

**THE CARDIFF PROPERTY plc**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**



# THE CARDIFF PROPERTY plc

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

The total portfolio under management, valued in excess of £37m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.

## OUR MISSION

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

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“Confidence in the Thames Valley property market continued to improve during the year under review. Commercial property agents reported an increase in letting enquiries and subsequent take up from both local and national businesses as well as new corporate clients. Office and industrial rents have generally increased by 5% and it is now noticeable that this is being complemented by a growing level of new development.”

**J Richard Wollenberg**  
Chairman

## FINANCIAL HIGHLIGHTS

		2015	2014
<b>Net Assets</b>	£'000	<b>21,745</b>	19,658
<b>Net Assets Per Share</b>	pence	<b>1,699</b>	1,500
<b>Profit Before Tax</b>	£'000	<b>2,640</b>	3,218
<b>Earnings Per Share – Basic</b>	pence	<b>195.5</b>	236.5
<b>Dividend Per Share</b>	pence	<b>13.5</b>	12.95
<b>Gearing</b>	%	<b>Nil</b>	Nil

## LOCATIONS

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



### BRACKNELL

#### 1-10 Market Street\*

12 retail units on ground and first floors totalling 7,900 sq ft. Let primarily to local businesses on short and medium term leases producing £156,000 pa.

#### Alston House, 25 Market Street\*

2 industrial units totalling 6,000 sq ft producing £23,800 pa. Planning permission granted for the development of a two storey building accommodating 10 retail units totalling 12,350 sq ft (1,148 sq m). Demolition and new build proposed to commence early 2016.

#### Brickfields\*

16 business units and 1 office unit totalling 35,000 sq ft (3 units sold). Tenants include Kingston Communications plc, Verizon UK, BSS Group, Reeves Butchers and National Car Rental producing £303,000 pa.

#### Gowring House Apartments\*

A new, stylish and secure development of 18 one and two bedroom apartments over three upper floors with lift access. Conveniently located for Bracknell railway station with direct connections to London Waterloo and Reading. Within walking distance of the town and Peel Shopping Centres and major supermarkets. Apartments from £215,000 with 10 year insurance backed warranty. 3 apartments were sold during the year with a further 7 sold after the year end. 1 is currently under offer leaving 7 available for sale. The majority are let on a 2 to 3 year tenancy.

#### Gowring House Commercial\*

3 ground floor retail units and first and second floors let on medium term leases producing £135,400 pa.

#### Westview\*

Development, adjacent to Gowring House, of a new 2 storey building to accommodate 8 retail units totalling 10,500 sq ft. 7 units are let producing £181,500 with 1 unit under negotiation.

### BURNHAM

#### The Priory\*

26,000 sq ft headquarters office building. 9,000 sq ft used as a business centre and three floors of adjacent offices. The new office is fully let with part of the business centre available. Tenants include Click Software, McKenzie Care Homes and BEST producing net income of £393,000 pa.

### CARDIFF

#### Mail Sorting Centre

14,650 sq ft let to The Royal Mail at £40,000 pa.

### EGHAM

#### Heritage Court

4 retail and office units totalling 3,000 sq ft producing £67,000 pa.

#### Runnymede Road

Residential property adjacent to The White House. Currently available on an Assured Shorthold Tenancy.

#### Station Road

Company head office totalling 1,200 sq ft.

#### The White House

5 retail units with one floor of offices over totalling 12,000 sq ft. Tenants include Boots, Shaw Trust and Riven Associates, producing £200,000 pa.

### GUILDFORD

#### Worplesdon View, Worplesdon\*

78 bedroom, 3 storey care home completed in 2012 and let on a long lease to Barchester Healthcare Homes at £850,000 pa with annualized RPI increases.

### MAIDENHEAD

#### Clivemont House\*

Building demolished. Planning approval for new 49,000 sq ft net B1 office scheme. Agents appointed to seek a pre-letting. Available 2017. Alternative uses for the site being considered.

#### Highway House\*

Building demolished. Planning approval for a new 45,000 sq ft net B1 office scheme. Agents appointed to seek a pre-letting. Available 2017.

#### Maidenhead Enterprise Centre

6 business units totalling 14,000 sq ft let to local businesses on short and medium term leases producing £109,000 pa.

### SLOUGH

#### Datchet Meadows\*

Development of 37 apartments. All apartments have been sold on long leases producing ground rents of £16,550 pa.

### WINDSOR

#### Windsor Business Centre

4 business units totalling 9,500 sq ft let on short term leases producing net rental of £144,000 pa. Tenants include Joyce Meyer Ministries and ETAP.

### WOKING

#### Britannia Wharf\*

27,743 sq ft net office building let on short term leases. Tenants include DB Apparel, Ventyx and IT Thread producing net rental of £416,000 pa. Part of the second floor offices are available.

\*Owned by joint venture

## CHAIRMAN'S STATEMENT AND PROPERTY REVIEW

### Dear shareholder

Confidence in the Thames Valley property market continued to improve during the year under review. Commercial property agents reported an increase in letting enquiries and subsequent take up from both local and national businesses as well as new corporate clients. Office and industrial rents have generally increased by 5% and it is now noticeable that this is being complemented by a growing level of new development.

Strong investment demand from institutional and private investors has continued with the value of the majority of property in the western corridor improving.

Residential values in Surrey and Berkshire, the group's main geographical area of operation, continue to remain firm with our residential sales in Bracknell indicating increases of up to 7% over the year. The availability of mortgage finance, government initiatives and low interest rates continues to encourage first time and investment buyers. Rental enquiries remain very positive with rental levels retaining the increase achieved last year.

### FINANCIAL

For the year to 30 September 2015 the group profit before tax was £2.64m (2014: £3.22m). This figure includes a revaluation increase of £0.15m (2014: £0.67m) for the group and a profit of £1.98m (2014: £2.08m) in respect of our after tax profit share of Campmoss Property Company Limited, our 47.62% owned joint venture. Last year's comparative figures for Campmoss included proceeds received following lease surrenders.

Revenue for the year, excluding Campmoss, totalled £0.58m (2014: £0.53m) which represented gross rental income. The group's share of revenue from Campmoss was £1.70m (2014: £3.61m) represented by gross rental income of £1.39m (2014: £1.45m) and property sales, as referred to later in this report, of £0.31m (2014: £2.16m). These latter figures are not included in group revenue.

The profit after tax attributable to shareholders for the financial year, was £2.54m (2014: £3.12m) and the earnings per share was 195.5p (2014: 236.5p).

The commercial and residential investment portfolio valued annually by Cushman & Wakefield LLP and Nevin & Wells totalled £4.66m (2014: £4.51m). 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. Property under development or refurbishment is held at cost.

Property when completed and held for re-sale is shown in the balance sheet as stock at the lower of cost or net realisable value. At the year end this represented commercial property at The Windsor Business Centre.

The group's total property portfolio, including the Campmoss investment and development portfolio, was valued at £37.5m (2014: £34.5m). The company's share of the net assets of Campmoss was £11.3m (2014: £9.4m).

Net assets at the year end were £21.7m (2014: £19.7m) equivalent to 1,699p per share (2014: 1,500p) an increase of 13.3% over the year (2014: 17.5%). The group, including Campmoss, has adequate financial facilities and resources to complete the current development, refurbishment and proposed development programme. Cash balances are held on short term deposit. At the year end the company had nil gearing (2014: nil). During the year the company purchased and cancelled 30,300 ordinary shares at a total cost of £305,196.

Your directors are proposing the annual renewal of their authority to acquire shares and the approval of the Rule 9 Waiver. Both will be included in the resolutions being placed before shareholders at the Annual General Meeting and General Meeting respectively to be held on 21 January 2016. Full details of the Rule 9 Waiver are set out in the document accompanying this report and are also available on the company's website [www.cardiff-property.com](http://www.cardiff-property.com).

Current IFRS accounting recommends that deferred tax is chargeable on the difference between the indexed cost of properties held and the current market value. However, current IFRS accounting does not require the same treatment in respect of the investments held by the company. In the company balance sheet, investments are held at current market value where applicable or directors' valuation. Any potential deferred taxation has not been provided, which is in accordance with current IFRS accounting. The investment in

## CHAIRMAN'S STATEMENT AND PROPERTY REVIEW CONTINUED

	<b>Dividend per share</b> pence	<b>Net assets per share</b> pence	<b>Profit before tax</b> £'000	<b>Earnings per share</b> pence
<b>2015</b>	13.50	1,699	2,640	195.5
<b>2014</b>	12.95	1,500	3,218	236.5
<b>2013</b>	12.55	1,277	1,319	94.2
<b>2012</b>	12.3	1,205	435	26.5
<b>2011</b>	12.3	1,174	788	50.3

Campmoss is a substantial part of the company's net assets and for indicative purposes a disposal of this investment based on the value in the company's balance sheet at the year end could generate a tax liability that would equate to £2.16m (2014: £1.77m) equivalent to 169p (2014: 135p) per share. This information is provided to shareholders as an additional, non-statutory disclosure.

### DIVIDEND

The directors recommend a final dividend of 10p per share (2014: 9.55p) making a total dividend for the year of 13.5p (2014: 12.95p) an increase of 4.25%. The final dividend will be paid on 18 February 2016 to shareholders on the register at 29 January 2016.

### THE PROPERTY PORTFOLIO

The group's freehold property portfolio the majority of which was developed in-house continues to be located to the west of London close to Heathrow Airport and in the counties of Surrey and Berkshire.

The White House, Egham, comprises 5 ground floor retail units with offices above. All retail units and office space are occupied on medium term leases, a number of these leases include yearly increases.

The Maidenhead Enterprise Centre, Maidenhead, comprises 6 business units totalling 14,000 sq. ft. All units are let on short and medium term leases and again some include a yearly rental increase. One of the units is expected to become vacant next year and appropriate instructions have already been given to local agents in order to secure an early letting.

The Windsor Business Centre, Windsor, comprises 4 business units totalling 9,500 sq. ft. All units are let and subject to negotiation it is expected that 2 of the units when leases expire later this year will be re-let to the existing tenant.

Heritage Court, Egham, comprises 4 retail and office units all let on medium term leases and ground rents received from residential leasehold sales of the upper floors.

The company occupies its own freehold office in Egham and retains a freehold residential property in Egham which is currently available on an Assured Shorthold Tenancy Agreement.

Cowbridge Road, Cardiff, which comprises a 14,650 sq. ft. commercial property on two floors is let on a medium term lease to Royal Mail and used as a mail sorting and receiving centre.

### CAMPMOSS PROPERTY COMPANY LIMITED

During the year Campmoss completed the majority of its commercial and residential property development programme, refurbished existing property and negotiated a number of new commercial lettings. The company's freehold office, retail, residential and care home portfolio is located in the Thames Valley primarily in the towns of Bracknell, Burnham, Slough, Maidenhead, Woking and Worplesdon.

At Gowring House, Bracknell, the 3 commercial units on the ground floor are all let on medium term leases whilst first and second floors are partly let to a fitness centre. The 3 upper floors, originally offices, have been converted to 18 one and two bedroom apartments and I am pleased to report that the letting and sales of these apartments has progressed ahead of expectation. At the year end the majority were let on 2-3 year tenancies with 3 sales being completed.

Adjacent to Gowring House Bracknell the development of 8 new retail units on the ground and first floor, and named as Westview, was completed in April this year. 7 units are now let on medium to long term leases and negotiations with a prospective tenant for the remaining unit are currently in hand.

Next to Westview planning permission was granted to demolish the existing building and construct 10 new retail units on the ground and first floor. It is intended to commence this development, to be known as Alston House, at the beginning of next year.

Adjacent to Alston House, Bracknell the company retains 12 retail units on the ground and first floor, all of which are currently let to local businesses on short and medium term leases.

The Priory, Burnham, comprises an office building of 26,000 sq. ft. which incorporates 9,000 sq. ft. let as a Business Centre and an office building on 3 floors totalling 17,000 sq. ft. The Business Centre is partly let on short term leases expiring over the next 3 years whilst the office building is fully let with similar term leases. In view of the strong residential market in Bracknell, plans are being prepared to apply for a change of use.

Highway House and Clivemont House, Maidenhead, are two sites with planning permission to develop office schemes. Part of the site at Highway House has been let for parking. Whilst the demand for new office grade A space has recently improved, the directors continue to seek a pre-letting before commencing any development. At Clivemont House a planning application for a residential scheme is currently being discussed with the Local Authority.

Brickfields, Bracknell, comprises 16 business units and an adjoining office unit. Three units have been sold on a long leasehold basis, one unit is currently vacant with the remainder let on medium to long term leases. These units are occupied by a mixture of local and national based companies.

At Britannia Wharf, Woking, there are 4 floors of offices totalling 27,743 sq. ft. Following a lease surrender last year short term lettings have now been achieved for the majority of the available space. The remainder of the building is let on leases expiring next year. Discussions with the Local Authority for a new residential scheme or care home are in progress.

At Worplesdon View, Worplesdon, the 78 bedroom care home is let to Barchester Healthcare Homes on a 35 year institutional lease with annualised RPI increases. Planning permission for additional rooms was granted last year and discussions to facilitate this expansion are currently in progress with Barchester. Further development on adjacent land for associated medical use is being considered and will be subject to achieving planning consent.

At the year end the investment portfolio was valued by the directors of Campmoss, taking into account external advice where available and assessed at a current market value of £29.95m (2014: £26.4m). This figure includes property under development.

Total revenue for Campmoss for the year amounted to £3.6m (2014: £7.6m) representing a gross rental income of £2.9m (2014: £3.1m) and sales of development property of £0.7m (2014: £4.5m). At the year end net borrowing amounted to £5.8m (2014: £6m) and gearing was 24% (2014: 29%).

#### QUOTED INVESTMENTS

The company retains a small quoted equity and retail bond portfolio including The Renewables Infrastructure Group Limited, A2D Funding plc, ImmuPharma plc, Galileo Resources plc and General Industries plc. I remain a director of Galileo Resources plc and General Industries plc. The value of the portfolio at the year end exceeded the original cost.

#### FINANCE DIRECTOR

David Whitaker has served as Finance Director and Company Secretary since 1997. He has decided to retire and will not be standing for re-election at the forthcoming Annual General Meeting. A successor has been identified and an announcement will be made in the near future. David has agreed to remain available for a short time to effect an orderly handover. On behalf of the board and shareholders I should like to thank David for his long and valuable service and wish him well in his retirement.

#### MANAGEMENT AND TEAM

The Thames Valley commercial and residential property market has seen a strong advance over the year and accordingly our small management team have been very busy. I would therefore like to thank our staff and joint venture partner for their support, effort and achievements during the year.

#### OUTLOOK

Since the year end further lettings and sales have been achieved at our new commercial and residential schemes. The group's existing development programme, together with new development schemes currently under discussion, should allow further progress to be made over the current year.

Whilst difficulties in the Eurozone remain, the investment market has adopted the view that such problems will be resolved over the longer term whilst the likelihood of higher interest rates is now generally accepted. Following the General Election, the markets are looking forward to a period of political and economic stability. The completion of Crossrail is proving an additional positive benefit for urban areas located between Reading and London, where the Group undertakes the majority of its activities. I therefore look forward to reporting further progress at the half year stage.

#### J Richard Wollenberg

Chairman

30 November 2015

# STRATEGIC REPORT

## UNDERSTANDING OUR BUSINESS

The group specialises in property investment and development in the Thames Valley. The total portfolio under management, including the total value of properties owned by our 47.62% joint venture, Campmoss Property Company Limited, is valued at the year end in excess of £37m, 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 and a care home, 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 by managing its existing freehold property portfolio and rapid response to opportunities as they arise and is focused on the long term.

The year under review has again achieved expectations with the group's underlying profitability remaining strong. The group's property portfolio has increased in value despite the sales of a substantial number of apartments at Datchet Meadows and Gowring House. The company returned a net profit before tax of £2,640,000 (2014: £3,218,000) including our share of the after tax profits of Campmoss of £1,976,000 (2014: £2,082,000). Last year's profit was boosted by sales of nineteen development properties by Campmoss and lease surrenders at Britannia Wharf, Woking.

The effectiveness of the group's strategy is reflected in its performance over recent years. In the five years from 30 September 2009 net assets increased from 1,065p per share to 1,500p per share at 30 September 2014 despite the economic downturn causing a slump in property prices in the early years. A further increase of 13.3% to 1,699p was recorded in the current year. The group benefits from substantial cash deposits and ongoing profitability. The dividend increased from 12.30p per share to 12.95p per share over that same period and, for the current year, has been increased by 4.25% to 13.5p per share.

Going forward in the short term, the group is continuing to manage its portfolio, which is now predominantly let. Campmoss has started marketing the new residential development at Gowring House, Bracknell. For the longer term the group is well placed to take advantage of any further upturn in the property market and retains 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 and will begin developing phase two of a retail development in Bracknell.

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks currently faced by the group relate to:

- continuity of rental income;
- changes in planning legislation;
- value of property portfolio;
- changes in interest rates;
- availability of business finance; and
- government policies and taxation.

The group mitigates these risks by managing its portfolio of investments with regard to appropriate pricing for rental and monitoring the length of each lease in order to commence discussions as the end of a lease term approaches.

The directors monitor available sources of information regarding the value of property and level of rental yields. They are also aware of potential changes in government policy and take action to reduce the risk to the group where possible. They have external valuations of the portfolio within Cardiff Property every year and the directors perform internal valuations of the properties owned by Campmoss, the joint venture.

They have regular meetings with funding providers in order to discuss availability of business finance should it be required.

Cash is deposited in fixed rate accounts to earn additional interest and interest rates are monitored to determine the appropriate length of time and level of funds to invest.

## GENDER ANALYSIS

A split of our employees and directors by gender is shown below:

	Male	Female
Directors*	3	–
Senior managers	1	–
Employees	–	2

\* includes non-executive director

## 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 effect on the environment associated with its development activities with a thoughtful consideration of such key areas as energy use, pollution, transport, land use, ecology, renewable resources, health and wellbeing. The group also aims to ensure that its contractors meet their legislative and regulatory requirements and that codes of best practice are met and exceeded. The group is committed to maintaining high environmental standards in all its operations and minimising the impact of its activities on the surrounding environment. The nature of the work that we are involved in means that the group has an opportunity, not only to minimise the negative impact on the environment but also to enhance and improve the environment in which we all live and work.

#### **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 52.

**J Richard Wollenberg**

Chairman

30 November 2015

## FINANCIAL REVIEW

### INCOME STATEMENT

Revenue, being gross rents receivable, amounted to £577,000 (2014: £534,000).

In the year to 30 September 2015 the group, not including Campmoss, sold no development properties (2014: none). 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 2014 or 2015. Sales made by Campmoss are not included in the group's results under IFRS rules.

Earnings per share is 195.5p (2014: 236.5p).

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 an increase in the value of the group's commercial portfolio, including the group's offices in Egham, of £145,000 (2014: £661,000) and an increase in the residential portfolio of £30,000 (2014: £10,000). Movements on the valuation of investment properties are taken to the Income Statement in accordance with IFRS.

### BALANCE SHEET

Total assets amount to:

	2015 £'000	2014 £'000
Investment properties	<b>4,660</b>	4,510
Investment in joint venture	<b>11,344</b>	9,368
Property, plant and equipment	<b>238</b>	213
Other financial assets – investments	<b>744</b>	725
Deferred tax asset	<b>5</b>	5
Stock	<b>668</b>	668
Trade and other receivables	<b>132</b>	764
Financial assets – deposits	<b>1,050</b>	2,204
Cash and cash equivalents	<b>3,579</b>	1,857
<b>Total</b>	<b>22,420</b>	20,314

In accordance with IAS 16 the group's owner occupied office building in Egham, valued at £235,000 on 30 September 2015 (2014: £210,000) is classified as property, plant and equipment rather than as an investment property.

In accordance with IAS 7 cash held on deposit with a term greater than 90 days is shown separately from cash and cash equivalents as financial assets.

During the year the company purchased and cancelled 30,300 of its own shares (2014: 12,241) at a cost of £305,196 (2014: £123,126).

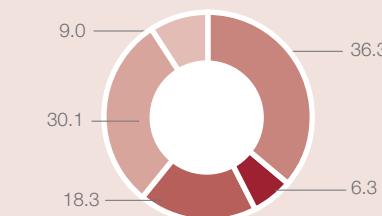
The company may hold in treasury any of its own shares purchased. This gives the company the ability to reissue treasury shares and provides greater flexibility in the management of its capital base. Any shares purchased by the company not held in treasury will be cancelled and the number of shares in 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 £21.75m (2014: £19.66m) equivalent to 1,699p per share (2014: 1,500p), an increase of 13.3% over the year.

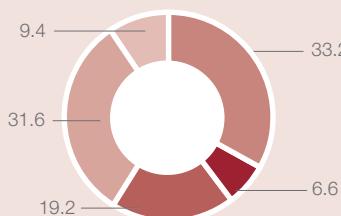
These results relate entirely to continuing activities. There were no acquisitions or disposals of businesses in either year.

## ANALYSIS OF GROUP PROPERTY PORTFOLIO

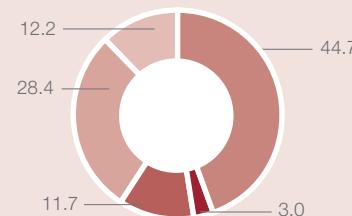
### By Capital Value (including development properties)



### By Capital Value (excluding development properties)



### By Rental Income (excluding development properties)



### 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:

	2015 £'000	2014 £'000
<b>Group</b>		
Investment properties	<b>4,660</b>	4,510
Own use freehold property	<b>235</b>	210
Development properties (stock)	<b>668</b>	668
<b>Campmoss</b>		
Investment properties	<b>29,950</b>	26,419
Development properties (stock)	<b>2,032</b>	2,660
<b>Total</b>	<b>37,545</b>	34,467

### 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 (2014: nil).

### JOINT VENTURE

Our joint venture, Campmoss Property Company Limited, prepares its results under UK GAAP and these are summarised as follows:

	2015 £'000	2014 £'000
Turnover	<b>3,572</b>	7,574
Profit before tax	<b>1,338</b>	3,055
Net assets	<b>23,822</b>	19,673
Net borrowing	<b>5,794</b>	5,669
Gearing %	<b>24</b>	29

Adjustments required to the above are made in order to calculate the share of net assets and profit in accordance with IFRS for the group financial statements.

### 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.

Whilst the group prepares its consolidated financial statements under IFRS, the company has elected to prepare its parent company financial statements in accordance with UK GAAP.

### David A Whitaker FCA

Finance Director  
30 November 2015

## DIRECTORS AND ADVISERS

### DIRECTORS

J Richard Wollenberg  
Chairman and chief executive

David A Whitaker FCA  
Finance director

Nigel D Jamieson BSc, FCSI  
Independent non-executive director

### SECRETARY

David A Whitaker FCA

### HEAD OFFICE

56 Station Road, Egham TW20 9LF  
Telephone: 01784 437444  
Fax: 01784 439157  
E-mail: webmaster@cardiff-property.com  
Web: www.cardiff-property.com

### REGISTERED OFFICE

3 Assembly Square, Britannia Quay, Cardiff Bay CF10 4AX

### REGISTERED NUMBER

22705

### AUDITOR

KPMG LLP  
Chartered Accountants  
3 Assembly Square, Britannia Quay, Cardiff Bay CF10 4AX

### STOCKBROKERS AND FINANCIAL ADVISERS

Westhouse Securities Limited  
Beaufort House, 15 St Botolph Street, London EC3A 7BB

### BANKERS

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

### SOLICITORS

Blake Morgan LLP  
Bradley Court, Park Place, Cardiff CF10 3DR

### REGISTRAR AND TRANSFER OFFICE

Neville Registrars Limited  
Neville House, 18 Laurel Lane, Halesowen B63 3DA  
Telephone: 0121 585 1131

### J RICHARD WOLLENBERG (AGED 67)

#### 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. He is also a non-executive director of General Industries plc, which is quoted on the London Stock Exchange and a non-executive director of Galileo Resources plc, which is quoted on AIM.

### DAVID A WHITAKER FCA (AGED 66)

#### 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, FCSI (AGED 65)

#### Independent non-executive director

Was appointed to the board as a non-executive director in 1991 and is chairman of the company's audit and remuneration committees. He has over 30 years' experience of the UK property market both as a general practice surveyor and as an investment analyst. He is an executive director of several independent property investment companies active in the London area and acts as an independent consultant to private clients on a range of property related matters.

### NON-EXECUTIVE DIRECTOR OF WHOLLY OWNED SUBSIDIARY FIRST CHOICE ESTATES plc

#### DEREK M JOSEPH BCOM, FCIS (AGED 65)

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. He is also a director of General Industries plc which is quoted on the London Stock Exchange.

# REPORT OF THE DIRECTORS

The directors submit their annual report and the audited financial statements for the year ended 30 September 2015.

## RESULTS

The results of the group for the year are set out in the audited financial statements on pages 21 to 40.

## DIVIDENDS

The directors recommend a final dividend for the year of 10p per share (2014: 9.55p) payable on 18 February 2016. The total dividend paid and proposed in respect of the year, including the interim dividend of 3.5p per share, amounts to 13.5p per share (2014: 12.95p).

## PRINCIPAL ACTIVITY

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 Strategic Report (previously the 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 on pages 3 to 5 and the financial review on pages 8 to 9. A description of corporate social responsibility activities is included in the Strategic 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 26 on page 38.

## DIRECTORS

The current directors of the company and the non-executive director of a wholly owned subsidiary are listed on page 10. All served throughout the financial year.

In accordance with the company's articles of association, Mr Jamieson will retire by rotation at the Annual General Meeting. As noted in the Chairman's Statement, Mr Whitaker will not 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 2015	At 1 October 2014
	Beneficial	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 2015 and 30 November 2015.

At 30 September 2015 Mr Wollenberg held 25,000 (2014: 25,000) ordinary shares of £1 each in Campmoss Property Company Limited, a joint venture, representing 2.38% of the issued share capital of that company.

## DIRECTORS' OPTIONS

No director held options at 30 September 2015 (2014: nil).

## SUBSTANTIAL SHAREHOLDINGS

Other than one director referred to above who holds 43.86%, the company has not been notified of any holdings of 3% or more in the share capital of the company at 30 November 2015.

## ADOPTION OF FINANCIAL REPORTING STANDARD (FRS) 101 – REDUCED DISCLOSURE FRAMEWORK

As ordinary business at the Annual General Meeting, a resolution will be proposed to adopt FRS 101 – Reduced Disclosure Framework.

Following the publication of FRS 100 – Application of Financial Reporting Requirements by the Financial Reporting Council, The Cardiff Property plc is required to change its accounting framework for its company financial statements, which is currently UK GAAP, for its financial year commencing 1 October 2015. The board considers that it is in the best interests of the group for the company to adopt FRS 101 – Reduced Disclosure Framework. No disclosures in the current UK GAAP financial statements would be omitted on adoption of FRS 101. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in The Cardiff Property plc may serve objections to the use of the disclosure exemptions. The requirement is to inform shareholders of their right to express their views in writing to the company but your board felt it appropriate to offer shareholders a formal vote at the Annual General Meeting.

## 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.

## REPORT OF THE DIRECTORS CONTINUED

### 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 £12,797, representing 5% of the present issued ordinary share capital of the company.

### PURCHASE OF OWN SHARES

At the Annual General Meeting held on 22 January 2015, authority was renewed empowering your directors to make market purchases of up to 196,375 of the company's own ordinary shares of 20p each. Under that authority, your directors made market purchases of 22,800 shares (nominal value £4,560) in June 2015 representing 1.74% of the issued share capital at 22 January 2015 and 7,500 shares (nominal value £1,500) in August 2015 representing 0.57% of the issued share capital at 22 January 2015. These shares were purchased for an aggregate value of £305,196 and cancelled. The number of shares in issue following these transactions was 1,279,746.

The existing authority for the company to purchase its own shares expires at the conclusion of the Annual General Meeting to be held on 21 January 2016. The directors wish to renew the authority and consent is therefore sought to approve resolution 9 set out in the Notice of Meeting on page 48 authorising the directors to purchase up to 191,833 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 2017 and it is your directors' intention that a resolution for its renewal will be proposed at each succeeding Annual General Meeting.

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

### DONATIONS

The company made no political donations during this year or last.

### AUDITOR

A resolution for the re-appointment of KPMG LLP 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.

### GREENHOUSE GAS DISCLOSURES

The Cardiff Property plc has minimal greenhouse gas emissions to report from the operations of its company and does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2015, (including those within our underlying investment portfolio).

### 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 19 and 18 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.

**J Richard Wollenberg**

Chairman

30 November 2015

# 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 17 to 18, 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 five 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.

### External auditor

The committee meets with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The audit committee met twice 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 auditor reviewing the ratio of audit to non-audit fees. It is a specific responsibility of the audit committee to ensure that an appropriate relationship is maintained between the group and its external auditor. The group has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. This control is exercised by ensuring non-audit projects where fees are expected to exceed £5,000 (2014: £5,000) are subject to the prior approval of the audit committee. At least one of the members has relevant recent financial experience.

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

### Financial reporting

After discussion with both management and the external auditor, the audit committee determined that the key risk of misstatement of the group's financial statements related to property valuations in the context of current market conditions. This includes the property held by the group's joint venture.

This issue was discussed with management during the year and with the auditor at the time the committee reviewed and agreed the auditors' group audit plan and also at the conclusion of the audit of the financial statements.

### Property valuation

As further explained in note 2 to the financial statements, our approach to valuing properties is to obtain an external independent valuation of the properties each year. The directors of the joint venture value its properties each year taking into account yields on similar properties in the area, vacant space and covenant strength. They also consider external valuations and take external advice where necessary.

The audit committee is satisfied that the carrying value of properties is appropriate based on the use of an external independent valuer for The Cardiff Property portfolio and the experience and knowledge of the directors in valuing the properties of the joint venture.

The audit committee discusses the results of the valuations with the directors who provide information on assumptions used and provide appropriate explanation and evidence where possible for such assumptions.

The auditor explained to the committee the work they had conducted during the year in respect of property valuation. On the basis of their audit work, the auditor reported no misstatements that were material in the context of the financial statements as a whole; and in our view this supports the appropriateness of our methodology.

### Misstatements

Management confirmed to the committee that they were not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. The auditor reported to the committee the misstatements that it had found in the course of its work and no material amounts remain unadjusted. The committee confirms that it is satisfied that the auditor has fulfilled its responsibilities with diligence and professional scepticism. After reviewing the presentations and reports from management and consulting where necessary with the auditor, the audit committee is satisfied that the financial statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

## CORPORATE GOVERNANCE CONTINUED

### 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 UK Corporate Governance Code (2014).

## 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 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

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

## VIABILITY STATEMENT

In accordance with provision C.2.2 of the 2014 revision of the Code, the directors have assessed the prospect of the company over a longer period than the 12 months required by the 'Going Concern' provision. The board conducted this review for a period of five years, which was selected for the following reasons:

- the group's strategic review covers a five-year period;
- for a major scheme five years is a reasonable approximation of the maximum time taken from obtaining planning permission to letting the property; and
- most leases contain a five year rent review pattern and therefore five years allows for the forecasts to include the reversion arising from those reviews.

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

In its assessment of the viability of the group, the directors have considered each of the group's principal risks and uncertainties detailed on pages 39 to 40, and in particular the impact of a significant fall in the UK property market on the value of the group's investment property portfolio. The directors have also considered the group's income and expenditure projections.

The directors confirm that their assessment of the principal risks facing the group was robust. Based upon the robust assessment of the principal risks facing the group as detailed on pages 39 to 40, and their stress-testing based assessment of the group's prospects as described above, the directors have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

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

By order of the board  
**David A Whitaker FCA**  
Secretary  
30 November 2015

## 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.

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 Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply 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, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the Strategic 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; and
- the directors consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

**J Richard Wollenberg**

Chairman

30 November 2015

**David A Whitaker FCA**

Finance Director

# REMUNERATION REPORT

## ANNUAL STATEMENT

### Composition of the remuneration committee (not subject to audit)

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. In setting directors' remuneration, the committee has regard to other employees of the company.

### Compliance (not subject to audit)

In setting the company's remuneration policy for directors, the remuneration committee has given full consideration to the best practice provisions annexed to The Financial Conduct 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.

## POLICY REPORT

### Remuneration policies (not subject to audit)

The remuneration policy was in effect from 1 October 2014 and prior and it is intended that these policies will be continued for the next year and subsequent years.

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

The main components of executive directors' remuneration are:

- basic salary – reviewed annually;
- annual performance bonus – members of staff (excluding directors) are eligible to participate in the company's discretionary bonus scheme. 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 current salary up to a maximum of 50% of that salary;

- 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% (2014: 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 FTSE Real Estate Index over the same period.

Payments for loss of office would be determined by the remuneration committee taking into account contractual obligations.

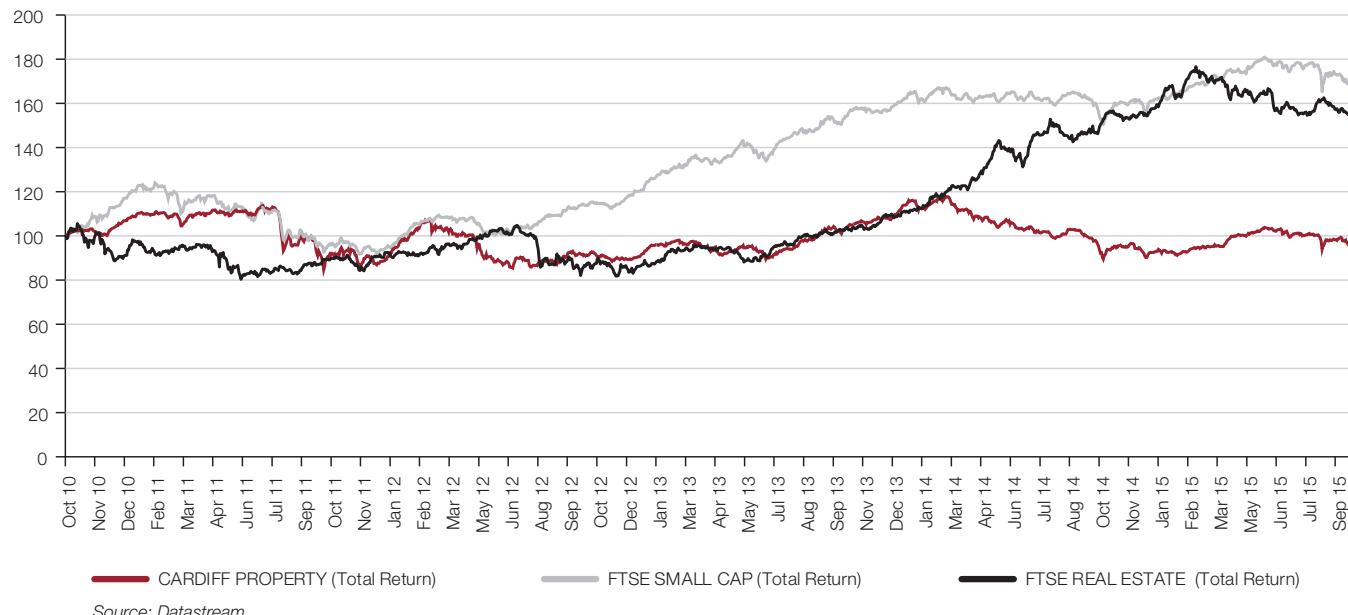
It is intended that these policies will be continued for the next year and subsequent years.

### IMPLEMENTATION REPORT (not subject to audit)

A graph showing the company's total shareholder return relative to the FTSE Real Estate and FTSE Small Cap Indices is reproduced 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.

## REMUNERATION REPORT CONTINUED

### TOTAL SHAREHOLDER RETURN RELATIVE TO THE FTSE REAL ESTATE AND FTSE SMALL CAP INDICES.



The remuneration paid to all employees and dividends paid were as follows:

	2015 £'000	2014 £'000	% increase
Total employee costs	<b>436</b>	354	23.2
Dividends	<b>171</b>	167	2.4

The total remuneration (including pension contributions) paid to the Chief Executive Officer as disclosed in note 7 was £216,854 (2014: £217,764) representing a 0.4% decrease in the year. Mr Wollenberg's basic salary has remained the same.

#### SERVICE CONTRACTS (NOT SUBJECT TO AUDIT)

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

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

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

The remuneration of the non-executive director is 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.

#### VOTING RESULTS FROM PREVIOUS AGM (NOT SUBJECT TO AUDIT)

At the AGM held on 22 January 2015, 99.93% of votes were cast for the remuneration report and 0.07% against with no abstentions.

#### DIRECTORS' REMUNERATION AND DIRECTORS' OPTIONS (SUBJECT TO AUDIT)

Particulars of directors' remuneration, including pensions and directors' options which, under the Companies Act 2006 are required to be audited, are given in note 7 to the financial statements on page 30 and in the report of the directors on page 11.

#### EXTERNAL APPOINTMENTS (NOT SUBJECT TO AUDIT)

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

The remuneration report was approved by the board on 30 November 2015 and signed on its behalf by:

**Nigel D Jamieson BSc, FCSI**

Chairman of the Remuneration Committee

# INDEPENDENT AUDITOR'S REPORT



KPMG LLP  
Chartered Accountants  
3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX  
United Kingdom

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY ONLY

### Opinions and conclusions arising from our audit

#### 1. OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

We have audited the financial statements of The Cardiff Property Public Limited Company for the year ended 30 September 2015 set out on pages 21 to 46. 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 2015 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with UK Accounting Standards; 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.

#### 2. OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

In arriving at our audit opinion above on the financial statements the risk of material misstatement that had the greatest effect on our audit was as follows:

**Carrying amount of freehold investment properties  
 (£18,922,000, including £14,262,000 of investment properties included in "Investment in Joint Venture")**

Refer to pages 13 (Audit Committee Report), page 26 (accounting policy) and page 32 (financial disclosure)

The risk: Estimating the carrying amount of freehold investment properties is a subjective process and is impacted by uncertainty prevalent within the property market, together with a low level of comparable market transactions. The surplus/deficit on revaluation of investment properties is reflected in the consolidated income statement for each financial year as is any profit recognised on individual sales of a property. As a

consequence, the estimates about the carrying value of each investment property will affect the timing of profit recognition. Freehold investment properties with a value of £4,660,000 were valued by external valuers. In respect of the properties held by the joint venture (the group's share of which is included in the investment in joint venture, and for which the risk is the same as the directly owned investment properties), the directors performed internal valuations having regard to past valuations performed by external independent valuers and updating these as necessary.

Our response: For all properties, including those held by the joint venture, we evaluated the competence, capabilities and objectivity of the respective valuers. We used our own valuation specialist to challenge the appropriateness of the external and internal valuations and inherent assumptions by comparing the group's assumptions to externally derived data as well as our own assessments in relation to yields and market data assumptions, including consideration of planning applications and realisable values.

We have also considered the adequacy of the group's disclosures of the carrying amount of freehold investment properties and the investment in joint venture.

#### 3. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The materiality for the group financial statements as a whole was set at £203,000, determined with reference to a benchmark of group total assets, of which it represents 0.9%. We report to the audit committee any corrected or uncorrected identified misstatements exceeding £10,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Separate audits were performed of all trading reporting components including the joint venture by the group audit team. These audits covered 100% of total group revenue, 100% of group profit before taxation and 100% of total group assets. These audits were performed to individual component materiality levels which ranged from £6,800 to £200,000, having regard to the mix of size and risk profile of the group across the components.

#### 4. OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITOR'S REPORT CONTINUED

### 5. WE HAVE NOTHING TO REPORT ON THE DISCLOSURES OF PRINCIPAL RISKS

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the directors' Viability Statement on page 15, concerning the principal risks, their management, and, based on that, the directors' assessment and expectations of the group's continuing in operation over the 5 years to 30 September 2020; or
- the disclosures in note 2 of the financial statements concerning the use of the going concern basis of accounting.

### 6. WE HAVE NOTHING TO REPORT IN RESPECT OF THE MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy; or
- the Audit Committee section of the Corporate Governance Report on pages 13 to 15 does not appropriately address matters communicated by us to the audit committee.

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; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statements, set out on page 15, in relation to going concern and longer term viability; and
- the part of the Corporate Governance Statement on page 14 relating to the company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

### SCOPE AND RESPONSIBILITIES

As explained more fully in the Directors' Responsibilities Statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate). This report is made solely to the company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at [www.kpmg.com/uk/auditscopeukco2014a](http://www.kpmg.com/uk/auditscopeukco2014a), which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

### Virginia Stevens

(Senior Statutory Auditor) for and on behalf of KPMG LLP,  
Statutory Auditor  
Chartered Accountants  
30 November 2015

## **CONSOLIDATED INCOME STATEMENT**

for the year ended 30 September 2015

	Notes	2015 £'000	2014 £'000
<b>Revenue</b>	3	<b>577</b>	534
Cost of sales		(31)	(65)
<b>Gross profit</b>		<b>546</b>	469
Administrative expenses		(540)	(452)
Other operating income		<b>406</b>	358
<b>Operating profit before gains on investment properties and other properties</b>	4	<b>412</b>	375
Surplus on revaluation of investment properties	11	<b>150</b>	667
Surplus on revaluation of other properties		<b>25</b>	4
<b>Operating profit</b>		<b>587</b>	1,046
Financial income	5	<b>77</b>	90
Share of results of joint venture	13	<b>1,976</b>	2,082
<b>Profit before taxation</b>	3-7	<b>2,640</b>	3,218
Taxation	8	(96)	(102)
<b>Profit for the financial year attributable to equity holders</b>	23	<b>2,544</b>	3,116
<b>Earnings per share on profit for the financial year – pence</b>			
Basic	9	<b>195.5</b>	236.5
Diluted	9	<b>195.5</b>	236.5
<b>Dividends</b>			
Final 2014 paid 9.55p (2013: 9.25p)		<b>125</b>	122
Interim 2015 paid 3.5p (2014: 3.4p)		<b>46</b>	45
		<b>171</b>	167
Final 2015 proposed 10p (2014: 9.55p)		<b>128</b>	125

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

# CONSOLIDATED BALANCE SHEET

at 30 September 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Non-current assets</b>					
Freehold investment properties	11	<b>4,660</b>		4,510	
Investment in joint venture	13	<b>11,344</b>		9,368	
Property, plant and equipment	12	<b>238</b>		213	
Other financial assets	13	<b>744</b>		725	
Deferred tax asset	17	<b>5</b>		5	
		<b>16,991</b>		14,821	
<b>Current assets</b>					
Stock and work in progress	14	<b>668</b>		668	
Trade and other receivables	15	<b>132</b>		764	
Financial assets		<b>1,050</b>		2,204	
Cash and cash equivalents		<b>3,579</b>		1,857	
		<b>5,429</b>		5,493	
<b>Total assets</b>		<b>22,420</b>		20,314	
<b>Current liabilities</b>					
Corporation tax		<b>(99)</b>		(100)	
Trade and other payables	16	<b>(516)</b>		(497)	
		<b>(615)</b>		(597)	
<b>Non-current liabilities</b>					
Deferred tax liability	17	<b>(60)</b>		(59)	
<b>Total liabilities</b>		<b>(675)</b>		(656)	
<b>Net assets</b>		<b>21,745</b>		19,658	
<b>Equity</b>					
Called up share capital	19	<b>256</b>		262	
Share premium account	20	<b>5,076</b>		5,076	
Other reserves	21	<b>2,544</b>		2,494	
Investment property revaluation reserve	22	<b>2,158</b>		577	
Retained earnings	23	<b>11,711</b>		11,249	
<b>Shareholders' funds attributable to equity holders</b>		<b>21,745</b>		19,658	
<b>Net assets per share</b>	10	<b>1,699p</b>		1,500p	

These financial statements were approved by the board of directors on 30 November 2015 and were signed on its behalf by:

**J Richard Wollenberg**

Director

Company number: 22705

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 September 2015

	2015 £'000	2014 £'000
<b>Cash flows from operating activities</b>		
Profit for the year	2,544	3,116
<i>Adjustments for:</i>		
Depreciation	1	1
Financial income	(77)	(90)
Share of profit of joint venture	(1,976)	(2,082)
Surplus on revaluation of investment properties	(150)	(667)
Surplus on revaluation of other properties	(25)	(4)
Taxation	96	102
<b>Cash flows from operations before changes in working capital</b>	413	376
Decrease in trade and other receivables	632	90
Increase in trade and other payables	19	79
<b>Cash generated from operations</b>	1,064	545
Tax paid	(96)	(85)
<b>Net cash flows from operating activities</b>	968	460
<b>Cash flows from investing activities</b>		
Interest received	77	90
Acquisition of investments and property, plant and equipment	(1)	(378)
Held to maturity deposits	1,154	(170)
<b>Net cash flows from investing activities</b>	1,230	(458)
<b>Cash flows from financing activities</b>		
Purchase of own shares	(305)	(123)
Dividends paid	(171)	(167)
<b>Net cash flows from financing activities</b>	(476)	(290)
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,722	(288)
Cash and cash equivalents at beginning of year	1,857	2,145
<b>Cash and cash equivalents at end of year</b>	3,579	1,857

## OTHER PRIMARY STATEMENTS

for the year ended 30 September 2015

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

	Notes	2015 £'000	2014 £'000
<b>Profit for the financial year</b>		<b>2,544</b>	3,116
<b>Other items recognised directly in equity</b>			
Net change in fair value of available for sale financial assets	13	<b>19</b>	(57)
<b>Total comprehensive income and expense for the year attributable to the equity holders of the parent company</b>		<b>2,563</b>	3,059

## 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
<b>At 1 October 2013</b>	264	5,076	2,545	(1,031)	10,035	<b>16,889</b>
Profit for the year	–	–	–	–	3,116	<b>3,116</b>
Other comprehensive income	–	–	(57)	–	–	<b>(57)</b>
<i>Transactions with equity holders</i>						
Dividends	–	–	–	–	(167)	<b>(167)</b>
Purchase of own shares	(2)	–	2	–	(123)	<b>(123)</b>
Total transactions with equity holders	(2)	–	2	–	(290)	<b>(290)</b>
Transfer on revaluation of investment properties	–	–	–	1,608	(1,608)	–
Transfer on revaluation of other properties	–	–	4	–	(4)	–
<b>At 30 September 2014</b>	262	5,076	2,494	577	11,249	<b>19,658</b>
Profit for the year	–	–	–	–	2,544	<b>2,544</b>
Other comprehensive income	–	–	19	–	–	<b>19</b>
<i>Transactions with equity holders</i>						
Dividends	–	–	–	–	(171)	<b>(171)</b>
Purchase of own shares	(6)	–	6	–	(305)	<b>(305)</b>
Total transactions with equity holders	(6)	–	6	–	(476)	<b>(476)</b>
Realisation of investment reserve	–	–	–	(41)	41	–
Transfer on revaluation of investment properties	–	–	–	1,622	(1,622)	–
Transfer on revaluation of other properties	–	–	25	–	(25)	–
<b>At 30 September 2015</b>	<b>256</b>	<b>5,076</b>	<b>2,544</b>	<b>2,158</b>	<b>11,711</b>	<b>21,745</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The consolidated results for the year ended 30 September 2015 and 2014 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 41 to 46.

## 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 8 to 9.

In addition, note 19 includes the group's objectives, policies and processes for managing its capital and note 27, its financial risk management objectives and details of its exposures to credit risk, liquidity risk, market risk, currency risk and interest rate risk.

The group has sufficient financial resources to enable it to continue to trade and to complete the current maintenance and development programme. 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 joint venture. 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.

Joint ventures 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 joint venture is accounted for using the equity method, hence the group's share of the gains and losses of the joint venture is included in the consolidated income statement and its interest in the net assets is included in investments in the consolidated balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS **CONTINUED**

### 2. ACCOUNTING POLICIES **CONTINUED**

#### **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 joint venture (see note below), in valuing available for sale assets, in classifying properties and in calculating provisions.

#### **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 joint venture value its portfolio each year. All valuations take into account yields on similar properties in the area, vacant space and covenant strength.

Design, construction and management expenses together with interest incurred in respect of investment properties in the course of initial development are capitalised until the building is effectively completed and available for letting 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.

## 2. ACCOUNTING POLICIES CONTINUED

### **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. Current financial assets comprise held to maturity deposits where the call date is greater than 90 days from the date of deposit. They are included in investing activities in the cash flow.

### **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 dependent 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.

### **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.

## NOTES TO THE FINANCIAL STATEMENTS **CONTINUED**

### 2. ACCOUNTING POLICIES **CONTINUED**

#### **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:

- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19
- Annual Improvements to IFRSs – 2010-2012 Cycle
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32
- Recoverable amount disclosures for non-financial assets – Amendments to IAS 36
- IFRIC 21 Levies
- Continuing hedge accounting after derivative novations – Amendments to IAS 39
- Annual Improvements to IFRSs – 2011-2013 Cycle

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

- IFRS 14 Regulatory Deferral Accounts
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38.
- Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41
- Equity Method in Separate Financial Statements – Amendments to IAS 27
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
- Annual Improvements to IFRSs – 2012-2014 Cycle
- Investment entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28
- Disclosure Initiative – Amendments to IAS 1
- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts from Customers

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:

	2015 £'000	2014 £'000
<b>Revenue (wholly in the United Kingdom):</b>		
Property and other investment being gross rents receivable	577	534
Property development being sales of development properties	–	–
	<b>577</b>	534
<b>Profit before taxation:</b>		
Property and other investment	2,509	3,074
Property development	131	144
	<b>2,640</b>	3,218
<b>Net operating assets:</b>		
Assets		
Property and other investment	21,660	19,516
Property development	3,919	3,979
Eliminations	(3,159)	(3,181)
Total assets	<b>22,420</b>	20,314
Liabilities		
Property and other investment	3,602	3,590
Property development	232	247
Eliminations	(3,159)	(3,181)
Total liabilities	<b>675</b>	656
Net operating assets	<b>21,745</b>	19,658

Of the group's share of the profit in its joint venture of £1,976,000 (2014: £2,082,000), £167,000 (2014: £559,000) relates to property development and £1,809,000 (2014: £1,523,000) relates to property investment. The interest income of £2,000 (2014: £2,000) relates entirely to property investment. Of the income tax expense of £133,000 (2014: £313,000), £92,000 (2014: £168,000) relates to property investment and £41,000 (2014: £145,000) 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.

### 4. OPERATING PROFIT BEFORE GAINS/(LOSSES) ON INVESTMENT PROPERTIES AND OTHER INVESTMENTS

Included are the following expenses/(income):

	2015 £'000	2014 £'000
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	3	4
Depreciation of plant and equipment	1	1
Management charges receivable	<b>(392)</b>	(352)

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 5. FINANCIAL INCOME

	2015 £'000	2014 £'000
Bank and other interest receivable	77	90

### 6. EMPLOYEES

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

	Number of employees	
	2015	2014
Management	3	3
Administration	2	2
	5	5

The aggregate payroll costs of these persons were as follows:

	2015 £'000	2014 £'000
Wages and salaries	357	294
Social security costs	35	26
Other pension costs	44	34
	436	354

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 £	Bonus £	Benefits £	Total 2015 £	Total 2014 £	Pension contributions	
	2015 £	2014 £	2015 £	2014 £	2015 £	2014 £	
<b>As executives</b>							
J R Wollenberg	117,576	39,094	16,263	172,933	183,574	43,921	34,190
D A Whitaker	53,958	7,980	–	61,938	44,063	–	–
	171,534	47,074	16,263	234,871	227,637	43,921	34,190
<b>As non-executive</b>							
N D Jamieson	12,000	–	–	12,000	12,000	–	–
	183,534	47,074	16,263	246,871	239,637	43,921	34,190

The above table includes bonuses which are based on the results for the year to 30 September 2015 and are payable in December 2015. Bonuses of £51,440 for Mr Wollenberg and £4,563 for Mr Whitaker in respect of the year to 30 September 2014 were paid in December 2014.

The information above is in respect of the company. In addition Mr Wollenberg received consultancy fees of £50,000 (2014: £50,000) and Mr Whitaker received £4,438 (2014: £7,950) from our joint venture, Campmoss Property Company Limited. Details of the company's policy on directors' remuneration are contained within the remuneration report on pages 17 to 18. Until 1 March 2015 amounts in respect of emoluments for Mr Whitaker were paid to Netpage Communications Limited, a company which he controls. Benefits relates to the provision of health care to Mr Wollenberg.

## 8. TAXATION

	2015 £'000	2014 £'000
<b>Current tax</b>		
UK corporation tax on the result for the year	95	101
Total current tax	95	101
<b>Deferred tax</b>		
Origination and reversal of temporary differences	1	1
Total deferred tax	1	1
<b>Taxation</b>	<b>96</b>	102

### Factors affecting the tax charge for the year

The tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.5% (2014: 22%). The differences are explained below:

	2015 £'000	2014 £'000
<b>Tax reconciliation</b>		
Profit before taxation	2,640	3,218
Profit before taxation multiplied by standard rate of corporation tax in the UK of 20.5% (2014: 22%)	541	708
<i>Effects of:</i>		
Joint venture	(405)	(458)
Effect of different tax rates	(10)	(1)
Non-taxable surpluses on revaluation	(31)	(148)
<b>Taxation</b>	<b>95</b>	101

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly and reduce the deferred tax balances at 30 September 2015 (which have been calculated based on the rate of 20% substantively enacted at the balance sheet date).

## 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 £2,544,000 (2014: £3,116,000) and the weighted average number of shares as follows:

	Weighted average number of shares	
	2015	2014
Basic and diluted basis	1,301,461	1,317,592

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 10. NET ASSETS PER SHARE

	2015 Pence per share	2014 Pence per share
Based on shares in issue at 30 September 2015 of 1,279,746 (2014: 1,310,046)	1,699	1,500

### 11. FREEHOLD INVESTMENT PROPERTIES

	2015 £'000	2014 £'000
<b>Group and company</b>		
At beginning of year	4,510	3,843
Surplus on revaluation in year	150	667
<b>At end of year</b>	<b>4,660</b>	4,510

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every year.

The company's freehold commercial investment properties (total value: £4,330,000) have been valued by Cushman & Wakefield LLP, and its residential property (total value: £330,000) by Nevin & Wells as at 30 September 2015.

All valuations have been prepared in accordance with the RICS Valuation – Professional Standards (the "Red Book") and the International Valuation Standards on the basis of Market Value.

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

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

#### *Valuation technique and significant unobservable inputs*

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

#### **Fair value using unobservable inputs (Level 3)**

	2015 £'000	2014 £'000
Opening fair value	4,210	3,553
Gains and losses recognised in income statement (surplus on revaluation of investment properties)	120	657
<b>Closing fair value</b>	<b>4,330</b>	4,210

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

The fair value referred to above of £4,330,000 (2014: £4,210,000) is based on the unobservable inputs of net rental income and discount rate (yield).

The net rental income ranged between £40,000 and £200,000, and the discount rate ranged between 8.09% and 9.84%.

A decrease in net rental income or estimated future rent will result in a decrease in the fair value, whereas a decrease in the discount rate (yield) will result in an increase in fair value. There are interrelationships between these rates as they are partially determined by market rate conditions.

## 11. FREEHOLD INVESTMENT PROPERTIES CONTINUED

The historical cost of the investment properties was:

	30 September 2015 £'000
<b>Group and company</b>	
<b>At 30 September 2015</b>	<b>3,735</b>
At 30 September 2014	3,735

The cumulative amount of interest capitalised at 30 September 2015 was £90,000 (2014: £90,000).

## 12. PROPERTY, PLANT AND EQUIPMENT

	Own use freehold property £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>				
At 30 September 2013	206	65	6	277
Additions	–	3	–	3
Revaluation	4	–	–	4
At 30 September 2014	210	68	6	284
Additions	–	1	–	1
Revaluation	25	–	–	25
<b>At 30 September 2015</b>	<b>235</b>	<b>69</b>	<b>6</b>	<b>310</b>
<b>Depreciation</b>				
At 30 September 2013	–	64	6	70
Charge for year	–	1	–	1
At 30 September 2014	–	65	6	71
Charge for year	–	1	–	1
<b>At 30 September 2015</b>	<b>–</b>	<b>66</b>	<b>6</b>	<b>72</b>
<b>Net book value</b>				
<b>At 30 September 2015</b>	<b>235</b>	<b>3</b>	<b>–</b>	<b>238</b>
At 30 September 2014	210	3	–	213
At 30 September 2013	206	1	–	207

Own use freehold property was valued by Cushman & Wakefield LLP at market value as at 30 September 2015. The historic cost of the property is £202,000 (2014: £202,000).

## 13. INVESTMENTS

	Shares in joint venture £'000	Unlisted investments £'000	Listed investments £'000	Total £'000
At beginning of year	9,368	8	717	10,093
Net change in fair value of available for sale financial assets	–	–	19	19
Share of profit of joint venture	1,976	–	–	1,976
<b>At end of year</b>	<b>11,344</b>	<b>8</b>	<b>736</b>	<b>12,088</b>

### Listed investments

These include minority stakes in The Renewables Infrastructure Group Limited, A2D Funding plc and General Industries 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.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 13. INVESTMENTS CONTINUED

#### Joint venture

The group owns 47.62% (2014: 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 2015 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 2015. Whilst these accounts have been prepared under UK GAAP, there are no material differences to IFRS.

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

	2015 £'000	2014 £'000
Income	1,701	3,606
Expenses	(1,064)	(2,152)
Taxation on ordinary activities	(133)	(313)
Revaluation of investment properties	1,472	941
Profit after tax	1,976	2,082

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

	2015 £'000	2014 £'000
<b>Non-current assets</b>		
Investment properties	14,262	12,581
Plant and equipment	2	2
	<b>14,264</b>	12,583
<b>Current assets</b>		
Stock and work in progress	968	1,267
Trade and other receivables	115	161
Cash and cash equivalents	1,345	1,418
	<b>2,428</b>	2,846
<b>Total assets</b>		
Current liabilities	(4,104)	(800)
Loans and overdraft	(112)	(271)
Corporation tax	(691)	(1,257)
Trade and other payables	<b>(4,907)</b>	(2,328)

At the year end, Campmoss had £7m outstanding of a three year loan facility of £11.25m at 3% over 3 month LIBOR with Barclays Bank. This loan expired in November 2015. A new agreement for a loan of £5m plus an overdraft facility of £1m has been signed and implemented. Both are for a period of two years at 2.5% above 3 month LIBOR.

**13. INVESTMENTS CONTINUED**

	2015 £'000	2014 £'000
<b>Non-current liabilities</b>		
Loans	–	(3,318)
Deferred tax liability	(441)	(415)
	<b>(441)</b>	<b>(3,733)</b>
<b>Total liabilities</b>	<b>(5,348)</b>	(6,061)
<b>Net assets</b>	<b>11,344</b>	9,368

Investment properties are included at fair value based on directors' valuations as at 30 September 2015.

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

	2015 £'000	2014 £'000
1–2 years	–	3,318
2–5 years	–	–
	<b>–</b>	<b>3,318</b>

**14. STOCK AND WORK IN PROGRESS**

This comprises development properties held for sale.

**15. TRADE AND OTHER RECEIVABLES**

	2015 £'000	2014 £'000
Trade receivables	58	68
Amounts owed by joint venture	–	521
Other receivables	46	148
Prepayments and accrued income	28	27
	<b>132</b>	<b>764</b>

**16. TRADE AND OTHER PAYABLES**

	2015 £'000	2014 £'000
Bank overdraft	8	–
Rents received in advance	119	129
Trade creditors	18	12
Other taxes and social security	39	41
Other creditors	252	233
Accruals and deferred income	80	82
	<b>516</b>	<b>497</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 17. DEFERRED TAXATION

	2015 £'000	2014 £'000
At beginning of year	(54)	(53)
Charge for the year in the income statement	(1)	(1)
<b>At end of year</b>	<b>(55)</b>	<b>(54)</b>

Provision has been made for deferred taxation as follows:

	2015 £'000	2014 £'000
Difference between accumulated depreciation and amortisation and capital allowances	(54)	(53)
Other temporary differences	(1)	(1)
<b>Net deferred tax liability</b>	<b>(55)</b>	<b>(54)</b>
Disclosed as:		
Deferred tax asset	5	5
Deferred tax liability	(60)	(59)
<b>Net deferred tax liability</b>	<b>(55)</b>	<b>(54)</b>

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

No deferred tax asset in respect of the net deficits on property revaluations has been recognised in either year due to uncertainty regarding its recoverability.

### 18. 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%.

During the year options over 500 shares lapsed. There were no options granted or exercised during the year. As a result there were no options outstanding at the end of the year.

### 19. SHARE CAPITAL

	2015 £'000	2014 £'000
<b>Authorised</b>		
4,500,000 (2014: 4,500,000) ordinary shares of 20 pence each	900	900
<b>Allotted, called up and fully paid</b>		
At 30 September 2014 1,310,046 (2013: 1,322,287) ordinary shares of 20 pence each	262	264
Cancelled during the year – 30,300 (2014: 12,241) ordinary shares of 20 pence each	(6)	(2)
At 30 September 2015 – 1,279,746 (2014: 1,310,046) ordinary shares of 20 pence each	256	262

At 30 September 2014 there were options outstanding of 500 shares. These lapsed during the year. Therefore the total number of ordinary shares under option is nil (2014: 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.

## 20. SHARE PREMIUM ACCOUNT

	2015 £'000
<b>Group and company</b>	
At beginning and end of year	<b>5,076</b>

## 21. OTHER RESERVES

	Available for sale reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Merger reserve £'000	Total £'000
At beginning of year	103	492	30	1,869	2,494
Purchase of own shares	–	6	–	–	6
Transfer from retained earnings on revaluation of other properties	25	–	–	–	25
Net change in fair value	19	–	–	–	19
<b>At end of year</b>	<b>147</b>	<b>498</b>	<b>30</b>	<b>1,869</b>	<b>2,544</b>

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 capital and merger reserves arise from the acquisition of subsidiaries and are not available for distribution.

## 22. INVESTMENT PROPERTY REVALUATION RESERVE

	2015 £'000	2014 £'000
At beginning of year	577	(1,031)
Transfer from retained earnings on revaluation in the year	1,622	1,608
Realisation of investment reserve	(41)	–
<b>At end of year</b>	<b>2,158</b>	<b>577</b>

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% joint venture. This reserve comprises unrealised profits and losses and is not available for distribution until realised through sale.

## 23. RETAINED EARNINGS

	2015 £'000	2014 £'000
At beginning of year	11,249	10,035
Profit for the financial year	2,544	3,116
Dividends paid	(171)	(167)
Transfer to investment property revaluation reserve on revaluation in the year	(1,622)	(1,608)
Realisation of investment reserve	41	–
Transfer to other reserves on revaluation of available for sale assets	(25)	(4)
Own shares purchased in year	(305)	(123)
<b>At end of year</b>	<b>11,711</b>	<b>11,249</b>

## 24. COMMITMENTS

**Expenditure on development and investment properties**

There were no commitments under contract at 30 September 2015 (2014: nil).

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 25. 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:

	2015 £'000	2014 £'000
Within one year	476	521
Years two to five	1,114	1,224
More than five years	436	546
<b>Total</b>	<b>2,026</b>	<b>2,291</b>

#### Operating leases taken

Neither the group nor the company had any material commitments under non-cancellable operating leases at 30 September 2015 (2014: nil).

### 26. 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	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
Campmoss Property Company Limited	Loans made by the company to acquire and develop properties	–	1,000	–	–
	Loans repaid to the company	500	1,000	–	500
	Loan interest received by the company	–	18	–	6
	Management fees received by the company	375	340	5	7
	Consultancy fees received by J R Wollenberg (director)	63	50	25	38
Netpage Communications Ltd	Consultancy fees in respect of the services of D A Whitaker (director)	25	40	–	–
D M Joseph	Director's salary paid	3	3	–	–

Campmoss Property Company Limited is a joint venture of the company. The amount due from Campmoss Property Company Limited at 30 September 2015 was £nil (2014: £500,000) representing the outstanding balance on the revolving credit drawdown facility of £2,000,000 (2014: £2,000,000) 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 11 and note 7 on page 30.

All transactions were carried out at arms length.

## 27. FINANCIAL INSTRUMENTS

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

### Credit risk

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

The group has a credit policy in place and credit risk is monitored by the board on an ongoing basis. Credit evaluations are carried out on all new 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:

	2015 £'000	2014 £'000
Cash and cash equivalents	3,579	1,857
Financial assets	1,050	2,204
Trade and other receivables	132	243
Amounts due from joint venture	–	521
	<b>4,761</b>	4,825

At 30 September 2015 the group had £4,629,000 (2014: £4,061,000) deposited with banks and financial institutions of which: £2,403,000 is available for withdrawal in less than 30 days; £176,000 is available for withdrawal in 30-60 days; £1,000,000 is available for withdrawal in 60-90 days; and £1,050,000 is available for withdrawal in 90-180 days. As shown in the table above, the amounts available for withdrawal in over 90 days are classed as financial assets.

The amounts due from the joint venture at 30 September 2015 are repayable on demand and are secured upon certain investment properties owned by the joint venture. 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:

	2015	2014	
	Gross £'000	Provision £'000	Gross £'000
Not past due	130	–	226
Past due 31-90 days	4	2	7
Past due more than 90 days	17	17	26
	<b>151</b>	<b>19</b>	<b>259</b>
			16

The movement in the provision during the year was as follows:

At beginning of year	16	10
Amounts written back	(16)	(10)
Provided in year	19	16
At end of year	<b>19</b>	16

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 27. 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 £516,000 (2014: £497,000) and are all repayable within one year and are non interest bearing.

#### **Banking facilities**

The company does not have loan or overdraft facilities. The small overdraft shown in the balance sheet represents a timing difference between the cash book and the bank account. 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 fixed rate deposit.

## COMPANY BALANCE SHEET

at 30 September 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets:			
Investment properties	11	<b>4,660</b>	4,510
Other	31	<b>238</b>	213
		<b>4,898</b>	4,723
Investments	32	<b>4,570</b>	4,551
		<b>9,468</b>	9,274
<b>Current assets</b>			
Debtors	33	<b>101</b>	720
Cash at bank and in hand		<b>4,629</b>	4,061
		<b>4,730</b>	4,781
<b>Creditors: amounts falling due within one year</b>	34	<b>(3,515)</b>	(3,530)
<b>Net current assets</b>		<b>1,215</b>	1,251
<b>Total assets less current liabilities</b>		<b>10,683</b>	10,525
<b>Provisions for liabilities</b>	35	<b>(60)</b>	(59)
<b>Net assets</b>		<b>10,623</b>	10,466
<b>Capital and reserves</b>			
Called up share capital	19	<b>256</b>	262
Share premium account	20	<b>5,076</b>	5,076
Investment property revaluation reserve	36	<b>924</b>	774
Other reserves	37	<b>2,495</b>	2,445
Profit and loss account	38	<b>1,872</b>	1,909
<b>Shareholders' funds – equity</b>	39	<b>10,623</b>	10,466

These financial statements were approved by the board of directors on 30 November 2015 and were signed on its behalf by:

**J Richard Wollenberg**  
 Director

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 28. 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 2015.

#### **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 2015. 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, fittings and equipment	– 4 years

## 28. ACCOUNTING POLICIES CONTINUED

### Investments

Listed investments are stated at fair value.

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

### Cash at bank and in hand

Cash comprises cash in hand and deposits repayable in line with notice periods determined by the company, less overdrafts payable on demand.

### 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.

## 29. ADMINISTRATIVE EXPENSES

	2015 £'000	2014 £'000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the annual accounts	23	23
Tax services	5	5
Other services	3	3
Depreciation of plant and equipment	1	1

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

## 30. 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:

	2015 £'000	2014 £'000
Profit for the financial year	439	249

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 30 November 2015.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 31. TANGIBLE FIXED ASSETS – OTHER

	Own use freehold property £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>				
At beginning of year	210	68	6	284
Additions	–	1	–	1
Revaluation	25	–	–	25
<b>At end of year</b>	<b>235</b>	<b>69</b>	<b>6</b>	<b>310</b>
<b>Depreciation</b>				
At beginning of year	–	65	6	71
Charge for year	–	1	–	1
<b>At end of year</b>	<b>–</b>	<b>66</b>	<b>6</b>	<b>72</b>
<b>Net book value</b>				
<b>At 30 September 2015</b>	<b>235</b>	<b>3</b>	<b>–</b>	<b>238</b>
At 30 September 2014	210	3	–	213

Own use freehold property was valued by Cushman & Wakefield LLP at market value as at 30 September 2015. The historical cost of the property is £202,000 (2014: £202,000).

### 32. INVESTMENTS

	Shares in group undertakings £'000	Shares in joint venture undertaking £'000	Listed investments £'000	Total £'000
At beginning of year	3,289	545	717	4,551
Revaluation of investments	–	–	19	19
<b>At end of year</b>	<b>3,289</b>	<b>545</b>	<b>736</b>	<b>4,570</b>

#### Group undertakings

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

	Issued share capital held	Type of shares held	Activity
First Choice Estates plc	100%	Ordinary shares of £1 each	Property development
Thames Valley Retirement Homes Limited	100%	Ordinary shares of £1 each	Property development
Village Residential plc	100%	Ordinary shares of 10p each	Dormant
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, Campmoss Property Company Limited, is included in note 13.

**33. DEBTORS**

	2015 £'000	2014 £'000
Trade debtors	40	61
Amounts owed by subsidiary undertakings	25	25
Amounts owed by joint venture undertaking	–	500
Other debtors	4	4
Prepayments and accrued income	27	125
Deferred tax asset (note 35)	5	5
	<b>101</b>	720

**34. CREDITORS**

	2015 £'000	2014 £'000
Bank overdraft	8	–
Rents received in advance	99	108
Trade creditors	12	13
Amounts owed to subsidiary undertakings	3,083	3,105
Corporation tax	72	70
Other taxes and social security	33	34
Other creditors	134	123
Accruals and deferred income	74	77
	<b>3,515</b>	3,530

**35. PROVISIONS FOR LIABILITIES****Deferred taxation**

	2015 £'000	2014 £'000
At beginning of year	(54)	(53)
Charge for the year in the profit and loss account	(1)	(1)
<b>At end of year</b>	<b>(55)</b>	(54)

Provision has been made for deferred taxation as follows:

	2015 £'000	2014 £'000
Difference between accumulated depreciation and amortisation and capital allowances	(54)	(53)
Other timing differences	(1)	(1)
<b>Net deferred tax liability</b>	<b>(55)</b>	(54)
Disclosed as:		
Deferred tax asset (note 33)	5	5
Deferred tax liability	(60)	(59)
<b>Net deferred tax liability (see above)</b>	<b>(55)</b>	(54)

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

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 36. INVESTMENT PROPERTY REVALUATION RESERVE

	£'000
At beginning of year	774
Revaluation in year	150
<b>At end of year</b>	<b>924</b>

### 37. OTHER RESERVES

	Revaluation reserve £'000	Capital redemption reserve £'000	Merger reserve £'000	Total £'000
At beginning of year	84	492	1,869	2,445
Revaluation of property held for own use	25	–	–	25
Revaluation of investments	19	–	–	19
Purchase of own shares	–	6	–	6
<b>At end of year</b>	<b>128</b>	<b>498</b>	<b>1,869</b>	<b>2,495</b>

### 38. PROFIT AND LOSS ACCOUNT

	2015 £'000	2014 £'000
At beginning of year	1,909	1,950
Profit for the financial year	439	249
Dividends paid	(171)	(167)
Own shares purchased in year	(305)	(123)
<b>At end of year</b>	<b>1,872</b>	<b>1,909</b>

### 39. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £'000	2014 £'000
Opening shareholders' funds	10,466	9,893
Profit for the financial year	439	249
Dividends paid	(171)	(167)
Revaluation of investment properties	150	667
Revaluation of other property	25	4
Revaluation of investments	19	(57)
Own shares purchased	(305)	(123)
<b>Closing shareholders' funds</b>	<b>10,623</b>	<b>10,466</b>

### 40. 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 ninth Annual General Meeting of The Cardiff Property Public Limited Company will be held at 56 Station Road, Egham, Surrey TW20 9LF on Thursday 21 January 2016 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 2015.
2. To approve the remuneration report for the year ended 30 September 2015.
3. To declare a dividend to be paid on 18 February 2016.
4. To re-elect as a director, Nigel D Jamieson who retires by rotation.
5. To adopt Financial Reporting Standard (FRS) 101 – Reduced Disclosure Framework
6. To re-appoint KPMG LLP 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 7 as an ordinary resolution and resolutions 8 and 9 as special resolutions.

7. 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 £85,316; 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**

8. 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 £12,797 representing 5% of the present issued share capital of the company;

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

## NOTICE OF ANNUAL GENERAL MEETING CONTINUED

9. 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 191,833 representing 14.99% of the present issued share capital of the company;
- (b) the minimum price which may be paid for such shares is 20 pence per share which amount shall be exclusive of expenses;
- (c) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount (exclusive of expenses) equal to 105% of the average of the middle market quotations for an ordinary share of the company taken from the Daily Official List of The London Stock Exchange on the ten business days immediately preceding the day on which the share is contracted to be purchased;
- (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or fifteen months from the passing of this resolution, whichever is the earlier; and
- (e) the company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of any such contract.

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

By order of the board

**David A Whitaker FCA**  
Secretary  
30 November 2015

**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](http://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 27 November 2015, the company's issued share capital comprised 1,279,746 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 27 November 2015 is 1,279,746.
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.

## NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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 auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the company has been required to publish on its website pursuant to this right.
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 9 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

		2015	2014	2013	2012	2011
<b>Income statement items</b>						
Revenue being gross rental income	£'000	<b>577</b>	534	493	523	546
Profit before taxation	£'000	<b>2,640</b>	3,218	1,319	435	788
Dividends paid and proposed in respect of the year*	£'000	<b>174</b>	167	166	165	165
Dividend cover	times	<b>15.2</b>	19.3	7.9	2.6	4.8
Dividend per share	pence	<b>13.5</b>	12.95	12.55	12.3	12.3
Earnings per share	pence	<b>195.5</b>	236.5	94.2	26.5	50.3
<b>Balance sheet items</b>						
Total assets	£'000	<b>22,420</b>	20,314	17,448	16,511	16,321
Total liabilities	£'000	<b>(675)</b>	(656)	(559)	(571)	(599)
Net assets	£'000	<b>21,745</b>	19,658	16,889	(15,940)	15,722
Number of shares in issue at 30 September	'000	<b>1,280</b>	1,310	1,322	1,322	1,339
Net assets per share attributable to shareholders	pence	<b>1,699</b>	1,500	1,277	1,205	1,174
Gearing	per cent	<b>nil</b>	nil	nil	nil	nil

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

## FINANCIAL CALENDAR

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<b>1 December 2015</b>	Results announced for the year ended 30 September 2015
<b>21 January 2016</b>	Annual General Meeting/General Meeting
<b>28 January 2016</b>	Ex-dividend date for the final dividend
<b>29 January 2016</b>	Record date for the final dividend
<b>18 February 2016</b>	Final dividend to be paid
<b>May 2016</b>	Interim results for 2016 to be announced
<b>July 2016</b>	Interim dividend for 2016 to be paid
<b>30 September 2016</b>	Year end

**THE CARDIFF PROPERTY plc**

Annual Report for the year ended 30 September 2015

Stock code: CDFF

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**The Cardiff Property plc**  
56 Station Road, Egham  
Surrey TW20 9LF  
Tel: 01784 437444  
Fax: 01784 439157  
[www.cardiff-property.com](http://www.cardiff-property.com)

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