Regulatory Story

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Cardiff Property PLC
22 November 2012

THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY AND ITS SUBSIDIARIES

FOR RELEASE **7.00 AM** **22 November 2012**

THE CARDIFF PROPERTY PLC

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

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

Highlights:

		2012	2011
Rental income	£'000	**523**	546
Profit before tax	£'000	**435**	788
Earnings per share	pence	**26.5**	50.3
Dividend per share - paid and proposed	pence	**12.3**	12.3
Net assets per share	pence	**1,205**	1,174
Gearing	%	**Nil**	nil

Richard Wollenberg, Chairman, commented:

"Although the UK economy is showing some early signs of recovery, positive measures to resolve the Eurozone crisis are needed before any improvement can take place in the Thames Valley commercial property market. Property investment values have moved lower reflecting the decline in rental levels. Residential values in Surrey and Berkshire remain unchanged over the year."

For further information:

The Cardiff Property plc	Richard Wollenberg	01784 437444
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THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY
AND ITS SUBSIDIARIES

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PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

Chairman's Statement and Property Review

Dear shareholder

Recent hints of an improvement in the UK economy and a move out of recession are welcome but such optimism must be balanced by the uncertainty in containing the damaging Eurozone crisis. In the circumstances it is understandable that companies are reluctant to commit capital for expansion. As a result commercial property lettings in the Thames Valley are likely to remain at low levels. Property investment values have also moved lower reflecting the decline in rental levels. In the current environment the real issue is persuading companies to make a decision.

A small number of new speculative office schemes have commenced in the Thames Valley primarily to the west of Heathrow Airport. New lettings are being reported but competition from refurbished second hand space is still very much evident. Any improvement in demand would inevitably impact positively on rental levels, but the market continues to remain quiet.

Banks remain reluctant to increase their exposure in the commercial property market and although debt costs are at historically low levels the funding shortage has prompted further declines in investment values. It is interesting to note that in the current market the annual income return on some commercial property can range from 5% to 8% over the actual rate of borrowing.

Residential values in Surrey and Berkshire remain unchanged over the year. As a result of stronger demand, rental levels in certain locations have shown a marginal improvement.

Financial
For the year to 30 September 2012 the group profit before tax was £0.44m (2011: £0.79m). This figure includes a small revaluation deficit of £0.02m (2011: nil) in respect of the group and a profit of £0.03m (2011: £0.38m) in respect of our after tax share of Campmoss Property Company Limited, our 47.62% jointly controlled entity.

Revenue totalled £0.52m (2011: £0.55m) representing gross rental income in both years. The group's share of revenue of Campmoss amounted to £1.09m (2011: £1.53m) representing gross rental income of £1.09 (2011: £1.00m) and property sales of £nil (2011: £0.53m). These latter figures are not included in group revenue.

The profit after tax attributable to shareholders for the financial year, amounted to £0.35m (2011: £0.67m) and the earnings per share was 26.5p (2011: 50.3p).

Chairman's Statement and Property Review (continued)

At the year end the company's commercial and residential investment portfolio was valued by Cushman & Wakefield LLP and Nevin & Wright respectively and totalled £3.98m (2011: £4.00m). This value excludes own use freehold property, which is included under property plant and equipment in the balance sheet and which is held at valuation, together with property under development or refurbishment and held for resale which is held as stock at the lower of cost or market value. At the year end, the only property included in stock was commercial property at The Windsor Business Centre. The group's total property portfolio including the Campmoss investment and development portfolio was valued at £33.86m (2011: £28.94m). The company's share of the net assets of Campmoss amounted to £6.22m (2011: £6.19m).

Net assets at the year end were £15.94m (2011: £15.72m) equivalent to 1,205p per share (2011: 1,174p) an increase of 2.6% over the year (2011: 4.0%).

The company's cash balances are held on short term deposit. At the year end the company had nil gearing (2011: nil). Post the year end Campmoss has negotiated new borrowing facilities with a major UK bank which has resulted in lower interest costs.

The group, including Campmoss, has adequate financial facilities and resources to continue with its current plans.

During the year the company purchased and cancelled 16,720 ordinary shares for a total cost of £117,341. Your directors are proposing the annual renewal of their authority to acquire shares and of the approval of the Rule 9 Waiver. Both will be included in the resolutions to be placed before shareholders at the Annual General Meeting and General Meeting respectively to be held on 10 January 2013. Full details of the Rule 9 Waiver are set out the company's website www.cardiff-property.com.

Dividend
The directors are recommending an unchanged final dividend of 9p per share (2011: 9p) making a total dividend for the year of 12.3p (2011: 12.3p). The final dividend will be paid on 7 February 2013 to shareholders on the register at 18 January 2013.

The property portfolio
The group's property continues to be primarily located in the Thames Valley close to Heathrow Airport and in Surrey and Berkshire. The portfolio includes office, industrial, retail and residential property.

The Maidenhead Enterprise Centre, Maidenhead, which comprises 6 business units totalling 14,000 sq ft is fully let. The tenants are primarily small businesses on short and medium term leases.

Following completion of works to the retail units at The White House, Egham, 4 new leases have now been completed, 3 of which are to existing tenants. Negotiations continue with the remaining 2 tenants who are holding over on existing leases. Passing rents on the new retail lettings are higher than previous levels. Part of the upper floor office area which totals 5,000 sq ft has been let with 2,000 sq ft remaining available. Various works are to be carried out to upgrade the office area whilst negotiations for settlement of dilapidations continue with the previous office tenant.

At The Windsor Business Centre, Windsor, which totals 9,500 sq ft, all 4 business units are let.

At Heritage Court, Egham, all 4 retail and office units are let on short and medium term leases.

The company retains a freehold residential property in Egham which is let on an Assured Shorthold Tenancy Agreement.

Campmoss Property Company Limited
Campmoss continues to refurbish and upgrade its property portfolio which comprises offices, industrial, care home and residential property at Woking, Burnham, Bracknell, Maidenhead, Worplesdon and Slough.

A major achievement during the year was the completion of a new 78 bedroom care home scheme at Worplesdon, Surrey, and the subsequent letting to Barchester Healthcare Homes on a long term lease at a commencing rental of £790,000 p.a. Discussions are currently being held with regard to the adjoining land and the possibility of associated healthcare premises.

Following extensive refurbishment at Market Street, Bracknell 15 small retail units are now let with one 1 unit vacant. At Gowring House, part of the second floor office has been let and discussions to let part of the other upper floor office area are currently in hand.

At Britannia Wharf, Woking, and The Priory Business Centre, Burnham, which together total 53,700 sq ft, both office buildings are fully let on a mixture of short and medium term leases. Discussions with some of the tenants to renew and extend existing leases are in hand.

At Brickfields, Kiln Lane, Bracknell, which comprises 14 business units and an adjoining office unit, all units are let to a mixture of local and national businesses.

At both Highway House and Clivemont House, Maidenhead, full or partial pre-lets of the proposed office schemes are required before any major development work is commenced. At Clivemont House alternative uses are being considered.

At Datchet Meadows, located between Datchet and Slough, the completed residential development totals 37 one, two and three bedroom apartments. Of these, 13 apartments have been sold, of which 3 are currently under offer and in solicitor's hands, and 24 apartments are currently let on Assured Shorthold Tenancy Agreements.

At the end of the year, the investment portfolio was valued by the directors of Campmoss, taking into account external advice where available and assessed at the current market value of £24.5m (2011: £19.6m). The development portfolio was valued at cost and amounted to £4.5m (2011: £4.5m) giving a total under management of £29.0m (2011: £24.1m). Total income, received from 65 tenants, amounted to £2.3m (2011: £3.2m) representing gross rental income of £2.3m (2011: £2.1m) and sales of development property of £nil (2011: £1.1m). At the year end net borrowing amounted to £13.6m (2011: £9.2m) and gearing was 104% (2011: 71%).

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

Management and staff
On behalf of shareholders I would wish to take this opportunity of thanking both our small team and our joint venture partner for their effort, achievements and support during the year. The property market has remained a very difficult environment in which to operate and the continued hands on management of the group's portfolio is vital in remaining successful in the current market place.

Registrars
As announced in July this year the company appointed Neville Registrars to carry out the company registrar services. They can be contacted at Neville House, 18 Laurel Lane, Halesowen, B63 3DA. Telephone 0121 585 1131. Email info@nevilleregistrars.co.uk.

Outlook
Although the UK economy is showing some early signs of recovery, positive measures to resolve the Eurozone crisis are needed before any improvement can take place in the Thames Valley commercial property market. In the meantime it will be important to manage the group's existing investments and where possible increase values by achieving beneficial planning consents. I look forward to reporting to you further at the half year.

J Richard Wollenberg
Chairman

21 November 2012

Consolidated Income Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 **£'000**	2011 £'000
Revenue	**523**	546
Cost of sales	**(82)**	(94)
Gross profit	**441**	452
Administrative expenses	**(419)**	(416)
Other operating income	**264**	263
Operating profit before gains/(losses) on investment properties and other investments	**286**	299
Profit on sale of other investments	**27**	-
(Deficit)/surplus on revaluation of investment properties	**(22)**	7
Deficit on revaluation of other property	**-**	**(7)**
Operating profit	**291**	299
Financial income	**111**	106
Share of results of jointly controlled entity	**33**	383
Profit before taxation	**435**	788
Taxation	**(85)**	(115)
Profit for the financial year attributable to equity holders	**350**	673

Earnings per share on profit for the financial year - pence

Basic	**26.5**	50.3
Diluted	**26.5**	50.3
Dividends		
Final 2011 paid 9.0p (2010: 9.0p)	**121**	121
Interim 2012 paid 3.3p (2011: 3.3p)	**44**	44
	165	165
Final 2012 proposed 9.0p (2011: 9.0p)	**119**	121

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

Consolidated Balance Sheet

AT 30 SEPTEMBER 2012

	2012 **£'000**	2011 £'000
Non-current assets		
Freehold investment properties	**3,980**	4,002
Investment in jointly controlled entity	**6,220**	6,187
Property, plant and equipment	**184**	186
Other financial assets	**458**	321
Deferred tax asset	**4**	4
	10,846	10,700
Current assets		
Stock and work in progress	**668**	668
Trade and other receivables	**2,189**	2,200
Cash and cash equivalents	**2,808**	2,753
	5,665	5,621
Total assets	**16,511**	16,321
Current liabilities		
Corporation tax	**(98)**	(107)
Trade and other payables	**(409)**	(424)
	(507)	(531)
Non-current liabilities		
Deferred tax liability	**(64)**	(68)
Total liabilities	**(571)**	(599)
Net assets	**15,940**	15,722
Equity		
Called up share capital	**264**	268
Share premium account	**5,076**	5,076
Other reserves	**2,640**	2,486
Investment property revaluation reserve	**(1,158)**	(834)
Retained earnings	**9,118**	8,726
Shareholders' funds attributable to equity holders	**15,940**	15,722
Net assets per share	**1,205p**	1,174p

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 **£'000**	2011 £'000
Cash flows from operating activities		
Profit for the year	**350**	673
Adjustments for:		
Depreciation	**2**	2
Financial income	**(111)**	(106)
Share of profit of jointly controlled entity	**(33)**	(383)
Profit on sale of other investments	**(27)**	-
Deficit/(surplus) on revaluation of investment properties	**22**	(7)
Deficit on revaluation of other properties	**-**	**7**
Taxation	**85**	115

Cash flows from operations before changes in working capital	**288**	301
Decrease in trade and other receivables	**11**	602
(Decrease)/increase in trade and other payables	**(15)**	9
Cash generated from operations	**284**	912
Tax paid	**(98)**	(188)
Net cash flows from operating activities	**186**	(724)
Cash flows from investing activities		
Interest received	**111**	106
Proceeds on disposal of investments and property, plant and equipment	**40**	-
Net cash flows from investing activities	**151**	106
Cash flows from financing activities		
Purchase of own shares	**(117)**	-
Dividends paid	**(165)**	(165)
Net cash flows from financing activities	**(282)**	(165)
Net increase in cash and cash equivalents	**55**	665
Cash and cash equivalents at beginning of year	**2,753**	2,088
Cash and cash equivalents at end of year	**2,808**	2,753

Other Primary Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Consolidated statement of comprehensive income and expense

	2012 £'000	2011 £'000
Profit for the financial year	**350**	673
Other items recognised directly in equity		
Net change in fair value of available for sale financial assets	**150**	101
Total comprehensive income and expense for the year attributable to the equity holders of the parent company	**500**	774

Consolidated statement of changes in equity

	Share capital	Share premium account	Other reserves	Investment property revaluation reserve	Retained earnings	**Total equity**
	£'000	£'000	£'000	£'000	£'000	**£'000**
At 1 October 2010	268	5,076	2,385	(740)	8,124	**15,113**
Profit for the year	-	-	-	-	673	**673**
Other comprehensive income	-	-	101	-	-	**101**
Transactions with equity holders						
Dividends	-	-	-	-	(165)	**(165)**
Total transactions with equity holders	-	-	-	-	(165)	**(165)**
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 year	-	-	-	-	350	**350**
Other comprehensive income	-	-	150	-	-	**150**
Transactions with equity holders						
Dividends	-	-	-	-	(165)	**(165)**
Purchase of own shares	(4)	-	4	-	(117)	**(117)**
Total transactions with equity holders	(4)	-	4	-	(282)	**(282)**
Transfer on revaluation of investment properties	-	-	-	(324)	324	-
At 30 September 2012	264	5,076	2,640	(1,158)	9,118	**15,940**

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. Basis of preparation

The consolidated results for the year ended 30 September 2012 and 2011 are prepared by the group under applicable International Financial Reporting Standards adopted by the EU ("adopted IFRS") and applicable law.

The financial information set out above does not constitute the company's statutory financial statements for the years ended 30 September 2012 or 30 September 2011 but is derived from those financial statements. Statutory financial statements for 2011 have been delivered to the Registrar of Companies and those for 2012 will be delivered in due course. The auditor has reported on those financial statements; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the financial statements for 2011 nor 2012.

Going concern

The group has sufficient financial resources to enable it to continue to trade and to complete the current maintenance and development programme. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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.

New, revised or changes to existing financial reporting standards

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

The following accounting standards and interpretations, issued by the IASB and endorsed by the EU or International Financial Reporting Interpretations Committee (IFRIC), are effective for the first time in the current financial year and have been adopted by the group with no significant impact on the consolidated results or financial position:

- IAS 24 (Revised) - Related Party Disclosures
- Amendments to IFRIC 14 - Prepayments of a Minimum Funding Requirement
- Improvements to IFRSs (2010)
- Amendments to IFRS 1 - Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
- Amendments to IFRS 7 - Transfers of Financial Assets Disclosures

The following IFRSs have been endorsed by the EU but are not yet effective and have not been early adopted:

- Amendments to IAS 12 - Deferred Tax Recovery of Underlying Assets - effective 1 January 2012
- Amendments to IAS 1 - Presentation of Other Comprehensive Income - effective 1 July 2012

The following IFRSs have been issued by the IASB but are yet to be endorsed by the EU:

- Amendments to IFRS 1 - Government Loans - effective 1 January 2013
- Amendments to IFRS 7 - Disclosures: Offsetting Financial Assets and Financial Liabilities - effective 1 January 2013
- IFRS 10 Consolidated Financial Statements - effective 1 January 2013
- IFRS 11 Joint Arrangements - effective 1 January 2013
- IFRS 12 Disclosure of Interests in Other Entities - effective 1 January 2013
- IFRS 13 Fair Value Measurement - effective 1 January 2013
- IAS 19 (Amendment) Defined Benefit Plans - effective 1 January 2013
- IAS 27 Separate Financial Statements - effective 1 January 2013
- IAS 28 Investments in Associates and Joint Ventures - effective 1 January 2013
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine - effective 1 January 2013
- Annual Improvements to IFRS 2009-2011 Cycle - effective 1 January 2013
- Amendment to IAS 32 - Offsetting Financial Assets and Financial Liabilities - effective 1 January 2014
- IFRS 9 Financial Instruments - effective 1 January 2015

None of these standards and interpretations, when applied, are expected to have a material impact upon the consolidated results or financial position of the group, other than in relation to disclosures or presentation.

2. Segmental analysis

The group manages its operations in two segments, being property and other investment 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 results and net operating assets for each reportable segment are set out below:

	2012	2011
	£'000	£'000
Revenue (wholly in the United Kingdom):		
Property and other investment being gross rents receivable	**523**	546
Property development being sales of development properties	**-**	-
	523	546
Profit before taxation:		
Property and other investment	**199**	442
Property development	**236**	346
	435	788
Net operating assets:		
Assets		
Property and other investment	**15,713**	15,621
Property development	**3,761**	3,556
Eliminations	**(2,963)**	(2,856)
Total assets	**16,511**	16,321
Liabilities		
Property and other investment	**3,260**	3,198
Property development	**274**	257
Eliminations	**(2,963)**	(2,856)
Total liabilities	**571**	599
Net operating assets	**15,940**	15,722

Of the group's share of the profit in its jointly controlled entity of £33,000 (2011: £383,000), a loss of £23,000 (2011: profit £209,000) relates to property development and a profit of £56,000 (2011: £174,000) relates to property investment. The interest income of £2,000 (2011: £106,000) relates entirely to property investment. Of the income tax expense of £56,000 (2011: £115,000), £55,000 (2011: £49,000) relates to property investment and £1,000 (2011: £66,000) to property development. Due to the reportable segments being accounted for in separate legal entities it is possible to directly allocate the group results and net assets to the reportable segments.

3. Earnings per share

Earnings per share has been calculated in accordance with IAS 33 - Earnings Per Share using the profit after tax for the financial year of £350,000 (2011: £673,000)and the weighted average number of shares as follows:

	Weighted average number of shares	
	2012	2011
Basic	**1,322,862**	1,339,007
Adjustment to basic for bonus element of shares to be issued on exercise of options	**-**	-
Diluted	**1,322,862**	1,339,007

Financial Calendar

2012	22 November	Final results for 2012 announced
2013	10 January	Annual General Meeting/General Meeting
	16 January	Ex dividend date for the final dividend
	18 January	Record date for the final dividend
	7 February	Final dividend to be paid
	February	Interim management statement to be announced
	May	Interim results for 2013 to be announced
	July	Interim dividend for 2013 to be paid
	July	Interim management statement to be announced
	30 September	Year end

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, MSII

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Auditor
KPMG Audit Plc

Stockbrokers and financial advisers
Westhouse Securities Ltd

Bankers
HSBC Bank Plc

Solicitors
Morgan Cole

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Telephone: 0121 583 1131

Registered number
22705

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