2011 paid 3.3p (2010: 3.3p)	—	—	44
	121	121	165
Final 2011 proposed 9.0p	—	—	121
Interim 2012 proposed 3.3p (2011: 3.3p)	44	44	—
	44	44	121

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

Condensed Consolidated Interim Balance Sheet

at 31 March 2012

	31 March 2012 (Unaudited) £'000	31 March 2011 (Unaudited) £'000	30 September 2011 (Audited) £'000
Non-current assets			
Freehold investment properties	4,002	3,995	4,002
Investment in jointly controlled entity	6,327	6,037	6,187
Property, plant and equipment	185	194	186
Other financial assets	321	220	321
Deferred tax asset	4	5	4
Total non-current assets	10,839	10,451	10,700
Current assets			
Stock and work in progress	668	668	668
Trade and other receivables	2,123	2,281	2,200
Cash and cash equivalents	2,874	2,682	2,753
Total current assets	5,665	5,631	5,621
Total assets	16,504	16,082	16,321
Current liabilities			
Corporation tax	(156)	(243)	(107)
Trade and other payables	(378)	(395)	(424)
Total current liabilities	(534)	(638)	(531)
Non-current liabilities			
Deferred tax liability	(66)	(70)	(68)
Total non-current liabilities	(66)	(70)	(68)
Total liabilities	(600)	(708)	(599)
Net assets	15,904	15,374	15,722
Equity			
Called up share capital	268	268	268
Share premium account	5,076	5,076	5,076
Other reserves	2,486	2,385	2,486
Investment property revaluation reserve	(834)	(740)	(834)
Retained earnings	8,908	8,385	8,726
Shareholders' funds attributable to equity holders	15,904	15,374	15,722
Net assets per share	1,188p	1,148p	1,174p

Condensed Consolidated Interim Statement of Cash Flows

for the six months ended 31 March 2012

	Six months 31 March 2012 (Unaudited) £'000	Six months 31 March 2011 (Unaudited) £'000	Year 30 September 2011 (Audited) £'000
Cash flows from operating activities			
Profit for the period	303	382	673
Adjustments for:			
Depreciation	1	1	2
Financial income	(54)	(52)	(106)
Share of profit of jointly controlled entity	(140)	(233)	(383)
Surplus on revaluation of investment properties	—	—	(7)
Deficit on revaluation of other properties	—	—	7
Taxation	47	64	115
Cash flows from operations before changes in working capital	157	162	301
Decrease in trade and other receivables	77	521	602
(Decrease)/increase in trade and other payables	(46)	(20)	9
Cash generated from operations	188	663	912
Tax paid	—	—	(188)
Net cash flows from operating activities	188	663	724
Cash flows from investing activities			
Interest received	54	52	106
Net cash flows from investing activities	54	52	106
Cash flows from financing activities			
Dividends paid	(121)	(121)	(165)
Net cash flows from financing activities	(121)	(121)	(165)
Net increase in cash and cash equivalents	121	594	665
Cash and cash equivalents at beginning of period	2,753	2,088	2,088
Cash and cash equivalents at end of period	2,874	2,682	2,753

Other Primary Statements

for the six months ended 31 March 2012

Condensed Consolidated Interim Statement of Comprehensive Income and Expense

	Six months 31 March 2012 (Unaudited) £'000	Six months 31 March 2011 (Unaudited) £'000	Year 30 September 2011 (Audited) £'000
Profit for the financial period	303	382	673
Other items recognised directly in equity			
Net change in fair value of available for sale assets	—	—	101
Total comprehensive income and expense for the period attributable to equity holders of the parent company	303	382	774

Other Primary Statements continued

for the six months ended 31 March 2012

Condensed Consolidated Interim Statement of Changes in Equity

	Share capital £'000	Share premium account £'000	Other reserves £'000	Investment property revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 October 2010	268	5,076	2,385	(740)	8,124	15,113
Profit for the period	—	—	—	—	382	382
<i>Transactions with equity holders</i>						
Dividends	—	—	—	—	(121)	(121)
Total transactions with equity holders	—	—	—	—	(121)	(121)
At 31 March 2011	268	5,076	2,385	(740)	8,385	15,374
Profit for the period	—	—	—	—	291	291
Other comprehensive income	—	—	101	—	—	101
<i>Transactions with equity holders</i>						
Dividends	—	—	—	—	(44)	(44)
Total transactions with equity holders	—	—	—	—	(44)	(44)
Transfer on revaluation of investment properties	—	—	—	8	(8)	—
Realisation of revaluation reserve	—	—	—	(114)	114	—
Reclassification	—	—	—	12	(12)	—
At 30 September 2011	268	5,076	2,486	(834)	8,726	15,722
Profit for the period	—	—	—	—	303	303
<i>Transactions with equity holders</i>						
Dividends	—	—	—	—	(121)	(121)
Total transactions with equity holders	—	—	—	—	(121)	(121)
At 31 March 2012	268	5,076	2,486	(834)	8,908	15,904

Statement of Responsibility

for the six months ended 31 March 2012

The directors are responsible for preparing the condensed consolidated interim financial statements for the six months ended 31 March 2012 and they acknowledge, to the best of their knowledge and belief, that:

- the condensed consolidated interim financial statements for the six months ended 31 March 2012 have been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the EU;
- the interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of interim financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the group during that period; and any changes in the related party transactions described in the last annual report that could do so.

J Richard Wollenberg, Chairman

David A Whitaker, Finance director

Nigel D Jamieson, Independent non-executive director

30 April 2012

Notes to the Condensed Consolidated Interim Financial Statements

for the six months ended 31 March 2012

1. Status of interim report

The condensed consolidated interim financial statements for the six months ended 31 March 2012 and the comparative period have been prepared using applicable International Financial Reporting Standards adopted by the EU ("IFRS"), which includes IAS 34 and Interpretations issued by the International Accounting Standards Board ("IASB") and its committees, which are expected to be endorsed by the EU. The interim financial information has been prepared in accordance with the Listing Rules of the Financial Services Authority and was approved by the board on 30 April 2012. They are unaudited and do not comprise statutory accounts within the meaning of section 435 (1) of the Companies Act 2006.

The comparative figures for the financial year ended 30 September 2011 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was: unqualified; did not give any reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006, relating to the accounting records of the company.

2. Basis of preparation

Accounting policies

The condensed consolidated interim financial statements have been prepared applying the accounting policies that were applied in the preparation of the group's published financial statements for the year ended 30 September 2011. Whilst numerous other IFRSs and Interpretations have been endorsed in the period to 31 March 2012 and have been adopted by the group, none of them has had a material impact on these interim financial statements.

Use of estimates and judgement

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

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

An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the company's property portfolio at the end of each financial year. The directors of the jointly controlled entity value its portfolio

each year; such valuation takes into account yields on similar properties in the area, vacant space and covenant strength. The directors of the group and jointly controlled entity review the valuations for the interim financial statements.

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

Going concern

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

3. Segmental analysis

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

	Six months 31 March 2012 (Unaudited) £'000	Six months 31 March 2011 (Unaudited) £'000	Year 30 September 2011 (Audited) £'000
Revenue (wholly in the United Kingdom)			
Property and other investments being gross rents receivable	279	268	546
Profit before taxation			
Property and other investments	236	288	442
Property development	114	158	346
	350	446	788

The operations of the group are not seasonal.

Notes to the Condensed Consolidated Interim Financial Statements

(continued) for the six months ended 31 March 2012

4. Taxation

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

5. Dividends

The interim dividend of 3.3p per share will be paid on 6 July 2012 to shareholders on the register on 6 June 2012. Under accounting standards this dividend is not included in the condensed consolidated interim financial statements for the six months ended 31 March 2012.

6. Earnings per share

Earnings per share has been calculated using the profit after tax for the period of £303,000 (March 2011: £382,000; September 2011: £673,000) and the weighted average number of shares as follows:

	Weighted average number of shares		
	31 March 2012	31 March 2011	30 September 2011
Basic and diluted	1,339,007	1,339,007	1,339,007

Directors and Advisers

Directors

J Richard Wollenberg
Chairman and chief executive

David A Whitaker FCA
Finance director

Nigel D Jamieson BSc, FCSI
Independent non-executive director

Secretary

David A Whitaker FCA

Non-executive director of wholly owned subsidiary

First Choice Estates plc

Derek M Joseph BCom, FCIS, MIMC, MBIM

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Auditor

KPMG Audit Plc

Stockbrokers and financial advisers

Westhouse Securities Limited

Bankers

HSBC Bank plc

Solicitors

Morgan Cole

Registrar and transfer office

Computershare Investor Services PLC
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Telephone: 0870 702 0001
Dealing line: 0870 703 0084

Registered number

22705

Financial Calendar

2012	1 May	Interim results for 2012 announced
	6 June	Ex dividend date for interim dividend
	8 June	Record date for interim dividend
	6 July	Interim dividend to be paid
	30 September	End of accounting year
2013	December	Final results for 2012 announced
	January	Annual general meeting
	February	Final dividend to be paid

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