The Cardiff Property plc

Annual Report and Accounts

for the year ended 30 September 2011

www.cardiff-property.com

The Cardiff Property plc

The group, including Campmoss, specialises in property investment and development in the Thames Valley.

The portfolio, in excess of £28m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.

Contents

Financial Highlights

The group seeks to enhance shareholder value by obtaining new planning permissions, managing its existing portfolio and keeping a watchful eye for acquisitions.

		2011	2010
Net Assets	£000	**15,722**	15,113
Net Assets Per Share	pence	**1,174**	1,129
Profit Before Tax	£000	**788**	500
Earnings Per Share — Basic	pence	**50.3**	20.9
Dividend Per Share	pence	**12.3**	12.3
Gearing	%	**Nil**	Nil

Locations

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

Bracknell

Brickfields*
14 business units and 1 office unit totalling 35,000 sq ft. Tenants include Siemens PLC, Verizon UK, BSS Group and National Car Rental producing £340,000 pa.

1–10 Market Street*
10 retail units on ground and first floor totalling 7,900 sq ft let on 5-10 year leases producing £124,500 pa.

25 Market Street*
2 industrial units and 2 bedroom apartment over, totalling 6,000 sq ft. The industrial units are let on short and medium term leases and the residential unit is let on an Assured Shorthold Tenancy producing in total £48,000 pa.

Gowring House and adjacent business unit*
25,000 sq ft building comprising 3 ground floor retail units, 5 upper floors of offices and an adjacent business unit comprising one retail unit and one upper floor of offices have been let on short and medium term leases producing £83,000 pa. The second retail unit and upper floor offices remain available.

Burnham

The Priory*
26,000 sq ft headquarters office building. 9,000 sq ft used as a business centre. Tenants include Industri-Matematik, Ashley House, Click Software and BEST producing gross income of £655,000 pa.

Cardiff

Mail Sorting Centre
14,650 sq ft let to The Royal Mail at £40,000 pa lease expiring 2019.

Egham

Station Road
Company head office totalling 1,200 sq ft.

Heritage Court
Retail and office premises totalling 3,000 sq ft producing £45,000 pa. One unit available.

Runnymede Road
Residential property adjacent to The White House. Let on short term tenancy producing £13,200 pa.

The White House
Office and retail premises totalling 12,000 sq ft. Tenants include Royal Liver Assurance, Clinton Card, Shaw Trust and Boots, producing £224,500 pa. New leases under negotiation.

Guildford

Tangley Place, Worplesdon*
78 bedroom, 3 storey, care home under construction. Completion expected mid 2012. Pre-let on a long lease to Barchester Homes at £790,000 p.a.

Maidenhead

Clivemont House*
Building demolished. Planning approval for new 49,000 sq ft net B1 office scheme. Agents appointed to seek a pre-letting.

Highway House*
Building demolished. Planning approval for a new 45,000 sq ft net B1 office scheme. Agents appointed to seek a pre-letting.

Maidenhead Enterprise Centre
Development of 6 business units totalling 14,000 sq ft. Fully let producing £84,500 pa.

Slough

Datchet Meadows*
Development of 37 apartments. 10 units sold and 24 let on Assured Shorthold Tenancies. 3 units available.

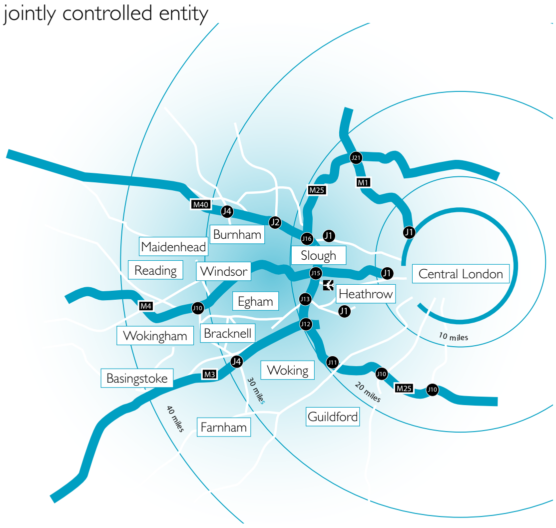
Windsor

Windsor Business Centre
4 business units totalling 9,500 sq ft producing £147,600 pa. Tenants include Joyce Meyer Ministries (2 units) and ETAP.

Woking

Britannia Wharf*
27,743 sq ft net office building let to DB Apparel, Exchange FS and Indus International producing £610,000 pa.

*Owned by jointly controlled entity



Chairman's Statement and Property Review

The level of letting enquiries for commercial property in the Thames Valley continues to be low.

Dear shareholder

The level of letting enquiries for commercial property in the Thames Valley continues to be low. The majority of agents are reporting a quieter than usual period over the last six months with little prospect of an upturn.

Confidence in commercial property, with the exception of central London, has fallen over the past year although certain institutional and private funds still have the intention and appetite to invest. Weakening prospects for the world economy, turbulence in global financial markets, banks reluctance to lend and Europe's debt crisis are all impacting negatively on UK property values. In such circumstances the likelihood of rental growth is unlikely, with landlords continuing to offer numerous incentive packages to new and existing tenants including flexible lease periods, tenant breaks and rent free periods. I would remind shareholders that in certain Thames Valley locations commercial property rents are now up to 40% lower than a few years previous. The possibility of concerted action to deal with current uncertainties could encourage a return of confidence and any upturn could lead to a recovery from current depressed levels.

As a sign of confidence, it has been reported that a small number of office schemes located close to Heathrow Airport are due to commence, expecting to benefit from any recovery over the next few years. However, the majority of new commercial property schemes in the Thames Valley remain on hold as pre-lettings are sought. The availability of good quality refurbished second hand commercial office space in the Thames Valley continues to dominate the market and it will be sometime before this space is occupied.

Residential values in Berkshire and Surrey have remained broadly unchanged over the year. Recent months have seen a marginal improvement in property sales but transactions are taking much longer to complete. Rental levels have retained the improvement experienced last year.

Despite the market uncertainties and difficult letting conditions, the group, including Campmoss Property Company Limited, our 47.62% jointly controlled entity, has shown resilience over the year resulting in a small increase in net asset value per share.

Financial

For the year to 30 September 2011 the group profit before tax was £0.79m (2010: £0.50m) including a profit of £0.38m (2010: loss £0.64m) in respect of our after tax share of Campmoss. The current year property valuation is unchanged (2010: deficit £0.03m) in respect of the group.

Revenue totalled £0.55m (2010: £0.79m) representing gross rental income of £0.55m (2010: £0.59m) and property sales of £nil (2010: £0.20m). The group's share of revenue of Campmoss amounted to £1.53m (2010: £1.29m) representing gross rental income of £1.0m (2010: £0.97m) and property sales of £0.53m (2010: £0.32m). These latter figures are not included in group revenue.

The profit after tax attributable to shareholders for the financial year amounted to £0.67m (2010: £0.31m) and the earnings per share was 50.3p (2010: 20.9p).

The commercial and residential investment portfolio valued annually by Cushman & Wakefield LLP and Nevin & Wright respectively totalled £4m (2010: £4m). 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, stock represented commercial property at The Windsor Business Centre. The group's property portfolio under management at the year end, including the Campmoss investment and development portfolio, was valued at £28.94m (2010: £29.46m). The company's share of the net assets of Campmoss amounted to £6.19m (2010: £5.80m).

Net assets at the year end were £15.72m (2010: £15.11m) equivalent to 1,174p per share (2010: 1,129p) an increase of 4% over the year (2010: 6%).

The group, including Campmoss, has adequate financial facilities and resources to complete the current development and refurbishment programme. Cash balances held by the company are placed on short term deposit. At the year end the company had nil gearing (2010: nil).

Although the company did not purchase any ordinary shares for cancellation during the year, 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 12 January 2012. Full details of the Rule 9 Waiver are set out in the document accompanying this report and are also on the company's website at www.cardiff-property.com.

Chairman's Statement and Property Review continued

Confidence in commercial property, with the exception of central London, has fallen over the past year although certain institutional and private funds still have the intention and appetite to invest.

	Dividend per share pence	Net assets per share pence	Profit/(loss) before tax £'000	Earnings/(loss) per share pence
2011	12.30	1,174	788	50.3
2010	12.30	1,129	500	20.9
2009	12.30	1,065	(656)	(57.7)
2008	12.30	1,105	(1,541)	(90.2)
2007	11.25	1,189	1,475	74.5

Dividend

The directors are recommending an unchanged final dividend of 9p per share (2010: 9p) making a total dividend for the year of 12.3p (2010: 12.3p). The final dividend will be paid on 9 February 2012 to shareholders on the register at 20 January 2012.

The property portfolio

The group's portfolio comprises office, industrial, retail and residential property, primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.

At The White House, Egham, which comprises 5 ground floor retail units with offices over, negotiations are in progress with existing tenants to renew their leases. Office rent is expected to be lower, whilst retail rents should remain in line with current rents received. The expected redevelopment of Egham town centre, which received outline planning for an extensive scheme comprising new retail space, a Waitrose supermarket and a Travel Lodge managed hotel, is expected to commence within the next few years. Once completed this should encourage greater footfall within the town and provide a strong base for retail rents.

The Maidenhead Enterprise Centre, Maidenhead, which comprises 6 business units and totals 14,000 sq ft is now fully let and produces £84,500 per annum. It is encouraging to note that the lettings achieved over the year are all to small business users demonstrating their confidence in the future.

At Heritage Court, Egham, 3 retail units are let on medium to long term leases. 1 unit has recently become available.

At The Windsor Business Centre, Windsor, which totals 9,500 sq ft all 4 business units are let on short and medium term leases.

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

Campmoss Property Company Limited

During the year Campmoss continued to upgrade its property portfolio where appropriate and has, as a result, achieved new lettings. The company retains freehold office, retail and residential property in Woking, Burnham, Bracknell and Slough and is currently developing a pre-let care home in Worplesdon near Guildford.

The office buildings at Britannia Wharf, Woking, and The Priory, Burnham, are all fully let to both national and local companies on short and medium term leases. Discussions are regularly held with the tenants with a view to the renewal or extension of existing leases.

At Market Street, Bracknell, which encompasses 3 separate blocks of property the programme of refurbishment is now almost complete and over 85% of the property has been let for periods of between 5 and 10 years. As with the company's property at Maidenhead, the majority of these tenants are small retail and customer led businesses.

At Brickfields, Bracknell, 14 business units and an adjoining office unit are now fully let on medium term leases. During the year, 2 business units were sold on a long leasehold basis.

At Clivemont House and Highway House, Maidenhead, both buildings have been demolished and works to improve the access at Highway House completed. The board continues to seek either a full or partial pre-let before commencing any development. Alternative uses for the respective sites are also under discussion with the local authority.

At Tangley Place, Worplesdon, the development of a 78 bedroom care home commenced earlier in the year following completion of development finance, building contract and lease agreements. The building, designed to the tenant's requirements, has been pre-let to Barchester Homes on a long term lease at a commencing rental of £790,000 per annum. The development is expected to complete by the middle of 2012.

At Datchet Meadows, located between Datchet and Slough, the development comprises 37 one, two and three bedroom apartments. All units are available for sale but in the meantime the decision to let the apartments on Assured Shorthold Tenancy Agreements has proved successful. At the year end 24 apartments were let, 10 units sold and 3 units available.

Quoted investments

The company's small equity portfolio includes holdings in ImmuPharma, Tribal Group and Galileo Resources. I remain a director of Galileo Resources, quoted on AIM.

Management and staff

Despite the difficult property market the achievements reported during the year are due to the dedication and hard work of our small team based in Egham and our joint venture partner. I would like to take this opportunity of thanking them and my fellow board members for their effort and support during the year.

Shareholders' telephone dealing service

The company continues to offer its free share sale service to those shareholders who wish to dispose of holdings of 1,000 shares or less. This facility is provided by our registrars, Computershare Investor Services Plc, who can be contacted on 0870 703 0084. Shareholders should be aware that 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

The number of lettings of small retail and business units achieved during the year demonstrates confidence in the market. However, overall, the Thames Valley property market will remain difficult and any rental recovery is unlikely without an improvement in the wider economic outlook.

The group has a number of projects to plan, finalise and manage. The successful completion of these projects should enhance the value of the property portfolio. I therefore look forward to reporting progress to you at the half year stage.

J Richard Wollenberg
Chairman
23 November 2011

Financial Review

Understanding our business

The group specialises in property investment and development in the Thames Valley. The total portfolio under management, including our 47.62% jointly controlled entity, Campmoss Property Company Limited, is currently valued in excess of £28m and is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire and comprises a mix of high grade office developments, industrial and commercial units plus residential properties developed for sale. 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 strategy is to grow through active property management and rapid response to opportunities as they arise and is focused on the long term.

The year under review has again been challenging, but the group's underlying profitability remains strong. The group's property portfolio has, overall, maintained its value. The company returned a net profit before tax of £788,000 (2010: £500,000) including our share of the after tax profits of Campmoss of £383,000 (2010: loss £643,000). Last year's profit was boosted by a one off gain on sale of investments by the company of £516,000.

The effectiveness of the group's strategy is reflected in its performance over recent years. In the five years from 30 September 2005 net assets increased from 990p per share to 1,129p per share at 30 September 2010 despite the economic downturn causing a slump in property prices. A further increase of 4% to 1,174p was recorded in the current year. The group benefits from substantial cash deposits and ongoing profitability. Dividend increased from 9.0p per share to 12.3p per share over that same period and, for the current year, has been maintained at 12.3p per share.

Going forward in the short term, the group is continuing to manage its portfolio, which is now predominantly let. Campmoss is currently developing a 78 bed care home at its site at Worplesdon, near Guildford and continues its marketing of the residential development at Datchet Meadows, Slough. For the longer term the group is well placed to take advantage of any upturn in the property market, having substantial cash deposits giving it the ability to react quickly to opportunities as they arise. In addition, Campmoss has a substantial development portfolio at Maidenhead, where planning consents for two office developments were granted some time ago.

Income statement

Revenue amounted to £546,000 (2010: £793,000). This can be analysed as:

	2011 £'000	2010 £'000
Gross rents receivable	**546**	595
Sales of development properties	**—**	198
Total turnover	**546**	793

In the year to 30 September 2011 the group sold no development properties (2010: one residential property in Egham which was included in revenue as sales of development properties). Sales of investment properties are treated as disposals of non-current assets and only the gain or loss on sale as measured against the valuation carried in the balance sheet is reflected in the income statement. No such sales were made during either 2010 or 2011.

Earnings per share is 50.3p (2010: 20.9p).

Your board has again obtained independent valuations of the property portfolio (excluding those held by Campmoss which are based on directors' valuations). These external valuations result in a decrease in the value of the group's commercial portfolio, including the group's offices in Egham, of £27,000 (2010: £50,000) and an increase in the residential portfolio of £27,000 (2010: £20,000). The net decrease of £nil (2010: £30,000) has been taken to the income statement in accordance with IFRS.

Balance sheet

Total assets amount to:

	2011 £'000	2010 £'000
Investment properties	**4,002**	3,995
Investment in jointly controlled entity	**6,187**	5,804
Property, plant and equipment	**186**	195
Other financial assets	**321**	220
Deferred tax asset	**4**	23
Stock	**668**	668
Trade and other receivables	**2,200**	2,802
Cash and cash equivalents	**2,753**	2,088
Total	**16,321**	15,795

In accordance with IAS 16 the group's owner occupied office building in Egham, valued at £183,000 on 30 September 2011 (2010: £190,000) is classified as property, plant and equipment rather than as an investment property.

During the year the company purchased and cancelled none (2010: 236,000) of its own shares at a cost of £nil (2010: £1,778,997).

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. Any shares purchased by the company not held in treasury will be cancelled and the number of shares in issue reduced accordingly. The company intends 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. 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 and is subject to the waiver under Rule 9 of the Takeover Code being approved by shareholders as set out in the document accompanying this report.

Net assets were £15.7m (2010: £15.1m) equivalent to 1,174p per share (2010: 1,129p), an increase of 4% over the year.

These results relate entirely to continuing activities. There were no acquisitions or disposals of businesses in either year.

Property portfolio under management

The total property portfolio under management represents the investment and development properties of the group and 100% of Campmoss and is made up as follows:

	2011	2010
	£'000	£'000
Group		
Investment properties	**4,002**	3,995
Own use freehold property	**183**	190
Development properties (stock)	**668**	668
Campmoss		
Investment properties	**19,563**	19,250
Development properties (stock)	**4,528**	5,352
Total	**28,944**	29,455

Liquidity

At the year end the group retained substantial cash deposits resulting from the sale of development properties during previous years. The group has not renegotiated a credit line due to the cost involved but has sufficient cash resources to complete the current development programme. The board will keep this position under review.

Gearing at the year end was nil (2010: nil).

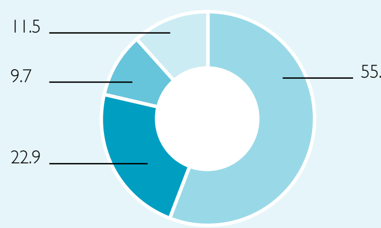
Jointly controlled entity

Our jointly controlled entity, Campmoss Property Company Limited, prepares its results under UK GAAP and these are summarised as follows:

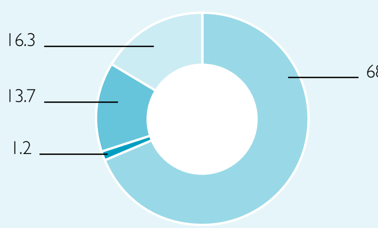
	2011	2010
	£'000	£'000
Turnover	**3,207**	2,701
Profit before tax	**1,012**	673
Net assets before net borrowing	**22,173**	20,012
Net borrowing	**9,182**	7,824
Gearing %	**71**	64

Analysis of Group Property Portfolio

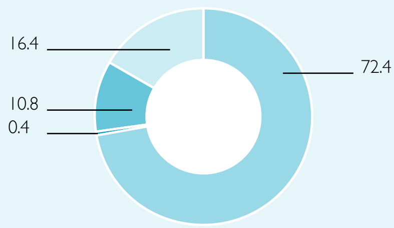
By Capital Value
(including development properties)



By Capital Value
(excluding development properties)



By Rental Income
(excluding development properties)



Office **Residential** **Retail** **Industrial**

Financial Review continued

International Financial Reporting Standards ("IFRS")

Shareholders will note that IFRS continues to evolve and the corresponding volume of information presented in the annual report inevitably grows with it. This evolution will continue for some time to come with a number of issues yet to be resolved by the various accounting standards bodies. As a result there is an ongoing programme refining the interpretations of the standards currently in operation.

The company has elected to prepare its parent company financial statements in accordance with UK GAAP.

Key performance indicators

The key performance indicators used by the directors for monitoring the performance of the business are shown in the graphs on page 4 and the consolidated five year summary on page 46.

David A Whitaker FCA
Finance director
23 November 2011

Directors and Advisers

Directors
J Richard Wollenberg
Chairman and chief executive

David A Whitaker FCA
Finance director

Nigel D Jamieson BSc, MRICS, FCSI
Independent non-executive director

Secretary
David A Whitaker FCA

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Registered number
22705

Auditor
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Chartered Accountants
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Stockbrokers and financial advisers
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Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR

Bankers
HSBC Bank Plc
3 Rivergate, Bristol BS1 6ER

Solicitors
Morgan Cole
Bradley Court, Park Place, Cardiff CF10 3DR

Registrar and transfer office
Computershare Investor Services Plc
PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH
Telephone: 0870 702 0002
Dealing line: 0870 703 0084

J Richard Wollenberg (aged 63)
Chairman and chief executive

Was appointed a director of the company in 1980, became chief executive in 1981 and chairman in 1989. Mr Wollenberg has over 30 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 a non-executive director of Galileo Resources plc, which is quoted on AIM.

David A Whitaker FCA (aged 62)
Finance director

Was appointed a director and secretary of the company in 1997. He is a Chartered Accountant and brings a wealth of experience of public companies. He also has extensive experience in contracting from a successful career in cable television.

Nigel D Jamieson BSc, MRICS, FCSI (aged 61)
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 is a Chartered Surveyor with over 25 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, MIMC, MBIM (aged 61)
Chairman of A2Dominion Housing Group. Consultant and leading authority on the financing of affordable housing and non-executive director of Altair Consultancy & Advisory Services Ltd. Previously managing director of HACAS Group Ltd, the leading housing association and local authority housing consultancy. He is an executive director of a group of companies holding and managing commercial properties as well as software and internet businesses. A voluntary director of Theatre Royal Stratford East and Homeless International. He advises housing groups, property companies and government departments on housing strategy.

Report of the Directors

The directors submit their annual report and the audited financial statements for the year ended 30 September 2011.

Results

The results of the group for the year are set out in the audited financial statements on pages 18 to 36.

Dividends

The directors recommend a final dividend for the year of 9.0p per share (2010: 9.0p) payable on 9 February 2012. The total dividend paid and proposed in respect of the year, including the interim dividend of 3.3p per share, amounts to 12.3p per share (2010: 12.3p).

Principal activity and enhanced business review

The principal activity of the group during the year continued to be property investment and development. The Companies Act 2006 requires the directors' report to include a business review. 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 Property Review and the Financial Review on pages 3 to 8. A description of corporate social responsibility activities is included in this report.

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 27 on page 34.

Directors

The current directors of the company and the non-executive director of a wholly owned subsidiary are listed on page 9. All served throughout the financial year.

In accordance with the company's articles of association, Mr Wollenberg will retire by rotation at the Annual General Meeting and, being eligible, will offer himself for re-election.

Directors' interests

Directors' and their immediate families' interests in the ordinary shares of the company were as follows:

	At 30 September 2011 Beneficial	At 1 October 2010 Beneficial
N D Jamieson	**1,500**	1,500
D A Whitaker	**7,000**	7,000
J R Wollenberg	**561,298**	561,298

No director has any interest in the share capital of any other group company. There were no changes in the directors' shareholdings as stated above between 1 October 2011 and 23 November 2011.

At 30 September 2011 Mr Wollenberg held 25,000 (2010: 25,000) ordinary shares of £1 each in Campmoss Property Company Limited, a jointly controlled entity, representing 2.38% of the issued share capital of that company.

Directors' options

No director held options at 30 September 2011 (2010: nil).

Substantial shareholdings

In addition to one director referred to above who holds 41.9%, the company has been notified of the following holdings of 3% or more in the share capital of the company at 23 November 2011:

	Holdings	Percentage
Gartmore Fledgling Trust Plc	55,000	4.1

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 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 £13,390, representing 5% of the present issued ordinary share capital of the company.

Purchase of own shares

At the Annual General Meeting held on 13 January 2011, authority was renewed empowering your directors to make market purchases of up to 200,717 of the company's own ordinary shares of 20p each. No purchases were made under that authority. The number of shares in issue remains, therefore, at 1,339,007.

The existing authority for the company to purchase its own shares expires at the conclusion of the Annual General Meeting to be held on 12 January 2012. The directors wish to renew the authority and consent is therefore sought to resolution 8 set out in the Notice of Meeting on page 43 authorising the directors to purchase up to 200,717 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 2013 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.

Supplier payment policy

Whilst the group does not follow any standard code, it is its policy to negotiate terms with all its suppliers and to ensure that they know the terms on which payment will take place when the business is agreed. It is our policy to abide by these terms. In most instances this requires payment within 30 days of the date of invoice. The number of days' purchases outstanding at the year end was 11 (company: 9 days).

Donations

The company made charitable donations of £nil (2010: £100) during the year. There were no political donations made in either this year or last.

Auditor

A resolution for the reappointment of KPMG Audit Plc as auditor of the company and authorising the directors to determine its remuneration is to be proposed at the forthcoming Annual General 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Corporate social responsibility

Through 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 with team players 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.

Corporate environmental responsibility

The group's policy is to minimise the risk of any adverse affect 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 also aims to ensure that its contractors meet with 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 to minimise 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.

Directors and officers indemnity insurance

The directors of the company are covered 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 and share options are given in notes 20 and 19 respectively.

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 and other significant shareholders 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.

Corporate Governance

The board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on directors' remuneration on pages 15 to 16, explains how the company has applied the principles set out in The UK Corporate Governance Code ("the Code") and contains the information required by Section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules.

Board of directors

The board currently consists of two executive directors and one independent non-executive director. It meets regularly with senior 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 for its decision. The board met four times during the year. The board, led by the independent non-executive director, evaluates the annual performance of the board and the chairman. A framework for the evaluation process has been agreed and the findings arising from the process discussed with the board. The board views the non-executive director as independent of the board, notwithstanding his tenure being in excess of 10 years, due to the range and depth of his external commitments and experience in the property sector.

Audit committee

The audit committee, which is chaired by the independent non-executive director, Nigel Jamieson, comprises all board members. The committee meets with the auditors at least once a year to consider the results, internal procedures and controls and matters raised by the auditors. The audit committee met once during the year. The audit committee considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditors reviewing the ratio of audit to non-audit fees. At least one of the members has relevant recent financial experience.

Remuneration committee

The remuneration committee also 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 once 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 consists of all board members, which 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 chief executive 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 Turnbull guidance.

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 chief executive 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 institutional investors by the chairman when requested, normally following the publication of the half year and full year results, when interim and annual reports are delivered to all shareholders. 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 attend the Annual General Meeting at which they have the opportunity to meet with shareholders.

Going concern

The directors have followed the guidance issued in making their statement on going concern.

Details in respect of the directors' assessment of going concern are included in the accounting policies on page 22.

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. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Registered office:
3 Assembly Square
Britannia Quay
Cardiff Bay
CF10 4AX

By order of the board

David A Whitaker FCA
Secretary
23 November 2011

Statement of Directors' Responsibilities

in respect of the annual report and the financial statements

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 IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 and prudent;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

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 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 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

The directors confirm that to the best of their knowledge:

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

J Richard Wollenberg
Chairman
23 November 2011

David A Whitaker FCA
Finance director

Remuneration Report

Composition of the remuneration committee

Nigel D Jamieson	independent non-executive director, chairman of the committee
David A Whitaker	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.

Compliance

In setting the company's remuneration policy for directors, the remuneration committee has given full consideration to the best practice provisions annexed to The Financial Services Authority Listing Rules and the report has been prepared in accordance with Chapter 6 of the Companies Act 2006 and the Directors' Remuneration Report Regulations 2002.

Remuneration policies

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. The committee believes that share ownership by executive directors and senior staff strengthens the link between their personal interests and those of shareholders.

The main components of executive directors' remuneration are:

- basic salary/fee — reviewed annually;
- annual performance bonus — members of staff (excluding directors) are eligible to participate in the company's discretionary bonus scheme. Mr 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. Mr Whitaker is eligible to receive a sum equal to the percentage increase in net asset value per share based upon the current fee charged to the company up to a maximum of 50% of that fee;
- taxable benefits — provision of health care for Mr Wollenberg;
- pension benefits — the company has no formal pension scheme. Annual contributions are made to Mr Wollenberg's personal pension scheme currently at the rate of 20% (2010: 20%) of salary and bonuses; and
- 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.

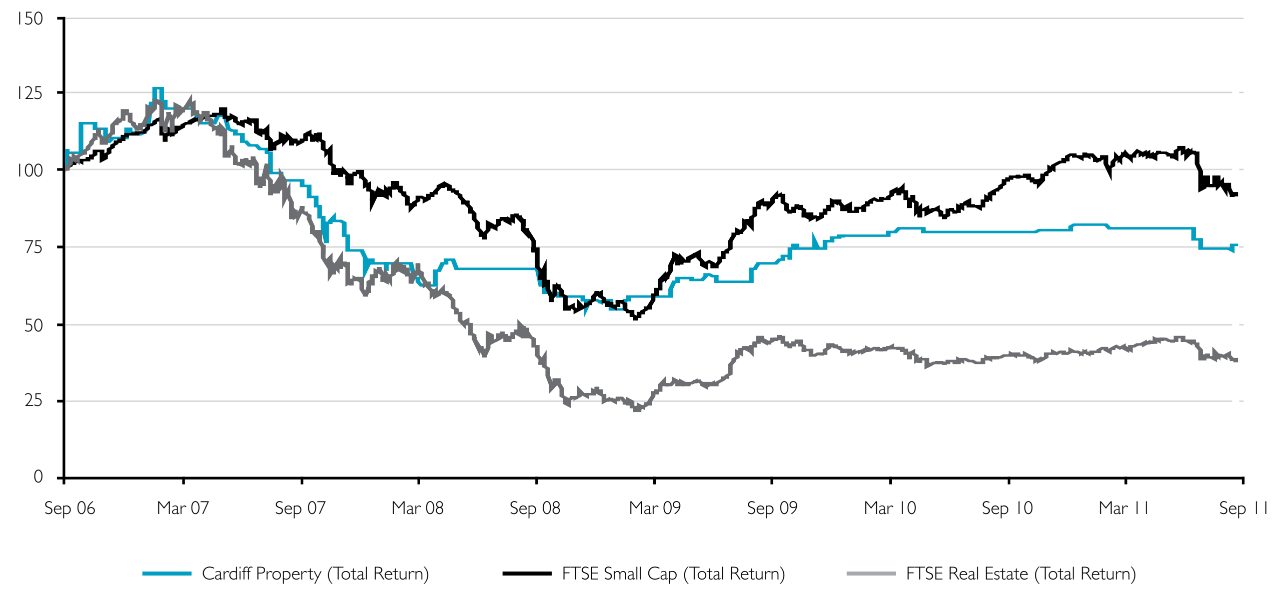
The criteria applicable to both schemes were chosen as being those most likely to provide enhanced shareholder value from the performance of executives. They are:

- 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 FT Real Estate Index over the same period.

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

Remuneration Report continued

A graph showing the company's total shareholder return relative to the FTSE Real Estate and FTSE Small Cap Indices is reproduced below. 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 Chairman's Statement on page 4.



Source: Datastream

Service contracts

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

Mr Whitaker's services are provided by Netpage Communications Limited, a company controlled by him, with whom the company has a service contract which can be terminated by either party upon giving three months' notice in writing.

Remuneration of non-executive director

The remuneration of the non-executive director is decided 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.

Directors' remuneration and director's options subject to audit

Particulars of directors' remuneration, including pensions and director's options which, under the Companies Act 2006 are required to be audited, are given in note 7 to the financial statements on page 26 and in the report of the directors on page 10.

External appointments

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 paid.

The remuneration report was approved by the board on 23 November 2011 and signed on its behalf by:

Nigel D Jamieson BSc, MRICS, FCSI
Chairman of The Remuneration Committee

Independent Auditor's Report

KPMG Audit Plc
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff Bay
CF10 4AX
United Kingdom

Independent auditor's report to the members of The Cardiff Property Public Limited Company

We have audited the financial statements of The Cardiff Property Public Limited Company for the year ended 30 September 2011 set out on pages 18 to 42. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the 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 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and to express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKP.

Opinion on financial statements

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 2011 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 12 to 13 with respect to internal control and risk management systems in relation to financial reporting processes and about the capital structure is consistent with the group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required 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 from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 13, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the board on directors' remuneration.

KA Maguire
Senior Statutory Auditor
for and on behalf of KPMG Audit Plc
Statutory Auditor
Chartered Accountants
23 November 2011

Consolidated Income Statement for the year ended 30 September 2011

	Notes	2011 £'000	2010 £'000
Revenue	3	**546**	793
Cost of sales		**(94)**	(120)
Gross profit		**452**	673
Administrative expenses		**(416)**	(420)
Other operating income		**263**	265
Operating profit before gains/(losses) on investment properties and other investments	4	**299**	518
Profit on sale of other investments		**—**	516
Surplus/(deficit) on revaluation of investment properties	11	**7**	(30)
Deficit on revaluation of other properties		**(7)**	—
Operating profit		**299**	1,004
Financial income	5	**106**	139
Share of results of jointly controlled entity	13	**383**	(643)
Profit before taxation	3–7	**788**	500
Taxation	8	**(115)**	(190)
Profit for the financial year attributable to equity holders	24	**673**	310
Earnings per share on profit for the financial year – pence			
Basic	9	**50.3**	20.9
Diluted	9	**50.3**	20.9
Dividends			
Final 2010 paid 9.0p (2009: 9.0p)		**121**	142
Interim 2011 paid 3.3p (2010: 3.3p)		**44**	44
		165	186
Final 2011 proposed 9.0p (2010: 9.0p)		**121**	121

Consolidated Balance Sheet at 30 September 2011

	Notes	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Non-current assets					
Freehold investment properties	11		**4,002**		3,995
Investment in jointly controlled entity	13		**6,187**		5,804
Property, plant and equipment	12		**186**		195
Other financial assets	13		**321**		220
Deferred tax asset	18		**4**		23
			10,700		10,237
Current assets					
Stock and work in progress	14	**668**		668	
Trade and other receivables	15	**2,200**		2,802	
Cash and cash equivalents		**2,753**		2,088	
			5,621		5,558
Total assets			**16,321**		15,795
Current liabilities					
Corporation tax		**(107)**		(194)	
Trade and other payables	16	**(424)**		(415)	
			(531)		(609)
Non-current liabilities					
Deferred tax liability	18		**(68)**		(73)
Total liabilities			**(599)**		(682)
Net assets			**15,722**		15,113
Equity					
Called up share capital	20		**268**		268
Share premium account	21		**5,076**		5,076
Other reserves	22		**2,486**		2,385
Investment property revaluation reserve	23		**(834)**		(740)
Retained earnings	24		**8,726**		8,124
Shareholders' funds attributable to equity holders			**15,722**		15,113
Net assets per share	10		**1,174p**		1,129p

These financial statements were approved by the board of directors on 23 November 2011 and were signed on its behalf by:

J Richard Wollenberg
Director

Consolidated Cash Flow Statement for the year ended 30 September 2011

	2011	2010
	£'000	£'000
Cash flows from operating activities		
Profit for the year	**673**	310
Adjustments for:		
Depreciation	**2**	3
Financial income	**(106)**	(139)
Share of (profit)/loss of jointly controlled entity	**(383)**	643
Profit on sale of other investments	**—**	(516)
(Surplus)/deficit on revaluation of investment properties	**(7)**	30
Deficit on revaluation of other properties	**7**	—
Taxation	**115**	190
Cash flows from operations before changes in working capital	**301**	521
Decrease in stock	**—**	139
Decrease/(increase) in trade and other receivables	**602**	(468)
Increase/(decrease) in trade and other payables	**9**	(30)
Decrease in provisions	**—**	(65)
Cash generated from operations	**912**	97
Tax paid	**(188)**	(253)
Net cash flows from operating activities	**724**	(156)
Cash flows from investing activities		
Interest received	**106**	139
Acquisition of investments and property, plant and equipment	**—**	(1)
Proceeds on disposal of investments and property, plant and equipment	**—**	589
Net cash flows from investing activities	**106**	727
Cash flows from financing activities		
Purchase of own shares	**—**	(1,779)
Dividends paid	**(165)**	(186)
Net cash flows from financing activities	**(165)**	(1,965)
Net increase/(decrease) in cash and cash equivalents	**665**	(1,394)
Cash and cash equivalents at beginning of year	**2,088**	3,482
Cash and cash equivalents at end of year	**2,753**	2,088

Other Primary Statements for the year ended 30 September 2011

Consolidated statement of comprehensive income and expense

	2011 **£'000**	2010 £'000
Profit for the financial year	**673**	310
Other items recognised directly in equity		
Net change in fair value of available for sale financial assets	**101**	—
Total comprehensive income and expense for the year attributable to the equity holders of the parent company	**774**	310

Consolidated 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 2009	315	5,076	2,338	1,404	7,635	**16,768**
Profit for the year	—	—	—	—	310	**310**
Transactions with equity holders						
Dividends	—	—	—	—	(186)	**(186)**
Purchase of own shares	(47)	—	47	—	(1,779)	**(1,779)**
Total transactions with equity holders	(47)	—	47	—	(1,965)	**(1,965)**
Transfer on revaluation of investment properties	—	—	—	(912)	912	**—**
Transfer from investment property revaluation reserve	—	—	—	(1,232)	1,232	**—**
At 30 September 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**

Notes to the Financial Statements

1 International Financial Reporting Standards

The consolidated results for the year ended 30 September 2011 and 2010 are prepared by the group under applicable International Financial Reporting Standards adopted by the EU ("adopted IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS 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 UK GAAP and these are presented on pages 37 to 42.

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 available for sale; 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.

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 Property Review on pages 3 to 5. The financial position of the group, its property portfolio under management, asset base, liquidity and key performance indicators are described in the Financial Review on pages 6 to 8.

In addition, note 20 includes the group's objectives, policies and processes for managing its capital and note 28, its financial risk management objectives and details of its exposures to credit risk, liquidity risk and market risk.

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.

Basis of consolidation

The group's financial statements consolidate those of the company and its subsidiaries and equity account for the interest in the jointly controlled entity. Subsidiary companies are those entities under the control of the company, where control means the power to govern the financial and operating policies of the entity so as to obtain benefit from its activities. 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.

Jointly controlled entities are those in whose activities the group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The group's investment in the jointly controlled entity is accounted for using the equity method, hence the group's share of the gains and losses of the jointly controlled entity is included in the consolidated income statement and its interest in the net assets is included in investments in the consolidated balance sheet.

Use of estimates and judgement

The preparation of financial statements in conformity with IFRSs 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 (see note below), in valuing available for sale assets, in classifying properties and in the calculating of provisions (note 17).

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 revaluation 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 jointly controlled entity value its portfolio each year. All valuations take into account yields on similar properties in the area, vacant space and covenant strength.

2 Accounting policies continued

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 along with the costs directly attributable to the initial letting of newly developed properties. Thereafter they are charged to the income statement. Whilst under development such properties are classified either as inventory if being developed 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 equity.

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 when exchanged contracts become unconditional.

Property, plant and equipment and depreciation

Property is stated at fair value on the same basis as investment properties described above. Any surplus arising on the revaluation is recognised in other comprehensive income except to the extent that it reverses a previous revaluation deficit on the same asset recognised in profit and loss. Any deficit on revaluation is recognised in profit and loss except to the extent that it reverses a previous revaluation 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:

- property — 50 years
- motor vehicles — 4 years
- fixtures, fittings and equipment — 4 years

Impairment

The carrying amounts of the group's assets, other than investment properties, own use freehold property and financial assets designated as available for sale which are measured at fair value, 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.

Capitalisation of borrowing costs

Net borrowing costs in respect of capital expenditure on acquisition, development or refurbishment of qualifying assets are capitalised. Interest is capitalised using the group's weighted average cost of borrowing from the commencement of development work until the date of practical completion. The capitalisation is suspended if there are prolonged periods when development activity is interrupted. All other borrowing costs are recognised in the Income Statement in the period in which they are incurred.

Stocks and work in progress

Stocks, 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.

Revenue

Revenue consists of rental income, earned under operating leases granted, from properties held for investment purposes, together with the proceeds from the sale of development properties. Sales of development property are recognised on the date of unconditional exchange of contracts or, if conditional, on the date that the conditions have been satisfied. 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, or the period to the first tenant break if shorter.

Financial assets

Investments in equity securities are classified as assets available for sale 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 equity is recognised in the income statement.

Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment.

Cash and cash equivalents

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

Equity

Equity comprises issued share capital, share premium, other reserves, investment property revaluation reserve and retained earnings.

Share based payments

The share option programme allows group employees to acquire shares of the parent company; these awards are granted by the parent. The fair value of options granted is recognised as an employee expense on a straight line basis over the vesting period with a corresponding increase in equity. The fair value is measured at the date of grant and spread over the period during which the employees become unconditionally entitled to the options using an option valuation model, taking into account the terms and conditions upon which options were granted and is dependant on factors such as exercise price, expected volatility, option price and risk free interest rate. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Notes to the Financial Statements continued

2 Accounting policies continued

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.

Provisions

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; it is probable that an outflow of economic benefit will be required to settle the obligation; and the outflow can be estimated reliably. 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.

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 directly in equity, in which case it is recognised in the consolidated statement of comprehensive income and expense.

Current tax is expected tax payable on the taxable income for the year, using tax rates 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 goodwill; 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.

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.

IFRS

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:

- Improvements to IFRSs (2009)
- Amendment to IAS 32 — Classification of rights issues
- Amendments to IFRS 2 — Group cash-settled share-based payment transactions
- IFRS 3 (Revised) — Business combinations
- IFRIC 15 — Agreements for the construction of real estate
- IFRIC 19 — Extinguishing financial liabilities with equity

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

- Improvements to IFRSs (2010)
- IAS 24 (Revised) — Related party disclosures

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

- Amendments to IFRS 7 — Financial instruments disclosures
- IFRS 9 — Financial instruments
- Amendments to IAS 1 — Presentation of other comprehensive income
- Amendments to IAS 12 — Deferred tax recovery of underlying assets
- Amendments to IAS 19 — Employee benefits
- IFRS 10 — Consolidated financial statements
- IFRS 11 — Joint arrangements
- Amendments to IFRS 13 — Fair value measurement

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.

3 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:

	2011 £'000	2010 £'000
Revenue (wholly in the United Kingdom):		
Property and other investment being gross rents receivable	**546**	595
Property development being sales of development properties	**—**	198
	546	793
Profit before taxation:		
Property and other investment	**442**	130
Property development	**346**	370
	788	500
Net operating assets:		
Assets		
Property and other investment	**15,621**	14,988
Property development	**3,556**	3,564
Eliminations	**(2,856)**	(2,757)
Total assets	**16,321**	15,795
Liabilities		
Property and other investment	**3,198**	3,178
Property development	**257**	261
Eliminations	**(2,856)**	(2,757)
Total liabilities	**599**	682
Net operating assets	**15,722**	15,113

Of the group's share of the profit in its jointly controlled entity of £383,000 (2010: loss £643,000), a profit of £209,000 (2010: £87,000) relates to property development and a profit of £174,000 (2010: loss £730,000) relates to property investment. The interest income of £106,000 (2010: £139,000) relates entirely to property investment. Of the income tax expense of £115,000 (2010: £190,000), £49,000 (2010: £135,000) relates to property investment and £66,000 (2010: £55,000) 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. In 2010 the revenue in respect of the property development segment relates entirely to a single transaction.

4 Operating profit before gains/(losses) on investment properties and other investments

	2011 £'000	2010 £'000
Included are the following expenses/(income):		
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the annual accounts	**23**	23
Audit of subsidiary undertakings pursuant to legislation	**3**	3
Tax services	**6**	6
Other services	**6**	3
Depreciation of plant and equipment	**2**	3
Management charges receivable	**(257)**	(255)

5 Financial income

	2011 £'000	2010 £'000
Bank and other interest receivable	**106**	139

Notes to the Financial Statements continued

6 Employees

The average number of persons employed by the group and the company (including executive directors) during the year was:

	Number of employees 2011	2010
Management	**3**	3
Administration	**2**	2
	5	5

The aggregate payroll costs of these persons were as follows:

	2011 £'000	2010 £'000
Wages and salaries	**270**	268
Social security costs	**21**	21
Other pension costs	**24**	24
	315	313

Other pension costs represents amounts paid by the group to a personal pension plan in respect of a director.

7 Emoluments of directors

The emoluments of the directors were as follows:

	Salary/fee £	Benefits £	Total 2011 £	Total 2010 £	Pension contributions 2011 £	Pension contributions 2010 £
As executives						
J R Wollenberg	117,576	10,706	**128,282**	127,750	**23,515**	23,515
D A Whitaker	39,450	—	**39,450**	39,252	**—**	—
	157,026	10,706	**167,732**	167,002	**23,515**	23,515
As non-executive						
N D Jamieson	12,000	—	**12,000**	12,000	**—**	—
	169,026	10,706	**179,732**	179,002	**23,515**	23,515

The information above is in respect of the company. In addition Mr Wollenberg received consultancy fees of £50,000 (2010: £50,000) from our jointly controlled entity, Campmoss Property Company Limited. Details of the company's policy on directors' remuneration is contained within the remuneration report on pages 15 to 16. Amounts in respect of emoluments for Mr Whitaker are paid to Netpage Communications Limited, a company which he controls.

8 Taxation

	2011 £'000	2010 £'000
Current tax		
UK corporation tax on the result for the year	**107**	194
Adjustments in respect of prior periods	**(6)**	(8)
Total current tax	**101**	186
Deferred tax		
Origination and reversal of temporary differences	**—**	4
Adjustments in respect of prior periods	**14**	–
Total deferred tax	**14**	4
Taxation	**115**	190

8 Taxation continued

Factors affecting the tax charge for the year

The tax charge for the year is lower (2010: higher) than the standard rate of corporation tax in the UK of 28% (2010: 28%). The differences are explained below:

	2011 £'000	2010 £'000
Tax reconciliation		
Profit before taxation	**788**	500
Profit before taxation multiplied by standard rate of corporation tax in the UK of 28% (2010: 28%)	**220**	140
Effects of:		
Expenses not deductible for tax purposes	**—**	3
Difference between chargeable gains and accounting profits in respect of investment disposals	**—**	(105)
Jointly controlled entity	**(101)**	180
Effect of different tax rates	**(12)**	4
Other temporary differences	**—**	(18)
Small companies relief	**—**	(6)
Adjustments in respect of prior periods	**8**	(8)
Taxation	**115**	190

On 23 March 2011 the Chancellor announced the reduction in the standard rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011. A further reduction to 25% from 1 April 2012 was substantively enacted on 19 July 2011 and is therefore reflected in the figures above.

The Chancellor also proposed changes to further reduce the standard rate of corporation tax by one per cent per annum to 23% by 1 April 2014. The overall effect of the additional reductions from 25% to 23%, if these applied to the deferred tax balance at 30 September 2011, would be to further reduce the net deferred tax liability by £5,100.

9 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 £673,000 (2010: £310,000) and the weighted average number of shares as follows:

	Weighted average number of shares	
	2011	2010
Basic	**1,339,007**	1,480,826
Adjustment to basic for bonus element of shares to be issued on exercise of options	**—**	—
Diluted basis	**1,339,007**	1,480,826

10 Net assets per share

	2011 Pence per share	2010 Pence per share
Based on shares in issue at 30 September 2011 of 1,339,007 (2010: 1,339,007)	**1,174**	1,129

Notes to the Financial Statements continued

11 Freehold investment properties

	2011 £'000	2010 £'000
Group and company		
At beginning of year	**3,995**	4,025
Surplus/(deficit) on revaluation in year	**7**	(30)
At end of year	**4,002**	3,995

The company's freehold commercial investment properties have been valued by external valuers, Cushman & Wakefield LLP, and its residential property by Nevin & Wright as at 30 September 2011. These external valuations have been prepared as Regulated Purpose Valuations in accordance with the Practice Statements contained in the RICS Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors in May 2003 (as amended). The bases of valuation were Market Value and Existing Use Value, as appropriate. The aggregate values attributed to these investment properties are as follows:

	30 September 2011 £'000
Cushman & Wakefield LLP	**3,750**
Nevin & Wright	**252**
	4,002

The historical cost of the investment properties was:

	30 September 2011 £'000
Group and company	
At 30 September 2011	**3,719**
At 30 September 2010	3,719

The cumulative amount of interest capitalised at 30 September 2011 was £90,000 (2010: £90,000).

12 Property, plant and equipment

	Own use freehold property £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 30 September 2009	190	65	6	261
Additions	—	1	—	1
Disposals	—	(2)	—	(2)
At 30 September 2010	190	64	6	260
Revaluation	(7)	—	—	(7)
At 30 September 2011	**183**	**64**	**6**	**253**
Depreciation				
At 30 September 2009	—	62	2	64
Charge for year	—	1	2	3
On disposals	—	(2)	—	(2)
At 30 September 2010	—	61	4	65
Charge for year	—	1	1	2
At 30 September 2011	**—**	**62**	**5**	**67**
Net book value				
At 30 September 2011	**183**	**2**	**1**	**186**
At 30 September 2010	190	3	2	195
At 30 September 2009	190	3	4	197

Own use freehold property was valued by Cushman & Wakefield LLP at market value as at 30 September 2011. The historic cost of the property is £202,000 (2010: £202,000).

13 Investments

	Shares in jointly controlled entity £'000	Unlisted investments £'000	Listed investments £'000	Total £'000
At beginning of year	5,804	12	208	6,024
Net change in fair value of available for sale financial assets	—	—	101	101
Share of profit of jointly controlled entity	383	—	—	383
At end of year	**6,187**	**12**	**309**	**6,508**

Listed investments

These include minority stakes in Tribal Group Plc, listed on The London Stock Exchange, ImmuPharma Plc and Galileo Resources plc, listed on AIM, and are designated as available for sale financial assets.

Jointly controlled entity

The group owns 47.62% (2010: 47.62%) of the total issued ordinary share capital of £1,050,000 of Campmoss Property Company Limited, incorporated in England and Wales.

The group's share of the results of Campmoss Property Company Limited and its subsidiary undertakings for the year ended 30 September 2011 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 2011.

The group's share of the consolidated income, expenses, revaluations, tax and profit/(loss) after tax was:

	2011 £'000	2010 £'000
Income	**1,530**	1,286
Expenses	**(1,047)**	(965)
Taxation on ordinary activities	**(101)**	(82)
Revaluation of investment properties	**1**	(882)
Profit/(loss) after tax	**383**	(643)

Notes to the Financial Statements continued

13 Investments continued

The group's share of the consolidated net assets of Campmoss Property Company Limited and its subsidiary undertakings was:

	2011 £'000	2010 £'000
Non-current assets		
Investment properties	**9,307**	9,167
Deferred tax asset	**4**	4
	9,311	9,171
Current assets		
Stock and work in progress	**2,157**	2,549
Trade and other receivables	**251**	260
Cash and cash equivalents	**386**	250
	2,794	3,059
Total assets	**12,105**	12,230
Current liabilities		
Loans	**(183)**	(1,088)
Corporation tax	**(132)**	(74)
Trade and other payables	**(1,743)**	(2,068)
	(2,058)	(3,230)
Non-current liabilities		
Loans	**(3,589)**	(2,888)
Provisions	**—**	(5)
Deferred tax liability	**(271)**	(303)
	(3,860)	(3,196)
Total liabilities	**(5,918)**	(6,426)
Net assets	**6,187**	5,804

Investment properties are included at fair value based on directors' valuations as at 30 September 2011.

Loans are secured on certain investment properties. Loans due after more than one year are repayable as follows:

	2011 £'000	2010 £'000
1–2 years	**2,995**	133
2–5 years	**594**	2,755
	3,589	2,888

14 Stock and work in progress

This comprises development properties held for sale.

15 Trade and other receivables

	2011 £'000	2010 £'000
Trade receivables	**35**	40
Amounts owed by jointly controlled entity	**2,097**	2,697
Other receivables	**50**	47
Prepayments and accrued income	**18**	18
	2,200	2,802

16 Trade and other payables

	2011 £'000	2010 £'000
Bank overdraft	—	12
Rents received in advance	115	107
Trade creditors	9	12
Other taxes and social security	32	31
Other creditors	177	161
Accruals and deferred income	91	92
	424	415

17 Provisions

	2011 £'000	2010 £'000
At beginning of year	—	65
Release in the year	—	(65)
At end of year	**—**	—

Provisions relate to the directors' best estimate of the cost of resolving claims made against the group in respect of property developments.

18 Deferred taxation

	2011 £'000	2010 £'000
At beginning of year	(50)	(46)
Charge for the year in the income statement	(14)	(4)
At end of year	**(64)**	(50)

Provision has been made for deferred taxation as follows:

	2011 £'000	2010 £'000
Difference between accumulated depreciation and amortisation and capital allowances	(68)	(73)
Other temporary differences	4	23
Net deferred tax liability	(64)	(50)
Disclosed as:		
Deferred tax asset	4	23
Deferred tax liability	(68)	(73)
Net deferred tax liability	(64)	(50)

The above deferred tax asset included within non-current assets in the group accounts relates to short term differences and is not anticipated to be recoverable within the next 12 months.

A deferred tax asset of £58,000 (2010: £66,000) in respect of the net deficit on property revaluations has not been recognised due to uncertainty regarding its recoverability.

Notes to the Financial Statements continued

19 Share based payments

The fair values of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the option, which is spread over the vesting period, is measured based on a Black Scholes model (with the contractual life of the option and expectations of early exercise built into the model). The option vests after a period of 3 years and in addition, the average of the previous three years net asset value per share must exceed the corresponding increase in the FT Real Estate Index over the same period, by at least 3%.

The terms and conditions of outstanding share options granted in previous years are as follows:

Date granted	Amount paid	No. of ordinary shares	Option price per share	Exercisable between
8 December 2006	£1	500	1,105p	2009–2016

The principal assumptions used in assessing the fair value of the above options are as follows:

- share price — 1,105p;
- exercise price — 1,105p;
- option life — 10 years;
- expected dividends — 1.4%; and
- risk free interest rate — 4.3%.

No options were exercised during the year and none were granted.

20 Share capital

	2011 £'000	2010 £'000
Authorised		
4,500,000 (2010: 4,500,000) ordinary shares of 20 pence each	**900**	900
Allotted, called up and fully paid		
At 30 September 2010 — 1,339,007 (2009: 1,575,007) ordinary shares of 20 pence each	**268**	315
Cancelled during the year — nil (2010: 236,000) ordinary shares of 20 pence each	**—**	(47)
At 30 September 2011 — 1,339,007 (2010: 1,339,007) ordinary shares of 20 pence each	**268**	268

At 30 September 2011 there were outstanding the following options for senior executives and employees to purchase ordinary shares of 20 pence each:

Date granted	Amount paid	No. of ordinary shares	Option price per share	Exercisable between
8 December 2006	£1	500	1,105p	2009–2016

The total number of ordinary shares under option is 500 (2010: 500).

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 the optimal capital structure, the group may adjust its dividend policy, issue new shares or return capital to shareholders.

21 Share premium account

	£'000
Group and company	
At beginning and end of year	**5,076**

22 Other reserves

	Available for sale reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Merger reserve £'000	Total £'000
At beginning of year	—	486	30	1,869	2,385
Net change in fair value	101	—	—	—	101
At end of year	**101**	**486**	**30**	**1,869**	**2,486**

The capital redemption reserve arises from the transfer from share capital of the nominal value of shares purchased for cancellation and is not available for distribution. The available for sale, capital and merger reserves arise from the acquisition of subsidiaries and are not available for distribution.

23 Investment property revaluation reserve

	2011 £'000	2010 £'000
At beginning of year	**(740)**	1,404
Transfer from retained earnings on revaluation in the year	**8**	(912)
Realisation of revaluation reserve	**(114)**	(1,232)
Reclassification	**12**	—
At end of year	**(834)**	(740)

The investment property revaluation reserve represents surpluses and deficits arising on revaluation of the group's properties, including our share of Campmoss Property Company Limited, our 47.62% jointly controlled entity. This reserve comprises unrealised profits and losses and is not available for distribution until realised through sale.

24 Retained earnings

	2011 £'000	2010 £'000
At beginning of year	**8,124**	7,635
Profit for the financial year	**673**	310
Dividends paid	**(165)**	(186)
Transfer to investment property revaluation reserve on revaluation in the year	**(8)**	912
Transfer from investment property revaluation reserve on realisation	**114**	1,232
Own shares purchased in year	**—**	(1,779)
Reclassification	**(12)**	—
At end of year	**8,726**	8,124

25 Commitments

Expenditure on development and investment properties

There were no commitments under contract at 30 September 2011 (2010: nil).

Notes to the Financial Statements continued

26 Operating leases

Operating leases granted

The group leases out its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2011 £'000	2010 £'000
Within one year	**271**	407
Years two to five	**349**	422
More than five years	**399**	461
Total	**1,019**	1,290

Operating leases taken

Neither the group nor the company had any material commitments under non-cancellable operating leases at 30 September 2011 (2010: nil).

27 Related party transactions

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

Party	**Nature of transaction**	**Value**		**Balance owed by related party at 30 September**	
		2011 £'000	2010 £'000	**2011 £'000**	2010 £'000
Campmoss Property Company Limited	Loans made by the company to acquire and develop properties	**—**	500	**2,071**	2,671
	Loans repaid to the company	**600**	—	**—**	—
	Loan interest received by the company	**54**	64	**13**	19
	Management fees received by the company	**251**	237	**13**	7
	Consultancy fees received by J R Wollenberg (director)	**50**	50	**50**	25
Netpage Communications Ltd	Consultancy fees in respect of the services of D A Whitaker (director)	**39**	39	**—**	—
D M Joseph	Director's salary paid	**3**	3	**1**	1

Campmoss Property Company Limited is a jointly controlled entity of the company. The amount due from Campmoss Property Company Limited at 30 September 2011 of £2,071,000 (2010: £2,671,000) represents the outstanding balance on the revolving credit drawdown facility of £2,200,000 (2010: 2,700,000) provided to Campmoss Property Company Limited by the company at an interest rate of base plus 2%. The loans are secured on certain investment properties. Campmoss Property Company Limited is a company in which Mr Wollenberg is a director and both he and the company are shareholders.

Mr D M 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 10 and note 7 on page 26.

All transactions were carried out at arms length.

28 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 jointly controlled entity 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 clients before credit is granted above certain thresholds. There is a spread of risks among a number of clients with no significant concentration of risk with any one client. 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 international highly-rated financial institutions.

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

	2011	2010
	£'000	£'000
Cash and cash equivalents	**2,753**	2,088
Trade and other receivables	**103**	105
Amounts due from jointly controlled entity	**2,097**	2,697
	4,953	4,890

At 30 September 2011 the group had £2,753,000 (2010: £2,088,000) deposited with banks and financial institutions of which: £178,000 is available for withdrawal in less than 30 days; £850,000 is available for withdrawal in 30–60 days; and £1,725,000 is available for withdrawal in 90 days.

The amounts due from the jointly controlled entity at 30 September 2011 are repayable on demand and are secured upon certain investment properties owned by the jointly controlled entity. None of these amounts are overdue.

All financial assets are sterling denominated.

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

	2011		2010	
	Gross	**Provision**	Gross	Provision
	£'000	**£'000**	£'000	£'000
Not past due	**103**	**—**	105	—
Past due 0–30 days	**—**	**—**	—	—
Past due 31–90 days	**8**	**8**	—	—
Past due more than 91 days	**7**	**7**	5	5
	118	**15**	110	5
The movement in the provision during the year was as follows:				
At beginning of year		**5**		17
Amounts written back		**(5)**		(17)
Provided in year		**15**		5
At end of year		**15**		5

Notes to the Financial Statements continued

28 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, as far as possible, that it will always have 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 LIBOR. 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 £424,000 (2010: £415,000) 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. The group's objective is to manage and control market risk within suitable parameters.

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 floating LIBOR based rate.

Company Balance Sheet at 30 September 2011

	Notes	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Fixed assets					
Tangible assets:					
Investment properties	11		**4,002**		3,995
Other	32		**186**		195
			4,188		4,190
Investments	33		**4,143**		4,042
			8,331		8,232
Current assets					
Debtors	34	**2,185**		2,772	
Cash at bank and in hand		**2,753**		2,088	
		4,938		4,860	
Creditors: amounts falling due within one year	35	**(3,132)**		(3,105)	
Net current assets			**1,806**		1,755
Total assets less current liabilities			**10,137**		9,987
Provisions for liabilities	36		**(68)**		(73)
Net assets			**10,069**		9,914
Capital and reserves					
Called up share capital	20		**268**		268
Share premium account	21		**5,076**		5,076
Investment property revaluation reserve	37		**282**		263
Other reserves	38		**2,437**		2,355
Profit and loss account	39		**2,006**		1,952
Shareholders' funds — equity	40		**10,069**		9,914

These financial statements were approved by the board of directors on 23 November 2011 and were signed on its behalf by:

J Richard Wollenberg
Director

Notes to the Financial Statements continued

29 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of properties and certain investments, and in accordance with applicable accounting standards and with the Companies Act 2006 except as noted below under investment properties.

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Investment properties

Design, construction and management expenses together with interest incurred in respect of investment properties in the course of development are capitalised until the building is effectively completed and available for letting along with the costs directly attributable to the initial letting of newly developed properties. Thereafter they are charged to the profit and loss account. Whilst under development such properties are classified as assets in the course of construction and any accumulated revaluation surpluses or deficits are transferred from the investment property revaluation reserve to a separate revaluation reserve. These properties are also revalued at the year end and surpluses or deficits transferred to that revaluation reserve. As assets in the course of construction are not in use they are not depreciated.

When completed, these properties are transferred back to investment properties and accumulated revaluation surpluses or deficits transferred back to the investment property revaluation reserve.

In accordance with Statement of Standard Accounting Practice No. 19:

- investment properties are revalued annually and surpluses or deficits are transferred to a revaluation reserve unless a deficit on an individual property is considered permanent. In this case the deficit is charged to the profit and loss account and any subsequent reversal is credited to the profit and loss account in the period in which it arises; and
- no depreciation is provided in respect of freehold investment properties.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act 2006 concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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 2011.

Tangible fixed assets — other

Tangible fixed assets — other, comprise 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 2011. Surpluses or deficits arising are transferred to a revaluation reserve with the exception of permanent deficits, which do not reverse previous surpluses, which are recognised in the profit and loss account.

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:

- property — 50 years
- motor vehicles — 4 years
- fixtures and fittings — 4 years

29 Accounting policies continued

Investments

Listed investments are classified as assets available for sale and are stated at fair value.

Investments in subsidiary undertakings and joint ventures are stated at cost less any impairment.

Share based payments

Information relating to the accounting policy and disclosure of share based payments is included in notes 2 and 19 respectively.

Taxation

Provision is made for corporation tax payable at current rates on the result for the period as adjusted for tax purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 – Deferred Tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the timing difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the tax benefit will be received.

Related party transactions

Under FRS 8 — Related Party Transactions, the company has taken advantage of the exemption not to disclose transactions with subsidiaries where 100% of the voting rights are controlled 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 this criteria are disclosed in the Directors' Report.

30 Administrative expenses

	2011 £'000	2010 £'000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the annual accounts	**23**	23
Tax services	**5**	4
Other services	**3**	3
Depreciation of plant and equipment	**2**	2

Details of employee numbers and costs in respect of the company are given in note 6.

31 Profit for the financial year of the company

The profit for the financial year dealt with in the financial statements of the company is as follows:

	2011 £'000	2010 £'000
Profit for the financial year	**219**	779

In accordance with the provisions of Section 408 of the Companies Act 2006 the company has not published a separate profit and loss account. The parent company's profit and loss account was approved by the board on 23 November 2011.

Notes to the Financial Statements continued

32 Tangible fixed assets — other

	Own use freehold property £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At beginning of year	190	65	6	261
Revaluation	(7)	—	—	(7)
At end of year	**183**	**65**	**6**	**254**
Depreciation				
At beginning of year	—	63	3	66
Charge for year	—	1	1	2
At end of year	**—**	**64**	**4**	**68**
Net book value				
At 30 September 2011	**183**	**1**	**2**	**186**
At 30 September 2010	190	2	3	195

Own use freehold property was valued by Cushman & Wakefield LLP at market value as at 30 September 2011. The historical cost of the property is £202,000 (2010: £202,000).

33 Investments

	Shares in group undertakings £'000	Shares in joint venture undertaking £'000	Listed investments £'000	Total £'000
At beginning of year	3,289	545	208	4,042
Revaluation of investments	—	—	101	101
At end of year	**3,289**	**545**	**309**	**4,143**

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	Property development
Cardiff Property (Construction) Limited	100%	Ordinary shares of £1 each	Dormant
Wadharma Holdings Limited	100%	Ordinary shares of £1 each	Dormant
Land Bureau Limited	100%	Ordinary shares of £1 each	Dormant

All of the above undertakings have been included within the consolidated financial statements.

Further information on listed investments and our joint venture undertaking, Campmoss Property Company Limited, is included in note 13.

34 Debtors

	2011 £'000	2010 £'000
Trade debtors	**33**	26
Amounts owed by subsidiary undertakings	**25**	25
Amounts owed by joint venture undertaking	**2,097**	2,697
Other debtors	**10**	3
Prepayments and accrued income	**16**	16
Deferred tax asset (note 36)	**4**	5
	2,185	2,772

35 Creditors

	2011 £'000	2010 £'000
Bank overdraft	**—**	12
Rents received in advance	**95**	87
Trade creditors	**9**	10
Amounts owed to subsidiary undertakings	**2,780**	2,681
Corporation tax	**69**	150
Other taxes and social security	**27**	25
Other creditors	**66**	51
Accruals and deferred income	**86**	89
	3,132	3,105

36 Provisions for liabilities

Deferred taxation

	2011 £'000	2010 £'000
At beginning of year	**(68)**	(64)
Credit/(charge) for the year in the profit and loss account	**4**	(4)
At end of year	**(64)**	(68)

Provision has been made for deferred taxation as follows:

	2011 £'000	2010 £'000
Difference between accumulated depreciation and amortisation and capital allowances	**(68)**	(73)
Other timing differences	**4**	5
Net deferred tax liability	**(64)**	(68)
Disclosed as:		
Deferred tax asset (note 34)	**4**	5
Deferred tax liability (see above)	**(68)**	(73)
Net deferred tax liability	**(64)**	(68)

The above deferred tax asset is not anticipated to be recoverable within the next 12 months.

Notes to the Financial Statements continued

37 Investment property revaluation reserve

	£'000
At beginning of year	263
Reclassification	12
Revaluation in year	7
At end of year	**282**

38 Other reserves

	Revaluation reserve £'000	Capital redemption reserve £'000	Merger reserve £'000	Total £'000
At beginning of year	—	486	1,869	2,355
Reclassification	(12)	—	—	(12)
Revaluation of investments	101	—	—	101
Revaluation of property	(7)	—	—	(7)
At end of year	**82**	**486**	**1,869**	**2,437**

39 Profit and loss account

	2011 £'000	2010 £'000
At beginning of year	**1,952**	3,138
Profit for the financial year	**219**	779
Dividends paid	**(165)**	(186)
Own shares purchased in year	**—**	(1,779)
At end of year	**2,006**	1,952

40 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Opening shareholders' funds	**9,914**	11,130
Profit for the financial year	**219**	779
Dividends paid	**(165)**	(186)
Revaluation of investment properties	**7**	(30)
Revaluation of other property	**(7)**	—
Revaluation of investments	**101**	—
Own shares purchased	**—**	(1,779)
Closing shareholders' funds	**10,069**	9,914

41 Parent company risks

In accordance with FRS 29, the company has taken advantage of the exemption in the Standard not to disclose information about the parent company's exposure to financial instrument risks.

Notice of Annual General Meeting

Notice is hereby given that the one hundred and twenty fifth Annual General Meeting of The Cardiff Property Public Limited Company will be held at 56 Station Road, Egham, Surrey TW20 9LF on Thursday 12 January 2012 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 2011.

2. To approve the remuneration report for the year ended 30 September 2011.

3. To declare a dividend to be paid on 9 February 2012.

4. To re-elect as a director, J Richard Wollenberg who retires by rotation.

5. To reappoint KPMG Audit Plc 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, 8 and 9 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 £89,267; 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 £13,390 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.

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 200,717 representing 14.99% of the present issued share capital of the company;

Notice of Annual General Meeting continued

(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:
3 Assembly Square
Britannia Quay
Cardiff Bay
CF10 4AX
23 November 2011

By order of the board

David A Whitaker FCA
Secretary

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 the company's offices at 56 Station Road, Egham, Surrey TW20 9LF in accordance with the instructions printed thereon, not less than 48 hours before the time appointed for the holding of the meeting.

4. 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.

5. 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.

6. Information regarding the meeting, including the information required by section 311A of the Act, is available from www.cardiff-property.com.

7. 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 attend and 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 attend or vote at the meeting.

8. As at 16:00 hours on 23 November 2011, the company's issued share capital comprised 1,339,007 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 16:00 hours on 23 November 2011 is 1,339,007.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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 Auditors 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.

14. 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.

15. 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.

Consolidated Five Year Summary

Income statement items

		2011	2010	2009	2008	2007
Revenue						
Gross rental income	£'000	**546**	595	561	609	504
Sales of development properties	£'000	**—**	198	592	—	196
Total	£'000	**546**	793	1,153	609	700
Profit/(loss) before taxation	£'000	**788**	500	(656)	(1,541)	1,475
Dividends paid and proposed in respect of the year*	£'000	**165**	165	194	210	195
Dividend cover	times	**4.8**	3.0	(3.4)	(7.3)	7.6
Dividend per share	pence	**12.3**	12.3	12.3	12.3	11.3
Earnings/(loss) per share — basic	pence	**50.3**	20.9	(57.7)	(90.2)	74.5

Balance sheet items

Total assets	£'000	**16,321**	15,795	17,608	19,221	21,624
Total liabilities	£'000	**(599)**	(682)	(840)	(814)	(983)
Net assets	£'000	**15,722**	15,113	16,768	18,407	20,641
Number of shares in issue at 30 September	'000	**1,339**	1,339	1,575	1,666	1,735
Net assets per share attributable to shareholders	pence	**1,174**	1,129	1,065	1,105	1,189
Gearing	per cent	**nil**	nil	nil	nil	nil

* Dividends represent the interim paid and final declared in any one financial year.

Financial Calendar

24 November 2011	Results announced for the year ended 30 September 2011
12 January 2012	Annual General Meeting/General Meeting
18 January 2012	Ex dividend date for the final dividend
20 January 2012	Record date for the final dividend
9 February 2012	Final dividend to be paid
February 2012	Interim management statement to be announced
May 2012	Interim results for 2012 to be announced
July 2012	Interim dividend for 2012 to be paid
July 2012	Interim management statement to be announced
30 September 2012	Year end

Shareholder Notes

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