



**THE CONYGAR INVESTMENT
COMPANY PLC**

INTERIM REPORT
Six months ended 31 March 2023

The Conygar Investment Company PLC

Interim results

for the six months ended 31 March 2023

Summary

- Net asset value (“NAV”) decreased in the period by £2.3 million to £122.3 million (205.1p per share; 30 September 2022: 208.9p per share) primarily as a result of increased administrative and operational costs.
- Total cash deposits of £13.3 million (22.2p per share) and no debt drawn as at 31 March 2023.
- Construction progressing well for the 693-bed student accommodation development at The Island Quarter, Nottingham planned for completion in the summer of 2024.
- £47.5 million facility agreement entered into with Barclays Bank PLC in December 2022, for a maximum term of 3 years, to enable the completion and subsequent letting of the student accommodation development at The Island Quarter, to be drawn from May 2023.
- Detailed planning application granted in May 2023, subject to the documenting of the section 106 agreement, for a 249,000 square foot bioscience building at The Island Quarter where occupancy and funding discussions are well advanced.
- Disposal of the development site at Haverfordwest, Pembrokeshire, for gross proceeds of £9.65 million to realise a profit in the period of £0.2 million.
- Anglesey Freeport confirmed as one of the two newly established freeports in Wales with our 203-acre brownfield site at Rhosgoch, Anglesey assigned as a special area within that freeport.
- Conditional contract exchanged, at a cost of £450,000, for the purchase of a 14.7 acre plot at the Bristol Fruitmarket site in the St Philip’s Marsh area of Bristol.

Group net assets summary

	<i>31 Mar</i> <i>2023</i> <i>£’m</i>	<i>31 Mar</i> <i>2022</i> <i>£’m</i>	<i>30 Sept</i> <i>2022</i> <i>£’m</i>
Properties	115.6	99.3	110.1
Cash	13.3	30.7	17.4
Provisions	(2.5)	(4.0)	(3.1)
Other net (liabilities) / assets	(4.1)	0.6	0.2
Net assets	<u>122.3</u>	<u>126.6</u>	<u>124.6</u>
NAV per share	<u>205.1p</u>	<u>212.3p</u>	<u>208.9p</u>

The Conygar Investment Company PLC

Interim results

for the six months ended 31 March 2023

Chairman's and Chief Executive's statement

Progression and results summary

This has been, and continues to be, a transitional period for the Group where, having sold, over a number of years, the vast majority of our rent producing investment properties, to lock in, for the benefit of our shareholders, the significant returns generated from those assets, we are now utilising those funds to progress the planning applications for, and construction of, both our owned and targeted development projects. This, we believe, has the potential to realise considerable upside over the coming years.

We have historically maintained a minimal and efficient management team, supported by third party asset managers to administer our real estate activities. However, to better ensure the successful implementation of our vision, branding and desired outcomes for the development portfolio, such that we can provide at each destination a placemaking-led, often locally-unique, high quality and environmentally and socially enhancing product we have increased our management operations at Nottingham. As such, the annual overheads for our head office and local site management functions are expected to increase this year to circa £4.0 million.

This necessary cost increase, required to fully support both the implementation of our stated development goals and expanding operations team, along with the minimal rents currently being received, during the planning and development phases of our property assets, are the main contributors to the Group realising a loss in the current period of £2.3 million (year ended 30 September 2022: loss of £53,000). However, we believe the upside for these assets remains significant and will look to realise their full potential over the coming years as we benefit from the forecast future growth in the UK economy and restabilisation of the real estate market.

Cash deposits at 31 March 2023 amounted to £13.3 million, a reduction in the period of £4.1 million primarily as a result of construction costs incurred on the student accommodation development at The Island Quarter in Nottingham, partly offset by the proceeds from the sale of our site at Haverfordwest in Pembrokeshire.

To further support our ambitions for the development portfolio, in addition to competitively priced funding, we announced, on 31 March 2023, the publication of a prospectus in connection with a proposed placing of 30 million ZDP shares at a price of £1 per ZDP share. The ZDP shares would have a life of five years and a final capital entitlement of 146.93 pence for each £1 ZDP share, equivalent to a gross redemption yield of 8.0 per cent. per annum on the issue price. The Company has received strong

interest and demand from investors for the issue, but not to the level required to be eligible for admission to the Standard Segment of the Official List of the London Stock Exchange, which requires a minimum market capitalisation of £30 million. As a result, the Company announced on 22 May 2023 that it has paused the ZDP issue while it explores possible alternative listing venues, with a revised issue size of up to £20 million. Pending confirmation of the alternative listing venue, the placing has been extended to the long stop date of the ZDP Placing Agreement of 30 June 2023.

The additional funding being sought is intended for use to enable, amongst other projects, the faster progression of the designs and detailed applications for the next phases of The Island Quarter, including applications for between 1,500 and 2,000 build to rent apartments and a further 400-bed student accommodation scheme. We will also look to progress our existing and proposed bioscience applications at The Island Quarter, implement required infrastructure works and refurbish the two existing heritage warehouses to enable their possible future letting, further details of which are set out below.

The Island Quarter, Nottingham

We have made significant progress at The Island Quarter site since its acquisition in 2016 such that the Group is now well positioned, subject to investor appetite, to progress at a pace the further advancement of this substantial and transformative scheme.

Having received outline consent for a mixed-use development of approximately 2.8 million square feet in 2019 we subsequently constructed and, in September 2022, commenced trading at the first phase restaurant and events venue to achieve the desired outcome of regenerating considerable interest in a site that had remained derelict for almost 30 years. We have also completed the works to bring an electricity substation onto the site to provide the power required to support a development of this size, are currently on site constructing a 693-bed student accommodation scheme targeted for completion in May 2024, have received detailed planning permission for two hotels, 247 build to rent apartments and 30,000 square feet of co-working space and, subject to documenting the section 106 agreement, have also received permission for a 249,000 square foot bioscience building in May 2023.

More recently, we have also held constructive discussions with Nottingham City Council to agree in principle the parameters for a sitewide masterplan that will guide and support the future planning applications at The Island Quarter. This has resulted in a scheme which, subject to the granting of detailed consent and local demand, will enable the overall size of the development to increase up to approximately 3.5 million square feet. Following on from this, we will be looking to utilise, in the coming months, the funds we hope to raise from the ZDP issue to progress further detailed applications in particular for assets in those sectors where investor demand at The Island Quarter is becoming increasingly apparent.

Valuation

For this Interim Report, the fair value of The Island Quarter has been considered by the Conygar Board by reference to any changes in the assumptions set out in the reported 30 September 2022 valuation provided by Knight Frank LLP, progression of the project and the recoverability of costs incurred since that date. During the period, no planning permissions were granted or buildings completed, however there have been significant cash outlays, in particular to progress construction of the student accommodation development.

In assessing the fair value of The Island Quarter, for disclosure in the ZDP prospectus, the Conygar Board received confirmation from Knight Frank LLP that, in their opinion the real estate market movements over the six-month period to 31 March 2023 would not have materially changed the overall valuation as provided for this asset at 30 September 2022. Whilst we recognise the negative impact that price inflation and accelerated interest rate increases continue to have on property construction costs and valuation yields, we are seeing these adjustments being cushioned by rental growth, particularly within the residential build to rent (“BTR”), purpose built student accommodation (“PBSA”) and bioscience sectors. By reference to their gross development value, these three sectors comprise over 85 per cent of The Island Quarter site.

Despite the challenges faced by residential buyers, as a result of the ongoing cost of living crisis and mortgage rate increases, the acute supply and demand imbalance continue to support high levels of demand, and rent inflation growth, in the property rental market for which investor appetite remains strong. Furthermore, the continuing expansion in the UK’s student population, record levels of occupancy and the acute shortage of available multi-occupancy accommodation as a result of increased taxation, regulation and local authority social housing policy also continue to drive strong rental growth and investor returns within the PBSA sector.

In addition, an over-reliance on overseas providers, recent supply chain shortages and limited provision of laboratory space in the UK have highlighted a need for and, over recent years, attracted significant investment in, the bioscience sector. This is further supported by the UK government’s announcement, in March 2023, of their plan to cement the UK’s place as a science and technology superpower by 2030, backed by over £370 million in new government funding.

As a result, the overall fair value for The Island Quarter is assumed to have been maintained throughout the period subject to an uplift to reflect the value enhancement from the costs incurred since 30 September 2022, primarily in connection with the student accommodation development and bioscience planning application, resulting in a £14.7 million increase in the carrying value at 31 March 2023 to £107.7 million.

1 The Island Quarter

The restaurant and events venue at 1 The Island Quarter, which has now been operational for just over six months, has been very well received by the local community with the Cleaver and Wake restaurant itself recently promoted by The Times newspaper as being in its top 30 new waterside restaurants.

For a brand-new venue, 1 The Island Quarter, which had a delayed opening in a challenging economic environment, operating to date only during the seasonally quieter winter months, and with pressure on disposable incomes, has achieved solid revenues in line with our projections, of £1.65 million. However, the delayed completion of the development, due to various material and contracting issues, resulted in the events operation being unable to take advantage of the late summer and Christmas trade. This delay, when compounded by the phased opening, intentional overstaffing as operations were fully tested and margins being squeezed as a result of continuing inflationary pressures have resulted in an initial gross loss for the period, before administrative costs, of £0.1 million.

With the warmer months ahead and given the unique facilities and high-quality offering at the venue, as well as the significant opportunities offered by the indoor events space, outdoor plaza and bandstand, for which we have a series of events planned through to the autumn, we are expecting to significantly increase revenues for the remainder of the year. This will be supported by further targeted improvements to gross margins following the recruitment of an exceptional team, effective and efficient cost management, menu engineering and improved disciplines as this new venture becomes more established.

We also look forward to launching our loyalty app in the coming months called “The Island Club” which will enable significant leverage for bespoke sales opportunities as we build our database where points can be ‘earned and burned’. The app platform is designed to be modular and grow with the rest of The Island Quarter and accommodate more varied functionality, not just food and beverage loyalty points, but to ultimately also include other revenue-generating service provision options for residents and workers as we further progress the development.

Elsewhere on site

Construction of the student accommodation development is now fully funded, following the approval of a £47.5million debt facility from Barclays Bank PLC (“Barclays”) in December 2022. The development is progressing on-time and on-budget, with completion planned for May 2024 to enable its letting to the September 2024 Nottingham university intake. The three-year term of the loan will enable, post completion of the development, the letting and stabilisation of the property to ensure we are able to maximise the return from this investment.

The recently granted 249,000 square foot bioscience application includes both laboratory and office space as well as conference facilities and is located to the north of the site directly adjacent to an existing bioscience hub. We are in advanced discussions

with both a potential local tenant seeking significant expansion space as well as an investor to forward fund the development and we hope to provide an update in that regard over the coming months. However, should they not proceed, the demand for bioscience space is such that we feel confident that we would be able to find alternative tenants and investors.

To further support the placemaking strategy for The Island Quarter we are also advancing discussions with a national operator for the possible use of the site's existing heritage warehouses as a potentially destination defining, events and performance venue and hope to be in a position to confirm arrangements later this year.

Other projects

We announced, in March 2023, the confirmation of the Anglesey Freeport as one of the two newly established freeports in Wales. Included within this location, as a special area, is our 203-acre brownfield site at Rhosgoch, in addition to, although not designated with the same special area status, our further site at Parc Cybi, both in Anglesey.

These freeports will form special zones with the benefit of simplified customs procedures, relief on customs duties, tax benefits and development flexibility designed at attracting major domestic and international investment. The Welsh freeports will also prioritise environmental sustainability and the climate emergency.

We are yet to fully assess the impact and potential upside that this initiative will enable for our sites, where we have continuing interest from the renewables sector, in particular for our site at Rhosgoch, but are delighted to finally see their significant potential being supported by the UK and Welsh governments.

In addition, the Company owns a further site in Anglesey at Holyhead Waterfront which is ideally located to benefit from new investment on the island and where we await the determination, currently expected later this year, of our detailed application for 259 townhouses and apartments, a 250-berth marina and associated marine commercial and retail units.

After somewhat protracted negotiations, we finally completed the sale of our site at Haverfordwest, Pembrokeshire to The Welsh Minister and POBL Homes and Communities Limited for net proceeds of £9.5 million to realise a profit in the period of £0.2 million.

We also announced, on 6 April 2023, that Conygar Bristol Limited, a joint venture owned 80 per cent by the Company and 20 per cent by Urban and City Limited, had acquired, for £450,000, an option to purchase 14.7 acres of land, strategically located, to the east of Bristol Temple Meads railway station.

Completion of the purchase, which remains subject to Conygar's discretion, is dependent upon both a vacant possession condition being satisfied and a suitable planning permission being granted for a number of possible development options. The

conditional contract expires on 31 March 2024 in the event that a planning application for the development of the site has not been submitted by that date.

Outlook

Having gratefully exited 2022, the year of the permacrisis, relatively unscathed and with interest rates looking to have reached their near peak, real estate markets beginning to stabilise and investor sentiment improving, we are cautiously optimistic about the Group's prospects over the remainder of the year and beyond.

Whilst we recognise the continuing risks for the UK and global economies and the impact that above target inflation and rising interest rates have had, and will continue to have, on consumers facing a cost-of-living crisis, we believe that the significant progress made at our currently owned and targeted development projects leaves us well positioned to take advantage of those opportunities as they start to emerge.

N J Hamway
Chairman

30 May 2023

RT E Ware
Chief Executive

Financial review

Net asset value

During the six months ended 31 March 2023, the net asset value decreased by £2.3 million to £122.3 million (31 March 2022: £126.6 million; 30 September 2022: £124.6 million). The primary movements in the period were increased management and administrative costs of £2.3 million and other direct property costs of £0.3 million, partly offset by rental income and interest from cash deposits in addition to a £0.2 million profit realised on the sale of Haverfordwest.

Cash flow and financing

At 31 March 2023, the Group had cash deposits of £13.3 million and no drawn debt (31 March 2022: cash of £30.7 million and no debt; 30 September 2022: cash of £17.4 million and no debt).

The primary cash outflows in the period were £12.4 million incurred on the Group's development and investment properties, including £10.0 million of construction costs and professional fees to progress The Island Quarter's student accommodation development and £0.8m of fees in connection with the submitted bioscience planning application. Further costs were incurred to complete the fitting out of the restaurant and events venue at 1 The Island Quarter and to facilitate the Barclays bank loan. These were partly offset by gross proceeds of £9.65 million from the sale of Haverfordwest and rental and interest receipts of £0.2 million, resulting in a net cash outflow in the period of £4.1 million.

The secured £47.5 million Barclays debt facility will enable the Group to complete the student accommodation development and the proposed ZDP net proceeds would help to significantly advance the submission of the remaining detailed planning applications at both The Island Quarter and Bristol sites to better enable investor participation in future phases of each development. They would also be utilised to complete much of the remaining sitewide infrastructure and other works required at The Island Quarter, such that the Group's future funding requirements beyond these arrangements should be limited.

Net income from property activities

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>
Rental and other income	1.7	(0.5)	(0.3)
Direct property costs	<u>(1.9)</u>	<u>(0.2)</u>	<u>(1.0)</u>
	(0.2)	(0.7)	(1.3)
Proceeds from property sales	9.7	25.6	25.7
Cost of property sales	<u>(9.5)</u>	<u>(21.7)</u>	<u>(21.7)</u>
Total net income arising from property activities	<u><u>0.0</u></u>	<u><u>3.2</u></u>	<u><u>2.7</u></u>

Administrative expenses

The administrative expenses for the period ended 31 March 2023 were £2.3 million (period ended 31 March 2022: £1.0 million; year ended 30 September 2022: £2.9 million). As set out in the Chairman's and Chief Executive's statement, properly managing the substantially increased development and operations teams, in particular at The Island Quarter, has required an increase in the Group's overheads to circa £4.0 million per annum.

Taxation

No current tax is payable for the six months ended 31 March 2023 (period ended 31 March 2022: £nil; year ended 30 September 2022: £nil) as the Group had, and continues to have, available tax losses to offset against any resulting taxable profits.

As set out in note 6, the Directors have assessed the potential deferred tax liability of the Group as at 31 March 2023 in respect of chargeable gains that would be payable if the investment properties were sold at their reported values at each period end. Based on the unrealised chargeable gain of £18.8 million arising in the year ended 30 September 2022, and remaining at 31 March 2023, a deferred tax liability of £4.7 million has been recognised.

The Directors have also recognised a deferred tax asset of £3.0 million at 31 March 2023 and 30 September 2022 for tax losses, held by various group undertakings, where the Directors believe it is probable that these assets will be recovered.

As at 31 March 2023, the Group has further unused tax losses of £24.4 million (31 March 2022: £19.1 million; 30 September 2022: £22.1 million) for which no deferred tax asset has been recognised in the consolidated balance sheet.

Investment properties (including properties under construction)

	<i>31 Mar 2023 £'m</i>	<i>31 Mar 2022 £'m</i>	<i>30 Sept 2022 £'m</i>
Nottingham ⁽¹⁾	107.7	82.4	93.0

(1) The Group's investment in Nottingham was valued by the Company's directors at 31 March 2023 and 31 March 2022 and by Knight Frank LLP, in their capacity as external valuers, as at 30 September 2022.

Development and trading properties

	<i>31 Mar 2023 £'m</i>	<i>31 Mar 2022 £'m</i>	<i>30 Sept 2022 £'m</i>
Holyhead Waterfront	5.0	5.0	5.0
Rhosgoch	2.5	2.5	2.5
Parc Cybi ⁽²⁾	0.4	0.5	0.4
Haverfordwest ⁽³⁾	–	8.9	9.2
Total	7.9	16.9	17.1

(1) Development and trading properties are stated at the lower of cost and net realisable value.

(2) 2.4 acres of development land at Parc Cybi was sold in September 2022.

(3) The site at Haverfordwest was sold in March 2023.

The Conygar Investment Company PLC
Consolidated statement of comprehensive income
For the six months ended 31 March 2023

		<i>Six months ended</i>		<i>Year ended</i>
		<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
		<i>2023</i>	<i>2022</i>	<i>2022</i>
	Note	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Rental income	3	97	(506)	(404)
Other income		1,646	–	73
Proceeds on sale of development and trading properties		9,650	7,040	7,390
Revenue		11,393	6,534	7,059
Direct costs of rental income		(190)	(178)	(395)
Direct costs of other income		(1,745)	–	(572)
Costs on sale of development and trading properties		(9,476)	(3,620)	(3,749)
Development costs written off	12	(56)	(202)	(289)
Direct costs		(11,467)	(4,000)	(5,005)
Gross (loss) / profit		(74)	2,534	2,054
Surplus on revaluation of investment properties under construction		–	–	320
Profit on sale of investment property		–	423	380
Administrative expenses		(2,292)	(1,036)	(2,851)
Operating (loss) / profit		(2,366)	1,921	(97)
Finance costs	5	–	–	–
Finance income	5	87	5	73
(Loss) / profit before taxation		(2,279)	1,926	(24)
Taxation	6	–	–	(29)
(Loss) / profit and total comprehensive (charge) / income for the period		(2,279)	1,926	(53)
Basic and diluted (loss) / profit per share	8	(3.82p)	3.42p	(0.09p)

All amounts are attributable to equity shareholders of the Company.

All of the activities of the Group are classed as continuing.

The Conygar Investment Company PLC
Consolidated statement of changes in equity
For the six months ended 31 March 2023

Changes in equity for the six months ended 31 March 2022

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 1 October 2021	2,625	–	3,928	107,588	114,141
Profit for the period	–	–	–	1,926	1,926
Total comprehensive income for the period	–	–	–	1,926	1,926
Gross proceeds from placing of own shares	357	10,352	–	–	10,709
Fees paid on placing of own shares	–	(193)	–	–	(193)
At 31 March 2022	2,982	10,159	3,928	109,514	126,583

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Changes in equity for the year ended 30 September 2022

At 1 October 2021	2,625	–	3,928	107,588	114,141
Loss for the year	–	–	–	(53)	(53)
Total comprehensive charge for the year	–	–	–	(53)	(53)
Gross proceeds from placing of own shares	357	10,352	–	–	10,709
Fees paid on placing of own shares	–	(193)	–	–	(193)
Cancellation of share premium account	–	(10,159)	–	10,159	–
At 30 September 2022	2,982	–	3,928	117,694	124,604

Changes in equity for the six months ended 31 March 2023

At 1 October 2022	2,982	–	3,928	117,694	124,604
Loss for the period	–	–	–	(2,279)	(2,279)
Total comprehensive charge for the period	–	–	–	(2,279)	(2,279)
At 31 March 2023	2,982	–	3,928	115,415	122,325

All amounts are attributable to equity shareholders of the Company.

The Conygar Investment Company PLC
Consolidated balance sheet
As at 31 March 2023

		<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
		<i>2023</i>	<i>2022</i>	<i>2022</i>
	Note	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Non-current assets				
Plant, machinery and office equipment	9	1,196	182	991
Investment properties	10	14,168	–	–
Investment properties under construction	11	93,560	82,411	93,000
Right of use asset		–	7	–
Deferred tax asset	6	2,986	2,935	2,986
		<u>111,910</u>	<u>85,535</u>	<u>96,977</u>
Current assets				
Development and trading properties	12	7,880	16,926	17,137
Inventories	13	69	–	32
Trade and other receivables	14	1,554	1,258	770
Tax asset		28	28	28
Cash and cash equivalents		13,257	30,661	17,361
		<u>22,788</u>	<u>48,873</u>	<u>35,328</u>
Total assets		<u>134,698</u>	<u>134,408</u>	<u>132,305</u>
Current liabilities				
Trade and other payables	15	6,860	904	1,605
Provision for liabilities and charges	16	813	–	–
		<u>7,673</u>	<u>904</u>	<u>1,605</u>
Non-current liabilities				
Borrowings	17	–	–	–
Deferred tax liability	6	4,700	4,620	4,700
Provision for liabilities and charges	16	–	2,301	1,396
		<u>4,700</u>	<u>6,921</u>	<u>6,096</u>
Total liabilities		<u>12,373</u>	<u>7,825</u>	<u>7,701</u>
Net assets		<u>122,325</u>	<u>126,583</u>	<u>124,604</u>
Equity				
Called up share capital	18	2,982	2,982	2,982
Share premium account	18	–	10,159	–
Capital redemption reserve		3,928	3,928	3,928
Retained earnings		115,415	109,514	117,694
Total equity		<u>122,325</u>	<u>126,583</u>	<u>124,604</u>
Net assets per share	20	205.1p	212.3p	208.9

The Conygar Investment Company PLC
Consolidated cash flow statement
For the six months ended 31 March 2023

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cash flows from operating activities			
Operating (loss) / profit	(2,366)	1,921	(97)
Development costs written off	56	202	289
Surplus on revaluation of investment properties	–	–	(320)
Profit on sale of investment property	–	(423)	(380)
Profit on sale of development and trading properties	(174)	(3,420)	(3,641)
Depreciation of rights of use asset	–	46	53
Cash flows from operations before changes in working capital	(2,484)	(1,674)	(4,096)
Increase in inventories	(37)	–	(32)
Decrease in trade and other receivables	80	1,403	1,892
Additions to development and trading properties	(141)	(712)	(1,115)
Proceeds from sale of development and trading properties	9,645	6,990	7,337
Increase / (decrease) in trade and other payables	2,059	(577)	(94)
Cash flows generated from operations	9,122	5,430	3,892
Tax received	–	–	–
Net cash flows generated from operations	9,122	5,430	3,892
Cash flows from investing activities			
Additions to investment properties	(12,283)	(17,308)	(28,085)
Net proceeds from sale of investment properties	–	18,465	18,278
Additions to plant, machinery and office equipment	(226)	(104)	(970)
Finance income	87	5	73
Cash flows (used in) / generated from investing activities	(12,422)	1,058	(10,704)
Cash flows from financing activities			
Bank loan arrangement fees	(804)	–	–
Net proceeds from placing of own shares	–	10,516	10,516
Cash flows (used in) / generated from financing activities	(804)	10,516	10,516
Net (decrease) / increase in cash and cash equivalents	(4,104)	17,004	3,704
Cash and cash equivalents at the start of the period	17,361	13,657	13,657
Cash and cash equivalents at the end of the period	13,257	30,661	17,361

The Conygar Investment Company PLC
Notes to the interim results
For the six months ended 31 March 2023

1. General information

The Conygar Investment Company PLC (“the Company”) is incorporated in the United Kingdom and domiciled in England and Wales, is registered at Companies House under registration number 04907617, listed on the AIM market of the London Stock Exchange and limited by shares.

The financial information set out in this report covers the six months to 31 March 2023, with comparative amounts shown for the six months to 31 March 2022 and the year to 30 September 2022, and includes the results and net assets of the Company and its subsidiaries, together referred to as the Group.

Further information about the Group and Company can be found on its website www.conygar.com.

2. Basis of preparation

The accounting policies used in preparing the condensed financial information are consistent with those of the annual financial statements for the year ended 30 September 2022 other than the mandatory adoption of new standards, revisions and interpretations that are applicable to accounting periods commencing on or after 1 October 2022, as detailed in the annual financial statements.

The condensed financial information for the six-month period ended 31 March 2023 and the six-month period ended 31 March 2022 has been reviewed but not audited and does not constitute full financial statements within the meaning of section 435 of the Companies Act 2006.

The financial information for the year ended 30 September 2022 does not constitute the Group’s statutory accounts for that period but it is derived from those accounts. Statutory accounts for the year ended 30 September 2022 have been delivered to the Registrar of Companies. Saffery Champness LLP reported on those accounts, their report was unqualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The board of directors approved the above results on 30 May 2023.

Copies of the interim report may be obtained from the Company Secretary, The Conygar Investment Company PLC, First Floor, Suite 3, 1 Duchess Street, London, W1W 6AN.

The Conygar Investment Company PLC
Notes to the interim results (continued)
For the six months ended 31 March 2023

3. Rental income

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Income from operating leases	94	898	980
Reversal of rent spreading adjustment	–	(1,424)	(1,424)
Option fee income	3	20	40
	<u>97</u>	<u>(506)</u>	<u>(404)</u>
Total rental income	<u>97</u>	<u>(506)</u>	<u>(404)</u>

The Group's income for the period ended 31 March 2022, and the year ended 30 September 2022, includes the reversal of a £1.4 million accrued rent debtor following the sales of Cross Hands and Selly Oak in the prior year. This debtor arose from the even spreading of rental income over each tenant's respective minimum lease term after allowing for rent free periods.

4. Segmental information

IFRS 8 "Operating Segments" requires the identification of the Group's operating segments which are defined as being discrete components of the Group's operations whose results are regularly reviewed by the Board. The Group divides its business into the following segments:

- Investment properties held for capital appreciation, rental income or both; and,
- Development properties, which include sites and developments under construction held for sale in the ordinary course of business; and,
- Food, beverage and events operations.

4. Segmental information (continued)

Balance sheet

	As at 31 March 2023				As at 31 March 2022					
	Investment properties £'000	Development properties £'000	Food, beverage and events £'000	Other £'000	Group total £'000	Investment properties £'000	Development properties £'000	Food, beverage and events £'000	Other £'000	Group total £'000
Investment properties	107,728	–	–	–	107,728	82,411	–	–	–	82,411
Development and trading properties	–	7,880	–	–	7,880	–	16,926	–	–	16,926
Plant, machinery and office equipment	–	–	1,196	–	1,196	–	–	182	–	182
	<u>107,728</u>	<u>7,880</u>	<u>1,196</u>	<u>–</u>	<u>116,804</u>	<u>82,411</u>	<u>16,926</u>	<u>182</u>	<u>–</u>	<u>99,519</u>
Other assets	4,860	62	478	12,494	17,894	3,777	42	–	31,070	34,889
Total assets	<u>112,588</u>	<u>7,942</u>	<u>1,674</u>	<u>12,494</u>	<u>134,698</u>	<u>86,188</u>	<u>16,968</u>	<u>182</u>	<u>31,070</u>	<u>134,408</u>
Liabilities	(9,383)	(2,144)	(767)	(79)	(12,373)	(7,513)	(54)	–	(258)	(7,825)
Net assets	<u>103,205</u>	<u>5,798</u>	<u>907</u>	<u>12,415</u>	<u>122,325</u>	<u>78,675</u>	<u>16,914</u>	<u>182</u>	<u>30,812</u>	<u>126,583</u>

Income statement

	Six months ended 31 March 2023				Six months ended 31 March 2022					
	Investment properties £'000	Development properties £'000	Food, beverage and events £'000	Other £'000	Group total £'000	Investment properties £'000	Development properties £'000	Food, beverage and events £'000	Other £'000	Group total £'000
Revenue	36	9,711	1,646	–	11,393	(524)	7,058	–	–	6,534
Direct costs	(49)	(9,673)	(1,745)	–	(11,467)	(78)	(3,922)	–	–	(4,000)
Gross (loss) / profit	(13)	38	(99)	–	(74)	(602)	3,136	–	–	2,534
Profit on sale of investment property	–	–	–	–	–	423	–	–	–	423
Administrative expenses	–	–	(760)	(1,532)	(2,292)	–	–	–	(1,036)	(1,036)
Operating (loss) / profit	(13)	38	(859)	(1,532)	(2,366)	(179)	3,136	–	(1,036)	1,921
Finance costs	–	–	–	–	–	–	–	–	–	–
Finance income	–	–	–	87	87	–	–	–	5	5
(Loss) / profit before taxation	(13)	38	(859)	(1,445)	(2,279)	(179)	3,136	–	(1,031)	1,926
Taxation	–	–	–	–	–	–	–	–	–	–
(Loss) / profit after taxation	<u>(13)</u>	<u>38</u>	<u>(859)</u>	<u>(1,445)</u>	<u>(2,279)</u>	<u>(179)</u>	<u>3,136</u>	<u>–</u>	<u>(1,031)</u>	<u>1,926</u>

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Notes to the interim results (continued)
For the six months ended 31 March 2023

5. Finance costs and income

Interest is payable on the Barclays development loan facility on a Sonia-linked floating rate basis for each interest period plus a margin of 3.25%. As at 31 March 2023, no amounts had been drawn under this facility and, as such, no interest charges have been recognised in the period. However, with effect from 23 December 2022, the Group is subject to commitment fees, calculated for each interest period at 1.3% of the undrawn facility, plus annual debt management fees of £10,000.

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank loan commitment fees	167	–	–
Bank loan management fees	3	–	–
	<hr/>	<hr/>	<hr/>
Total finance costs	170	–	–
Capitalisation of finance costs (note 11)	(170)	–	–
	<hr/>	<hr/>	<hr/>
Net finance costs	–	–	–
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Bank interest receivable	87	5	73
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Finance costs that are directly attributable to the construction of the student accommodation at The Island Quarter, comprising the bank loan interest, management fees and monitoring fees are capitalised as incurred into investment properties under construction.

6. Taxation

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Current tax	–	–	–
Deferred tax charge	–	–	29
	<hr/>	<hr/>	<hr/>
Total tax charge	–	–	29
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. Taxation (continued)

Deferred tax asset

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At the start of the period	2,986	2,935	2,935
Credit for the period	–	–	51
At the end of the period	<u>2,986</u>	<u>2,935</u>	<u>2,986</u>

The Group has recognised a deferred tax asset for tax losses, held by group undertakings, where the Directors believe it is probable that this asset will be recovered.

As at 31 March 2023, the Group has further unused losses of £24.4 million (31 March 2022: £19.1 million; 30 September 2022: £22.1 million) for which no deferred tax asset has been recognised in the consolidated balance sheet.

Deferred tax liability – in respect of chargeable gains on investment properties

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At the start of the period	4,700	4,620	4,620
Charge for the period	–	–	80
At the end of the period	<u>4,700</u>	<u>4,620</u>	<u>4,700</u>

The Directors have assessed the potential deferred tax liability of the Group in respect of chargeable gains that would be payable if the investment properties were sold at their reported values at each period end. Based on the unrealised chargeable gain of £18,798,000 at 30 September 2022, and remaining at 31 March 2023 (31 March 2022: £18,478,000), a deferred tax liability of £4,700,000 has been recognised (31 March 2022: £4,620,000).

The deferred tax asset and liability have been calculated at a corporation tax rate of 25% being the rate that has been enacted or substantively enacted by the balance sheet date and which is expected to apply when the liability is settled and the asset realised.

7. Dividends

No dividends will be paid in respect of the six-month period ended 31 March 2023 and none were paid in the six-month period ended 31 March 2022 or the year ended 30 September 2022.

The Conygar Investment Company PLC
Notes to the interim results (continued)
For the six months ended 31 March 2023

8. (Loss) / profit per share

(Loss) / profit per share is calculated as the loss attributable to ordinary shareholders of the Company for the period ended 31 March 2023 of £2,279,000 (period ended 31 March 2022: profit of £1,926,000; year ended 30 September 2022: loss of £53,000) divided by the weighted average number of shares in issue throughout the period of 59,638,588 (31 March 2022: 56,382,891; 30 September 2022: 58,015,099). There are no diluting amounts in either the current or prior periods.

9. Plant, machinery and office equipment

	<i>31 Mar</i> <i>2023</i>	<i>31 Mar</i> <i>2022</i>	<i>30 Sept</i> <i>2022</i>
Cost	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At the start of the period	991	–	–
Additions	355	182	991
	<u>1,346</u>	<u>182</u>	<u>991</u>
At the end of the period			
Depreciation			
At the start of the period	–	–	–
Provided in the period	150	–	–
	<u>150</u>	<u>–</u>	<u>–</u>
At the end of the period			
Net book value - at the start of the period	<u>991</u>	<u>–</u>	<u>–</u>
Net book value - at the end of the period	<u>1,196</u>	<u>182</u>	<u>991</u>

During the current period and prior year, the Group acquired the plant, machinery and office equipment required to operate the restaurant, beverage and events venue at 1 The Island Quarter.

Depreciation is recognised so as to write off the cost of these assets, over their estimated useful economic lives, using the straight-line method at 25% per annum. As the venue at 1 The Island Quarter was only partly operational from 14 September 2022 no depreciation was recognised in the year ended 30 September 2022.

10. Investment properties

	<i>31 Mar</i> <i>2023</i> <i>£'000</i>	<i>31 Mar</i> <i>2022</i> <i>£'000</i>	<i>30 Sept</i> <i>2022</i> <i>£'000</i>
At the start of the period	–	17,750	17,750
Reclassify from investment properties under construction (note 11)	14,100	–	–
Additions	68	109	148
Disposals	–	(17,859)	(17,898)
At the end of the period	<u>14,168</u>	<u>–</u>	<u>–</u>

The Group's retail park at Cross Hands, Carmarthenshire was sold in the prior year for net proceeds of £18.3 million.

As at 1 October 2022, the Group's then operational restaurant, beverage and events venue at 1 The Island Quarter was reclassified, at fair value, from an investment property under construction to an investment property. The fair value was derived from the 30 September 2022 valuation, as provided by Knight Frank LLP.

As set out in the Chairmans's and Chief Executive's statement, the reported fair value of the 1 The Island Quarter venue as at 31 March 2023 has been provided by the Conygar Board by reference to any changes in the assumptions set out in the reported 30 September 2022 Knight Frank LLP valuation. These include a comparison of the trading performance, anticipated final construction costs for snagging works and yield movements. As the assumptions, when appraised as a whole, are not considered by the Board, and as independently confirmed by Knight Frank LLP, to be materially different to those envisaged as at 30 September 2022 the fair value has only been adjusted to reflect the construction costs incurred since that date, resulting in a carrying value as at 31 March 2023 of £14,168,000.

The fair values were determined using an income capitalisation technique whereby contracted rent and market rental values are capitalised with a market capitalisation rate. This technique is consistent with the principles in IFRS 13 and uses significant unobservable inputs, such that the fair value has been classified in all periods as Level 3 in the fair value hierarchy as defined in IFRS 13.

The historical cost of the Group's investment property as at 31 March 2023 was £10,273,000 (31 March 2022: £nil; 30 September 2022: £nil).

The Group's revenue for the period ended 31 March 2023 includes £1,646,000 from food, beverage and events sales at 1 The Island Quarter. The Group's revenue for the period ended 31 March 2022 and year ended 30 September 2022 includes £433,000 derived from operating leases at the Cross Hands retail park net of a £1,194,000 charge from the reversal of a rent spreading debtor on completion of the sale of Cross Hands.

The Conygar Investment Company PLC
Notes to the interim results (continued)
For the six months ended 31 March 2023

11. Investment properties under construction

	<i>31 Mar</i> 2023 £'000	<i>31 Mar</i> 2022 £'000	<i>30 Sept</i> 2022 £'000
At the start of the period	93,000	70,500	70,500
Reclassify to investment properties (note 10)	(14,100)	–	–
Additions	15,073	12,417	23,591
Capitalisation of debt finance costs (note 5)	170	–	–
Revaluation surplus	–	–	320
Movement in introductory fee provision	(583)	(506)	(1,411)
At the end of the period	<u>93,560</u>	<u>82,411</u>	<u>93,000</u>

Investment properties under construction comprise freehold land and buildings at The Island Quarter, Nottingham which are held for current or future development as investment properties and reported in the balance sheet at fair value.

Valuations of the Group's investment properties are inherently subjective as they are based on assumptions which may not prove to be accurate and which, as a result, are subject to material uncertainty. This is particularly true for The Island Quarter given its scale, lack of comparable evidence and the early-stage position of this substantial development where relatively small changes to the underlying assumptions of key parameters, such as rental levels, net initial yields, construction costs, finance costs and void periods can have a significant impact both positively and negatively on the resulting valuation.

As at 1 October 2022, the Group's then operational restaurant, beverage and events venue at 1 The Island Quarter was reclassified, at fair value, from an investment property under construction to an investment property. The fair value was derived from the 30 September 2022 valuation, as provided by Knight Frank LLP.

As set out in the Chairman's and Chief Executive's statement, the reported fair value of The Island Quarter site as at 31 March 2023 has been provided by the Conygar Board by reference to any changes in the assumptions set out in the reported 30 September 2022 valuation provided by Knight Frank LLP, progression of the project and the recoverability of costs incurred since that date. During the period, no planning permissions were granted or buildings completed and whilst we recognise the impact that sustained price inflation and monetary policy tightening is currently having upon property construction costs and commercial property yields, we are seeing these increases offset by a corresponding uplift in market rents, particularly within the residential build to rent, student accommodation and bioscience sectors. As the assumptions, when appraised as a whole, are not considered by the Board, and as independently confirmed by Knight Frank LLP, to be materially different to those

11. Investment properties under construction (continued)

envisaged as at 30 September 2022 the fair value has only been adjusted to reflect the significant cash outlays in the current period to progress, in particular, the construction of the student accommodation development. As such the fair value at 31 March 2023 has been increased to £93,560,000 to reflect the development costs incurred in the six-months since 30 September 2022.

In preparing their valuation at 30 September 2022, Knight Frank utilised market and site-specific data, their own extensive knowledge of the real estate sector, professional judgement and other market observations as well as information provided by the Company's Executive Directors. The resulting models and assumptions therein were also reviewed for overall reasonableness by the Conygar Board. Inevitably with complex modelling like this, as noted above, variations in assumptions can lead to widely differing values. The Board considered the valuation in the context of their experience and believed the value of approximately £2.5 million per acre was justifiable at that date.

The Knight Frank LLP valuation was prepared on a fixed fee basis, independent of the property value and undertaken in accordance with RICS Valuation – Global Standards on the basis of fair value, supported by reference to market evidence of transaction prices for similar properties. It assumed a willing buyer and a willing seller in an arm's length transaction and reflected usual deductions in respect of purchaser's costs and SDLT as applicable at the valuation date. The independent valuer made various assumptions including future rental income, anticipated void costs and the appropriate discount rate or yield.

The fair value of Nottingham has been determined using an income capitalisation technique whereby contracted rent and market rental values are capitalised with a market capitalisation rate. This technique is consistent with the principles in IFRS 13 and uses significant unobservable inputs, such that the fair value has been classified in all periods as Level 3 in the fair value hierarchy as defined in IFRS 13. For Nottingham, the key unobservable inputs are the net initial yields, construction costs, rental income rates, construction financing costs and expiry void periods. The principal sensitivity of measurement to variations in the significant unobservable outputs is that decreases in net initial yields, construction costs, financing costs and void periods will increase the fair value whereas reductions to rental income rates would decrease the fair value.

The historical cost of the Group's investment properties under construction as at 31 March 2023 was £67,603,000 (31 March 2022: £51,392,000; 30 September 2022: £62,566,000).

The Conygar Investment Company PLC
Notes to the interim results (continued)
For the six months ended 31 March 2023

12. Development and trading properties

	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At the start of the period	17,137	20,192	20,192
Additions	135	506	924
Disposals *	(9,336)	(3,570)	(3,690)
Development costs written off	(56)	(202)	(289)
	<u>7,880</u>	<u>16,926</u>	<u>17,137</u>

Development and trading properties are reported in the balance sheet at the lower of cost and net realisable value. The net realisable value of properties held for development requires an assessment of the underlying assets using property appraisal techniques and other valuation methods. Such estimates are inherently subjective as they are made on assumptions which may not prove to be accurate and which can only be determined in a sales transaction.

* The Group's development site at Haverfordwest, Pembrokeshire was sold in March 2023 for net proceeds of £9.51 million realising a profit in the period of £0.17 million.

13. Inventories

	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Food and drink	<u>69</u>	<u>–</u>	<u>32</u>

Inventories recognised as an expense in the period ended 31 March 2023 totalled £604,000 (period ended 31 March 2022: £nil; year ended 30 September 2022: £82,000).

14. Trade and other receivables

	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Trade receivables	108	162	70
Other receivables	263	887	423
Prepayments and accrued income *	1,183	209	277
	<u>1,554</u>	<u>1,258</u>	<u>770</u>

14. Trade and other receivables (continued)

Trade and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment. Impairment is calculated using an expected credit loss model.

* Included within prepayments as at 31 March 2023 are £864,000 of bank loan arrangement fees in connection with the Barclays debt facility.

15. Trade and other payables

	<i>31 Mar</i> <i>2023</i> <i>£'000</i>	<i>31 Mar</i> <i>2022</i> <i>£'000</i>	<i>30 Sept</i> <i>2022</i> <i>£'000</i>
Social security and payroll taxes	156	54	56
Trade payables *	3,806	692	938
Other payables **	1,907	–	–
Accruals and deferred income	991	158	611
	<u>6,860</u>	<u>904</u>	<u>1,605</u>

Trade and other payables are recognised initially at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

* Included within trade payables as at 31 March 2023 are £3.1 million of construction costs, in connection with the student accommodation development, which were certified as incurred by March 2023 but not payable until April 2023.

** Other payables as at 31 March 2023 includes £1.9 million of VAT received on completion of the sale of Haverfordwest which is payable to HMRC in June 2023.

16. Provision for liabilities and charges

	<i>31 Mar</i> <i>2023</i> <i>£'000</i>	<i>31 Mar</i> <i>2022</i> <i>£'000</i>	<i>30 Sept</i> <i>2022</i> <i>£'000</i>
At the start of the period	1,396	5,614	5,614
Paid in the period	–	(2,807)	(2,807)
Movement in provision in the period	<u>(583)</u>	<u>(506)</u>	<u>(1,411)</u>
At the end of the period	<u>813</u>	<u>2,301</u>	<u>1,396</u>

The Conygar Investment Company PLC
Notes to the interim results (continued)
For the six months ended 31 March 2023

16. Provision for liabilities and charges (continued)

As at 30 September 2021, the Group was party to a services agreement and introduction fee agreement in connection with its investment property at Nottingham. The fee payable, under the terms of each agreement, in connection with introductory and other services, was to be calculated on the earlier of the date of sale of the property or 22 December 2021 with settlement to follow, subject to agreement between each party, 31 business days after the fee calculation had been finalised. In January 2022, the introductory fee, calculated at £2.807 million, was paid and the longstop date for the services agreement calculation extended until 22 December 2023. The provisions at 31 March 2023, 31 March 2022 and 30 September 2022 have been calculated by reference to the value of the property at each balance sheet date after allowing for a priority return and applicable costs.

17. Borrowings

On 23 December 2022, the Group entered into a new facilities agreement with Barclays Bank PLC comprising a development facility and an investment facility (together the “facilities”) up to £47.5 million in aggregate. The facilities will enable completion of the construction, targeted by the summer of 2024, and subsequent letting of the 693-bed student accommodation development at The Island Quarter site in Nottingham, and are secured solely against that development area as well as the guarantees from the Company noted below.

The maximum term of the combined facilities is 3 years. This includes the development facility for up to 27 months, which subject to the satisfaction of certain conditions prior to the expiry of the development facility, switches into the investment facility for the remainder of the 3-year term. Interest on the development facility is payable on a Sonia-linked floating rate basis for each interest period plus a margin of 3.25%, and interest is payable on the investment facility at the same Sonia rate plus a margin of 1.90%.

The Company has provided cost overrun and interest shortfall guarantees of up to £5 million in connection with the development facility. A capital guarantee is also in place which could increase the Company's guarantee by £2.5 million if certain covenants are not met in advance of drawing the investment facility or the development facility is not repaid when due.

As at 31 March 2023, no amounts had been drawn under the facilities with the first development facility drawdown occurring in May 2023.

18. Share capital

Number of shares allotted and called up:

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At the start of the period	59,638,588	52,499,590	52,499,590
Placing of own shares	–	7,138,998	7,138,998
At the end of the period	<u>59,638,588</u>	<u>59,638,588</u>	<u>59,638,588</u>

Nominal value of Ordinary shares of 5p each:

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At the start of the period	2,982	2,625	2,625
Placing of own shares	–	357	357
At the end of the period	<u>2,982</u>	<u>2,982</u>	<u>2,982</u>

At the Company's Annual General Meeting held on 20 December 2021, resolutions were passed to enable the Company to complete the placing of 7,138,998 Ordinary shares of 5p each at a placing price of 150p per share. The premium received from each placing share over their 5p nominal value, net of fees paid in connection with the placing, resulted in £10.16 million credit to the Company's share premium account.

At a General Meeting of the Company on 28 March 2022 a further resolution was passed to enable the cancellation of the share premium account, subject to approval of the Court, such that the amount cancelled could be credited to a distributable reserve. On 22 April 2022, an application was submitted to the Court to request the cancellation which was duly confirmed by the Court on 10 May 2022 and completed on 12 May 2022.

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For the six months ended 31 March 2023

19. Capital commitments

As at 31 March 2023, the Group had capital commitments, not provided for in the financial statements, of £42.1 million. This includes £41.9 million payable under the construction contract, for the ongoing student accommodation development at The Island Quarter, which is to be funded by the £47.5 million Barclays development loan facility.

20. Net assets per share

Net assets per share is calculated as the net assets of the Group divided by the number of shares in issue at each period end. There are no diluting or adjusting amounts for the reported periods.

	<i>31 Mar</i> <i>2023</i> <i>£'000</i>	<i>31 Mar</i> <i>2022</i> <i>£'000</i>	<i>30 Sept</i> <i>2022</i> <i>£'000</i>
Net assets	<u>122,325</u>	<u>126,583</u>	<u>124,604</u>
	<i>No.</i>	<i>No.</i>	<i>No.</i>
Shares in issue	<u>59,638,588</u>	<u>59,638,588</u>	<u>59,638,588</u>
Net assets per share	<u>205.1p</u>	<u>212.3p</u>	<u>208.9p</u>

21. Key management compensation

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Group and are considered to be the Directors of the Company. Amounts paid in respect of key management compensation were as follows:

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i> <i>2023</i> <i>£'000</i>	<i>31 Mar</i> <i>2022</i> <i>£'000</i>	<i>30 Sept</i> <i>2022</i> <i>£'000</i>
Short-term employee benefits	<u>592</u>	<u>518</u>	<u>1,035</u>

22. Post balance sheet events

As set out in the Chairman's and Chief Executive's statement, Conygar Bristol Limited, a joint venture owned 80 per cent by the Company and 20 per cent by Urban and City Limited, acquired an option for £450,000 on 6 April 2023 to purchase 14.7 acres of land, strategically located, to the east of Bristol Temple Meads railway station.

On 17 May 2023, Nottingham County Council approved the detailed application for the next phase of The Island Quarter development comprising a 249,000 square foot bioscience building. The permission is subject to the documentation of the section 106 agreement.

On 22 May 2023, the Company announced that, as a result of not achieving the required £30 million minimum market capitalisation for admission to the Standard Segment of the Official List of the London Stock Exchange, it has paused the ZDP issue while it explores possible alternative listing venues, with a revised issue size of up to £20 million. Pending confirmation of the alternative listing venue, the placing has been extended to the long stop date of the ZDP Placing Agreement of 30 June 2023.

Independent Review Report to The Conygar Investment Company PLC

Conclusion

We have reviewed the accompanying condensed set of financial statements of The Conygar Investment Company PLC (“the Company”) and its subsidiaries (“the Group”) as at 31 March 2023 which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity, consolidated balance sheet, consolidated cash flow statement and the related notes for the six-month period ended 31 March 2023. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ as adopted in the UK and AIM Rules of the London Stock Exchange.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK), ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity.’ A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the basis for conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the Group or Company to cease to continue as a going concern.

Directors' responsibilities

Management is responsible for the preparation and presentation of the condensed set of financial statements included in this half-yearly financial report in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted in the UK and AIM Rules of the London Stock Exchange. As disclosed in note 1, the annual financial statements of the Group and Company are prepared in accordance with IFRS as adopted in the UK.

In preparing the interim financial information, the Directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

In reviewing the interim financial information, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the basis for conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Saffery Champness LLP

Chartered Accountants

London

30 May 2023

Notes:

- (a) The maintenance and integrity of The Conygar Investment Company PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.
- (b) Legislation in the United Kingdom governing the presentation and dissemination of financial information may differ from legislation in other jurisdictions.

Directors and advisers

Directors	N J Hamway (<i>Non-executive Chairman</i>) R T E Ware (<i>Chief Executive</i>) D Baldwin (<i>Finance Director</i>) F N G Jones (<i>Property Director</i>) C J D Ware (<i>Property Director</i>) B S Sandhu (<i>Non-executive Director</i>)
Secretary	D Baldwin
Registered office	First Floor, Suite 3 1 Duchess Street London W1W 6AN
Auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Nominated advisor and stockbroker	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
Registrars	Share Registrar Limited 3 The Millennium Centre Crosby Way, Farnham Surrey GU9 7XX
Solicitors	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU Simmons & Simmons LLP 1 Ropemaker Street London EC2Y 9SS
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP Handelsbanken PLC 5 Welbeck Street London W1G 9YQ The Royal Bank of Scotland PLC 36 St Andrew Square Edinburgh EH2 2YB National Westminster Bank PLC 250 Bishopsgate London EC2M 4AA
Registered number	04907617
Website	www.conygar.com

