

THE CARDIFF PROPERTY plc
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2024

THE CARDIFF PROPERTY plc

The Group, including Campmoss, specialises in property investment and development in the Thames Valley. The total portfolio under management, valued in excess of £22m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.

HIGHLIGHTS:

		Six months 31 March 2024 (Unaudited)	Six months 31 March 2023 (Unaudited)	Year 30 September 2023 (Audited)
Net assets	£'000	30,026	29,657	29,975
Net assets per share	£	28.93	28.00	28.44
Profit before tax	£'000	780	653	1,262
Earnings per share (basic and diluted)	pence	58.38	49.42	104.62
Interim/total dividend proposed per share	pence	6.5	6.0	22.0
Gearing	%	Nil	Nil	Nil

CONTENTS

01	Interim Management Report
04	Condensed Consolidated Interim Income Statement
05	Condensed Consolidated Interim Statement of Comprehensive Income and Expense
06	Condensed Consolidated Interim Balance Sheet
07	Condensed Consolidated Interim Statement of Cash Flows
08	Condensed Consolidated Interim Statement of Changes in Equity
09	Statement of Responsibility
10	Notes to the Condensed Consolidated Interim Financial Statements
13	Directors and Advisers
13	Financial Calendar

INTERIM MANAGEMENT REPORT

DEAR SHAREHOLDER,

New lettings and investment activity in the Thames Valley commercial and residential property sectors marginally increased over the first six months of the financial year. The prospect of lower interest rates has certainly inspired a return of confidence in the property market although current indications are that an early reduction in the base rate is unlikely.

Rental levels in the retail and industrial sectors have stabilised, whilst office rents remain under pressure as many corporate tenants continue to accommodate employees' preference to work from home.

The commercial property investment market has seen a number of transactions indicating the first signs of a recovery in capital values. With the prospects of future, albeit marginal, rental growth, commercial agents and investors are looking forward to further gains in the sector.

Residential values in the Thames Valley have improved reflecting recent reductions in mortgage rates. Rental values have remained firm.

In respect of the Group's portfolio, we await the outcome of a number of planning applications. The planning system remains complex and unpredictable with continuing delays inevitably increasing costs.

Management and liaison with the Group's mixture of tenants remains a priority. The financial health of our tenants is important and where necessary cash flow assistance such as monthly rather than quarterly rentals in advance has been agreed.

FINANCIALS

For the 6 months ending 31 March 2024 Group profit before tax amounted to £0.78m (March 2023: £0.65m; September 2023: £1.26m). This figure includes an after-tax profit from Campmoss Property Company Limited ("Campmoss") our 47.62% joint venture of £0.10m (March 2023: £0.12m; September 2023: £0.53m). No dividends were received from the Company's investment in Campmoss (March 2023: nil; September 2023: £2m).

Revenue for the 6 months to 31 March 2024 represented by rental income, totalled £0.36m (March 2023: £0.34m; September 2023: £0.66m). The Group's share of revenue from Campmoss was £0.32m (March 2023: £0.29m; September 2023: £0.59m), represented by rental income of £0.28m (March 2023: £0.29m; September 2023: £0.59m) and a property sale completed during the 6 months to March 2024 of £0.04m (March 2023: nil; September 2023: £nil). Rental income and sales figures for Campmoss are not included in Group revenue.

Net assets of the Group as at 31 March 2024 were £30.03m (March 2023: £29.66m; September 2023: £29.98m), equivalent to £28.93 per share (March 2023: £28.00; September 2023: £28.44). The Company's share of net assets in Campmoss, included on the Group balance sheet, amounted to £12.38m. (March 2023: £13.88m; September 2023: £12.28m).

Cash balances held by Cardiff and Campmoss are placed on short-term deposit. At the half year the Company had £nil gearing (March 2023: £nil; September 2023: £nil).

INTERIM MANAGEMENT REPORT CONTINUED

The directors are of the opinion, other than as mentioned in this report, that no material events or material changes in assets, liabilities or related party relationships since 30 September have occurred.

The Company may hold in treasury any of its own shares purchased which gives the Company the ability to re-issue treasury shares and provide greater flexibility in the management of its capital base.

During the 6 months to 31 March 2024 the Company purchased 16,034 ordinary shares (March 2023: 22,577 ordinary shares; September 2023: 27,977 ordinary shares). All shares purchased by the Company not held in treasury have been cancelled and the number of shares in issue reduced accordingly.

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. However, current IFRS accounting does not require the same treatment in respect of the Group's unquoted investment in Campmoss Property, the 47.62% owned joint venture, which represents a substantial part of the Company's net assets.

Whilst provision is made in Campmoss accounts for deferred tax, should the shares held in Campmoss be disposed of, for indicative purposes only, based on the value in the company's balance sheet at 31 March 2024 this would result in a tax liability of £3.10m (March 2023: £3.47m; September 2023: £3.07m) equivalent to £2.98 per share calculated using a tax rate of 25% (March 2023: £3.28 per share ; September 2023 £2.91 per share). This information is provided to shareholders as an additional, non-statutory, disclosure.

DIVIDEND

The directors have declared an interim dividend of 6.5p (interim March 2023: 6.0p; final September 2023: 16.0p) an increase of 8.3% which will be paid on 27 June 2024 to shareholders on the register at 24 May 2024.

THE INVESTMENT & DEVELOPMENT PORTFOLIO

The Group's freehold property portfolio, including those held by Campmoss, is located in the Thames Valley and in the counties of Surrey, Berkshire and Buckinghamshire.

The Windsor Business Centre, Windsor, comprises 4 business units all of which are let on leases inclusive of a development break clause. The outcome of a planning application for the renewal of an existing consent for a new 21,000 sq. ft. office scheme is awaited. Commencement of this development will depend on securing suitable lettings. The individual units remain available for sale.

Maidenhead Enterprise Centre, Maidenhead, comprises 6 individual business units totalling 14,000 sq. ft. The units include industrial use on the ground floor with offices above. An increase in rental was recently achieved following a rent review. One unit is currently available to lease.

The White House, Egham, comprises 5 ground floor retail units with air-conditioned offices on the upper floor. All retail units are let with part of the upper floor offices available for letting.

Heritage Court, Egham, comprises 4 retail units let on medium term Leases. All residential apartments on the upper floors have previously been sold on long leaseholds. The adjoining freehold office is occupied by the company.

CAMPMOSS PROPERTY COMPANY LIMITED & SUBSIDIARIES

The Campmoos portfolio provides a range of office, retail and residential properties in Burnham, Bracknell and Maidenhead.

The Priory, Stomp Road, Burnham, comprises 17,000 sq. ft. of office space and an adjoining business centre occupying 9,000 sq. ft. Planning permission has been granted for a new 75-bedroom care home whilst retaining the existing Business Centre. Negotiations to achieve a leasing commitment or a freehold sale are currently in hand.

Highway House, Maidenhead retains an extant planning permission for a new 48,000 sq. ft. gross Grade A office scheme. Minor works have taken place, but any major construction work will be subject to achieving sufficient pre-lettings. The outcome of alternative use planning applications for either a care home or residential scheme is awaited. The cleared site is currently used as a car park let to an adjoining office user.

Market Street, Bracknell, includes 4 adjacent buildings divided into thirty-three retail units primarily let on medium-term leases. Seventeen apartments on the upper floors of two of the buildings have been retained and are let on Assured Shorthold Tenancy Agreements. The apartments are also available for sale.

Tangley Place, Worplesdon, is approximately 2.5 acres of land in the greenbelt and adjacent to a previously developed care home subsequently sold to the operator. A planning application for an adjacent specialist care home has recently been submitted.

MANAGEMENT AND TEAM

Management of the Group's portfolio remains a priority and I wish to take this opportunity of thanking our team based in Egham, Surrey and our joint venture partner for their dedication and continued support.

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.

OUTLOOK

As mentioned earlier the prospect of lower interest rates has encouraged a return of confidence to the Thames Valley Property market which should assist a recovery in capital values and occupancy levels. Future growth prospects for the Group are primarily dependent on achieving beneficial planning permissions which are subject to the current complexity of the planning system which remains a frustrating, time consuming and costly exercise. As indicated in this half year report there are a number of projects in progress, and I look forward to reporting further at the year end.

J Richard Wollenberg

Chairman

25 April 2024

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

for the six months ended 31 March 2024

	Six months 31 March 2024 (Unaudited) £'000	Six months 31 March 2023 (Unaudited) £'000	Year 30 September 2023 (Audited) £'000
Revenue	355	339	662
Cost of sales	(32)	(16)	(52)
Gross profit	323	323	610
Administrative expenses	(305)	(300)	(569)
Other operating income	341	322	646
Operating profit before gains on investment properties and other investments	359	345	687
Fair value (loss)/gain on revaluation of investment properties	–	–	(332)
Operating profit	359	345	355
Financial income	323	114	314
Financial expense	(4)	(3)	(6)
Profit on sale of investments	–	75	74
Profit on sale of investment properties	–	–	–
Share of results of Joint Venture	102	122	525
Profit before taxation	780	653	1,262
Taxation	(168)	(123)	(148)
Profit for the period attributable to equity holders	612	530	1,114
Earnings per share on profit for the period – pence			
Basic and diluted	58.38	49.42	104.62
Dividends			
Final 2023 paid 16.0p (2022: 15.0p)	168	161	161
Interim 2023 paid 6.0p	–	–	64
	168	161	225
Final 2023 proposed 16.0p	–	–	169
Interim 2024 proposed 6.5p (2023: 6.0p)	67	64	–
	67	64	169

These results relate entirely to continuing operations. There were no acquisitions or disposals during these periods.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

for the six months ended 31 March 2024

	Six months 31 March 2024 (Unaudited) £'000	Six months 31 March 2023 (Unaudited) £'000	Year 30 September 2023 (Audited) £'000
Profit for the financial period	612	530	1,114
Items that cannot be reclassified subsequently to profit or loss			
Net change in fair value of other properties	–	–	(10)
Net change in fair value of investments	(25)	22	(37)
Total comprehensive income and expense for the period attributable to equity holders of the parent company	587	552	1,067

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

at 31 March 2024

	31 March 2024 (Unaudited) £'000	31 March 2023 (Unaudited) £'000	30 September 2023 (Audited) £'000
Non-current assets			
Freehold investment properties	5,660	5,985	5,655
Property, plant and equipment	290	300	290
Right of use asset	130	140	135
Investment in Joint Venture	12,385	13,880	12,283
Other financial assets	655	837	778
Total non-current assets	19,120	21,142	19,141
Current assets			
Stock and work in progress	720	704	715
Trade and other receivables	270	244	274
Held to maturity cash deposits	8,847	8,263	10,384
Cash and cash equivalents	2,063	444	405
Total current assets	11,900	9,655	11,778
Total assets	31,020	30,797	30,919
Current liabilities			
Trade and other payables	(515)	(581)	(540)
Corporation tax	(241)	(215)	(162)
Total current liabilities	(756)	(796)	(702)
Non-current liabilities			
Lease liability	(161)	(168)	(165)
Deferred tax liability	(77)	(176)	(77)
Total non-current liabilities	(238)	(344)	(242)
Total liabilities	(994)	(1,140)	(944)
Net assets	30,026	29,657	29,975
Equity			
Called up share capital	207	212	210
Share premium account	5,076	5,076	5,076
Other reserves	2,387	2,476	2,409
Investment property revaluation reserve	2,193	2,095	2,193
Retained earnings	20,163	19,798	20,087
Shareholders' funds attributable to equity holders	30,026	29,657	29,975
Net assets per share	£28.93	£28.00	£28.44

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS for the six months ended 31 March 2024

	Six months 31 March 2024 (Unaudited) £'000	Six months 31 March 2023 (Unaudited) £'000	Year 30 September 2023 (Audited) £'000
Cash flows from operating activities			
Profit for the period	612	530	1,114
Adjustments for:			
Depreciation right of use assets	5	5	10
Financial income	(323)	(114)	(314)
Financial expense	4	3	6
Profit on sale of investment property	–	–	–
Profit on sale of investment	–	(75)	(74)
Share of profit of Joint Venture	(102)	(122)	(525)
Fair value loss/(gain) on revaluation on of investment properties	–	–	332
Taxation	168	123	148
Cash flows from operations before changes in working capital	364	350	697
Acquisition of inventory and work in progress	(6)	(10)	(21)
(Increase)/decrease in trade and other receivables	4	(28)	(67)
(Decrease)/increase in trade and other payables	(26)	(18)	(58)
Cash generated from operations	336	294	551
Tax paid	(89)	(98)	(268)
Net cash flows from operating activities	247	196	283
Cash flows from investing activities			
Interest received	324	114	314
Dividend from Joint Venture	–	–	2,000
Proceeds from sale of investment property	–	–	–
Proceeds from bond redemption	98	–	80
Acquisition of investments, and property, plant and equipment	(5)	–	(2)
Proceeds from sale of investments	–	158	79
(Increase)/decrease in held term deposits	1,537	(4,222)	(6,343)
Net cash flows from investing activities	1,954	(3,950)	(3,872)
Cash flows from financing activities			
Purchase of own shares	(368)	(546)	(679)
Lease payments	(7)	(7)	(14)
Dividends paid	(168)	(161)	(225)
Net cash flows from financing activities	(543)	(714)	(918)
Net increase/(decrease) in cash and cash equivalents	1,658	(4,468)	(4,507)
Cash and cash equivalents at beginning of period	405	4,912	4,912
Cash and cash equivalents at end of period	2,063	444	405

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2024

	Share capital £'000	Share premium account £'000	Other reserves £'000	Investment property revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 30 September 2022	216	5,076	2,450	2,095	19,975	29,812
Profit for the period	–	–	–	–	530	530
Other comprehensive income – revaluation of investments	–	–	22	–	–	22
<i>Transactions with equity holders</i>						
Dividends	–	–	–	–	(161)	(161)
Purchase of own shares	(4)	–	4	–	(546)	(546)
Total transactions with equity holders	(4)	–	4	–	(707)	(707)
At 31 March 2023	212	5,076	2,476	2,095	19,798	29,657
Profit for the period	–	–	–	–	584	584
Other comprehensive income – revaluation of investments	–	–	(59)	–	–	(59)
Net change in fair value of own use freehold property	–	–	(10)	–	–	(100)
<i>Transactions with equity holders</i>						
Dividends	–	–	–	–	(64)	(64)
Purchase of own shares	(2)	–	2	–	(133)	133
Total transactions with equity holders	(2)	–	2	–	(197)	(197)
Fair value movement on investment properties - Cardiff	–	–	–	(332)	332	–
Deferred taxation on fair value movements in investment properties – Cardiff	–	–	–	98	(98)	–
Fair value movement on investment properties – Campmoss Group	–	–	–	332	(332)	–
At 30 September 2023	210	5,076	2,409	2,193	20,087	29,975
Profit for the period	–	–	–	–	612	612
Other comprehensive income – revaluation of investments	–	–	(25)	–	–	(25)
Transactions with equity holders						
Dividends	–	–	–	–	(168)	(168)
Purchase of own shares	(3)	–	3	–	(368)	(368)
Total transactions with equity holders	(3)	–	3	–	(536)	(536)
At 31 March 2024	207	5,076	2,387	2,193	20,163	30,026

STATEMENT OF RESPONSIBILITY

for the six months ended 31 March 2024

The directors are responsible for preparing the condensed consolidated interim financial statements for the six months ended 31 March 2024 and they confirm, to the best of their knowledge and belief, that:

- the condensed consolidated set of interim financial statements for the six months ended 31 March 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting and in accordance with the requirements of UK adopted international accounting standards and The Companies Act 2006;
- the interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of interim financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the group during that period; and any changes in the related party transactions described in the last annual report that could do so.

J Richard Wollenberg, Chairman

Karen L Chandler, Finance director

Nigel D Jamieson, Independent non-executive director

25 April 2024

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 31 March 2024

1. BASIS OF PREPARATION

This condensed set of financial statements has been prepared in accordance with IAS 34 – Interim Financial Reporting in conformity with the requirements of The Companies Act 2006. The condensed set of financial statements are unaudited.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 September 2023.

The comparative figures for the financial year ended 30 September 2023 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditor and delivered to the registrar of companies. The report of the auditor was: unqualified; did not give any reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

Accounting policies

The condensed consolidated interim financial statements have been prepared applying the accounting policies that will be applied in the preparation of the Group's financial statements for the year ended 30 September 2024.

Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key areas in which estimates have been used and the assumptions applied are in valuing investment properties and properties in the joint venture, in valuing available for sale assets, in classifying properties and in the calculating of provisions.

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's property portfolio at the end of each financial year. The directors of the joint venture value its portfolio each year; such valuation takes into account yields on similar properties in the area, vacant space and covenant strength. The directors of the group and joint venture review the valuations for the interim financial statements.

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

Going concern

The Group has sufficient financial resources to enable it to continue in operational existence for the foreseeable future, to complete the current maintenance and development programme and meet its liabilities as they fall due. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these interim financial statements.

2. SEGMENTAL ANALYSIS

The Group manages its operations in two segments, being property and other investment and property development. Property and other investment relate to the results for The Cardiff Property Company Limited where properties are held as investment property with property development relating to the results of First Choice Estates Plc and Thames Valley Retirement Homes Limited. 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:

	Property and other investment £'000	Property Development £'000	Eliminations £'000	Six months 31 march 2024 (Unaudited) Total £'000
Rental income (wholly in the UK)	239	116	–	355
Profit before taxation	592	188	–	780
Net operating assets				
Assets	29,953	5,390	(4,323)	31,020
Liabilities	(5,042)	(275)	4,323	(994)
Net assets	24,911	5,115	–	30,026

	Property and other investment £'000	Property Development £'000	Eliminations £'000	Six months 31 March 2023 (Unaudited) Total
Revenue (wholly in the UK)	223	116	–	339
Profit before taxation	376	277	–	653
Net operating assets				
Assets	28,665	5,154	(3,022)	30,797
Liabilities	(3,916)	(246)	3,022	(1,140)
Net assets	24,749	4,908	–	29,657

	Property and other investment £'000	Property Development £'000	Eliminations £'000	Year September 2023 (Audited) Total £'000
Rental income (wholly in the UK)	436	226	–	662
Property sales	–	–	–	–
Profit before taxation	829	433	–	1,262
Net operating assets				
Assets	28,854	5,246	(3,181)	30,919
Liabilities	(3,882)	(243)	3,181	(944)
Net assets	24,972	5,003	–	29,975

“Eliminations” relate to inter segment transactions and balances which cannot be specifically allocated but are eliminated on consolidation.

The operations of the Group are not seasonal.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

for the six months ended 31 March 2024

3. TAXATION

The tax position for the six-month period is estimated on the basis of the anticipated tax rates applying for the full year.

4. DIVIDENDS

The interim dividend of 6.5p per share will be paid on 27 June 2024 to shareholders on the register on 24 May 2024. Under accounting standards this dividend is not included in the condensed consolidated interim financial statements for the six months ended 31 March 2024.

5. EARNINGS PER SHARE

Earnings per share has been calculated using the profit after tax for the period of £612,000 (March 2023: £530,000, year ended September 2023: £1,114,000) and the weighted average number of shares as follows:

	Weighted average number of shares		
	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)	30 September 2023 (Audited)
Basic and diluted	1,048,399	1,072,675	1,064,204
Earnings per share (p)	58.38	49.42	104.62

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

NON-EXECUTIVE DIRECTOR OF WHOLLY OWNED SUBSIDIARY

First Choice Estates plc

Derek M Joseph BCom, FCIS

HEAD OFFICE

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

REGISTERED OFFICE

56 Station Road
Egham, TW20 9LF

AUDITOR

MHA

STOCKBROKERS AND FINANCIAL ADVISERS

Shore Capital

BANKERS

HSBC Bank plc

SOLICITORS

Blake Morgan LLP
Charsley Harrison LLP

REGISTRAR AND TRANSFER OFFICE

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD
Telephone: 0121 585 1131

REGISTERED NUMBER

00022705

FINANCIAL CALENDAR

2024	25 Apr	Interim results for 2024 announced
	23 May	Ex-dividend date for interim dividend
	24 May	Record date for interim dividend
	27 June	Interim dividend to be paid
	30 September	End of accounting year
	December	Final results for 2024 announced
2025	January	Annual General Meeting

The Cardiff Property plc

56 Station Road, Egham

Surrey TW20 9LF

Tel: 01784 437444

Fax: 01784 439157

www.cardiff-property.com
