



THE CONYGAR INVESTMENT  
COMPANY PLC

**INTERIM REPORT**  
**Six Months ended 31 March 2009**

# The Conygar Investment Company PLC

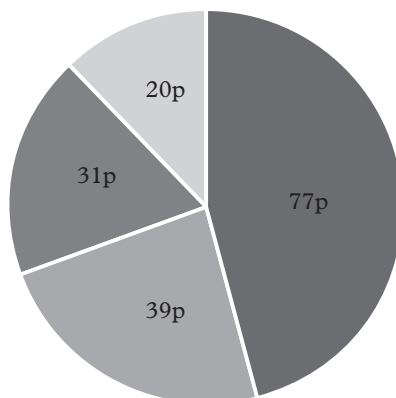
## Interim Results

for the six months ended 31 March 2009

### Highlights

- Triple net asset value increased by 2% to 167p from 164p at 30 September 2008. Net asset value decreased by 2% to 161p per share
- Group has £32 million of cash at 31 March 2009 representing 77p per share
- Acquisition of 28.9% stake in The Advantage Property Income Trust Limited for £5.8 million
- £12 million of uncharged property assets which can be used to secure additional funding

### Analysis of Triple Net Asset Value – 167p



■ Cash   ■ Properties   ■ Marina Developments   ■ Quoted Investments

# **The Conygar Investment Company PLC**

## **Interim Results**

**for the six months ended 31 March 2009**

### **Chairman's & Chief Executive's Statement**

#### **Progress and Results**

It continues to be a challenging market but the Group has made steady progress on its projects and as detailed below made its first acquisition of undervalued assets. Property and other asset values continue to fall and whilst we are not immune from this, our cash position continues to shield us from the worst and enables us to position the Group for the recovery when it arises.

The loss before taxation for the six months ended 31 March 2009 was £2,331,000 (2008: £576,000 profit) of which £3,200,000 arises from a write-down of property inventory to net realisable value. We have also seen a significant fall in our interest income as deposit rates have fallen below 2%. Our net asset value per share fell 2% to 161p as at 31 March 2009 from 164p at 30 September 2008. However, our triple net asset value is 2% higher at 167p. These are good results compared with our more indebted peers and given the perilous state of the market.

As at 31 March 2009, the Group had cash of £32 million and no debt which represents 77p of our net asset value and which continues to underpin our financial strength.

We are pleased to announce that in April 2009 we exchanged contracts for the sale of two buildings in the Buckingham Street portfolio for a combined sales price of £4.25 million. Whilst 3.4% lower than our September 2008 valuation, it represents a good result in this market and in particular as one of the buildings was both vacant and required some refurbishment expenditure. Completion should occur by 30 September 2009 at the latest.

We are now left with two properties in Buckingham Street, London WC2 valued at £12 million. The buildings have an annual rent roll of £0.9 million. Our valuers continue to be extremely cautious as occupier businesses suffer and rents come under pressure. That said our smaller units remain in demand and as they continue to produce income there remains no pressure to accept poor offers.

We continue to make good progress on our three waterfront projects of Pembroke Dock, Holyhead and Fishguard. The planning process for regeneration schemes of this type and scale is both complex and can be frustratingly slow, however we remain encouraged by the support given to us by the local government bodies and the Welsh Assembly Government. We are confident that all three are exciting projects that will enhance the areas and be profitable for Conygar. It is clear that given the current state of the economy it is not viable to start any significant development straight away. However, with limited further expenditure on professional fees the Group should

ultimately obtain planning consents for projects with a potential for in excess of 1,000 marina berths, 1,200 waterside homes together with associated mixed use supporting development. The decision to progress these projects can then be assessed in the light of the economic outlook at that time.

### **Acquisition in Period**

In January 2009, we acquired a 28.9% stake in a quoted property investment trust, The Advantage Property Income Trust Limited (“TAP”), for £5.8 million or an average price of 14p per share. TAP has approximately £180 million of UK property assets with an annual rental income of £13 million. TAP has been addressing its gearing issues and whilst according to the company it has secured its financing position with its banks, we believe there is more to be done to further improve the position and to realise additional value.

### **Financing**

At 31 March 2009, the Group had cash of £32 million or 77p per share. Our cash balance will increase by approximately £4 million once exchanged sales have completed. In addition we have £12 million of uncharged property assets which can be used to secure additional funding if required. This enables us to fully fund our existing commitments and to pursue other opportunities.

### **Triple Net Asset Value**

In order to show a clearer position of our value we calculate a triple net asset value (“NNNAV”) using an external valuation of our properties less any tax arising from those revaluations. As we have accounted for the net realisable value adjustment arising from this valuation, there is no further adjustment to the 161p per the balance sheet. Our three development projects remain at cost as it is not possible to appraise them with any certainty at this early stage. If our investment in TAP is valued at the closing mid-market share price on 7 May 2009 of 22p then NNNAV would increase to 167p.

### **Strategy and The Future**

Our strategy remains:

1. To seek further opportunities in all the property sectors including ports and marinas.
2. Finalise legal and planning matters on Pembroke Dock Waterfront, and to submit planning applications for the Holyhead and Fishguard Waterfront developments.
3. To continue the realisation of the Buckingham Street trading assets where appropriate.

## **Prospects**

The Board continues to remain confident about the future prospects of the Group. With cash and no debt, the Group should be able to weather the financial and economic crisis. We continue to make progress on our pipeline of future projects so that we shall be in an excellent position as and when the economy improves. We continue to assess various further opportunities although we are content to conserve cash should the economy remain uncertain. As ever, we shall keep shareholders informed of progress and details can be found at [www.conygar.com](http://www.conygar.com).

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

**R T E Ware**  
**Chief Executive**

13 May 2009

**The Conygar Investment Company PLC**  
**Consolidated Income Statement**  
**For the six months ended 31 March 2009**

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Sales of properties	–	6,150	8,150
Rental income	687	663	1,225
<b>Revenue</b>	<b>687</b>	<b>6,813</b>	<b>9,375</b>
Direct costs of:			
Sales of properties	–	4,289	4,963
Rental income	(676)	225	522
Write-down of property inventory	3,200	–	2,477
<b>Direct Costs</b>	<b>2,524</b>	<b>4,514</b>	<b>7,962</b>
<b>Gross (Loss)/Profit</b>	<b>(1,837)</b>	<b>2,299</b>	<b>1,413</b>
Income from trading investments	335	–	–
Share of results of joint ventures	(11)	(13)	3
Other gains and losses	–	(97)	(137)
Administrative expenses	(1,264)	(2,689)	(3,615)
<b>Operating Loss</b>	<b>(2,777)</b>	<b>(500)</b>	<b>(2,336)</b>
Finance income	446	1,076	2,233
<b>(Loss)/Profit Before Taxation</b>	<b>(2,331)</b>	<b>576</b>	<b>(103)</b>
Taxation	471	(208)	(262)
<b>(Loss)/Profit for the Period</b>	<b>(1,860)</b>	<b>368</b>	<b>(365)</b>
Attributable to:			
– equity shareholders	(1,860)	368	(365)
– minority interests	–	–	–
Basic (loss)/earnings per share	(4.47)p	0.92p	(0.89)p
Diluted (loss)/earnings per share	(4.47)p	0.88p	(0.89)p

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 2009**

	<i>Share Capital £'000</i>	<i>Share Premium £'000</i>	<i>Retained Earnings £'000</i>	<i>Total £'000</i>	<i>Minority Interests £'000</i>	<i>Total Equity £'000</i>
At 1 October 2007	2,007	55,492	7,464	64,963	5	64,968
Profit for the period	–	–	368	368	–	368
Share based payment	–	–	533	533	–	533
Issue of share capital	75	2,498	–	2,573	–	2,573
Share issue costs	–	–	8	8	–	8
<b>At 31 March 2008</b>	<u>2,082</u>	<u>57,990</u>	<u>8,373</u>	<u>68,445</u>	<u>5</u>	<u>68,450</u>
At 1 October 2007	2,007	55,492	7,464	64,963	5	64,968
Loss for the period	–	–	(365)	(365)	–	(365)
Share based payment	–	–	1,069	1,069	–	1,069
Issue of share capital	75	2,498	–	2,573	–	2,573
Share issue costs	–	–	(35)	(35)	–	(35)
<b>At 30 September 2008</b>	<u>2,082</u>	<u>57,990</u>	<u>8,133</u>	<u>68,205</u>	<u>5</u>	<u>68,210</u>
At 1 October 2008	2,082	57,990	8,133	68,205	5	68,210
Loss for the period	–	–	(1,860)	(1,860)	–	(1,860)
Share based payment	–	–	533	533	–	533
<b>At 31 March 2009</b>	<u>2,082</u>	<u>57,990</u>	<u>6,806</u>	<u>66,878</u>	<u>5</u>	<u>66,883</u>

**The Conygar Investment Company PLC**  
**Consolidated Balance Sheet**  
**As at 31 March 2009**

		<i>Six months ended</i>		<i>Year ended</i>
		<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
		<i>2009</i>	<i>2008</i>	<i>2008</i>
<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
		<i>(Re-stated)</i>		
<b>Non-Current Assets</b>				
Property, plant and equipment	7	10		8
Investment in joint ventures	3	5,042	4,681	5,047
Goodwill		3,173	3,173	3,173
Deferred tax assets		272	392	304
		<u>8,494</u>	<u>8,256</u>	<u>8,532</u>
<b>Current Assets</b>				
Development and trading properties	4	20,023	26,163	22,895
Trading investments	5	5,784	–	–
Trade and other receivables		308	361	726
Tax receivable		940	–	134
Derivative financial instruments		–	40	–
Cash and cash equivalents		32,585	41,163	38,290
		<u>59,640</u>	<u>67,727</u>	<u>62,045</u>
<b>Total Assets</b>		<u>68,134</u>	<u>75,983</u>	<u>70,577</u>
<b>Current Liabilities</b>				
Trade payables and other payables		1,251	6,020	2,367
Tax liabilities		–	1,513	–
		<u>1,251</u>	<u>7,533</u>	<u>2,367</u>
<b>Total Liabilities</b>		<u>1,251</u>	<u>7,533</u>	<u>2,367</u>
<b>Net Assets</b>		<u>66,883</u>	<u>68,450</u>	<u>68,210</u>
<b>Equity</b>				
Called-up share capital		2,082	2,082	2,082
Share premium account		57,990	57,990	57,990
Retained earnings		6,806	8,373	8,133
<b>Equity Attributable to Equity Holders</b>		<u>66,878</u>	<u>68,445</u>	<u>68,205</u>
Minority interests		5	5	5
<b>Total Equity</b>		<u>66,883</u>	<u>68,450</u>	<u>68,210</u>
<b>Net Assets Per Share</b>		161p	164p	164p



**The Conygar Investment Company PLC**  
**Consolidated Cash Flow Statement**  
**For the six months ended 31 March 2009**

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Cash Flows From Operating Activities</b>			
Operating loss	(2,777)	(500)	(2,336)
Depreciation	3	2	5
Share of results of joint ventures	11	13	(3)
Other gains and losses	–	–	137
Share based payment charge	533	533	1,069
	<hr/>	<hr/>	<hr/>
<b>Cash Flows From Operations Before Changes In Working Capital</b>	(2,230)	48	(1,128)
Change in trade and other receivables	418	2,489	2,150
Change in land, developments and trading properties	2,872	4,685	7,953
Change in trading investments	(5,784)	–	–
Change in trade and other payables	(1,116)	485	(3,168)
	<hr/>	<hr/>	<hr/>
<b>Cash (Used In)/Generated From Operations</b>	(5,840)	7,707	5,807
Finance income	446	1,076	2,207
Dividends from joint ventures	10	–	90
Tax paid	(314)	(644)	(2,257)
	<hr/>	<hr/>	<hr/>
<b>Cash Flows (Used In)/From Operating Activities</b>	(5,698)	8,139	5,847
	<hr/>	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>			
Investment in joint venture	(5)	(4,498)	(5,043)
Acquisition of minority interest	–	(600)	(600)
Purchase of plant and equipment	(2)	(1)	(2)
	<hr/>	<hr/>	<hr/>
<b>Cash Flows Used In Investing Activities</b>	(7)	(5,099)	(5,645)
	<hr/>	<hr/>	<hr/>
<b>Cash Flows From Financing Activities</b>			
Issue costs of shares	–	–	(35)
	<hr/>	<hr/>	<hr/>
<b>Cash Flows Used In Financing Activities</b>	–	–	(35)
	<hr/>	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(5,705)	3,040	167
Cash and cash equivalents at 1 October	38,290	38,123	38,123
	<hr/>	<hr/>	<hr/>
<b>Cash and Cash Equivalents at 31 March 2009</b>	32,585	41,163	38,290
	<hr/>	<hr/>	<hr/>

**The Conygar Investment Company PLC**  
**Notes to the Interim Results**  
**For the six months ended 31 March 2009**

**1. Basis of Preparation**

The interim results for the period ended 31 March 2009 have been prepared using the recognition and measurement principles of IFRS including IAS 34 'Interim Financial Reporting' as adopted by the European Union and are unaudited. The accounting policies adopted are consistent with those in the financial statements for the year ended 30 September 2008, as described in those financial statements. The condensed half-yearly financial statements should be read in conjunction with those annual financial statements. The condensed half-yearly financial statements do not comprise full financial statements within the meaning of the Companies Act 2006.

The comparatives for the period ended 31 March 2008 have been re-stated to reclassify an item previously shown within development and trading properties as goodwill in line with the financial statements for the year ended 30 September 2008. There is no impact upon net assets or income.

The comparative figures for the year ended 30 September 2008 are derived from the company's statutory accounts for that financial period. The 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 board of directors approved the above results on 13 May 2009.

Copies of the interim report may be obtained from the Company Secretary, The Conygar Investment Company PLC, Fourth Floor, Bond House, 19-20 Woodstock Street, London W1C 2AN.

**2. Earnings per Share**

The calculation of earnings per ordinary share is based on the loss after tax of £1,860,000 (March 2008: £368,000 profit; September 2008: £365,000 loss) and on the number of shares in issue being the weighted average number of shares in issue during the period of 41,647,906 (March 2008: 40,147,906; September 2008: 40,899,961). The weighted average number of shares on a fully diluted basis was 41,647,906 (March 2008: 41,793,515; September 2008: 40,899,961). 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 41,647,906.

### 3. Investment in Joint Ventures

The group has a 50% interest in a joint venture, Conygar Stena Line Limited, which is a property development company. It also has a 50% interest in a joint venture, CM Sheffield Limited, which is a property trading company.

The following amounts represent the group's 50% share of the assets and liabilities, and results of the joint ventures. They are included in the balance sheet and income statement:

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Assets</b>			
Current assets	5,059	4,702	5,061
	<u>5,059</u>	<u>4,702</u>	<u>5,061</u>
<b>Liabilities</b>			
Current liabilities	(17)	(21)	(14)
	<u>(17)</u>	<u>(21)</u>	<u>(14)</u>
<b>Net assets</b>	<u>5,042</u>	<u>4,681</u>	<u>5,047</u>
Operating loss	(11)	(15)	(1)
Finance income	–	3	5
(Loss)/profit before tax	(11)	(12)	4
Tax	–	(1)	(1)
<b>(Loss)/profit after tax</b>	<u>(11)</u>	<u>(13)</u>	<u>3</u>

### 4. Development and Trading Properties

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Properties held for resale or development	25,700	26,163	25,372
Write-down of property inventory	(5,677)	–	(2,477)
	<u>20,023</u>	<u>26,163</u>	<u>22,895</u>

**The Conygar Investment Company PLC**  
**Notes to the Interim Results (Continued)**  
**For the six months ended 31 March 2009**

**5. Trading Investments**

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>30 Sept</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Quoted Investments	5,784	–	–
	<u>5,784</u>	<u>–</u>	<u>–</u>

During the period ended 31 March 2009, the Group acquired a 28.9% shareholding in The Advantage Property Income Trust Limited. The investment has been classified as a current asset investment held for trading (and is therefore carried at fair value with changes to fair value being recorded in the income statement) as in the opinion of the Directors it does not meet the requirements of IAS 28 'Investments in Associates'.



REESPOLLOCK

*Chartered Accountants*

35 New Bridge Street  
London EC4V 6BW  
Telephone 020 7778 7200  
Fax 020 7329 6408

## **Independent Review Report to The Conygar Investment Company PLC**

### **Introduction**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2009 which comprises the consolidated income statement, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and the related notes. 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.

### **Directors' Responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies issued by the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

### **Our Responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, 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 Ireland) 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.

### **Conclusion**

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 2009 is not prepared, in all material aspects, in accordance with International Accounting Standard 34 as adopted by the European Union and AIM Rules for Companies issued by the London Stock Exchange.

### **Rees Pollock**

#### **Chartered Accountants and Registered Auditors**

**13 May 2009**

### **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 (*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**

Fourth Floor  
Bond House  
19-20 Woodstock Street  
London W1C 2AN

### **Registrar**

Share Registrars Limited  
Suite E  
First Floor  
9 Lion and Lamb Yard  
Farnham  
Surrey GU9 7LL

### **Nominated Adviser & Stockbroker**

Oriel Securities Limited  
125 Wood Street  
London EC2V 7AN

### **Solicitors to the Company**

Wragge & Co LLP  
55 Colmore Row  
Birmingham B3 2AS

### **Auditors**

Rees Pollock  
35 New Bridge Street  
London EC4V 6BW

Company Registration No 4907617

