THE CONYGAR INVESTMENT COMPANY PLC

INTERIM REPORT
Six Months ended 31 March 2015

The Conygar Investment Company PLC

Interim Results

for the six months ended 31 March 2015

Highlights

- **Net asset value per share increased to 199.2p** from 197.5p at 30 September 2014. EPRA NAV per share increased 1.5% to 198.8p from 195.9p.
- **Development pipeline** is making good progress and **we have commenced the infrastructure** and related works at several sites which is an important step in attracting interest and realising value.
- **Completed** the construction and opening of a 9 acre, 200 space **truck stop** facility at **Parc Cybi,** Anglesey as part of our Road King Holyhead joint venture with Mr Fred Done, the co-founder of Betfred.
- **Reacquired land at Haverfordwest,** West Wales for **£3 million** plus an overage provision. This land was previously sold to Sainsbury's in 2014.
- **Disposed of three investment properties** in the period for a total consideration of **£5.8 million**, a surplus of £0.2 million over book value. Subsequently, we have disposed of **Norfolk House**, **Birmingham** for a total of **£12.3 million**, a surplus of £1.0 million, or 8.8%, over the September 2014 valuation. **Vacancy rate reduced** to **11.8%** from 18.2% at 30 September 2014.
- Total **cash** available for acquisitions in excess of **£45 million. Net debt** of **£33.6 million** representing gearing of 20% against net asset value and 22% on loan to value basis.
- **Bought back 4.1 million shares** (4.7% of ordinary share capital) at an **average price of 182 pence per share**, enhancing NAV per share by 0.8p.

Summary Group Net Assets as at 31 March 2015

	£'m	*Per Share p*
Investment Properties	154.4	186.4
Development Projects	45.8	55.3
Cash	45.0	54.3
Other net (liabilities)	(2.6)	(3.1)
	242.6	292.9
Zero dividend preference shares	(31.5)	(38.0)
Bank loans (net of fees)	(46.1)	(55.7)
Net assets	165.0	199.2

The Conygar Investment Company PLC

Interim Results

for the six months ended 31 March 2015

Chairman's and Chief Executive's Statement

Progress and Results Summary

We are pleased to present the Group's results for the six months ended 31 March 2015. The net asset value per share increased to 199.2p from 197.5p at 30 September 2014 (180.8p at 31 March 2014). On an EPRA basis, net asset value per share increased to 198.8p from 195.9p at 30 September 2014 (179.2p at 31 March 2014).

The profit before taxation of £4.1 million compares with a profit before taxation of £7.5 million in the six months ended 31 March 2014. The valuation of the investment properties increased by £1.2 million on a like for like basis in the six months ended 31 March 2015, compared with a £4.8 million uplift for the six months ended 31 March 2014, and this is the main reason for the decrease in profit over the period. Net property income for the period was £5.0 million, before financing and overheads, compared with £5.7 million for the same period last year, reflecting asset sales.

The development pipeline is making good progress and we are pleased to have commenced the infrastructure and related works at several sites which is an important step in attracting interest and realising value.

The Group disposed of three investment properties in the period, one at Maidenhead and two units at Mochdre Commerce Park, Colwyn Bay, Wales, for a total consideration of £5.8 million, a surplus of £0.2 million over book value. Subsequent to the balance sheet date, we have disposed of Norfolk House, Birmingham for a total of £12.3 million, a surplus of £1.0 million, or 8.8%, over the September 2014 valuation. This disposal, along with that of Geoffrey House, Maidenhead, has resulted in the overall portfolio vacancy rate falling to 11.8% from 18.2% at 30 September 2014.

On the financing side, the Group has used £7.4 million surplus cash to buy back 4.7% of its shares at a discount to net asset value. Although we continue to increase investment in the development programme, the balance sheet remains strong and we have £45 million cash available for further investment and development funding. Our total debt is £78.6 million, resulting in net gearing of 20.3%.

On a sadder note, we announce the departure of our Property Director, Steven Vaughan who is leaving us to pursue other projects. As one of our founding directors and shareholders, Steven has been instrumental in getting the Company to where it is today and we express our gratitude for his immense contribution and wish him all the very best for the future. We have an established property team which will continue the good work.

Property Portfolio

As at 31 March 2015, the Group's investment properties were independently valued at £154.4 million compared to £158.3 million at 30 September 2014. The fall in the valuation is due to the disposals in the period and the portfolio held at 31 March 2015 has increased in value by a net £1.2 million on a like for like basis.

The contracted annual rent roll is £11.8 million as at 31 March 2015, which is £0.4 million lower than at 30 September 2014, mainly owing to the disposals already discussed. We continue to work hard at letting vacant space, retaining tenants and pushing down irrecoverable property costs and so the cash yield on the portfolio remains strong. As mentioned previously, the portfolio vacancy rate is 11.8% following the disposal of Norfolk House, Birmingham. We will continue to recycle assets and realise value where opportunities arise.

We are also making progress with various refurbishment and redevelopment opportunities at several of our investment properties. At the Ashby Gateway site at Ashby Park, Ashby de la Zouch, terms are agreed with a food store operator for a pre-let of a new store and with a leisure operator for the sale of a site for a new pub/diner. Planning applications for both are to be submitted shortly. A planning application for the site infrastructure is with the Council awaiting determination. At Network House, Wolverhampton, outline planning permission has been obtained for a redevelopment of the existing building to provide a three-storey retail and leisure development. At Mochdre Industrial Park in North Wales, we have completed the refurbishment of the buildings, satisfactorily addressed all the outstanding planning issues and are in detailed discussions for a letting of a substantial part of the available space. We have also realised £1 million from the sale of two of the smaller units. Finally, we have decided to undertake a major refurbishment of the 30,000 square foot Brennan House, Farnborough, which will cost approximately £2.5 million.

Development Projects

We continue to make good progress on our development projects since we last reported.

Following Sainsbury's decision not to develop their 60,000 square foot store at Haverfordwest, West Wales, which we had sold to them for £13.75 million in 2014, we have acquired their interest for £3 million plus an overage provision. We will now develop the 9.6 acre site for a retail/leisure commercial development. Work is now well underway with the infrastructure and highways works to service the 729 residential units and the 9.6 acre retail site and this should be completed by December 2015.

Good progress is being made with our partners, Stena Line, at Fishguard Waterfront on the detailed planning and the marine consent licences to bring about the development platform, marina basin, and new port facilities. The various planning applications should be submitted before the end of the calendar year.

In February 2015, we obtained detailed planning permission for the construction of a 6 acre, 24 hour lorry stop on part of the land we own in Fishguard, West Wales.

Discussions continue with both hauliers and the port operator and we will now proceed to install the infrastructure to bring it forward for development.

In April 2015, we completed the construction of a 9 acre, 200 space truck stop facility at Parc Cybi, Anglesey as part of our £6 million joint venture with Road King, a company controlled by Mr Fred Done, the co-founder of Betfred. The facility opened for business on 7 May 2015 and should now act as a catalyst for further development at this site, aside from being a profitable venture in its own right.

Infrastructure work will soon begin at Holyhead Waterfront to bring the site forward for development on the land unaffected by the Village Green application. We continue to await the outcome of the Village Green application which was submitted fourteen months ago and relates to part of our site. We are also awaiting further news regarding the potential replacement Nuclear Power Station at Wylfa, a project which would greatly benefit the development of our site and the island.

At Pembroke Dock Waterfront, having re-engineered the original design to reduce costs and facilitate a faster construction process, we are now applying for the necessary statutory marine licences for the marina construction. We are also finalising the design to reflect positive retailer interest and we hope to enter into agreements to lease as soon as possible.

As Conwy County Council's preferred developer at Llandudno Junction, we have now submitted a planning application for up to 90,000 square feet of A1 retail use on the Council owned site and are hopeful of a decision before the end of the year.

Our total expenditure to date on development projects amounts to £45.8 million, having spent a further £8.8 million since 30 September 2014. We continue to carry the development projects in our books at cost and they will be revalued, once the projects are at a sufficiently advanced stage to produce a meaningful valuation. We continue to seek suitable pre-lets or forward sales prior to commencing any significant development though we will undertake infrastructure and other preparatory works where they add to the value and/or marketability of the respective site.

Financing and Cash Management

At 31 March 2015, the Group had cash of £45 million available to pursue investment opportunities. The Group has bank debt of £47.1 million with total debt of £78.6 million, including the zero dividend preference liability of £31.5 million. Total gearing is 20.3% against net asset value and 21.7% on a loan to value basis. This is a comfortable level of gearing and combined with our cash, the Group is able to pursue additional investment opportunities and to fund our development commitments.

All of the Group debt is hedged or fixed and the weighted average cost of all debt, including margin is 4.6%, with an average debt maturity of 2.7 years.

During the period, the Group acquired 4,072,350 ordinary shares, representing 4.7% of its ordinary share capital, at an average price of 182 pence per share. This cost approximately £7.4 million and, as a result of the buy backs, net asset value per share has been enhanced by 0.8 pence per share.

Summary Group Net Assets

The Group net assets as at 31 March 2015 may be summarised as follows:

	£'m	*Per Share p*
Investment Properties	154.4	186.4
Development Projects	45.8	55.3
Cash	45.0	54.3
Other net (liabilities)	(2.6)	(3.1)
	242.6	292.9
Zero dividend preference shares	(31.5)	(38.0)
Bank loans (net of fees)	(46.1)	(55.7)
Net assets	165.0	199.2

Outlook

We continue to grow net asset value per share and our carefully managed development projects have the potential to deliver further significant growth over the next few years. However, we maintain our disciplined approach to risk management and our balance sheet remains strong. We anticipate increasing our investment and focus onto the development projects whilst, at the same time, continuing to realise value from the investment property portfolio.

The outlook is positive and increasingly so, as the economy continues to improve.

N J Hamway
Chairman

R T E Ware
Chief Executive

19 May 2015

Financial review

Net Asset Value

The net asset value at the period end was £165.0 million (31 March 2014: £160.8 million; 30 September 2014: £169.4 million). The primary movements in the period were £7.4 million used to buy back shares, £5.0 million net rental income, £1.2 million property revaluation surplus, £2.3 million spent on finance costs and £1.5 million of dividends paid. Excluding the amounts incurred paying dividends and buying back shares, net asset value increased by 2.6% in the period.

On an EPRA basis, the net asset value is:

	31 Mar 2015 £'m	*30 Sept 2014 £'m*	*31 Mar 2014 £'m*
Net asset value	165.0	169.4	160.8
Exercisable share options	6.8	8.1	1.7
Diluted net asset value	171.8	177.5	162.5
Fair value of hedging instruments	(0.1)	(0.4)	(0.6)
EPRA net asset value	171.7	177.1	161.9
EPRA NAV per share	198.8p	195.9p	179.2p
Basic NAV per share	199.2p	197.5p	180.8p
Diluted NAV per share	198.9p	196.3p	179.8p

The EPRA net asset value is calculated on a fully diluted basis and excludes the impact of hedging instruments, as these are held for long term benefit and not expected to crystallise at the balance sheet date.

The NNNAV or "triple net asset value" is the net asset value taking into account asset revaluations, the mark to market costs of debt and hedging instruments and any associated tax effect. Our investment properties are carried on our balance sheet at independent valuation and there is no associated tax liability. Our development and trading assets are carried at the lower of cost and net realisable value. We have not sought to value these assets as, in our opinion, they are still at too early a stage in their development to provide a meaningful figure, so cost is equated to fair value for these purposes. On this basis, there is no material difference between our stated net asset value and NNNAV.

Revaluation

The Group's investment properties were independently valued by Jones Lang LaSalle at 31 March 2015. In their opinion, the open market value of the investment property portfolio was £154.4 million. The total portfolio decreased in value by £3.9 million during the period due to three disposals, but the underlying portfolio increased in value on a like for like basis by £1.2 million.

Cash Flow

The Group used £13.8 million cash from operating activities (31 March 2014: generated £0.6 million; 30 September 2014: generated £12.0 million), of which £7.9 million was incurred as expenditure on development and trading properties.

The Group used £8.7 million repaying RBS and Barclays debt and £7.4 million on buying back shares. The Group generated cash inflows of £5.7 million from the sales of investment properties and £1.3 million from issue of shares. These movements result in an overall cash outflow of £25.7 million (31 March 2014: £32.3 million inflow; 30 September 2014: £39.1 million inflow).

Net Income From Property Activities

	31 Mar 2015 £'m	*30 Sept 2014 £'m*	*31 Mar 2014 £'m*
Rental income	6.1	13.1	7.4
Direct property costs	(1.2)	(2.9)	(1.6)
Rental surplus	4.9	10.2	5.8
Sale of investment properties	5.8	25.7	9.5
Cost of investment properties sold	(5.6)	(24.1)	(8.9)
Gain on sale of investment properties	0.2	1.6	0.6
Total net income arising from property activities	5.1	11.8	6.4

Administrative Expenses

The administrative expenses for the six month period ended 31 March 2015 were £(0.2) million. In the year ended 30 September 2014, 20% of the 2014 profit share had been deferred at the discretion of the remuneration committee. After due consideration, the remuneration committee decided that the deferred amount will not be paid and therefore administrative expenses have been credited by £1.75 million. If this credit is ignored, administrative expenses amount to £1.6 million and the major items were salary costs (£0.9 million) and various costs arising as a result of the Group being quoted on AIM.

Financing

At 31 March 2015, the Group had cash of £45.0 million (31 March 2014: £63.9 million; 30 September 2014: £70.8 million). The decrease has resulted mainly from the cash used in buying back shares, repaying bank debt, administrative costs and investing in the developments projects.

The bank debt at 31 March 2015 was £47.1 million. Taking into account the ZDP liability, total debt increases to £78.6 million. The net debt is currently 22% by loan to value and 20% against net asset value.

The interest rate risk on the facility continues to be managed by way of interest rate swaps and caps, with 100% of debt protected by hedging. The weighted average cost of all debt, including margin, is 4.6%. The fair value of these derivative financial instruments is provided for in full on the balance sheet.

Property Information

Summary of Investment property portfolio

	31 March 2015	*30 September 2014*	*31 March 2014*
Valuation	£154,430,000	£158,340,000	£161,170,000
Number of properties	42	43	43
Contracted rent (pa)	£11,842,000	£12,182,000	£13,319,000
Current ERV (pa)	£14,278,000	£14,914,000	£15,578,000
Net initial yield	7.25%	6.51%	7.11%
Equivalent yield	8.16%	8.33%	8.66%
Reversionary yield	8.46%	8.74%	9.07%
Vacancy rate	14.3%	18.2%	17.8%
Average unexpired lease lengths	4.3 years	4.4 years	4.1 years

Summary of Development Projects

	31 March 2015	*30 September 2014*	*31 March 2014*
	£'m	*£'m*	*£'m*
Haverfordwest	24.17	17.21	15.42
Holyhead Waterfront	9.52	9.47	9.65
Pembroke Dock Waterfront	4.65	4.51	4.44
Fishguard Waterfront	1.26	1.02	0.94
King's Lynn	0.85	0.83	0.83
Fishguard Lorry Stop	0.54	0.52	0.52
Parc Cybi, Holyhead	4.34	3.00	0.79
Other	0.43	0.39	0.34
Total investment to date	45.76	36.95	32.93

The Conygar Investment Company PLC
Consolidated Statement of Comprehensive Income
For the six months ended 31 March 2015

	Note	*Six months ended* *31 March* *2015* *£'000*	*31 March* *2014* *£'000*	*Year ended* *30 Sept* *2014* *£'000*
Rental income		5,908	7,275	12,838
Other property income		209	20	214
Sale of trading investments		160	56	14,374
Revenue		6,277	7,351	27,426
Direct costs of:				
Rental income		1,192	1,618	2,921
Sale of trading investments		60	–	2,812
Direct Costs		1,252	1,618	5,733
Gross Profit		5,025	5,733	21,693
Share of results of joint ventures		(2)	(6)	45
Gain on sale of investment properties		157	568	1,624
Movement on revaluation of investment properties	6	1,217	4,783	14,044
Other gains and losses		(262)	151	(32)
Administrative expenses		153	(1,341)	(12,328)
Operating Profit		6,288	9,888	25,046
Finance costs	3	(2,332)	(2,521)	(4,793)
Finance income	3	142	88	257
Profit Before Taxation		4,098	7,455	20,510
Taxation		(992)	(571)	239
Profit and Total Comprehensive Income for the Period		3,106	6,884	20,749
Attributable to:				
– equity shareholders		3,106	6,884	20,749
– minority interests		–	–	–
		3,106	6,884	20,749
Basic earnings per share	5	3.70p	7.75p	23.53p
Diluted earnings per share	5	3.69p	7.72p	23.43p

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 2015

	Share Capital £'000	*Share Premium £'000*	*Capital Redemption Reserve £'000*	*Treasury Shares £'000*	*Retained Earnings £'000*	*Total £'000*	*Non-controlling Interests £'000*	*Total Equity £'000*
At 1 October 2013	4,925	124,017	1,568	(10,173)	34,768	155,105	20	155,125
Profit for the period	–	–	–	–	6,884	6,884	–	6,884
Total recognised income and expense for the period	–	–	–	–	6,884	6,884	–	6,884
Dividend paid	–	–	–	–	(1,332)	(1,332)	–	(1,332)
Issue of share capital	7	111	–	–	–	118	–	118
At 31 March 2014	4,932	124,128	1,568	(10,173)	40,320	160,775	20	160,795
At 1 October 2013	4,925	124,017	1,568	(10,173)	34,768	155,105	20	155,125
Profit for the year	–	–	–	–	20,749	20,749	–	20,749
Total comprehensive income for the year	–	–	–	–	20,749	20,749	–	20,749
Dividend paid	–	–	–	–	(1,332)	(1,332)	–	(1,332)
Purchase of own shares	–	–	–	(5,211)	–	(5,211)	–	(5,211)
Issue of share capital	7	111	–	–	–	118	–	118
At 30 September 2014	4,932	124,128	1,568	(15,384)	54,185	169,429	20	169,449
Changes in equity for six months ended 31 March 2015								
At 1 October 2014	4,932	124,128	1,568	(15,384)	54,185	169,429	20	169,449
Profit for the period	–	–	–	–	3,106	3,106	–	3,106
Total recognised income and expense for the period	–	–	–	–	3,106	3,106	–	3,106
Dividend paid	–	–	–	–	(1,450)	(1,450)		(1,450)
Purchase of own shares	–	–	–	(7,423)	–	(7,423)	–	(7,423)
Issue of share capital	53	1,243	–	–	–	1,296	–	1,296
At 31 March 2015	4,985	125,371	1,568	(22,807)	55,841	164,958	20	164,978

The Conygar Investment Company PLC
Consolidated Balance Sheet
As at 31 March 2015

	Note	*31 March 2015 £'000*	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Non-Current Assets				
Property, plant and equipment		43	73	62
Investment properties	6	154,430	161,170	158,340
Investment in joint ventures	7	6,114	5,957	6,087
Loan to joint venture		3,110	355	2,204
Goodwill		3,173	3,173	3,173
		166,870	170,728	169,866
Current Assets				
Development and trading properties	8	33,358	23,449	25,485
Trade and other receivables		4,198	4,223	3,778
Derivatives		96	559	377
Cash and cash equivalents		45,029	63,896	70,753
		82,681	92,127	100,393
Total Assets		249,551	262,855	270,259
Current Liabilities				
Trade and other payables		4,632	4,884	13,832
Bank loans	9	300	742	1,035
Tax liabilities		2,319	2,779	1,797
		7,251	8,405	16,664
Non-Current Liabilities				
Bank loans	9	45,811	63,928	53,525
Zero dividend preference shares	10	31,511	29,727	30,621
		77,322	93,655	84,146
Total Liabilities		84,573	102,060	100,810
Net Assets	11	164,978	160,795	169,449
Equity				
Called up share capital		4,985	4,932	4,932
Share premium account		125,371	124,128	124,128
Capital redemption reserve		1,568	1,568	1,568
Treasury Shares		(22,807)	(10,173)	(15,384)
Retained earnings		55,841	40,320	54,185
Equity Attributable to Equity Holders		164,958	160,775	169,429
Minority interests		20	20	20
Total Equity		164,978	160,795	169,449
Net Assets Per Share		199.2p	180.8p	197.5p

The Conygar Investment Company PLC
Consolidated Cash Flow Statement
For the six months ended 31 March 2015

	Six months ended *31 March 2015* *£'000*	*31 March 2014* *£'000*	*Year ended* *30 Sept 2014* *£'000*
Cash Flows From Operating Activities			
Operating profit	6,288	9,888	25,046
Depreciation and amortisation	18	24	47
Amortisation of reverse lease premium	87	–	188
Share of results of joint ventures	2	6	(45)
Other gains and losses	280	(14)	45
(Gain) / loss on sale of investment properties	(157)	(568)	(1,624)
Movement on revaluation of investment properties	(1,217)	(4,783)	(14,044)
Cash Flows From Operations Before Changes In Working Capital	5,301	4,553	9,613
Change in trade and other receivables	(420)	(124)	554
Change in land, developments and trading properties	(7,873)	(607)	(2,405)
Change in trade and other payables	(9,333)	(553)	8,242
Cash (Used In)/Generated From Operations	(12,325)	3,269	16,004
Finance costs	(1,178)	(2,169)	(3,445)
Finance income	142	88	186
Tax paid	(470)	(633)	(774)
Cash Flows (Used In)/Generated From Operating Activities	(13,831)	555	11,971
Cash Flows From Investing Activities			
Acquisition of and additions to investment properties	(580)	(491)	(3,524)
Disposal of trading investments	160	–	–
Sale proceeds of investment properties	5,760	9,343	25,429
Investment in joint ventures	(38)	(92)	(1)
Loans to joint venture	(906)	–	(2,204)
Purchase of plant and equipment	–	(1)	(12)
Cash Flows Generated From Investing Activities	4,396	8,759	19,688
Cash Flows From Financing Activities			
Bank loan drawdown	–	37,195	37,195
Bank loans repaid	(8,712)	(41,590)	(51,944)
Dividend paid	(1,450)	(1,332)	(1,332)
ZDP share issue	–	29,332	29,332
Purchase of own shares	(7,423)	–	(5,211)
Issue of shares	1,296	–	118
Re-couponing of interest rate swaps	–	–	(41)
Purchase of interest rate cap	–	(652)	(652)
Cash Flows (Used In)/Generated From Financing Activities	(16,289)	22,953	7,465
Net (decrease)/increase in cash and cash equivalents	(25,724)	32,267	39,124
Cash and cash equivalents at 1 October	70,753	31,629	31,629
Cash and Cash Equivalents at 31 March	45,029	63,896	70,753

The Conygar Investment Company PLC
Notes to the Interim Results
For the six months ended 31 March 2015

1. 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 2014 other than the mandatory adoption of new standards, revisions and interpretations that are applicable to accounting periods commencing on or after 1 October 2014, as detailed in the annual financial statements.

The condensed financial information for the six month period ended 31 March 2015 and the six month period ended 31 March 2014 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 2014 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 2014 have been delivered to the Registrar of Companies. The auditors have reported on these 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 19 May 2015.

Copies of the interim report may be obtained from the Company Secretary, The Conygar Investment Company PLC, Fourth Floor, 110 Wigmore Street, London W1U 3RW.

2. Segmental Information

IFRS 8 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 of directors. The Group divides its business into the following segments:

- Investment properties, which are owned or leased by the Group for long-term income and for capital appreciation, and trading properties, which are owned or leased with the intention to sell; and
- Development properties, which include sites, developments in the course of construction and sites available for sale.

The only item of revenue or profit/loss relating to the development properties is the part disposal in the period and therefore only the segmented balance sheet is reported.

Balance Sheet	*31 March 2015*				*31 March 2014*			
	Investment Properties £'000	*Development Properties £'000*	*Other £'000*	*Group Total £'000*	*Investment Properties £'000*	*Development Properties £'000*	*Other £'000*	*Group Total £'000*
Investment properties	154,430	–	–	154,430	161,170	–	–	161,170
Investment in joint ventures	–	9,224	–	9,224	–	6,312	–	6,312
Goodwill	–	3,173	–	3,173	–	3,173	–	3,173
Development & trading properties	–	33,358	–	33,358	–	23,449	–	23,449
	154,430	45,755	–	200,185	161,170	32,934	–	194,104
Other assets	36,463	–	12,903	49,366	32,527	–	36,224	68,751
Total assets	190,893	45,755	12,903	249,551	193,697	32,934	36,224	262,855
Liabilities	(52,509)	–	(32,064)	(84,573)	(68,687)	–	(33,373)	(102,060)
Net assets	138,384	45,755	(19,161)	164,978	125,010	32,934	2,851	160,795

3. Finance Income/Costs

	Six months ended		*Year ended*
	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Finance income			
Bank interest	142	88	257
Finance costs			
Bank loans	(1,159)	(1,609)	(2,687)
Loan repayment costs	(19)	(12)	(54)
Amortisation of arrangement fees	(264)	(504)	(762)
ZDP interest	(823)	(366)	(1,193)
Amortisation of ZDP costs	(67)	(30)	(97)
	(2,332)	(2,521)	(4,793)

4. Dividend

The final dividend of 1.75 pence per ordinary share in respect of the year ended 30 September 2014 (2013: 1.5 pence) was approved at the AGM and paid in February 2015. This final dividend amounted to £1,450,000 (2013: £1,332,000).

5. Earnings per Share

The calculation of earnings per ordinary share is based on the profit after tax of £3,106,000 (March 2014: £6,884,000; September 2014: £20,749,000) and on the number of shares in issue being the weighted average number of shares in issue during the period of 84,053,739 (net of 16,882,869 shares purchased by the Company and held as treasury shares) (March 2014: 88,844,875; September 2014: 88,174,984). The weighted average number of shares on a fully diluted basis was 84,157,452 (March 2014: 89,187,326; September 2014: 88,563,656) and profit after tax of £3,106,000 (March 2014: £6,884,000; September 2014 profit: £20,749,000). No adjustment has been made for anti-dilutive potential ordinary shares. The total number of ordinary shares in issue (net of 16,882,869 shares purchased by the Company and held as treasury shares) at the date of this report was 82,831,254.

6. Investment Properties

	Freehold *£'000*	*Long-Leasehold* *£'000*	*Reverse Lease Premiums* *£'000*	*Total* *£'000*
Valuation at 30 September 2014	136,672	20,996	672	158,340
Additions	573	–	7	580
Reverse lease premium amortisation	–	–	(87)	(87)
Disposals	(5,620)	–	–	(5,620)
Revaluation movement	1,312	(95)	–	1,217
Valuation at 31 March 2015	132,937	20,901	592	154,430

The historical cost of properties held at 31 March 2015 is £183,496,000 (March 2014: £208,593,000; September 2014: £192,162,000).

The properties were valued by Jones Lang LaSalle, independent valuers not connected with the Group, at 31 March 2015 at market value in accordance with the Practice Statements contained in the RICS Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors which conform to international valuation standards.

The Group has pledged £101,170,000 (March 2014: £117,665,000; September 2014: £106,500,000) of investment property to secure Royal Bank of Scotland debt facilities and £49,020,000 (March 2014: £43,505,000; September 2014: £47,090,000) to secure Barclays debt facilities. Further details of these facilities are provided in note 9.

The property rental income earned from investment property, all of which is leased out under operating leases, amounted to £6,117,000 (March 2014: £7,295,000; September 2014: £13,052,000).

7. 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, and another 50% interest in a joint venture, Roadking Holyhead Limited, which is a property development company and truck-stop operator.

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:

	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Assets			
Current assets	9,237	6,327	8,322
	9,237	6,327	8,322
Liabilities			
Current liabilities	(13)	(15)	(31)
	(13)	(15)	(31)
Net assets	9,224	6,312	8,291

	Six months ended		*Year ended*
	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Operating (loss)/profit	(2)	(6)	45
Finance income	–	–	–
(Loss)/profit before tax	(2)	(6)	45
Tax	–	–	–
(Loss)/profit after tax	(2)	(6)	45

8. Property Inventories

	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Properties held for resale or development	33,358	23,449	25,485

The above amounts relate to development properties, which include sites, developments in the course of construction and sites available for sale.

9. Bank Loans

	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Bank loans	47,051	66,117	55,764
Debt issue costs	(940)	(1,447)	(1,204)
	46,111	64,670	54,560

The interest rate profile of the Group bank borrowings at 31 March 2015 was as follows:

	Interest Rate	*Maturity*	*31 March 2015 £'000*	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Royal Bank of Scotland (TAPP) (1)	LIBOR + 3%	2-5 years	24,171	37,195	27,367
Barclays (2)	LIBOR + 3.5%	1-4 years	13,088	18,830	18,455
Royal Bank of Scotland (TOPP) (3)	LIBOR + 3.5%	1-4 years	9,792	10,092	9,942
			47,051	66,117	55,764

(1) As at 31 March 2015, TAPP Property Limited maintained a facility with the Royal Bank of Scotland PLC of up to £37,195,000 (March and September 2014: £37,195,000) under which £24,171,000 (March 2014: £37,195,000 September 2014: £27,367,000) had been drawn down. This facility is repayable on or before 5 February 2018 and is secured by fixed and floating charges over the assets of the TAPP Property Limited group and the Lamont companies. The facility is subject to a maximum loan to value covenant of 60%, an interest cover ratio covenant of 225% maximum and a debt to rent cover ratio of 8:1.

9. Bank Loans (continued)

(2) As at 31 March 2015, Conygar Dundee Limited, Conygar Hanover Street Limited, Conygar Stafford Limited and Conygar St Helens Limited jointly maintained a facility with Barclays Bank PLC of up to £13,088,000 (March 2014: £18,830,000; September 2014: £18,455,000) of which £13,088,000 (March 2014: £18,830,000; September 2014: £18,455,000) had been drawn down. This facility is repayable on or before 20 August 2016 and is secured by fixed and floating charges over the assets of Conygar Dundee Limited, Conygar Hanover Street Limited, Conygar Stafford Limited and Conygar St Helens Limited. The facility is subject to a maximum loan to value covenant of 55% and an interest cover ratio covenant of 225%.

(3) As at 31 March 2015, TOPP Property Limited and TOPP Bletchley Limited maintained a facility with the Royal Bank of Scotland PLC of up to £9,792,000 (March 2014: £10,092,000; September 2014: £9,942,000) of which £9,792,000 (March 2014: £10,092,000; September 2014: £9,942,000) had been drawn down. This facility is repayable on or before 3 April 2016 and is secured by fixed and floating charges over the assets of the TOPP Property Limited group. The facility is subject to a maximum loan to value covenant of 55%, interest cover ratio covenant of 225% and a debt to rent cover ratio covenant of 7:1. The facility is subject to quarterly repayments of £75,000.

Three swaps relating to the TAPP Property Limited facility with the Royal Bank of Scotland PLC with notional amounts of £12,693,000 (March and September 2014: £12,693,000), £9,009,622 (March and September 2014: £9,009,622) and £15,297,344 (March 2014: £15,297,000; September 2014: £14,500,000), the former two both with fixed rates of 1.329% (March and September 2014: 1.329%) and the latter swap 0.9925% (March and September 2013: 0.9925%) expired on 17 February 2015. An interest rate cap was purchased in February 2014 to hedge the loan from the date of the expiry of the three swaps referred to above and has a notional amount of £37,000,000 (March 2014: £nil September 2014: £37,000,000), a strike rate of 2% and a termination date of 5 February 2018.

An amortising cap was in place relating to the TOPP Property Limited and TOPP Bletchley Limited facility with the Royal Bank of Scotland PLC. As at 31 March 2014, the cap had a notional amount of £10,475,000 (31 March 2014: £10,775,000; 30 September 2014: £10,600,000) with a strike rate of 0.75% (31 March 2014: 0.75%; 30 September 2014: 0.75%) which expires on 3 April 2016.

9. Bank Loans (continued)

A swap and cap were in place relating to the Barclays Bank PLC facility. The swap has a notional amount of £9,087,642 (March 2014: £18,430,000; September 2014: £14,455,000) with a fixed rate of 1.055% (March and September 2014: 1.055%). The cap has a notional amount of £4,000,000 (March and September 2014: £4,000,000) with a strike rate of 1%. Both the swap and the cap expire on 20 August 2016.

At 31 March 2015, the fair value of the hedging instruments was valued at £96,000 (March 2014: £559,000; September 2014: £377,000). The valuation of the swaps was provided by JC Rathbone Associates and represents the change in fair value since execution.

10. Zero Dividend Preference Shares

The Group issued 30,000,000 zero dividend preference shares ('ZDP Shares') at 100 pence per share and they were listed on the London Stock Exchange on 10 January 2014. The ZDP shares have an entitlement to receive a fixed cash amount on 9 January 2019, being the maturity date, but do not receive any dividends or income distributions. Additional capital accrues to the ZDP shares on a daily basis at a rate equivalent to 5.5% per annum, resulting in a final capital entitlement of 130.7 pence per share.

During the period, the Group has accrued for £823,000 (March 2014: £366,000; September 2014: £1,193,000) of additional capital. The total amount repayable at maturity is £39,210,000.

The movement on the zero dividend preference share liability during the period was as follows:

	31 March 2015 £'000
Balance at 1 October 2014	30,621
Amortisation of share issue costs	67
Accrued capital	823
Balance at 31 March 2015	31,511

11. Net Asset Value per share

Net asset value per share is calculated as the net assets of the Group divided by the number of shares in issue.

The European Public Real Estate Association ("EPRA") guidelines provide for a measure of net asset value excluding the effects of fluctuations in derivative financial instruments, deferred tax and taking into account the fair value of development properties. EPRA net asset value per share is calculated as the EPRA net asset value divided by the number of shares in issue on a fully diluted basis.

	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Diluted net asset value	171,759	162,454	177,500
Adjustments:			
Fair value of hedging instruments	(96)	(559)	(377)
EPRA net asset value	171,663	161,895	177,123
	No.	No.	No.
Shares in issue	86,356,254	90,351,304	90,428,604
EPRA net asset value per share	198.9p	179.2p	195.9p

The above calculations exclude the fair value of the Group's development properties. We have not sought to value these assets as, in our opinion, they are at too early a stage in their development to provide a meaningful figure.

12. Related Party Transactions

The Group has made advances to the following joint ventures in order to provide both long term and additional working capital funding. All amounts are repayable upon demand and will be repaid from the trading activities of those subsidiaries. No provisions have been made against the outstanding amounts.

	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Joint Ventures			
Conygar Stena Line Limited	6,788	6,532	6,709
CM Sheffield	2	2	2
Roadking Holyhead Limited	3,110	355	2,204
	9,900	6,889	8,915

The loans to Conygar Stena Line Limited may be analysed as follows:

	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Secured interest bearing loan	3,768	3,512	3,689
Unsecured non-interest bearing shareholder loan	3,020	3,020	3,020
	6,788	6,532	6,709

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:

	Six months ended		*Year ended*
	31 March 2015 £'000	*31 March 2014 £'000*	*30 Sept 2014 £'000*
Short term employee benefits	(905)	525	8,792
	(905)	525	8,792

REES POLLOCK
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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 2015 which comprises the consolidated statement of comprehensive income, 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.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the AIM Rules for Companies issued by the London Stock Exchange. 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.

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 2015 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
London
19 May 2015

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 (*Non-executive Chairman*) R T E Ware (*Chief Executive*) P A Batchelor (*Finance Director*) S M Vaughan (*Property Director*) P M C Rabl (*Director*) M D Wigley (*Non-executive Director*)
Secretary	P A Batchelor
Registered Office	Fourth Floor 110 Wigmore Street London W1U 3RW
Registrar	Share Registrars Limited Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Nominated Adviser & Stockbroker	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
Solicitors to the Company	Wragge Lawrence Graham & Co LLP 4 More London Riverside London SE1 2AU
Auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW

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