

THE CARDIFF PROPERTY PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016



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

The total portfolio under management, valued in excess of £39m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.

OUR MISSION

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

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“During the period prior to the UK European Referendum vote the Thames Valley commercial property market enjoyed increased activity. The leave vote brought about uncertainty with commentators predicting falls in rental levels and capital values. Despite this, activity in the investment and occupational markets has been higher than expected with office, retail and industrial rents in parts of the Thames Valley showing small increases.”

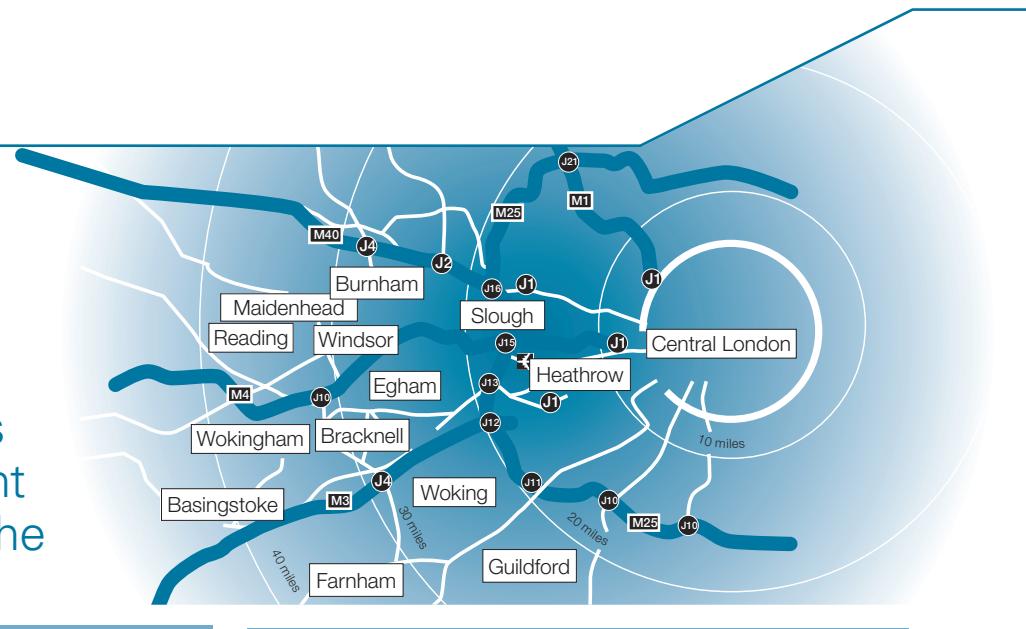
J Richard Wollenberg
Chairman

FINANCIAL HIGHLIGHTS

		2016	2015
Net Assets	£'000	23,839	21,557
Net Assets Per Share	pence	1,876	1,684
Profit Before Tax	£'000	2,673	2,586
Earnings Per Share – Basic and diluted	pence	195.3	191.3
Dividend Per Share	pence	14.0	13.5
Gearing	%	Nil	Nil

LOCATIONS

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



BRACKNELL

1-10 Market Street*

12 retail units on ground and first floors totalling 7,900 sq ft. Let primarily to local businesses on short and medium term leases producing £149,000 pa.

Alston House, 25 Market Street*

Building demolished. Planning permission granted for a new development of 10 retail units on ground and first floor totalling 12,350 sq ft (1,148 sq m). A further planning application for 12 one and two bedroom apartments on the 3rd and 4th floors have been submitted.

Brickfields*

16 business units and 1 office unit totalling 35,000 sq ft (4 units sold). Tenants include Kingston Communications plc, Verizon UK, Reeves Butchers and National Car Rental producing £286,000 pa. Subsequent to the year-end Campmoss Property Company Limited has exchanged contracts to sell the freehold at Brickfields, Bracknell for a consideration of £3.7m. At 30 September 2016 Brickfields was valued at £3.1m.

Gowring House Apartments*

New development of 18 one and two bedroom apartments over three upper floors with lift access was completed end July 2015 of which 15 have now been sold and 2 of the remaining 3 apartments are let. Gowring House is 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.

Floors one and two have separately obtained planning and are now being developed into a further 12 apartments, scheduled to complete early in 2017.

Gowring House Commercial*

3 ground floor retail units let on medium term leases producing £135,400 pa. As noted in Gowring House Apartments floors one and two (previously commercial) are being converted to residential.

Westview*

Development, adjacent to Gowring House completed in 2015, of 8 retail units on ground and first floor totalling 10,500 sq ft. fully let producing £181,500 pa.

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, Protocall One Ltd and BEST producing income of £420,000 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 (plus adjacent parts totalling 3,000 sq ft) producing £68,000 pa.

Runnymede Road

Residential property adjacent to The White House. Let on Assured Shorthold producing £13,800 pa.

Station Road

Company Head Office totalling 1,200 sq ft.

The White House

5 ground floor retail units with one floor of offices above totalling 12,000 sq ft. Tenants include Boots, Shaw Trust and Riven Associates, producing £204,000 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 £863,000 pa with annualised RPI increases. Contracts exchanged for the freehold sale at £15.85m completion due by August 2017.

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 2018. Planning for residential development submitted.

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 2018. Let on short term lease for car parking at a rental of £8,500 pa.

Maidenhead Enterprise Centre

6 business units totalling 14,000 sq ft let to local businesses on short and medium term leases producing £106,000 pa.

SLOUGH

Datchet Meadows*

Development of 37 apartments. All 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 rental of £153,000 pa. Tenants include Joyce Meyer Ministries and ETAP.

WOKING

Britannia Wharf*

27,743 sq ft net office building partially let on short term leases. Planning application has been submitted for a care home and alternative residential scheme.

*Owned by joint venture

CHAIRMAN'S STATEMENT AND PROPERTY REVIEW

Dear Shareholder

During the period prior to the UK European Referendum vote the Thames Valley commercial property market enjoyed increased activity. The leave vote brought about uncertainty with commentators predicting falls in rental levels and capital values. Despite this, activity in the investment and occupational markets has been higher than expected with office, retail and industrial rents in parts of the Thames Valley showing small increases.

Institutional and private investors continue to remain active, assisted by low interest rates and the availability of funding. Enquiries from occupiers who wish to purchase their own freehold have noticeably increased.

Residential values in Surrey and Berkshire have in the main retained increases achieved over the last few years with those at the higher level experiencing some softening in demand. Letting activity continues to indicate a stable market.

The group's development programme is primarily directed towards small retail units and 1, 2 and 3 bedroom apartments. Although residential investors have encountered tax and stamp duty changes, various government Help to Buy schemes continue to assist first time home buyers.

FINANCIAL

For the year to 30 September 2016 the group profit before tax was £2.67m (2015: £2.59m). This figure includes a revaluation increase of £0.25m (2015: £0.18m) for the group and a profit of £1.87m (2015: £1.92m) in respect of our after-tax profit share of Campmoss Property Company Limited, our 47.62% owned joint venture.

Revenue for the year which represented gross rental income, excluding Campmoss, totalled £0.58m (2015: £0.58m).

The group's share of revenue from Campmoss was £2.54m (2015: £1.70m) represented by gross rental income of £1.23m (2015: £1.39m) and property sales, as referred to later in this report, of £1.31m (2015: £0.31m). These figures are not included in group revenue.

The profit after tax attributable to shareholders for the financial year, was £2.49m (2015: £2.49m) and the earnings per share was 195.3p (2015: 191.3p).

At the year-end, the group's commercial and residential portfolio was valued by Cushman & Wakefield LLP and Nevin & Wells totalling £4.88m (2015: £4.66m). This value excludes own use freehold property, which is included under property, plant and equipment in the balance sheet and held at valuation.

Property when completed and held for re-sale is held 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 £39.1m (2015: £37.5m). The company's share of the net assets of Campmoss was £13.03m (2015: £11.16m).

In view of the contracted sale of Worplesdon View, Guildford at £15.85m, the directors of Campmoss increased the value of this property at the half year to £13m. Further details of the contracted sale are included in the Campmoss section of this report.

The group's net assets as at the year-end were £23.84m (2015: £21.56m) equivalent to 1,876p per share (2015: 1,684p) an increase of 11.4% over the year (2015: 13.0%). The group, including Campmoss, has adequate financial facilities and resources to complete works in progress and the proposed development programme. Cash balances are held on short term deposit. At the year end the company had nil gearing (2015: nil). During the year, the company purchased and cancelled 9,037 ordinary shares at a total cost of £136,066.

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, both to be held on 19 January 2017. 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.

Current IFRS accounting recommends that deferred tax is chargeable on the difference between, the indexed cost of properties and quoted investments and their current market value. Campmoss has also adopted this policy as required under FRS 102. However current IFRS accounting does not require the same treatment in respect of the Group's unquoted investment in Campmoss Property our 47.62% owned joint venture. The investment in 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 £2.34m (2015: £2.16m) equivalent to 185p (2015: 169p) per share. This information is provided to shareholders as an additional, non-statutory disclosure.

Due to the withdrawal of UK GAAP accounting, the figures for Campmoss as at the half year were based on Financial Reporting Standard 101 (FRS 101). As Campmoss is not required to produce consolidated group accounts, FRS 102 must now instead be adopted. There is no difference in the results for Campmoss under FRS 101 or FRS 102 and a reconciliation of the impact on the results from old UK GAAP is set out in note 29.

CHAIRMAN'S STATEMENT AND PROPERTY REVIEW CONTINUED

	Dividend per share pence	Net assets per share pence	Profit before tax £'000	Earnings per share pence
2016	14.00	1,876	2,673	195.3
2015	13.50	1,684	2,586	191.3
2014	12.95	1,490	3,218	236.5
2013	12.55	1,277	1,319	94.2
2012	12.30	1,205	435	26.5

DIVIDEND

The directors recommend a final dividend of 10.4p per share (2015: 10p) making a total dividend for the year of 14p (2015: 13.5p) an increase of 3.7%. The final dividend will be paid on 16 February 2017 to shareholders on the register at 27 January 2017.

THE PROPERTY PORTFOLIO

The group continues to concentrate its property activities in the Thames Valley primarily to the west of London close to Heathrow Airport and in Surrey and Berkshire.

The Windsor Business Centre, Windsor, comprises 4 business units totalling 9,500 sq. ft. All 4 units are let. Following discussions with the local authority, planning has recently been granted to increase the office area within one of the units and discussions with the current tenant are in progress.

The office and retail investment at The White House, Egham, comprises 5 ground floor retail units with offices above. The retail and office space are fully occupied on medium term leases, three of the agreements include annual rental increases.

The Maidenhead Enterprise Centre, Maidenhead, comprises 6 business units totalling 14,000 sq. ft. Each unit comprises industrial use on the ground floor with offices above. One unit was let during the year and all are now occupied on either short or medium term leases. Two leases expire during the next 6 months and discussions are in hand with new tenants at increased rental levels.

At Heritage Court, Egham, adjacent to the company's offices, the building comprises 4 retail units, 3 of which are let on medium term leases. One lease is due to expire this year and negotiations are in progress with the existing tenant at an expected increased rent.

The company occupies its own freehold office in Egham and retains a freehold residential property in Egham which is let on an Assured Shorthold Tenancy Agreement. A planning application has been submitted to extend the residential property.

The property at Cowbridge Road, Cardiff, comprises a 14,650 sq. ft. commercial property on two floors and let on a medium term lease to Royal Mail for use as a mail sorting centre.

At Tilehurst, Reading, discussions are taking place with the Local Planning Authority to achieve residential use on part of the site. The site is now owned by Thames Valley Retirement Homes Limited following the lapse of a joint venture option.

CAMPMOSS PROPERTY COMPANY LIMITED AND SUBSIDIARIES

During the year, the Campmoss group completed works to convert part of its office portfolio in Bracknell to residential use, finalised a number of residential and commercial property sales and negotiated several new commercial and residential lettings. Following detailed discussions with the respective planning authorities three residential planning applications were submitted on existing commercial properties. The group's freehold investment portfolio includes office, retail and residential property in Bracknell, Burnham, Slough, Maidenhead, Woking and a care home in Worplesdon.

At Worplesdon View, Worplesdon, Guildford, the 78-bedroom care home is let to Barchester Healthcare Homes on a 35-year institutional lease with annualised RPI increases. During the first half of this year contracts were exchanged with the tenant for the freehold sale at a price of £15.85m. Rental income will be received until completion which is expected to take place by August 2017. Following completion of the sale Campmoss will continue to own an adjacent 2-acre site which, subject to planning, could be available for development.

At Gowring House, Bracknell conversion of the 3 upper floors to 18 residential units has been completed and similar works are now underway on the first and second floors to achieve a further 12 residential units. Sales of 15 apartments have now been completed of which 12 took place during the year. Of the 3 remaining apartments, 2 are currently let. Works to the first and second floors are anticipated to complete early next year with the units being offered either for sale or letting. Three commercial units on the ground floor are all let on medium term leases.

CHAIRMAN'S STATEMENT AND PROPERTY REVIEW CONTINUED

At Westview, Market Street, Bracknell, adjacent to Gowring House the development of 8 retail units on ground and first floor has now been completed and all units have been let on medium to long term leases.

Adjacent to Westview (to be known as Alston House) demolition of the existing building was completed and planning permission granted to construct 10 new retail units on the ground and first floors. Following detailed discussions with the local authority a further planning application has been submitted for 12 residential units on the third and fourth floors. Commencement of any development will depend on the outcome of the planning application.

At the north-eastern end of Market Street Bracknell the company retains an investment in 12 retail units, 11 of which are currently let to local businesses on medium term leases. One unit was sub-divided during the year creating an additional unit which was subsequently let, one unit remains available.

At Brickfields Industrial Park, Bracknell 16 business units and an adjoining office unit are all let on short or medium term leases. One unit was sold on a long leasehold basis during the early part of the year making a total of 4 units now sold to owner occupiers. Subsequent to the year-end Campmoss Property Company Limited has exchanged contracts to sell the freehold at Brickfields, Bracknell for a consideration of £3.7m. At 30 September 2016 Brickfields was valued at £3.1m.

At The Priory, Burnham, the 26,000 sq ft building comprises new office premises on 3 floors totalling 17,000 sq ft and an adjoining grade II Listed office building of 9,000 sq ft which is used as a Business Centre. The new building is let to 3 tenants on a medium-term lease whilst the Business Centre is partly let on short term leases expiring over the next 3 years. Further lettings at the Business Centre have recently been completed.

Planning applications have been submitted for the re-development of Britannia Wharf, Woking for either a care home or residential scheme. The building comprises four floors of offices totalling 27,743 sq ft. Following negotiations and expiry of leases, vacant possession of the whole building is anticipated in early 2017. Comprehensive proposals from a number of care home operators have been received and interest in the potential residential scheme has been considerable. The outcome of our planning applications is expected early next year.

Highway House and Clivemont House, Maidenhead are both vacant sites with planning permissions to develop individual office schemes. At Highway House a pre-letting continues to be sought prior to the commencement of any development. At Clivemont House a planning application for residential use was submitted early in the year and discussions with the Local Authority are in progress.

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 £32.8m (2015: £29.95m). This figure includes property under development but excludes stock.

Total revenue for Campmoss for the year amounted to £5.3m (2015: £3.6m) representing gross rental income of £2.6m (2015: £2.9m) and sales of property of £2.7m (2015: £0.7m). At the year-end net borrowing amounted to £2.9m (2015: £5.8m) and gearing was 11% (2015: 24%).

QUOTED INVESTMENTS

The company retains a small portfolio of quoted retail bonds and equity investments comprising, The Renewables Infrastructure Group Limited, A2D funding plc, ImmuPharma plc, Galileo Resources plc and Aquila Services Group plc (formerly General Industries plc). I remain a director of Galileo Resources plc and Aquila Services Group plc. The value of the portfolio at the year-end exceeds the original cost.

RELATIONSHIP AGREEMENT

The company has entered into a written and legally binding relationship agreement with myself, its controlling shareholder, to address the requirements of LR9.2.2AR of the Listing Rules.

MANAGEMENT AND TEAM

Following the retirement of David Whitaker, our Finance Director, I would like to take this opportunity of welcoming Karen Chandler as Finance Director and Company Secretary. Karen together with the group's small management team and our joint venture partner have been extremely busy during the year and I thank them all for their efforts, achievements and support. The intensive day to day management of the group's portfolio remains essential in achieving continued success.

OUTLOOK

Progressing our residential programme together with exciting projects in Bracknell and Woking should provide for a busy year ahead. Completion of the contracted sale at Worplesdon and the successful achievement of further planning permissions will be important. The economic uncertainties surrounding Brexit will influence the market, and whilst our properties and most tenants are UK resident the precise impact of Brexit is uncertain. However, I look forward to reporting further progress at the half year stage.

Subsequent to the year-end Campmoss Property Company Limited has exchanged contracts to sell the freehold at Brickfields, Bracknell for a consideration of £3.7m. At 30 September 2016 Brickfields was valued at £3.1m.

J Richard Wollenberg

Chairman

29 November 2016

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 (and its subsidiaries), is valued at the year-end in excess of £39m, 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 twelve apartments at Gowring House and one unit at Brickfields. The company returned a net profit before tax of £2,673,000 (2015: £2,586,000) including our share of the after-tax profits of Campmoss of £1,869,000 (2015: £1,922,000).

The effectiveness of the group's strategy is reflected in its performance over recent years. In the five years to 30 September 2014 net assets increased from 1,065p per share to 1,500p per share despite the economic downturn causing a slump in property prices in the early years. A further increase of 12.3% to 1,684p was recorded to 30 September 2015 and a further 11.4% to 1,876p to 30 September 2016. The group benefits from substantial cash deposits and ongoing profitability. The dividend increased from 12.30p per share to 13.5p per share over the period from September 2009 to September 2015 and, for the current year, has been increased by 3.7% to 14.0p per share.

The group is continuing to manage its portfolio, which is now predominantly let. Campmoss has commenced development of new residential apartments at Gowring House, Bracknell and commercial units at Alston 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, with existing planning consents for two separate office developments.

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 the implication on planning legislation 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 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*	2	1
Employees	—	2

* includes non-executive director

STRATEGIC REPORT CONTINUED

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 55.

J Richard Wollenberg

Chairman

29 November 2016

FINANCIAL REVIEW

INCOME STATEMENT

Revenue, being gross rents receivable, amounted to £580,000 (2015: £577,000).

In the year to 30 September 2016 the group, not including Campmoss, sold no development properties (2015: 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 2015 or 2016. Sales made by Campmoss are not included in the group's results under IFRS rules.

Earnings per share is 195.3p (2015: 191.3p).

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 £245,000 (2015: £145,000) and an increase in the residential portfolio of £nil (2015: £30,000). Movements on the valuation of investment properties are taken to the Income Statement in accordance with IFRS.

BALANCE SHEET

Total assets amount to:

	2016 £'000	2015 £'000
Investment properties	4,880	4,660
Investment in joint venture	13,025	11,156
Property, plant and equipment	278	238
Other financial assets – investments	842	744
Deferred tax asset	5	5
Stock	668	668
Trade and other receivables	94	132
Loan to Joint Venture partner	1,500	–
Financial assets – deposits	1,047	1,050
Cash and cash equivalents	2,198	3,579
Total	24,537	22,232

In accordance with IAS 16 the group's owner occupied office building in Egham, valued at £260,000 on 30 September 2016 (2015: £235,000) 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.

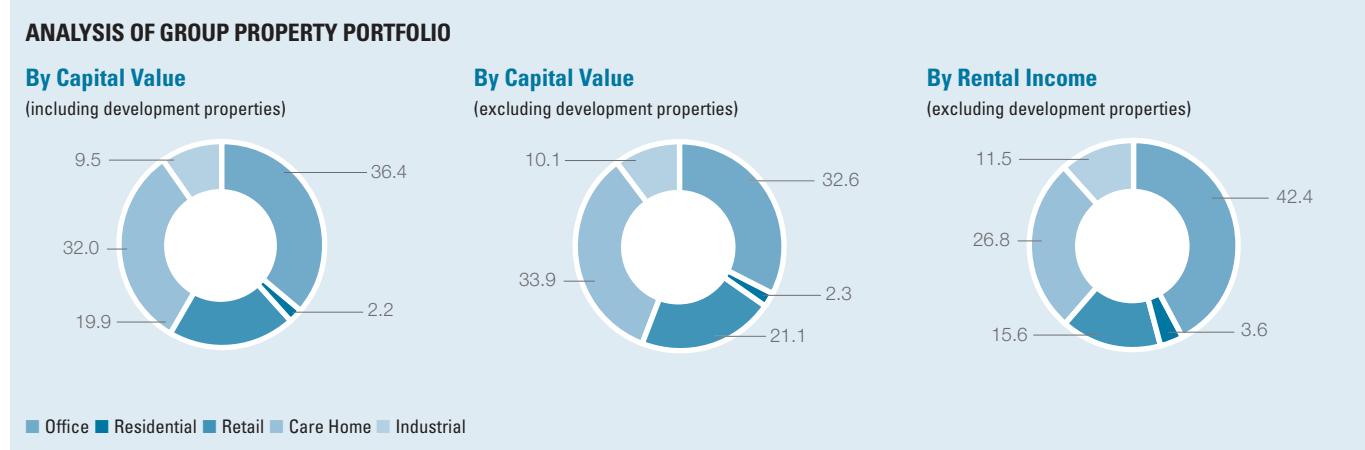
During the year, the company purchased and cancelled 9,037 of its own shares (2015: 30,300) at a total cost (including stamp duty and fees) of £136,066 (2015: £305,196).

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 £23.84m (2015: £21.56m) equivalent to 1,876p per share (2015: 1,684p), an increase of 11.4% over the year.

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

FINANCIAL REVIEW CONTINUED



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:

	2016 £'000	2015 £'000
Group		
Investment properties	4,880	4,660
Own use freehold property	260	235
Development properties (stock)	668	668
Campmoss		
Investment properties	32,817	29,950
Development properties (stock)	446	2,032
Total	39,071	37,545

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 (2015: nil).

JOINT VENTURE

Our joint venture, Campmoss Property Company Limited, including its wholly owned subsidiaries, Campmoss Property Developments Limited and Campmoss Property (Tangley Place) Limited, prepares its results under FRS 102 and these are summarised as follows:

	2016 £'000	2015 £'000
Turnover	5,332	3,572
Profit before tax	4,775	4,429
Net assets	27,353	23,822
Net borrowing	2,893	5,794
Gearing %	11	24

There are no differences between the results under FRS 102 and IFRS.

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 FRS 101. Campmoss accounts are prepared under FRS 102.

K Chandler FCA

Finance director
 29 November 2016

DIRECTORS AND ADVISERS

DIRECTORS

J Richard Wollenberg
Chairman and chief executive

Karen L Chandler FCA
Finance director

Nigel D Jamieson BSc, FCSI
Independent non-executive director

SECRETARY

Karen L Chandler FCA

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J RICHARD WOLLENBERG (AGED 68)

Chairman and chief executive

Was appointed a director of the company in 1980, became chief executive in 1981 and chairman in 1989. Mr Wollenberg has over 30 years' experience in property investment and development and has been actively involved in a number of corporate acquisitions, flotations, mergers and capital reorganisations of public and private companies. He is an executive director of Campmoss Property Company Limited and its subsidiaries. He is also a non-executive director of Aquila Services Group plc (formally 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.

KAREN L CHANDLER (AGED 44)

Finance director

Was appointed a director of the company on 21 January 2016. She is a chartered accountant having qualified with KPMG and has previously served as CFO of AIM quoted Zenergy Power (now Synety Group plc) and of a number of private companies.

NIGEL D JAMIESON BSC, FCSI (AGED 66)

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 66)

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 Aquila Services Group plc (formally 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 2016.

RESULTS

The results of the group for the year are set out in the audited financial statements on pages 21 to 44.

DIVIDENDS

The directors recommend a final dividend for the year of 10.4p per share (2015: 10p) payable on 16 February 2017. The total dividend paid and proposed in respect of the year, including the interim dividend of 3.6p per share, amounts to 14p per share (2015: 13.5p).

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. 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 page 3 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 39.

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 with the exception of Karen Chandler who was appointed to replace David Whitaker the former Finance Director who retired on 21 January 2016, his intentions to retire were announced in the prior year financial statements.

In accordance with the company's articles of association, Karen Chandler will retire by rotation at the Annual General Meeting.

DIRECTORS' INTERESTS

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

	At 30 September 2016 Beneficial	At 1 October 2015 Beneficial
K L Chandler	100	–
N D Jamieson	1,500	1,500
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 2016 and 29 November 2016.

At 30 September 2016 Mr Wollenberg held 25,000 (2015: 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 2016 (2015: nil).

SUBSTANTIAL SHAREHOLDINGS

Other than one director referred to above who holds 44.17%, the company has not been notified of any holdings of 3% or more in the share capital of the company at 29 November 2016.

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

As ordinary business at the Annual General Meeting, a resolution to adopt FRS 101 – Reduced Disclosure Framework was approved by 99.9% of votes cast with 0.1% voting against the resolution.

ALLOTMENT OF SHARES

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

PRE-EMPTION RIGHTS

As special business at the Annual General Meeting a resolution will be proposed to renew for a further year the power of your directors to allot equity securities for cash without first offering such securities to existing shareholders. The aggregate nominal amount of equity securities which may be allotted in this way shall not exceed £12,707, representing 5% of the present issued ordinary share capital of the company.

REPORT OF THE DIRECTORS CONTINUED

PURCHASE OF OWN SHARES

At the Annual General Meeting held on 21 January 2016, authority was renewed empowering your directors to make market purchases of up to 191,833 of the company's own ordinary shares of 20p each. Under that authority, your directors made market purchases of 4,537 shares (nominal value £907) in May 2016 representing 0.35% of the issued share capital at 21 January 2016 and 4,500 shares (nominal value £900) in June 2016 representing 0.35% of the issued share capital at 21 January 2016. These shares were purchased for an aggregate value of £136,066 (including stamp duty and charges) and cancelled. The number of shares in issue following these transactions was 1,270,709.

The existing authority for the company to purchase its own shares expires at the conclusion of the Annual General Meeting to be held on 19 January 2017. The directors wish to renew the authority and consent is therefore sought to approve resolution 8 set out in the Notice of Meeting on page 52 authorising the directors to purchase up to 190,479 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 2018 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

GREENHOUSE GAS DISCLOSURES

The Cardiff Property plc has minimal greenhouse gas emissions to report from its operations and does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, (including those within our underlying investment portfolio).

DIRECTORS AND OFFICER'S 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 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

29 November 2016

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 more than 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 (2015: £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 considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the committee's choice of external auditor.

Financial reporting

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

This issue was discussed with management during the year and with the auditor at the time the committee reviewed and agreed the auditor's group audit plan 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 considering yields on similar properties in the area, vacant space and covenant strength. They also consider external valuations and take external advice where necessary.

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

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

The auditor explained to the committee the work they had conducted during the year in respect of property valuation. Based on 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).

CORPORATE GOVERNANCE CONTINUED

INTERNAL FINANCIAL CONTROL

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

Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the board;
- evaluation, approval procedures and risk assessment for acquisitions and disposals and for major capital expenditure;
- regular reporting and monitoring of development projects; and
- close involvement of the 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 page 6 and in note 28, 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 as well as potential impacts from Brexit.

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 page 6 and in note 28, 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
K Chandler FCA
Secretary
29 November 2016

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, including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable 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 complies with that law and those regulations.

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

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

We confirm that to the best of our knowledge:

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

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

J Richard Wollenberg

29 November 2016

REMUNERATION REPORT

ANNUAL STATEMENT

Composition of the remuneration committee (not subject to audit)

Nigel D Jamieson	independent non-executive director, chairman of the committee
Karen L Chandler	executive director
J Richard Wollenberg	executive director

Remuneration policy is a matter for the board as a whole. The remuneration committee works within the agreed policy to set individual remuneration levels, although the executive directors do not participate in decisions regarding their own remuneration. The members of the remuneration committee have access to professional advice at the company's expense, if necessary, in order to carry out their duties. No such advice was sought during the year. All members served throughout the year, except Karen L Chandler who joined on 21 January 2016. 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 2015 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. K Chandler is eligible to receive a bonus as determined by the remuneration committee, any such bonus not to exceed a maximum of 50% of that salary;

- taxable benefits – provision of health care for Mr Wollenberg;
- pension benefits – the company has set up a work place pension scheme which employees will be invited to join following the staging date of March 2017. Annual contributions are made to Mr Wollenberg's personal pension scheme currently at the rate of 20% (2015: 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.

No options have been granted in the current of previous financial year and all previous options have lapsed.

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

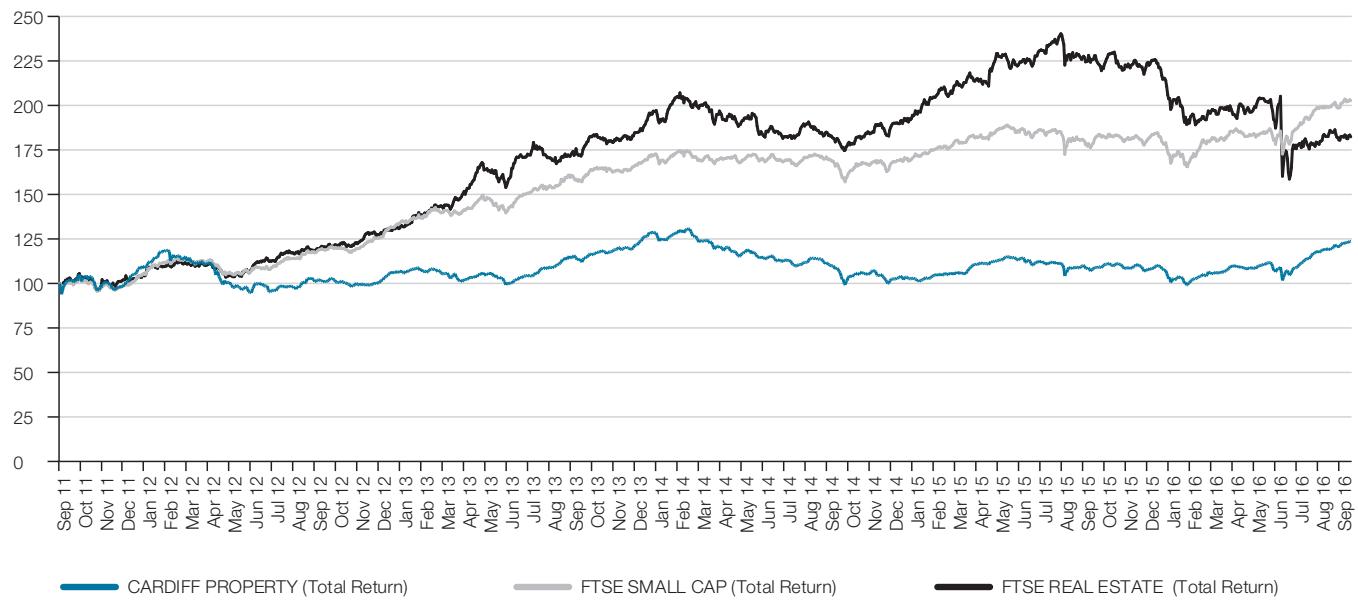
It is intended that these policies will be continued for the next year and subsequent years.

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:

	2016 £'000	2015 £'000	% increase
Total employee costs	418	436	(4.1)
Dividends	174	171	1.8

The total remuneration (including pension contributions) paid to the Chief Executive Officer as disclosed in note 7 was £206,886 (2015: £216,854) representing a 4.6% 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.

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

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

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

The remuneration of the non-executive director is 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 21 January 2016, 99.92% of votes were cast for the remuneration report and 0.08% 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 29 November 2016 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 2016 set out on pages 21 to 51. 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 2016 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, including FRS 101 *Reduced Disclosure Framework*; 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 RISK 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 (unchanged from 2015) was as follows:

Carrying amount of freehold investment properties (£20,507,000 (2015: £18,922,000), including £15,627,000 (2015: £14,262,000) of investment properties included in "Investment in Joint Venture") Risk vs 2015: ◀►

Refer to page 13 (Corporate Governance), page 26 (Accounting policy) and pages 32 to 35 (financial disclosure).

The risk: Estimating the fair value carrying amounts 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 £4,880,000 (2015: £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 where 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 assist the audit team in the challenge of 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 £245,000 (2015: £203,000), determined with reference to a benchmark of group total assets, of which it represents 1.0% (2015: 0.9%). We report to the audit committee any corrected or uncorrected misstatements exceeding £12,250 (2015: £10,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Separate audits were performed of six (2015: six) components including the joint venture by the group audit team. These audits covered 100% (2015: 100%) of total group revenue, 100% (2015: 100%) of group profit before taxation and 100% (2015: 100%) of total group assets. These audits were performed to individual component materiality levels which ranged from £6,600 to £240,000 (2015: £6,800 to £200,000), having regard to the mix of size and risk profile of the group across these components.

INDEPENDENT AUDITOR'S REPORT CONTINUED

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;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 13 to 15 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

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 five years to 30 September 2021; 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 or,
- a Corporate Governance Statement has not been prepared by the company.

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. 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, 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.

Jeremy Thomas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square,
Britannia Quay,
Cardiff,
CF10 4AX
United Kingdom
29 November 2016

CONSOLIDATED INCOME STATEMENT

for the year ended 30 September 2016

	Notes	2016 £'000	2015 £'000
Revenue			
Cost of sales	3	580	577
Gross profit		533	546
Administrative expenses		(526)	(540)
Other operating income		473	406
Operating profit before gains on investment properties and other properties	4	480	412
Surplus on revaluation of investment properties	11	220	150
Surplus on revaluation of other properties		25	25
Operating profit		725	587
Financial income	5	79	77
Share of results of joint venture	13	1,869	1,922
Profit before taxation	3-7	2,673	2,586
Taxation	8	(179)	(96)
Profit for the financial year attributable to equity holders	23	2,494	2,490
Earnings per share on profit for the financial year – pence			
Basic	9	195.3	191.3
Diluted	9	195.3	191.3
Dividends			
Final 2015 paid 10p (2014: 9.55p)		128	125
Interim 2016 paid 3.6p (2015: 3.5p)		46	46
		174	171
Final 2016 proposed 10.4p (2015: 10p)		132	128

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

CONSOLIDATED BALANCE SHEET

at 30 September 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Non-current assets					
Freehold investment properties	11		4,880		4,660
Investment in joint venture	13		13,025		11,156
Property, plant and equipment	12		278		238
Other financial assets	13		842		744
Deferred tax asset	17		5		5
			19,030		16,803
Current assets					
Stock and work in progress	14	668		668	
Trade and other receivables	15	1,594		132	
Financial assets		1,047		1,050	
Cash and cash equivalents		2,198		3,579	
			5,507		5,429
Total assets			24,537		22,232
Current liabilities					
Corporation tax		(103)		(99)	
Trade and other payables	16	(461)		(516)	
			(564)		(615)
Non-current liabilities					
Deferred tax liability	17		(134)		(60)
Total liabilities			(698)		(675)
Net assets			23,839		21,557
Equity					
Called up share capital	19		254		256
Share premium account	20		5,076		5,076
Other reserves	21		2,669		2,544
Investment property revaluation reserve	22		3,749		2,158
Retained earnings	23		12,091		11,523
Total equity			23,839		21,557
Net assets per share	10		1,876p		1,684p

These financial statements were approved by the board of directors on 29 November 2016 and were signed on its behalf by:

J Richard Wollenberg

Director

Company number: 00022705

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 September 2016

	2016 £'000	2015 £'000
Cash flows from operating activities		
Profit for the year	2,494	2,490
<i>Adjustments for:</i>		
Depreciation	2	1
Financial income	(79)	(77)
Share of profit of joint venture	(1,869)	(1,922)
Surplus on revaluation of investment properties	(220)	(150)
Surplus on revaluation of other properties	(25)	(25)
Taxation	179	96
Cash flows from operations before changes in working capital	482	413
Decrease in trade and other receivables	38	632
Increase in trade and other payables	(57)	19
Cash generated from operations	463	1,064
Tax paid	(97)	(96)
Net cash flows from operating activities	366	968
Cash flows from investing activities		
Interest received	77	77
Acquisition of investments and property, plant and equipment	(17)	(1)
Decrease in held to maturity deposits	3	1,154
Net cash flows from investing activities	63	1,230
Cash flows from financing activities		
Purchase of own shares	(136)	(305)
Dividends paid	(174)	(171)
Loan to Joint Venture	(1,500)	–
Net cash flows from financing activities	(1,810)	(476)
Net (decrease)/increase in cash and cash equivalents	(1,381)	1,722
Cash and cash equivalents at beginning of year	3,579	1,857
Cash and cash equivalents at end of year	2,198	3,579

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

	Notes	2016 £'000	2015 £'000
Profit for the financial year		2,494	2,490
Other items recognised directly in equity			
Net change in fair value of available for sale financial assets	13	98	19
Total comprehensive income and expense for the year attributable to the equity holders of the parent company		2,592	2,509

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium account £'000	Other reserves £'000	Investment property revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 October 2014	262	5,076	2,494	577	11,115	19,524
Profit for the year	–	–	–	–	2,490	2,490
Other comprehensive income – revaluation of investments	–	–	19	–	–	19
<i>Transactions with equity holders</i>						
Dividends	–	–	–	–	(171)	(171)
Purchase of own shares	(6)	–	6	–	(305)	(305)
Total transactions with equity holders	(6)	–	6	–	(476)	(476)
Realisation of investment reserve	–	–	–	(41)	41	–
Transfer on revaluation of investment properties	–	–	–	1,622	(1,622)	–
Transfer on revaluation of other properties	–	–	25	–	(25)	–
At 30 September 2015	256	5,076	2,544	2,158	11,523	21,557
Profit for the year	–	–	–	–	2,494	2,494
Other comprehensive income – revaluation of investments	–	–	98	–	–	98
<i>Transactions with equity holders</i>						
Dividends	–	–	–	–	(174)	(174)
Purchase of own shares	(2)	–	2	–	(136)	(136)
Total transactions with equity holders	(2)	–	2	–	(310)	(310)
Realisation of investment reserve	–	–	–	(41)	41	–
Transfer on revaluation of investment properties	–	–	–	1,632	(1,632)	–
Transfer on revaluation of other properties	–	–	25	–	(25)	–
At 30 September 2016	254	5,076	2,669	3,749	12,091	23,839

NOTES TO THE FINANCIAL STATEMENTS

1. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The consolidated results for the year ended 30 September 2016 and 2015 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 FRS 101 (Reduced Disclosure Framework) and these are presented on pages 45 to 51.

The Campmoss companies have prepared their accounts in accordance with FRS 102 and an explanation of the impact of the transition is set out in note 29.

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 direct relevant activities of the entity so as to obtain benefit from these 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. These estimates are discussed in further detail in note 28.

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 having regard to past valuations performed by external independent valuers. 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. 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, or in the event a notice to complete is required, on the receipt of such notice where the notice period is a period of less than 120 days.

Property, plant and equipment and depreciation

Property is stated at fair value using valuations prepared on the same basis as investment properties described above. Any surplus arising on the 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

2. ACCOUNTING POLICIES (CONTINUED)

Impairment

The carrying amounts of the group's assets, other than investment properties, own use freehold property and financial assets designated as available for sale which are measured at fair value, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss recognised where the recoverable amount is less than the carrying value of the asset. Any impairment losses are recognised in the income statement.

Capitalisation of borrowing costs

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

Stocks and work in progress

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

Revenue

Revenue consists of rental income, earned under operating leases granted, from properties held for investment purposes, together with the proceeds from the sale of properties held in stock. Sales of such 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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. ACCOUNTING POLICIES (CONTINUED)

Dividends

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

Provisions

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

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the Consolidated Statement of Comprehensive Income and Expense.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of 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:

- 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

None of these standards and interpretations, when applied, are expected to have a material impact upon the consolidated results of financial position of the group (other than in relation to disclosures or presentation), except for IFRS16 "Leases". This standard requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiation between lessors and lessees. The group has not yet assessed the full impact of this standard.

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:

	2016 £'000	2015 £'000
Revenue (wholly in the United Kingdom):		
Property and other investment being gross rents receivable	580	577
Property development being sales of development properties	–	–
	580	577
Profit before taxation:		
Property and other investment	2,511	2,455
Property development	162	131
	2,673	2,586
Net operating assets:		
Assets		
Property and other investment	23,783	21,472
Property development	4,033	3,919
Eliminations	(3,279)	(3,159)
Total assets	24,537	22,232
Liabilities		
Property and other investment	(3,760)	(3,602)
Property development	(217)	(232)
Eliminations	3,279	3,159
Total liabilities	(698)	(675)
Net operating assets	23,839	21,557

Of the group's share of the profit in its joint venture of £1,869,000 (2015: £1,922,000), £450,000 (2015: £167,000) relates to property development and £1,419,000 (2015: £1,755,000) relates to property investment. The interest income of £4,000 (2015: £2,000) relates entirely to property investment. Of the income tax expense of £395,000 (2015: £187,000), £282,000 (2015: £146,000) relates to property investment and £113,000 (2015: £41,000) 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 ON INVESTMENT PROPERTIES AND OTHER PROPERTIES

Included are the following expenses/(income):

	2016 £'000	2015 £'000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the annual accounts	25	23
Audit of subsidiary undertakings pursuant to legislation	4	3
Tax services	6	6
Other services	3	3
Depreciation of plant and equipment	2	1
Management charges receivable	(499)	(392)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. FINANCIAL INCOME

	2016 £'000	2015 £'000
Bank and other interest receivable	79	77

6. EMPLOYEES

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

	Number of employees	
	2016	2015
Management	3	3
Administration	2	2
	5	5

The aggregate payroll costs of these persons were as follows:

	2016 £'000	2015 £'000
Wages and salaries	338	357
Social security costs	39	35
Other pension costs	41	44
	418	436

Other pension costs represent amounts paid by the group to a personal pension plan in respect of J R Wollenberg.

7. EMOLUMENTS OF DIRECTORS

The emoluments of the directors were as follows:

	Salary £	Bonus £	Benefits £	Total 2016 £	Total 2015 £	Pension contributions		
	2016 £	2015 £						
As executives								
J R Wollenberg	117,576	33,509	15,188	166,273	172,933	40,613	43,921	
K Chandler	41,667	–	–	41,667	–	–	–	
D A Whitaker	35,000	–	–	35,000	61,938	–	–	
	194,243	33,509	15,188	242,940	234,871	40,613	43,921	
As non-executive								
N D Jamieson	12,000	–	–	12,000	12,000	–	–	
	206,243	33,509	15,188	254,940	246,871	40,613	43,921	

The above table includes bonuses which are based on the results for the year to 30 September 2016 and are payable in December 2016. Bonuses of £39,094 for Mr Wollenberg and £7,980 for Mr Whitaker in respect of the year to 30 September 2015 were paid in December 2015.

The information above is in respect of the company. In addition, Mr Wollenberg received consultancy fees of £60,000 (2015: £50,000). 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.

The directors are considered to be the only key management personnel of the group.

8. TAXATION

	2016 £'000	2015 £'000
Current tax		
UK corporation tax on the result for the year	105	95
Total current tax	105	95
Deferred tax		
Origination and reversal of timing differences	74	1
Total deferred tax	74	1
Taxation (all recognised in the profit and loss account)	179	96

Reconciliation of effective tax rate:

	2016 £'000	2015 £'000
Tax reconciliation		
Profit before taxation	2,673	2,586
Profit before taxation multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.5%)	535	530
<i>Effects of:</i>		
Joint venture	(374)	(405)
Effect of different tax rates	(14)	(9)
Permanent differences on investment properties	32	(20)
Total tax expense	179	96

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. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016, this was substantially enacted on 15 September 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax balances at 30 September 2016 (which have been calculated based on the rate of 19%).

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 £2,494,000 (2015: £2,490,000) and the weighted average number of shares as follows:

	Weighted average number of shares	2016	2015
Basic and diluted basis		1,276,736	1,301,461

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10. NET ASSETS PER SHARE

	2016 Pence per share	2015 Pence per share
Based on shares in issue at 30 September 2016 of 1,270,709 (2014: 1,279,746)	1,876	1,684

11. FREEHOLD INVESTMENT PROPERTIES

	2016 £'000	2015 £'000
Group and company		
At beginning of year	4,660	4,510
Surplus on revaluation in year	220	150
At end of year	4,880	4,660

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: £4,550,000) have been valued by Cushman & Wakefield LLP, and its residential property (total value: £330,000) by Nevin & Wells as at 30 September 2016.

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)

	2016 £'000	2015 £'000
Opening fair value	4,330	4,210
Gains and losses recognised in income statement (surplus on revaluation of investment properties)	220	120
Closing fair value	4,550	4,330

11. FREEHOLD INVESTMENT PROPERTIES (CONTINUED)

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

The fair value referred to above of £4,550,000 (2015: £4,330,000) is based on the unobservable inputs of net rental income and discount rate (yield).

The net rental income ranged between £40,000 and £202,000, and the discount rate ranged between 8.25% and 9.45%.

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. Due to the judgemental nature of property valuations it is not possible to precisely determine the impact a change in yield has on valuation.

The historical cost of the investment properties was:

	£'000
Group and company	
At 30 September 2016	3,735
At 30 September 2015	3,735

The cumulative amount of interest capitalised at 30 September 2016 was £90,000 (2015: £90,000).

12. PROPERTY, PLANT AND EQUIPMENT

Company and Group	Own use freehold property £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 30 September 2014				
At 30 September 2014	210	68	6	284
Additions	–	1	–	1
Revaluation	25	–	–	25
At 30 September 2015	235	69	6	310
Additions	–	–	17	17
Revaluation	25	–	–	25
At 30 September 2016	260	69	23	352
Depreciation				
At 30 September 2014	–	65	6	71
Charge for year	–	1	–	1
At 30 September 2015	–	66	6	72
Charge for year	–	1	1	2
At 30 September 2016	–	67	7	74
Net book value				
At 30 September 2016	260	2	16	278
At 30 September 2015	235	3	–	238
At 30 September 2014	210	3	–	213

Own use freehold property was valued by Cushman & Wakefield LLP at market value as at 30 September 2016. The historic cost of the property is £202,000 (2015: £202,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. INVESTMENTS

	Shares in joint venture £'000	Unlisted investments £'000	Listed investments £'000	Total £'000
At beginning of year	11,156	8	736	11,900
Net change in fair value of available for sale financial assets	–	–	98	98
Share of profit of joint venture	1,869	–	–	1,869
At end of year	13,025	8	834	13,867

Listed investments

These include minority stakes in The Renewables Infrastructure Group Limited, A2D Funding plc and Aquila Services Group Plc (formerly 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.

Joint venture

The group owns 47.62% (2015: 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 2016 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 2016. Whilst these accounts have been prepared under FRS 102, there are no material differences to IFRS.

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

	2016 £'000	2015 £'000
Income	2,539	1,701
Expenses	(1,661)	(1,064)
Other income	63	–
Surplus on revaluation of investment properties	1,412	1,472
Interest payable	(89)	–
Taxation on ordinary activities	(395)	(187)
Profit after tax	1,869	1,922

13. INVESTMENTS (CONTINUED)

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

	2016 £'000	2015 £'000
Non-current assets		
Investment properties	15,627	14,262
Plant and equipment	1	2
	15,628	14,264
Current assets		
Stock and work in progress	212	968
Trade and other receivables	487	115
Cash and cash equivalents	1,612	1,345
Net current assets	2,311	2,428
Total assets	17,939	16,692
Current liabilities		
Loans and overdraft	(2,865)	(4,104)
Corporation tax	(128)	(112)
Trade and other payables	(1,049)	(691)
Net current liabilities	(4,042)	(4,907)
Non-current liabilities		
Deferred taxation	(872)	(629)
Total liabilities	4,914	(5,536)
Net assets	13,025	11,156

At the year end, Campmoss had £2.5m outstanding of a loan facility of £5m at 2.5% over 3 month LIBOR with Barclays Bank, in addition to an overdraft facility of £2m both of which are in place for a period of two years from November 2015.

Investment properties are included at fair value based on directors' valuations as at 30 September 2016.

14. STOCK AND WORK IN PROGRESS

This comprises development properties held for sale.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. TRADE AND OTHER RECEIVABLES

	2016 £'000	2015 £'000
Trade receivables	37	58
Amounts owed by joint venture	1,500	–
Other receivables	26	46
Prepayments and accrued income	31	28
	1,594	132

16. TRADE AND OTHER PAYABLES

	2016 £'000	2015 £'000
Bank overdraft	–	8
Rents received in advance	86	119
Trade creditors	44	18
Other taxes and social security	53	39
Other creditors	195	252
Accruals and deferred income	83	80
	461	516

17. DEFERRED TAXATION

	2016 £'000	2015 £'000
At beginning of year	(55)	(54)
Charge for the year in the income statement	(74)	(1)
At end of year	(129)	(55)

Provision has been made for deferred taxation as follows:

	2016 £'000	2015 £'000
Difference between accumulated depreciation and amortisation and capital allowances	(54)	(54)
Other temporary differences	(75)	(1)
Net deferred tax liability	(129)	(55)
Disclosed as:		
Deferred tax asset	5	5
Deferred tax liability	(134)	(60)
Net deferred tax liability	(129)	(55)

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 nil shares lapsed (2015: 500). 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

	2016 £'000	2015 £'000
Authorised		
4,500,000 (2015: 4,500,000) ordinary shares of 20 pence each	900	900
Allotted, called up and fully paid		
At 30 September 2015 1,279,746 (2014: 1,310,046) ordinary shares of 20 pence each	256	262
Cancelled during the year 9,037 (2015: 30,300) ordinary shares of 20 pence each	(2)	(6)
At 30 September 2016 – 1,270,709 (2015: 1,279,746) ordinary shares of 20 pence each	254	256

The total number of ordinary shares under option is nil (2015: nil).

Capital management

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

20. SHARE PREMIUM ACCOUNT

	2016 £'000
Group and company	
At beginning and end of year	5,076

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21. OTHER RESERVES

	Available for sale reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Merger reserve £'000	Total £'000
At beginning of year	147	498	30	1,869	2,544
Purchase of own shares	–	2	–	–	2
Transfer from retained earnings on revaluation of other properties	25	–	–	–	25
Net change in fair value	98	–	–	–	98
At end of year	270	500	30	1,869	2,669

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

	2016 £'000	2015 £'000
At beginning of year	2,158	577
Transfer from retained earnings on revaluation in the year	1,632	1,622
Realisation of investment reserve	(41)	(41)
At end of year	3,749	2,158

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

	2016 £'000	2015 £'000
At beginning of year	11,523	11,115
Profit for the financial year	2,494	2,490
Dividends paid	(174)	(171)
Transfer to investment property revaluation reserve on revaluation in the year	(1,632)	(1,622)
Realisation of investment reserve	41	41
Transfer to other reserves on revaluation of available for sale assets	(25)	(25)
Own shares purchased in year	(136)	(305)
At end of year	12,091	11,523

24. COMMITMENTS

Expenditure on development and investment properties

There were nil commitments under contract at 30 September 2016 (2015: nil).

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:

	2016 £'000	2015 £'000
Within one year	517	476
Years two to five	1,382	1,114
More than five years	546	436
Total	2,445	2,026

Operating leases taken

Neither the group nor the company had any material commitments under non-cancellable operating leases at 30 September 2016 (2015: 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	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
Campmoss Property Company Limited	Loans made by the company to acquire and develop properties	1,500	–	1,500	–
	Loans repaid to the company	–	500	–	–
	Loan interest received by the company	23	–	8	–
	Management fees received by the company	499	375	30	5
	Consultancy fees received by J R Wollenberg (director)	58	63	30	25
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 2016 was £1,500,000 (2015: £nil) representing the outstanding balance on the revolving credit drawdown facility of £2,000,000 (2015: £2,000,000) provided to Campmoss Property Company Limited by the company at an interest rate of 3 month LIBOR plus 2.5%. 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 arm's length.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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:

	2016 £'000	2015 £'000
Cash and cash equivalents	2,198	3,579
Financial assets	1,047	1,050
Trade and other receivables	94	132
Amounts due from joint venture	1,500	–
	4,839	4,761

At 30 September 2016, the group had £3,245,000 (2015: £4,629,000) deposited with banks and financial institutions of which: £698,000 is available for withdrawal in less than 30 days; £1,000,000 is available for withdrawal in 30-60 days; £500,000 is available for withdrawal in 60-90 days; and £1,047,000 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 2016 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:

	2016	2015		
	Gross £'000	Provision £'000	Gross £'000	Provision £'000
Not past due	109	18	130	–
Past due 31-90 days	1	–	4	2
Past due more than 90 days	5	3	17	17
	115	21	151	19
The movement in the provision during the year was as follows:				
At beginning of year		19		16
Amounts written back		(5)		(16)
Provided in year		7		19
At end of year		21		19

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, by preparing and regularly reviewing cash flow forecasts, that as far as possible, there will always be adequate liquidity to meet its liabilities as they fall due, without incurring unacceptable losses or risking damage to the group's reputation.

In respect of cash deposits, the carrying value approximates to fair value because of the short maturity of the deposits. Interest rates are floating and based on 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 £461,000 (2015: £516,000) and are all repayable within one year and are non-interest bearing.

Banking facilities

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

Market risk

Market risk is the risk that changes in market prices such as currency rates, interest rates and stock market prices will affect the group's results. The group's objective is to manage and control market risk within suitable parameters.

Currency risk

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

Interest rate risk

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

28. ACCOUNTING ESTIMATES AND JUDGEMENTS

The key accounting judgements include the investment property valuations, which while supported by third party valuations are by their nature subjective. All property owned by the group has an independent third party valuation annually. The properties owned by Campmoss group are valued by the directors with regard to independent third party information and valuations when available. The deferred taxation provision uses these investment property valuations to calculate the gain or loss and hence deferred taxation liability. Provision has been made for any tenant's debts where there is considered a reasonable risk of non-payment.

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: 1) in valuing investment properties and properties in the joint venture, all property owned by the group is valued by an external valuer whilst all properties held by Campmoss are valued internally by the directors; 2) in valuing available for sale assets; 3) in classifying properties as investment properties or stock. Properties are generally held as investment properties as they are held for capital appreciation and rental income, properties are reclassified as stock where they are being actively marketed for sale and the group no longer intend to hold once a suitable sale can be negotiated; and 4) in calculating provisions due to their subjective nature.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

29. EXPLANATION OF TRANSITION TO FRS 102 FOR THE CAMPMOSS GROUP

As stated in note 1 Campmoss Property Company Limited and its subsidiaries have adopted Financial Reporting Standard 102 (FRS 102) for statutory accounts purposes. The impact on the group results of the investment in the joint venture which relates to the recognition of the deferred tax liability on the difference between indexed cost and valuation is set out below.

	Year Ended 30 September 2015 Old UK GAAP £'000	Year Ended 30 September 2015 Effect of transition to FRS 102 £'000	Year Ended 30 September 2015 FRS 102 £'000
Revenue	577	–	577
Cost of sales	(31)	–	(31)
Gross profit	546	–	546
Administrative expenses	(540)	–	(540)
Other operating income	406	–	406
Operating profit before gains on investment properties and other investments	412	–	412
Surplus on revaluation of investment properties	150	–	150
Surplus on revaluation of other properties	25	–	25
Operating profit	587	–	587
Financial income	77	–	77
Share of results of joint venture	1,976	(54)	1,922
Profit before taxation	2,640	(54)	2,586
Taxation	(96)	–	(96)
Profit for the period attributable to equity holders	2,544	(54)	2,490
Earnings per share on profit for the period – pence	195.5	(4.2)	191.3
Basic and diluted			

29. EXPLANATION OF TRANSITION TO FRS 102 FOR THE CAMPMOSS GROUP (CONTINUED)

	30 September 2015 30 September 2015 Old UK GAAP £'000	Effect of transition to FRS 102 £'000	30 September 2015 FRS 102 £'000
Non-current assets			
Freehold investment properties	4,660	–	4,660
Investment in joint venture	11,344	(188)	11,156
Property, plant and equipment	238	–	238
Other financial assets	744	–	744
Deferred tax asset	5	–	5
Total non-current assets	16,991	(188)	16,803
Current assets			
Stock and work in progress	668	–	668
Trade and other receivables	132	–	132
Financial assets	1,050	–	1,050
Cash and cash equivalents	3,579	–	3,579
Total current assets	5,429	–	5,429
Total assets	22,420	(188)	22,232
Current liabilities			
Corporation tax	(99)	–	(99)
Trade and other payables	(516)	–	(516)
Total current liabilities	(615)	–	(615)
Non-current liabilities			
Deferred tax liability	(60)	–	(60)
Total non-current liabilities	(60)	–	(60)
Total liabilities	(675)	–	(675)
Net assets	21,745	(188)	21,557
Equity			
Called up share capital	256	–	256
Share premium account	5,076	–	5,076
Other reserves	2,544	–	2,544
Investment property revaluation reserve	2,158	–	2,158
Retained earnings	11,711	(188)	11,523
Shareholders' funds attributable to equity holders	21,745	(188)	21,557
Net assets per share	£16.99	£(0.15)	£16.84

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

29. EXPLANATION OF TRANSITION TO FRS 102 FOR THE CAMPMOSS GROUP (CONTINUED)

	30 September 2014 Old UK GAAP £'000	Effect of transition to FRS 102 £'000	30 September 2014 FRS 102 £'000
Non-current assets			
Freehold investment properties	4,510	–	4,510
Investment in joint venture	9,368	(134)	9,234
Property, plant and equipment	213	–	213
Other financial assets	725	–	725
Deferred tax asset	5	–	5
Total non-current assets	14,821	(134)	14,687
Current assets			
Stock and work in progress	668	–	668
Trade and other receivables	764	–	764
Financial assets	2,204	–	2,204
Cash and cash equivalents	1,857	–	1,857
Total current assets	5,493	–	5,493
Total assets	20,314	(134)	20,180
Current liabilities			
Corporation tax	(100)	–	(100)
Trade and other payables	(497)	–	(497)
Total current liabilities	(597)	–	(597)
Non-current liabilities			
Deferred tax liability	(59)	–	(59)
Total non-current liabilities	(59)	–	(59)
Total liabilities	(656)	–	(656)
Net assets	19,658	(134)	19,524
Equity			
Called up share capital	262	–	262
Share premium account	5,076	–	5,076
Other reserves	2,494	–	2,494
Investment property revaluation reserve	577	–	577
Retained earnings	11,249	(134)	11,115
Shareholders' funds attributable to equity holders	19,658	(134)	19,524
Net assets per share	£15.00	£(0.10)	£14.90

30. POST BALANCE SHEET EVENT

Subsequent to the year-end Campmoss Property Company Limited has exchanged contracts to sell the freehold at Brickfields, Bracknell for a consideration of £3.7m. At 30 September 2016 Brickfields was valued at £3.1m.

COMPANY BALANCE SHEET

at 30 September 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible assets:			
Investment properties	11	4,880	4,660
Property, plant and equipment	12	278	238
		5,158	4,898
Investments	34	4,118	4,570
		9,276	9,468
Current assets			
Debtors	35	1,596	101
Cash at bank and in hand		3,245	4,629
		4,841	4,730
Creditors: amounts falling due within one year	36	(3,626)	(3,515)
Net current assets		1,215	1,215
Total assets less current liabilities		10,491	10,683
Provisions for liabilities	37	(134)	(60)
Net assets		10,357	10,623
Capital and reserves			
Called up share capital	19	254	256
Share premium account	20	5,076	5,076
Investment property revaluation reserve	38	1,144	924
Other reserves	39	2,620	2,495
Profit and loss account	40	1,263	1,872
Shareholders' funds – equity	41	10,357	10,623

These financial statements were approved by the board of directors on 29 November 2016 and were signed on its behalf by:

J Richard Wollenberg
 Director

STATEMENT OF CHANGES IN EQUITY

	Called up Share capital £'000	Share Premium Account £'000	Investment property revaluation reserve £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 October 2014	262	5,076	774	2,445	1,909	10,466
Profit for the financial year	–	–	–	–	614	614
Other comprehensive income	–	–	–	19	–	19
Total comprehensive income for the financial year	–	–	–	19	614	633
Purchase of own shares	(6)	–	–	6	(305)	(305)
Dividends	–	–	–	–	(171)	(171)
Total contributions by and distributions to owners	(6)	–	–	6	(476)	(476)
Transfer on revaluation of investment properties	–	–	150	–	(150)	–
Transfer on revaluation of other properties	–	–	–	25	(25)	–
Balance at 30 September 2015	256	5,076	924	2,495	1,872	10,623

	Called up Share capital £'000	Share Premium Account £'000	Investment property revaluation reserve £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 October 2015	256	5,076	924	2,495	1,872	10,623
Loss for the financial year	–	–	–	–	(54)	(54)
Other comprehensive income	–	–	–	98	–	98
Total comprehensive expenses for the financial year	–	–	–	98	(54)	44
Purchase of own shares	(2)	–	–	2	(136)	(136)
Dividends	–	–	–	–	(174)	(174)
Total transactions with equity holders	(2)	–	–	2	(310)	(310)
Transfer on revaluation of investment properties	–	–	220	–	(220)	–
Transfer on revaluation of other properties	–	–	–	25	(25)	–
Balance at 30 September 2016	254	5,076	1,144	2,620	1,263	10,357

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31. ACCOUNTING POLICIES

The Cardiff Property plc (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from Adopted IFRS, the Company has made no measurement and recognition adjustments.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101.

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

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 October 2014 for the purposes of the transition to FRS 101.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 28.

Measurement convention

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

Going concern

The company remains profitable and cash generative and has a strong balance sheet. Accordingly, the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31. ACCOUNTING POLICIES (CONTINUED)

Investment properties

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

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

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

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the revenue accounting policy in note 1.

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 2016.

Property, plant and equipment

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

Property is stated at valuation. An independent professional valuation for the company's freehold property is obtained by the directors annually. The most recent valuation was at 30 September 2016. Surpluses or deficits arising are recognised in other comprehensive income.

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

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

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

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.

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.

32. ADMINISTRATIVE EXPENSES

	2016 £'000	2015 £'000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the annual accounts	25	23
Tax services	6	5
Other services	3	3
Depreciation of plant and equipment	2	1

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

33. 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:

	2016 £'000	2015 £'000
(Loss)/Profit for the financial year (after dividends)	(228)	443

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 29 November 2016.

34. INVESTMENTS

	Shares in group undertakings £'000	Shares in joint venture undertaking £'000	Listed investments £'000	Total £'000
At beginning of year	3,289	545	736	4,570
Revaluation of investments	(550)	–	98	(452)
At end of year	2,739	545	834	4,118

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
Campmoss Property Company Limited	47.62%		Ordinary shares of £1 each	Property investment
Campmoss Property Developments Limited	47.62%		Ordinary shares of £1 each	Property development
Campmoss Property (Tangley Pace) Limited	47.62%		Ordinary shares of £1 each	Property investment

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.

35. DEBTORS

	2016 £'000	2015 £'000
Trade debtors	35	40
Amounts owed by subsidiary undertakings	25	25
Amounts owed by joint venture undertaking	1,500	–
Other debtors	4	4
Prepayments and accrued income	27	27
Deferred tax asset (note 37)	5	5
	1,596	101

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36. CREDITORS

	2016 £'000	2015 £'000
Bank overdraft	—	8
Rents received in advance	85	99
Trade creditors	41	12
Amounts owed to subsidiary undertakings	3,204	3,083
Corporation tax	71	72
Other taxes and social security	45	33
Other creditors	127	134
Accruals and deferred income	53	74
	3,626	3,515

37. PROVISIONS FOR LIABILITIES

	2016 £'000	2015 £'000
At beginning of year	(55)	(54)
(Charge) for the year in the profit and loss account	(74)	(1)
At end of year	(129)	(55)

Provision has been made for deferred taxation as follows:

	2016 £'000	2015 £'000
Difference between accumulated depreciation and amortisation and capital allowances	(54)	(54)
Other timing differences	(75)	(1)
Net deferred tax liability	(129)	(55)
Disclosed as:		
Deferred tax asset (note 35)	5	5
Deferred tax liability	(134)	(60)
Net deferred tax liability (see above)	(129)	(55)

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

38. INVESTMENT PROPERTY REVALUATION RESERVE

	£'000
At beginning of year	924
Revaluation in year	220
At end of year	1,144

39. OTHER RESERVES

	Revaluation reserve £'000	Capital redemption reserve £'000	Merger reserve £'000	Total £'000
At beginning of year	128	498	1,869	2,495
Revaluation of property held for own use	25	—	—	25
Revaluation of investments	98	—	—	98
Purchase of own shares	—	2	—	2
At end of year	251	500	1,869	2,620

40. PROFIT AND LOSS ACCOUNT

	2016 £'000	2015 £'000
At beginning of year	1,872	1,909
(Loss)/Profit for the financial year	(54)	614
Revaluation of investment properties – transfer to revaluation reserve	(220)	(150)
Revaluation of other property – transfer to other reserve	(25)	(25)
Dividends paid	(174)	(171)
Own shares purchased in year	(136)	(305)
At end of year	1,263	1,872

41. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2016 £'000	2015 £'000
Opening shareholders' funds	10,623	10,466
(Loss)/Profit for the financial year	(54)	614
Dividends paid	(174)	(171)
Revaluation of investments	98	19
Own shares purchased	(136)	(305)
Closing shareholders' funds	10,357	10,623

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 19 January 2017 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 2016.
2. To approve the remuneration report for the year ended 30 September 2016, including the remuneration policy.
3. To declare a dividend to be paid on 16 February 2017.
4. To re-elect as a director, Karen L Chandler who retires by rotation.
5. 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 6 as an ordinary resolution and resolutions 7 and 8 as special resolutions.

6. That the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the company to allot, grant options over or otherwise deal with or dispose of the unissued share capital of the company provided that the authority hereby given:
 - (a) shall be limited to unissued shares in the share capital of the company having an aggregate nominal value of £84,714; and
 - (b) shall expire at the end of the next Annual General Meeting of the company unless previously renewed or varied save that the directors may, notwithstanding such expiry, allot, grant options over or otherwise deal with or dispose of any shares under this authority in pursuance of an offer or agreement so to do made by the company before the expiry of this authority.

SPECIAL RESOLUTIONS

7. Subject to the passing of the preceding ordinary resolution the directors be and they are hereby empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority conferred in that behalf by the preceding ordinary resolution, as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements; and
 - (b) to the allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal amount of £12,707 representing 5% of the present issued share capital of the company;

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

8. Pursuant to article 12(2) of the company's articles of association that the company be and is hereby unconditionally and generally authorised to make market purchases (as defined in section 693(4) of the Companies Act 2006) of ordinary shares of 20 pence each in the capital of the company, provided that:
 - (a) the maximum number of ordinary shares hereby authorised to be acquired is 190,479 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

K Chandler FCA
 Secretary
 29 November 2016

NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the company.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. A form of proxy accompanies this notice. Forms of proxy, to be valid, must be delivered to the company's offices at 56 Station Road, Egham, Surrey TW20 9LF in accordance with the instructions printed thereon, not less than 48 hours before the time appointed for the holding of the meeting.
4. If you are not a member of the company but you have been nominated under section 146 of the Companies Act 2006 (the 'Act') by a member of the company to enjoy information rights, you do not have the rights of members in relation to the appointment of proxies set out in notes 1, 2 and 3. The rights described in those notes can only be exercised by members of the company.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Withheld" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. Information regarding the meeting, including the information required by section 311A of the Act, is available from www.cardiff-property.com.
7. As provided by Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the company 48 hours before the time set for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

8. As at 16:00 hours on 28 November 2016, the company's issued share capital comprised 1,270,709 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 28 November 2016 is 1,209,709.
9. Under section 319A of the Act, the company must answer any question you ask relating to the business being dealt with at the meeting unless (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
10. If you are a person who has been nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person'), you may have a right under an agreement between you and the member of the company who has nominated you to have information rights (a 'Relevant Member') to be appointed or to have someone else appointed as a proxy for the meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the company) regarding any changes or queries relating to your personal details and your interest in the company (including any administrative matters). The only exception to this is where the company expressly requests a response from you.
11. Members satisfying the thresholds in section 338 of the Act may require the company to give, to members of the company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the Annual General Meeting includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the company not later than 6 weeks before the date of the Annual General Meeting.
12. Members satisfying the thresholds in section 338A of the Act may request the company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the company not later than 6 weeks before the date of the Annual General Meeting.
13. Members satisfying the thresholds in section 527 of the Act can require the company to publish a statement on its website setting out any matter relating to (i) the audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the company ceasing to hold office since the last Annual General Meeting, which the members propose to raise at the meeting. The company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the company's 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 8 above. This would give the company the ability to reissue treasury shares and provides greater flexibility in the management of its capital base. Any shares purchased by the company not held in treasury will be cancelled and the number of shares in issue reduced accordingly.

CONSOLIDATED FIVE YEAR SUMMARY

		2016	2015	2014	2013	2012
Income statement items						
Revenue being gross rental income	£'000	580	577	534	493	523
Profit before taxation	£'000	2,673	2,586	3,218	1,319	435
Dividends paid and proposed in respect of the year*	£'000	178	174	167	166	165
Dividend cover	times	15.01	14.86	19.3	7.9	2.6
Dividend per share	pence	14.0	13.5	12.95	12.55	12.3
Earnings per share	pence	195.3	191.3	236.5	94.2	26.5
Balance sheet items						
Total assets	£'000	24,537	22,232	20,180	17,448	16,511
Total liabilities	£'000	(698)	(675)	(656)	(559)	(571)
Net assets	£'000	23,839	21,557	19,524	16,889	15,940
Number of shares in issue at 30 September	'000	1,271	1,280	1,310	1,322	1,322
Net assets per share attributable to shareholders	pence	1,876	1,684	1,490	1,277	1,205
Gearing	per cent	nil	nil	nil	nil	nil

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

FINANCIAL CALENDAR

30 November 2016	Results announced for the year ended 30 September 2016
19 January 2017	Annual General Meeting/General Meeting
26 January 2017	Ex-dividend date for the final dividend
27 January 2017	Record date for the final dividend
16 February 2017	Final dividend to be paid
May 2017	Interim results for 2017 to be announced
July 2017	Interim dividend for 2017 to be paid
30 September 2017	Year end

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