



**THE CONYGAR INVESTMENT  
COMPANY PLC**

**INTERIM REPORT**  
**Six Months ended 31 March 2006**

# **The Conygar Investment Company PLC**

## **Interim Results**

**for the six months ended 31 March 2006**

### **Chairman's Statement**

I am pleased to announce a period of significant progress for the company. During the last six months, we raised £10.31 million through a placing of ordinary shares at 116 pence per share. This was carried out in order to satisfy investor demand, widen the ownership of the company's shares and to strengthen the company's balance sheet. At the same time, it was decided to reorganise the board in order to reflect the new scale of the company and to give greater clarity and focus to the business. I agreed to become non-executive chairman with Robert Ware becoming chief executive.

On 28 April 2006, we exchanged contracts to acquire a terrace of fourteen office properties in Bedford Square, London WC1 for a total cash consideration (including costs) of £57.81 million. The Royal Bank of Scotland provided a £52.75 million non-recourse structured finance facility whilst the company invested around £4.95 million in equity with the balance of consideration provided from a third party investment. The transaction completed on 15 May 2006. The properties comprise approximately 95,516 square feet of office accommodation of which 11,952 square feet is currently vacant and which represents a refurbishment opportunity. Current income is approximately £2.62 million per annum. Several of the properties are currently being marketed and are attracting considerable interest. The company will be entitled to 75 per cent of any profit realised.

Progress continues apace with the £100 million marina development at Pembroke Dock waterfront in which we hold a 50 per cent interest. Work in obtaining planning consent is ongoing and we are aiming to make significant progress towards securing consent by the end of this year. That said, we remain cautious as the planning process can be frustrating, however there is a considerable will at local level to see this project move forward, a fact from which we draw much comfort. We are expecting this project to progress significantly over the next six months and so hope to be in a position where we can give a more detailed update with our full year results.

During the period, the company recorded a small loss of £37,000. Cash balances at 31 March 2006 amounted to £15.67 million including our share of cash held in joint ventures. The company continues to control administrative overhead by undertaking as much work in-house as possible in order to avoid incurring excessive professional fees. This is particularly important where the company is seeking opportunities, many of which will not meet our criteria in terms of risk and return.

**Prospects**

The board continues to be confident about the future prospects of the company and in particular given the recent acquisition of properties in Bedford Square. Combined with the marina development at Pembroke Dock waterfront and the continuing pipeline of opportunities, the company is well positioned. As always we will continue to keep shareholders informed of progress.

**N J Hamway**  
**Chairman**

12 June 2006

**The Conygar Investment Company PLC**  
**Consolidated Profit and Loss Account**  
**For the six months ended 31 March 2006**

	<i>Unaudited</i>		<i>Audited</i>
	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2006</i>	<i>2005</i>	<i>2005</i>
<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Turnover</b>			
Group and share of joint venture's turnover	–	80	9,691
Less share of joint venture's turnover	–	(80)	(9,179)
	<hr/>	<hr/>	<hr/>
	–	–	512
Cost of Sales	–	–	(397)
	<hr/>	<hr/>	<hr/>
Gross Profit	–	–	115
Administrative expenses	(150)	(127)	(399)
	<hr/>	<hr/>	<hr/>
<b>Operating Loss</b>	(150)	(127)	(284)
Share of operating (loss)/profit of joint venture	(2)	72	963
	<hr/>	<hr/>	<hr/>
	(152)	(55)	679
<b>Income from current asset investments</b>	–	24	24
<b>Interest receivable and similar income</b>			
Group	97	71	121
Joint Venture	18	5	23
<b>Interest payable and similar charges</b>			
Group	–	–	–
Joint Venture	–	(67)	(320)
	<hr/>	<hr/>	<hr/>
<b>(Loss)/Profit on Ordinary Activities before Taxation</b>	(37)	(22)	527
Taxation on (loss)/profit on ordinary activities	–	–	(171)
	<hr/>	<hr/>	<hr/>
<b>(Loss)/Profit on Ordinary Activities after Taxation</b>	(37)	(22)	356
Dividends	–	–	–
	<hr/>	<hr/>	<hr/>
<b>(Loss)/Profit for the Financial Period</b>	<u>(37)</u>	<u>(22)</u>	<u>356</u>
<b>Earnings per share (pence)</b>	2		
Basic	(0.36)p	(0.23)p	3.66p
Fully diluted	(0.33)p	(0.21)p	3.43p

Turnover and operating profit in all periods relate wholly to continuing activities.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

**The Conygar Investment Company PLC**  
**Consolidated Balance Sheet**  
**As at 31 March 2006**

	<i>Unaudited</i>		<i>Audited</i>
	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2006</i>	<i>2005</i>	<i>2005</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Fixed Assets</b>			
Tangible Fixed Assets	3	–	4
Investment in joint venture			
Share of gross assets	497	7,186	687
Share of gross liabilities	(215)	(5,076)	(223)
	<u>282</u>	<u>2,110</u>	<u>464</u>
	285	2,110	468
<b>Current Assets</b>			
Debtors	85	90	60
Investments	–	364	–
Cash at bank	15,190	2,334	4,839
	<u>15,275</u>	<u>2,788</u>	<u>4,899</u>
<b>Current liabilities</b>			
Creditors: amounts falling within one year	47	44	135
<b>Net Current Assets</b>	<u>15,228</u>	<u>2,744</u>	<u>4,764</u>
<b>Total assets less current liabilities</b>	<u>15,513</u>	<u>4,854</u>	<u>5,232</u>
<b>Capital and reserves</b>			
Called-up equity share capital	932	486	486
Share premium account	14,294	4,427	4,427
Profit and loss account	282	(59)	319
<b>Equity Shareholders' Funds</b>	<u>15,508</u>	<u>4,854</u>	<u>5,232</u>
Minority Interest	5	–	–
<b>Total Equity</b>	<u>15,513</u>	<u>4,854</u>	<u>5,232</u>

The comparative figures for the year ended 30 September 2005 are an extract of the company's statutory accounts for that financial period. Those accounts have been reported upon by the company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

**The Conygar Investment Company PLC**  
**Reconciliation of Movements in Equity Shareholders' funds**  
**For the six months ended 31 March 2006**

	<i>Unaudited</i>		<i>Audited</i>
	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2006</i>	<i>2005</i>	<i>2005</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
(Loss)/Profit for the period attributable to shareholders	(37)	(22)	356
Dividends	—	—	—
	<hr/>	<hr/>	<hr/>
	(37)	(22)	356
Issue of share capital (net of expenses)	10,313	—	—
	<hr/>	<hr/>	<hr/>
Net movement in equity shareholders' funds	10,276	(22)	356
Opening equity shareholders' funds	5,232	4,876	4,876
	<hr/>	<hr/>	<hr/>
Closing equity shareholders' funds	15,508	4,854	5,232
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**The Conygar Investment Company PLC**  
**Consolidated Cash Flow Statement**  
**For the six months ended 31 March 2006**

		<i>Unaudited</i>		<i>Audited</i>
		<i>Six months ended</i>		<i>Year ended</i>
		<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
		<i>2006</i>	<i>2005</i>	<i>2005</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Net cash (outflow)/inflow from operating activities</b>	a	(238)	(106)	231
<b>Returns on the investments and servicing of finance</b>				
Dividend received from joint venture		200	–	–
Other dividends received		–	10	34
Interest received		95	78	127
		<hr/>	<hr/>	<hr/>
<b>Net cash flow from returns on investments and servicing of finance</b>		295	88	161
		<hr/>	<hr/>	<hr/>
<b>Cash inflow/(outflow) before management of liquid resources and financing</b>		57	(18)	392
<b>Management of liquid resources</b>				
(Increase)/Decrease in funds placed on short term deposit		(46)	2,355	2,308
<b>Acquisitions and disposals</b>				
Investment in joint venture		(19)	(2,100)	(1)
Capital expenditure		–	–	(4)
<b>Financing</b>				
Issue of equity share capital		446	–	–
Share premium on issue of equity share capital		9,867	–	–
		<hr/>	<hr/>	<hr/>
<b>Net cash inflow from financing</b>		10,313	–	–
		<hr/>	<hr/>	<hr/>
<b>Increase in cash</b>	b	<u>10,305</u>	<u>237</u>	<u>2,695</u>

**The Conygar Investment Company PLC**  
**Notes to the Consolidated Cash Flow Statement**  
**For the six months ended 31 March 2006**

**a) Reconciliation of operating loss to net cash outflow from operating activities**

	<i>Unaudited</i>		<i>Audited</i>
	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2006</i>	<i>2005</i>	<i>2005</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Operating loss	(150)	(127)	(284)
Increase/(Decrease) in debtors	–	(28)	9
Decrease in current asset investments	–	33	397
(Decrease)/Increase in creditors	(88)	16	109
	<hr/>	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(238)	(106)	231
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**b) Reconciliation of net cash flow to movement in net funds**

	<i>Unaudited</i>		<i>Audited</i>
	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2006</i>	<i>2005</i>	<i>2005</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Increase in cash in the period	10,305	237	2,695
Cash (inflow)/outflow to short term deposits	46	(2,355)	(2,308)
	<hr/>	<hr/>	<hr/>
Movement in net funds	10,351	(2,118)	387
Opening net funds	4,839	4,452	4,452
	<hr/>	<hr/>	<hr/>
Closing net funds	15,190	2,334	4,839
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**c) Analysis of changes in net funds**

	<i>At</i>		<i>At</i>
	<i>1 October</i>	<i>Cashflows</i>	<i>31 March</i>
	<i>2005</i>		<i>2006</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Net cash:			
Cash in hand and at bank	2,747	10,305	13,052
Short term deposits*	2,092	46	2,138
	<hr/>	<hr/>	<hr/>
Net funds	4,839	10,351	15,190
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

\* Short term deposits are included within cash at bank in the balance sheet.



**The Conygar Investment Company PLC**  
**Notes to the Interim Results**  
**For the six months ended 31 March 2006**

**1. Basis of Preparation**

The interim results for the period ended 31 March 2006 have been prepared in accordance with applicable United Kingdom accounting standards and are unaudited. They do not comprise full financial statements within the meaning of the Companies Act 1985 and have neither been reported upon by the auditors under Section 235 of the Companies Act 1985 nor reviewed in accordance with Accounting Practice Board Bulletin 1999/4.

The board of directors approved the above results on 12 June 2006.

Copies of the interim report may be obtained from the Company Secretary, The Conygar Investment Company PLC, First Floor, 122 Wigmore Street, London W1U 3RX.

**2. Earnings per Share**

The calculation of earnings per ordinary share is based on the loss after tax of £37,000 and on the number of shares in issue being the weighted average number of shares in issue during the period of 10,310,621. The weighted average number of shares on a fully diluted basis was 11,065,621. No adjustment has been made in respect of the exercise of options which were anti-dilutive throughout the period. The total number of ordinary shares in issue at the date of this report was 18,649,406.

## **Directors and Advisors**

### **Directors**

N J Hamway (*Chairman*)  
R T E Ware (*Chief Executive*)  
P A Batchelor (*Finance Director*)  
S M Vaughan (*Property Director*)  
M D Wigley (*Non-executive Director*)

### **Secretary**

P A Batchelor

### **Registered Office**

First Floor  
122 Wigmore Street  
London W1U 3RX

### **Registrar**

Share Registrars Limited  
Craven House  
West Street  
Farnham  
Surrey GU9 7EN

### **Nominated Advisor**

Deloitte & Touche LLP  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR

### **Stock Brokers**

Bridgewell Securities Limited  
Old Change House  
128 Queen Victoria Street  
London EC4V 4BJ

### **Solicitors to the Company**

Wragge & Co LLP  
55 Colmore Row  
Birmingham B3 2AS

### **Auditors**

Rees Pollock  
35 New London Bridge Street  
London EC4V 6BW

