



30 November 2011

**THE CONYGAR INVESTMENT COMPANY PLC
PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2011**

The Conygar Investment Company PLC, the property investment and development company announces its results for the year ended 30 September 2011.

HIGHLIGHTS

- 2011 was another successful year for Conygar.
- NAV per share of 155.2p was up 3.1% (2010: 150.5p). EPRA NAV per share increased by 2.5% to 153.9p (2010: 150.1p).
- Final dividend proposed for the year of 1.1p per ordinary share.
- Progress made on the development land bank with expenditure in the year of £14.8 million. Purchased 93 acres of residential development land at Haverfordwest, Pembrokeshire. Conditional disposal of 9 acres to Sainsbury's to build a 60,000 square foot food store.
- Strong cash flow and debt capacity for future acquisitions, with total cash and undrawn committed facilities exceeding £85 million.
- Sold £13.5 million of investment properties.
- Share buy back: the Group acquired 17.2% of its ordinary share capital at a weighted average price of 116.1p per share.

Summary Group Net Assets As At 30 September 2011

	£'m	Per Share p
Investment Properties	139.2	136.3
Development Projects	29.4	28.8
Cash	35.7	35.0
Other Net Liabilities	(4.7)	(4.7)
	<hr/> 199.6	
Bank Loans	(33.7)	(33.0)
Preference Shares	(7.4)	(7.2)
	<hr/> <hr/> 158.5	<hr/> <hr/> 155.2



Robert Ware, Chief Executive, commented:

“The outlook for Conygar remains positive and the benefits of our strategy are coming through. The balance sheet remains strong and liquid, with £85 million available for further acquisitions. We continue to rigorously search for undervalued assets and development opportunities and realise assets where we believe we can add no further value. We are investing in our development projects, which will produce good returns in the medium term, and our investment property portfolio continues to hold up very well. Since the financial crisis started in 2008, we have grown in net assets, been consistently profitable and guarded our liquidity for the opportunities which will surely come. Conygar is stronger now than it was at the start of the financial crisis and we remain very positive about the future for your business.”

Enquiries:

The Conygar Investment Company PLC
Robert Ware: 020 7258 8670
Peter Batchelor: 020 7258 8670

Oriel Securities Limited (Nominated Adviser)
Michael Shaw: 020 7710 7600
Neil Langford: 020 7710 7600

Temple Bar Advisory (Public Relations)
Alex Child-Villiers: 07795 425580



Chairman's & Chief Executive's Statement

Results

The year ended 30 September 2011 has been another successful and effective year for Conygar. In these difficult economic times, we have continued to grow net asset value per share and have a strong balance sheet. We are pleased to be able to report a net asset value per share of 155.2p, which is an increase of 3.1% from last year. The major components of that growth are the profit after tax of £1.1 million and the impact of the share buy back. Net asset value was £158.5 million compared with £176.6 million at 30 September 2010, however, the Group spent £24.6 million on share buybacks during 2011 and paid a dividend of £1.2 million. Excluding these, net assets increased by 4.3%. On an EPRA basis net asset value per share increased by 2.5% to 153.9p.

The profit before taxation for the year was £1.8 million (2010: £14.9 million). However, the previous year included a £5.5 million profit from sale of properties and a revaluation gain of £7.2 million. Net property income was £10.0 million (2010: £12.4 million) before financing and overheads. The uncertain timing of our acquisition, sales and development expenditure mean that our profits cannot be expected to be a smooth progression. We are not an earnings or income yield business: our focus is on net asset value growth.

However, the Group has generated profits after tax of £29.4 million in the last three years, with a return on equity averaging 7.1% pa. This is despite a deliberate policy of holding cash for investment opportunities which depresses returns. If adjusted for cash, the net return rises to 16.4% pa which, given the economic turmoil since October 2008, is a creditable performance.

The Group's investment properties as at 30 September 2011 were independently valued at £139.2 million and have an annual contracted rent roll of £12.1 million. On a like for like basis with last year, the portfolio remained broadly flat, showing a small overall gain of £401,000. In view of the secondary and regional nature of the portfolio, we are pleased that value was maintained, reflecting the active asset management work protecting value.

The development land bank continues to be held at cost of £29.4 million, after additions of a further £14.8 million during 2011. We will revalue it once the various planning issues are sufficiently advanced so that a sensible appraisal can be produced. These projects represent a considerable amount of potential upside and we continue to invest time, money and effort into bringing them to fruition. We are particularly encouraged by our conditional disposal of 9 acres at Haverfordwest to Sainsbury's, for a food store, with whom we hope to develop other opportunities. The waterfront projects move ahead, albeit in a difficult market and we are pleased to have been able to access certain infrastructure grant funds. All of these matters are covered in more detail under Business Review.

Acquisitions and disposals

In November 2010, we purchased 86 acres of land at Haverfordwest, Pembrokeshire, close to the town centre for £14 million, which has outline planning consent for 900 residential units. In June 2011, we acquired a further 7 acres adjoining the site for £0.3 million.

The Group disposed of four investment properties during the year at Whetstone Business Park, Leicester; Southgate Retail Park, Derby; Fishers Grove, Portsmouth and Caswell Road, Northampton for total net proceeds of £13.5 million, generating a small surplus of £167,000 over valuation. We will continue to dispose of assets as opportunities arise and where no further value can be added by the Group.



Dividend

The Board is pleased to recommend a final dividend of 1.1p per ordinary share in respect of the year ended 30 September 2011 to be paid on 10 January 2012 to shareholders on the register on 9 December 2011. This is an increase of 10% over last year which reflects the continued progress of the business. The Board has decided against the payment of interim dividends.

Share Buy Back

Having announced the share buy back programme last year, the Group acquired 21,237,981 ordinary shares representing 17.2% of its ordinary share capital, at a weighted average price of 116.1p per share. This used cash of £24.65 million and, as a result of the buy backs, net asset value has been enhanced by approximately 7.6 pence per share or 5.05%.

We continue to be disappointed by the discount of the share price to the net asset value per share and will utilise the share buy back authority where it makes sense to do so.

Financing

At 30 September 2011, the Group had cash of £35.7 million available to pursue investment opportunities which, when combined with funds available from the committed bank facility, increases to £85 million. This excludes any further finance available in respect of new acquisitions. Bank debt was £34.8 million compared with £35.6 million last year. The Group continues to have net cash and bank debt was at 25% loan to value overall.

During November 2011, the Group re-coupled its existing interest rate swaps from 2.38% to 1.33%, having already reduced them during the year from 5.2%. Aside from reducing the on-going interest rate charge in the income statement, we retain the hedging protection on 85% of our external bank debt and the weighted average cost of all debt including margin has fallen to 4.44%.

Also during November 2011, the Group drew down £33 million from its facility with Lloyds Banking Group for potential use on acquisitions. This increases bank debt to £64.4 million or 46% loan to value, ignoring cash. The Group takes the view that the ability to deploy cash quickly remains a major competitive advantage when competing for acquisition opportunities.

Summary of Group Net Assets

The Group net assets as at 30 September 2011 may be summarised as follows:

	Per Share	
	£'m	p
Investment Properties	139.2	136.3
Development Projects	29.4	28.8
Cash	35.7	35.0
Other Net Liabilities	(4.7)	(4.7)
	199.6	
Bank Loans	(33.7)	(33.0)
Preference Shares	(7.4)	(7.2)
	158.5	155.2



Outlook

It is extremely difficult to determine the outlook in a world that veers from one crisis to another. Our policy remains that of sticking to what we know best and rigorously searching for undervalued assets and development opportunities. We will continue to realise assets where we believe we can add no further value.

Generally, the banks still have not de-gearred their property books and those that have, now require more capital to cover other exposures, with the European crisis adding further uncertainties and capital requirements. Many borrowers still have to re-finance expiring loans, but recent experience shows that banks are reluctant to face the challenge of non-performing loans and asset value shortfalls. The full effects of the austerity measures have yet to bite, and the coming years will be difficult. We have been consistent in our message throughout: this situation requires careful management, patience and, most of all, nerve.

For Conygar, the outlook remains positive and we are starting to see the benefits of our strategy coming through. The balance sheet remains strong and, most important of all, liquid. Our development projects are starting to bear fruit and we continue to invest in these projects which will produce good returns in the medium term. Our investment property portfolio continues to hold up very well in a difficult environment owing to the massive amount of work by our team on asset management and we continue to evaluate opportunities in a highly selective and disciplined way. We would like to announce another deal but we will not overpay just to be able to do that.

We believe that Conygar is stronger today than it was in 2008, when the world went awry. We have shown growth in net assets, have been consistently profitable and have guarded our liquidity for the opportunities which will surely come, including where appropriate, share buy backs.

We remain very positive about the future for your business.

N J Hamway
Chairman

R T E Ware
Chief Executive



BUSINESS REVIEW

INVESTMENT PROPERTIES

Summary of portfolio

	2011	2010
Valuation at 30 September	£139,150,000	£151,145,000
Number of properties	41	45
Contracted rent (pa)	£12,070,501	£13,350,440
Current ERV (pa)	£13,665,893	£14,704,211
Net initial yield	7.86%	8.25%
Equivalent yield	8.92%	8.84%
Reversionary yield	9.35%	9.18%
ERV of vacant units (pa)	£1,611,451	£2,063,236
Vacancy rate	11.19%	14.03%
Average unexpired lease lengths	5.21 years	5.92 years

Asset management

At 30 September 2011, the contracted rent for the investment property portfolio was £12.1 million with an ERV of £13.7 million. The ERV of vacant space is £1.6 million of which Advantage, Reading and Brunswick Point, Leeds account for 50% by rental value. This has reduced from 71% in 2010 owing to the successful letting of part of Advantage, Reading (see below). The overall vacancy rate in the portfolio is 11.19% down from 14.03% in 2010 and whilst there remains much to do this is a pleasing trend. We continue to seek out occupiers and can afford to be highly competitive, however, the challenge remains a significant one, particularly outside London.

In terms of lettings:

- We agreed 12 new lettings contributing £616,141 pa of new income at an aggregate premium of 1.03% to ERV.
- We agreed 8 lease renewals retaining £681,691 pa of income at an aggregate discount of 1.75% to ERV.
- We agreed 3 rent reviews at £70,500 pa of income at an aggregate discount of 6.37% to ERV.

The highlights include:

Advantage, Reading

In March 2011, we let 8,448 square feet at Advantage, Reading to Atex Group Limited on a twelve year lease, with a tenant only break at year seven. The rent is £185,856 pa, subject to fixed uplifts for which the tenant is receiving a two year rent free period. We have agreed to finance the tenant fit-out of £350,000 which will be repaid in eight quarterly instalments. The tenant has also taken the right of first refusal over another floor. This is an important letting as this is the largest void in the portfolio and Reading is a competitive occupier market. Having attracted one occupier, we are already seeing interest from other potential occupiers.

Unit 11/13 Brunel Centre, Bletchley

We have let a 2,975 square foot, previously vacant, unit to Bighthouse on the basis of 10 years from March 2011, with a tenant break after five years. The rent will be £17,500 pa rising to £37,000 in year two and £40,000 thereafter. We have made a capital contribution of £60,000 towards their fit-out costs. This both reduces the void and enhances the value of this property.



Kingscourt Leisure Complex, Dundee

A 5,666 square foot unit has been let to Laser Quest for a period of 10 years from April 2011 at £26,895 pa, with a mutual break after five years. This unit has been vacant since the property was constructed, so is a significant breakthrough and has generated interest in two further vacant units which are currently under negotiation.

Armytage Road, Brighouse

A new lease was completed to the existing tenant, Owens Corning, on the basis of 10 years from September 2011, with a tenant only break in 2016. The passing rent of £155,000 pa has been maintained with a six month rent free period.

Sandwell Business Park, Oldbury

The tenant, Cadbury UK Limited, has now undertaken a £2 million refurbishment of this property and has re-occupied it as one of the four core Cadbury distribution hubs in the UK. This re-affirms the commitment of Cadbury to this 128,305 square foot warehouse/distribution unit which is let to them until September 2020 at £725,000 pa.

We have also begun a number of refurbishment initiatives, incurring some £1,079,000 of capital expenditure during 2011 and this level of capital expenditure will likely continue in 2012. In particular, we are upgrading Waterfront Business Park, Fleet; York House, Felixstowe and Silver Court, Welwyn Garden City. However, we have chosen to defer our proposed £2 million refurbishment of Brunswick Point, Leeds. The extremely weak occupier market in Leeds means little likelihood of realising adequate value for that level of expenditure and the funds can be better employed elsewhere.

By their nature, most of our transactions remain relatively small but the team is highly focussed on actively managing the portfolio to protect the income and cash flow. As ever, we try to ensure close contact with tenants and to chase debts promptly. Clearly we cannot buck the market and, in particular, retail tenants are under enormous pressure. We try to work with them to manage the situation, often with success, but occasionally we must bow to the inevitable. We typically collect 93-98% of rent within ten days and arrears are less than 1% of the rent roll.

Disposals

The Group disposed of four investment properties during the year at Whetstone Business Park, Leicester; Southgate Retail Park, Derby; Fishers Grove, Portsmouth and Caswell Road, Northampton for total net proceeds of £13.5 million, generating a small surplus of £167,000 over valuation.

The largest asset disposed of was Whetstone Business Park, Leicester which accounted for £6.97 million of the total net sale proceeds, having been acquired as part of the Lamont portfolio in 2009 for £6.58 million. It was over rented with a tenant not in occupation and wishing to exit the lease in 2014. Whilst the income was good in the short term, we could only see downward pressure on the valuation, so we opted to sell and achieved a good price in this market.

The other significant asset was Southgate Retail Park, Derby which was sold for £4.74 million or 3.5% ahead of valuation. This property had a number of vacant retail units, with little occupational demand in a competitive over-supplied market.

We will continue to dispose of assets as opportunities arise and where no further value can be added by the Group.



Valuation

The investment property portfolio has been independently valued by Jones Lang LaSalle (who acquired King Sturge LLP in 2011) at £139.2 million as at 30 September 2011, comprising £97.4 million for the TAP portfolio and £41.8 million for the Lamont portfolio. The total portfolio increased in value by £401,000, so broadly flat compared with 2010.

There continues to be considerable downward pressure on values of property outside London owing to a flat investor market, scarce finance and tenants' businesses operating in a tough economic climate. Active asset management is required to protect value and our investment in capital expenditure is all financed out of surplus cash flow from the portfolio.

Development Projects

Haverfordwest

In November 2010, we purchased 86 acres of land at Haverfordwest, Pembrokeshire, close to the town centre for £14 million. This has planning consent for 900 residential units. We subsequently acquired a further 7 acres adjoining our site for £0.3 million taking our total site to 93 acres.

We have now exchanged contracts with Sainsbury's for the sale of 9 acres for a supermarket, subject to the obtaining of a suitable planning consent. We intend to submit a planning application early next year for a retail food store comprising 60,000 square feet of sales floor space, a restaurant, a 500 space car park and filling station. Our application will also include proposals for circa 800 residential plots on our remaining site. We have held a joint public exhibition of the proposals with Sainsbury's and we can now finalise our application.

The acquisition of this site in this challenging economic climate was, we believe, opportune at a cost of less than £15,000 per plot. The addition of Sainsbury's will significantly change the economics of the project and, if successful, will enable us to bring forward the residential development, having more than covered all our infrastructure and services costs through the net proceeds from Sainsbury's. It is too early to ascertain the exact figures until the planning application is submitted and consultation underway.

Holyhead Waterfront

The planning application has been submitted for a mixed use development. The application includes plans for 385 apartments and townhouses, a 500 berth marina, 50,000 square feet of retail, leisure, restaurants, hotel and office space, with a very flexible design layout and in prime location overlooking the marina. We are also making a provision for various local amenities and visitor attractions. The site covers in excess of half a mile of water frontage and is being developed jointly with Stena Line Ports Limited. Conygar has spent £8.61 million to date and additional funding and development partners will be introduced as the scheme progresses.

The Council has now received all statutory and non-statutory consultation responses and we have held various meetings with local planning officers to establish what further work is required in order that the Council can take the application forward to a determination at committee. As anticipated, we have had a wide range of responses some of which require further work. We are confident that all issues can be adequately addressed by our design team and we are seeking a determination during the first quarter of 2012.

Parc Cybi Business Park, Holyhead

We continue to market our development site at Parc Cybi, and discussions are ongoing with several transport operators, as well as the logistics industry supporting the nearby £15 billion nuclear power project at Wylfa. We were pleased to have received the go-ahead from the Welsh Government Business Minister for the purchase of a further 9 acres in order to develop a transport hub and lorry park for approximately 140 heavy goods vehicles.



We hope to submit a planning application in respect of this much needed facility within the next three months. This has taken a considerable amount of lobbying by our development team but we are delighted that the project has now received the political support it requires. In addition, the employment creation associated with the scheme has enabled us to secure the offer of substantial funding from the Wales European Funding Office.

Finally, the Welsh Government has recently announced that Anglesey will be designated as an Enterprise Zone and whilst the exact benefits are still being determined, it is highly likely that enhanced capital allowances and business rate reliefs will form part of any incentives, giving developments such as Parc Cybi a major boost.

Fishguard Waterfront

In October 2011, we submitted, in conjunction with Stena Line Ports Limited, a planning application for a mixed use marina development at Fishguard in West Wales. The main elements of the scheme include a 450 berth marina with workshops, stores and ancillary facilities; 253 new residential apartments incorporating extensive landscaped gardens and a 19 acre platform for the potential expansion of the existing Stena Line port. The end value of the development is expected to be in excess of £100 million.

We are particularly pleased to be working with our partners at Holyhead, Stena Line, and to have received the support of Pembrokeshire County Council and The Crown Estate, who own much of the surrounding harbour area. The proposal will transform the area, create much needed employment opportunities and further enhance and ensure the future of the commercial port.

Clearly, the planning process for such a comprehensive proposal will attract considerable scrutiny but we believe the economic drivers for the plans are strong and the backing received thus far is extremely encouraging. We expect to be able to report further progress in May 2012, by which time we are hopeful of receiving planning consent.

Fishguard Lorry Stop and Distribution Facility

We have recently completed the acquisition of this 11 acre site in Fishguard for £330,000 which is sited near the Stena Line owned port. In May 2011, we obtained outline planning consent for a lorry stop and distribution park. The proposal includes a secure 24 hour truck stop together with approximately 190 spaces for tractor and trailers, vehicle refuelling and wash facilities, plus an amenity building. There will also be around 30,000 square feet of industrial and warehousing units to support the lorry stop.

As this project will also offer significant employment and infrastructure benefits to the community, we believe we will secure an offer of grant funding from the South West Wales Property Development Fund and discussions are currently taking place with both hauliers and the port operator, Stena Line. It is our intention to start development once we have secured sufficient pre-lets.

Pembroke Dock Waterfront

Work on the various design and engineering solutions continues at this £100 million development of the Pembroke Dock Waterfront in West Wales. We were pleased to report that the client group, comprising Pembrokeshire County Council, the Welsh Government, the Crown Estate and the Milford Haven Port Authority, recognising the current state of the market, has consented to our adopting a phased approach, which is a massive boost to the project, as it permits the first phase of the project to begin sooner than would otherwise have been the case. We are in discussions with several potential tenants with a view to moving ahead with the first phase, which in turn will kick-start the entire development.



King's Lynn, Norfolk

In August 2011, we acquired a 6 acre residential development opportunity, which was under the control of the Irish NAMA vehicle, with planning permission for 94 dwellings near to King's Lynn, Norfolk for £799,000. In addition to the residential development, the site offers some potential for mixed or commercial uses, subject to planning. We are currently looking at options to improve the scheme which offers good potential upside, subject to current market conditions.

Aberystwyth

In November 2011, in conjunction with Sainsbury's, we have taken an option to purchase a site at Aberystwyth Park Lodge, Aberystwyth. We are looking to develop a food retail supermarket together with a petrol filling station and car park. This is at a very early stage but work has commenced on a planning application which will be submitted as soon as possible. We hope to be able to report further on this in due course.

Summary of Development Projects

The expenditure in the year on our development land bank amounted to £14.8 million, reflecting the progress made on all development projects. Our total investment to date is now £29.4 million at cost (analysed below) or 29p per share. We consider that, as the projects continue to progress, they will deliver potentially significant upside.

Our three waterfront developments are expected to develop in excess of 1,200 waterside homes and 1,400 marina berths, together with mixed use supporting development. Our other development sites, such as Haverfordwest, add the potential for a further 890 homes and the possible development of a new 60,000 square foot Sainsbury's retail food store. The two development projects at Parc Cybi, Holyhead and Fishguard Lorry Stop complement the waterfront developments through the development of much needed lorry stop and storage facilities. There are several other projects at an early stage or in negotiation.

It is extremely difficult to provide shareholders with a meaningful guide as to valuation of the various projects. The mysteries of the planning process and the early stage of the projects make accurate costing and predictions unreliable, in our opinion. It is our intention to introduce third party valuations as soon as it is meaningful to do so. Suffice to say, we are comfortable that carrying the projects at cost is the prudent thing to do. However, we believe that there is significant upside in these projects which will become evident over the medium term.

	2011	2010
	£'m	£'m
Haverfordwest	14.69	1.41
Holyhead Waterfront	8.61	8.47
Pembroke Dock Waterfront	4.41	4.40
King's Lynn	0.80	-
Fishguard Waterfront	0.58	0.35
Parc Cybi, Holyhead	0.18	-
Fishguard Lorry Stop	0.15	-
Total investment to date	29.42	14.63



FINANCIAL REVIEW

Net Asset Value

The net asset value at the year end was £158.5 million (2010: £176.6 million) representing a 10.2% decrease in the period. The primary movement was the £24.6 million spent on purchasing own shares.

On an EPRA basis, the net asset value is:

	2011	2010	2009
	£'m	£'m	£'m
Net asset value	158.5	176.6	160.9
Preference share liability	7.4	13.3	12.6
Diluted net asset value	<u>165.9</u>	<u>189.9</u>	<u>173.5</u>
Fair value of hedging instruments	1.4	5.0	4.4
EPRA net asset value	<u>167.3</u>	<u>194.9</u>	<u>177.9</u>
EPRA NAV per share	<u>153.9p</u>	<u>150.1p</u>	<u>138.2p</u>
Basic NAV per share	<u>155.2p</u>	<u>150.5p</u>	<u>138.5p</u>
Diluted NAV per share	<u>152.7p</u>	<u>146.3p</u>	<u>134.8p</u>

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 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 as at 30 September 2011. In their opinion, the open market value of the investment property portfolio was £139.2 million. The total portfolio increased in value by £401,000 over the year.

Cashflow

The Group used £11.9 million cash in operating activities (2010: £15.5 million generated), of which £14.7 million was incurred as expenditure on development and trading properties.

The Group generated a further £13.5 million cash from the sale of investment properties and spent £24.6 million on the purchase of own shares resulting in an overall cash outflow of £31.6 million during the year.



Net Income From Property Activities

	2011 £'m	2010 £'m
Rental income	13.0	15.4
Direct property costs	(3.0)	(3.0)
Rental surplus	<u>10.0</u>	<u>12.4</u>
Sale of trading properties	-	3.1
Direct costs of trading properties sold	-	(3.2)
Trading (deficit)	<u>-</u>	<u>(0.1)</u>
Sale of investment properties	13.5	58.8
Cost of investment properties sold	<u>(13.3)</u>	<u>(53.3)</u>
Gain on sale of investment properties	<u>0.2</u>	<u>5.5</u>
Total net income arising from property activities	<u>10.2</u>	<u>17.8</u>

Administrative Expenses

The administrative expenses for the year ended 30 September 2011 were £5.2 million, an increase of 73% from the previous year. The primary reasons for this are the profit share payment of £2.6 million to the executive directors and a reduction of £0.9 million in fees incurred in respect of abortive transactions. The majority of other costs arise as a result of the Group being quoted on AIM with no significant changes in 2011.

Taxation

The tax charge for the year of £0.7 million on the pre-tax profit of £1.8 million represents an effective tax charge of 39% (2010: 4.0%). Tax is payable at the full UK corporation tax rate of 27% on net rent income after deduction of finance costs and administrative expenses. The current year tax charge is higher owing to the preference share interest being non-deductible. There is no tax payable in respect of investment property capital gains or any reduction uplift, which is the main reason for the low effective tax rate in the prior year.

Financing

At 30 September 2011, the Group had cash of £35.7 million increasing to £62.6 million in November 2011 following a drawdown of £33 million from the Lloyds Banking Group facility. Following this drawdown, the Group has unutilised facilities of £22 million.

The bank debt at 30 September 2011 was £33.7 million increasing to £64.4 million in November 2011. This remains the only debt within the Group and is non-recourse to the parent company. The loan to value is 46% so there is capacity to raise further funding should it be required. This excludes any further finance that might be released from re-financing any cash funded acquisitions.

The interest rate risk on the facility continues to be managed by way of interest rate swaps. During November 2011, the Group re-coupled its existing interest rate swaps from 2.38% to 1.33%, having already reduced it during the year from 5.2%. This significantly reduces the ongoing interest rate charge in the income statement



whilst retaining the hedging protection. The fair value of these derivative financial instruments is provided for in full on the balance sheet.

The finance costs for the year amounted to £3.9 million (2010: £7.6 million), primarily consisting of £2.8 million bank loan interest (2010: £4.3 million). Loan repayment costs fell from £2.2 million to £48,000. Finance income amounted to £0.2 million (2010: £0.3 million) reflecting the low returns on short term cash deposits.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2011

	Note	Year Ended 30 Sep 11 £'000	Year Ended 30 Sep 10 £'000
Sales of properties		-	3,100
Rental income		13,010	15,415
Revenue		13,010	18,515
Direct costs of:			
Sales of properties		-	5,052
Rental income		2,965	2,955
Write-down of property inventory		-	(1,830)
Direct Costs		2,965	6,177
Gross Profit		10,045	12,338
Gain in respect of acquisition	24	-	608
Income from trading investments		81	-
Share of results of joint ventures	13	(11)	(10)
Gain on sale of trading investments		49	-
Gain on sale of investment properties	12	167	5,529
Movement on revaluation of investment properties	12	401	7,205
Other gains and losses	6	(17)	(475)
Administrative expenses		(5,207)	(3,011)
Operating Profit	3	5,508	22,184
Finance costs	7	(3,925)	(7,586)
Finance income	7	178	280
Profit Before Taxation		1,761	14,878
Taxation	8	(683)	(637)
Profit And Total Comprehensive Income For The Year		1,078	14,241
Attributable to:			
- equity shareholders		1,078	14,219
- minority shareholders		-	22
		1,078	14,241
Basic earnings per share	10	0.98p	12.13p
Diluted earnings per share	10	0.98p	11.57p

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2011

Group	Attributable to the equity holders of the Company							Non- Control ling Inter ests	Total Equity
	Share Capit al	Share Premium	Merger Reserve	Equity Reserve	Treasury Shares	Retained Earnings	Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
At 1 October 2009	5,809	123,094	7,640	1,254	-	23,126	160,923	1,122	162,045
Changes in equity for the year ended 30 September 2010									
Profit for the year	-	-	-	-	-	14,219	14,219	22	14,241
Total comprehensive income for the year	-	-	-	-	-	14,219	14,219	22	14,241
Credit to equity for equity settled share based payment	-	-	-	-	-	434	434	-	434
Issue of share capital	56	896	-	-	-	-	952	-	952
Issue of preference shares	-	-	-	2	-	-	2	-	2
Preference share conversion	5	99	-	(9)	-	-	95	-	95
Purchase of non-controlling interests	-	-	-	-	-	-	-	(1,124)	(1,124)
At 30 September 2010	5,870	124,089	7,640	1,247	-	37,779	176,625	20	176,645
Changes in equity for year ended 30 September 2011									
At 1 October 2010	5,870	124,089	7,640	1,247	-	37,779	176,625	20	176,645
Profit for the year	-	-	-	-	-	1,078	1,078	-	1,078
Total comprehensive income for the year	-	-	-	-	-	1,078	1,078	-	1,078
Dividend paid	-	-	-	-	-	(1,175)	(1,175)	-	(1,175)
Preference share conversion	299	6,884	-	(597)	-	-	6,586	-	6,586
Purchase of own shares	-	-	-	-	(24,649)	-	(24,649)	-	(24,649)
At 30 September 2011	6,169	130,973	7,640	650	(24,649)	37,682	158,465	20	158,485



CONSOLIDATED BALANCE SHEET
At 30 September 2011

	Note	30 Sep 2011 £'000	30 Sep 2010 £'000
Non-Current Assets			
Property, plant and equipment	11	208	219
Investment properties	12	139,150	151,145
Investment in joint ventures	13	5,466	5,344
Goodwill	15	3,173	3,173
		147,997	159,881
Current Assets			
Trading Investments	16	1,802	-
Development and trading properties	17	20,779	6,111
Trade and other receivables	18	2,614	2,230
Cash and cash equivalents		35,674	67,322
		60,869	75,663
Total Assets		208,866	235,544
Current Liabilities			
Trade and other payables	19	7,441	5,766
Preference shares	21	7,376	-
Tax liabilities		532	677
		15,349	6,443
Non-Current Liabilities			
Bank loans	20	33,664	34,090
Preference shares	21	-	13,324
Derivatives	28	1,368	5,042
		35,032	52,456
Total Liabilities		50,381	58,899
Net Assets		158,485	176,645
Equity			
Called up share capital	22	6,169	5,870
Share premium account		130,973	124,089
Merger reserve		7,640	7,640
Equity reserve		650	1,247
Treasury shares	23	(24,649)	-
Retained earnings		37,682	37,779
		158,465	176,625
Equity Attributable to Equity Holders		158,465	176,625
Non-controlling interests		20	20
Total Equity		158,485	176,645



CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 September 2011

	Year Ended 30 Sep 11 £'000	Year Ended 30 Sep 10 £'000
Cash Flows From Operating Activities		
Operating profit	5,508	22,184
Depreciation and amortisation	165	35
Share of results of joint ventures	(11)	(10)
Other gains and losses	39	(136)
Gain on sale of investment properties	(167)	(5,529)
Movement on revaluation of investment properties	(401)	(7,205)
Dividend income	(81)	-
Gain in respect of acquisition	-	(608)
Share based payment charge	-	434
Cash Flows From Operations Before Changes In Working Capital	5,052	9,165
Change in trade and other receivables	(384)	16,845
Change in land, development and trading properties	(14,668)	977
Change in trade and other payables	1,675	(6,326)
Cash (Used In) / Generated From Operations	(8,325)	20,661
Finance costs	(2,878)	(6,457)
Finance income	178	280
Tax (paid) / received	(828)	1,054
Cash Flows (Used In) / Generated From Operating Activities	(11,853)	15,538
Cash Flows From Investing Activities		
Acquisition of investment properties	(1,080)	(44,763)
Acquisition of trading investments	(2,277)	-
Disposal of trading investments	455	-
Sale proceeds of investment properties	13,531	57,937
Investment in joint ventures	(111)	(243)
Acquisition of non-controlling interests	-	(76)
Purchase of plant and equipment	(36)	(99)
Leasehold improvements	(8)	(148)
Dividend income	81	-
Cash Flows Generated From Investing Activities	10,555	12,608
Cash Flows From Financing Activities		
Bank loans repaid	(834)	(64,023)
Dividend paid	(1,175)	-
Issue of shares	-	372
Purchase of own shares	(24,649)	-
Re-couponsing of interest rate swaps	(3,692)	-
Cash Flows Used In Financing Activities	(30,350)	(63,651)
Net decrease in cash and cash equivalents	(31,648)	(35,505)
Cash and cash equivalents at 1 October	67,322	102,827
Cash and Cash Equivalents at 30 September	35,674	67,322



NOTES TO THE ACCOUNTS
For the year ended 30 September 2011

1. The financial information set out in this announcement is abridged and does not constitute statutory accounts for the year ended 30 September 2011 but is derived from those financial statements. The financial information is not audited. The auditors have reported on the statutory accounts for the year ended 30 September 2011, their report was unqualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006, and these will be delivered to the Registrar of Companies following the Company's annual general meeting. The financial information has been prepared using the recognition and measurement principle of IFRS.
2. The comparative financial information for the year ended 30 September 2010 was derived from information extracted from the annual report and accounts for that period, which was prepared under IFRS and which has been filed with the UK Registrar of Companies. The auditors have reported on those accounts, their report was unqualified and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

3. OPERATING PROFIT

Operating profit is stated after charging:

	Year ended 30 Sep 11 £'000	Year ended 30 Sep 10 £'000
Audit services - fees payable to the parent company auditors for the audit of the company and the consolidated financial statements	24	23
Other services - fees payable to the company auditor for the audit of the company's subsidiaries pursuant to legislation.	43	35
Other services - fees payable to the company auditor for tax services	15	11
Depreciation of owned assets	28	31
Lease amortisation	27	16
Operating lease rentals - land and buildings	219	148
Share based payments charge	-	434
Cost of inventories recognised as an expense	-	5,052
Write downs of inventories recognised as an expense	-	(1,830)
Movement on provision for doubtful debts	66	(183)

4. PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	Year ended 30 Sep 11 £'000	Year ended 30 Sep 10 £'000
Wages and salaries	3,802	1,054
Social security costs	507	125
Pension costs	-	20
	4,309	1,199

The average monthly number of persons, including executive directors, employed by the Company during the year was seven (2010 - seven).



5. DIRECTORS' EMOLUMENTS

	Year ended 30 Sep 11 £'000	Year ended 30 Sep 10 £'000
Emoluments (excluding pension contributions)	3,550	899
Pension contributions	-	20
Emoluments of highest paid director	1,492	280
Pension contributions of highest paid director	-	20

Emoluments includes a £2.65 million payment under the Conygar profit sharing plan (2010 - £nil). No (2010: one) director received a contribution to a defined contribution pension scheme in the year as part of a salary sacrifice arrangement.

The board of directors comprise the only persons having authority and responsibility for planning, directing and controlling the activities of the Group. In addition to the emoluments disclosed above, the Group incurred share based payment charges of £nil (2010: £434,000). The aggregate compensation of key management personnel as defined by IAS 24 "Related Party Disclosures" was therefore £3,550,000 (2010: £1,333,000).

6. OTHER GAINS AND LOSSES

	Year ended 30 Sep 11 £'000	Year ended 30 Sep 10 £'000
Movement in fair value of interest rate swaps	(18)	(611)
Movement in fair value of trading investments	(70)	-
Other provision	71	136
	(17)	(475)

7. FINANCE INCOME / COSTS

	Year ended 30 Sep 11 £'000	Year ended 30 Sep 10 £'000
Finance Income		
Bank interest	178	280
Finance Costs		
Bank loans	(2,816)	(4,266)
Loan repayment costs	(48)	(2,191)
Amortisation of arrangement fees	(423)	(339)
Notional interest on preference shares	(638)	(790)
	(3,925)	(7,586)



8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year ended 30 Sep 11 £'000	Year ended 30 Sep 10 £'000
UK Corporation tax based on the results for the period	519	589
Over provision in prior periods	164	(44)
Current tax	683	545
Deferred tax	-	92
	<u>683</u>	<u>637</u>

(b) Factors affecting tax charge

The tax assessed on the profit for the year differs from the standard rate of corporation tax in the UK of 27% (2010 - 28%)

	Year ended 30 Sep 11 £'000	Year ended 30 Sep 10 £'000
Profit before taxation	1,761	14,878
Profit multiplied by rate of tax	476	4,166
Effects of:		
Expenses not deductible for tax purposes	220	123
UK dividend income	(24)	-
Gain on acquisition not taxable	-	(170)
Under / (over) provision in prior periods	164	(44)
Share based payment not deductible for tax purposes	-	121
Schedule 23 deduction in respect of share options	-	(86)
Deferred tax no longer required	-	92
Gains not subject to UK taxation	(45)	(1,548)
Revaluation gains not taxable	(108)	(2,017)
Tax charge for the year	<u>683</u>	<u>637</u>

9. DIVIDENDS

The directors have recommended a final dividend of 1.1 pence per ordinary share in respect of the year ended 30 September 2011 (2010 – 1 pence). This final dividend will amount to £1,124,000 (2010: £1,175,000), if approved at the AGM. In accordance with IFRS, it has not been included as a liability in the financial statements.



10. EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on the profit after tax attributable to equity shareholders of £1,078,000 (2010 - £14,219,000) and on the number of shares in issue being the weighted average number of shares in issue during the period of 109,602,651 (2010 – 117,203,241). The diluted earnings per share calculation is based on profit for the year of £1,717,000 (2010 - £15,009,000) and on 119,171,352 (2010 – 129,720,010) ordinary shares and is non-dilutive. The diluted ordinary shares are calculated as follows:

	2011	2010
	No.	No.
Basic weighted average number of shares	109,602,651	117,203,241
Diluting potential ordinary shares:		
Employee share options	22,446	27,057
Preference shares	9,546,255	12,489,712
Total diluted	<u>119,171,352</u>	<u>129,720,010</u>

11. PROPERTY, PLANT AND EQUIPMENT

	Premises Lease £'000	Office Equipment £'000	Furniture & Fittings £'000	Total £'000
Cost				
At 1 October 2009	-	21	-	21
Additions	148	23	76	247
At 30 September 2010 and 1 October 2010	148	44	76	268
Additions	8	17	19	44
At 30 September 2011	156	61	95	312
Depreciation / Amortisation				
At 1 October 2009	-	14	-	14
Provided during the year	4	15	16	35
At 30 September 2010 and 1 October 2010	4	29	16	49
Provided during the year	27	10	18	55
At 30 September 2011	31	39	34	104
Net book value at 30 September 2011	<u>125</u>	<u>22</u>	<u>61</u>	<u>208</u>
Net book value at 30 September 2010	<u>144</u>	<u>15</u>	<u>60</u>	<u>219</u>



12. INVESTMENT PROPERTIES

	Freehold	Long Leasehold	Reverse Lease Premiums	Total
	£'000	£'000	£'000	£'000
Valuation at 1 October 2009	141,357	7,805	2,427	151,589
Fair value with subsidiaries	12,593	32,170	-	44,763
Additions	75	(8)	-	67
Disposals	(49,447)	(1,050)	(1,760)	(52,257)
Reverse lease premium amortisation	-	-	(222)	(222)
Movement on revaluation	4,119	3,086	-	7,205
Valuation at 30 September 2010	108,697	42,003	445	151,145
Additions	961	(2)	120	1,079
Disposals	(13,365)	-	-	(13,365)
Reverse lease premium amortisation	-	-	(110)	(110)
Movement on revaluation	593	(192)	-	401
Valuation at 30 September 2011	96,886	41,809	455	139,150

The historical cost of properties held at 30 September 2011 is £211,359,000 (2010: £233,328,000).

The properties were valued by Jones Lang LaSalle, independent valuers not connected with the Group, at 30 September 2011 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 £105,085,000 (2010 - £112,310,000) of investment property to secure Lloyds Banking Group debt facilities and £34,065,000 (2010 - £35,235,000) to secure Capita debt facilities. Further details of these facilities are provided in note 28.

The property rental income earned from investment property, which is leased out under operating leases amounted to £13,010,000 (2010 - £15,099,000).

Gain on sale of investment properties	30 Sep 11	30 Sep 10
	£'000	£'000
Gross proceeds on sales of investment properties	13,645	58,755
Costs of sales	(113)	(818)
Net proceeds on sales of investment properties	13,532	57,937
Book value	(13,365)	(52,408)
Gain on sale	167	5,529



13. INVESTMENTS

Joint Ventures

	30 Sep 11	30 Sep 10
	£'000	£'000
At 1 October 2010	5,344	5,087
Share of loss retained by joint ventures	(11)	(10)
Investment in joint venture	133	267
At 30 September 2011	<u>5,466</u>	<u>5,344</u>

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:

	Year ended	Year ended
	30 Sep 11	30 Sep 10
	£'000	£'000
Assets		
Current assets	<u>5,485</u>	<u>5,348</u>
	5,485	5,348
Liabilities		
Current liabilities	<u>(19)</u>	<u>(4)</u>
	(19)	(4)
Net Assets	<u>5,466</u>	<u>5,344</u>
Operating loss	(11)	(10)
Finance income	<u>-</u>	<u>-</u>
	-	-
Loss before tax	(11)	(10)
Tax	<u>-</u>	<u>-</u>
	-	-
Loss after tax	<u>(11)</u>	<u>(10)</u>

There are no contingent liabilities relating to the Group's interest in joint ventures, and no contingent liabilities of the ventures themselves.



14. FIXED ASSET INVESTMENTS

Subsidiaries

The principal companies in which the Company's interest is more than 10% are as follows:

Company name	Principal activity	Country of registration	% of Equity held
Conygar Holdings Ltd	Holding Company	England	100%
Martello Quays Limited	Property trading and development	England	100%
Conygar Wales PLC	Holding Company	England	60%*
Conygar Bedford Square Ltd	Property trading and development	England	100%*
Conygar Properties Ltd	Property trading and development	England	100%*
Conygar Developments Ltd	Property trading and development	England	100%*
Conygar Strand Ltd	Property trading and development	England	100%*
Conygar Hanover Street Ltd	Property trading and development	England	100%*
The Advantage Property Income Trust Ltd	Property investment	Guernsey	100%*
TAPP Property Ltd	Property investment	Guernsey	100%*
TOPP Holdings Ltd	Property investment	Guernsey	100%*
TAPP Maidenhead Ltd	Property investment	Guernsey	100%*
TOPP Bletchley Ltd	Property investment	Guernsey	100%*
TOPP Property Ltd	Property investment	Guernsey	100%*
Conygar Stena Line Ltd	Property trading and development	England	50%*
CM Sheffield Ltd	Property trading and development	England	50%*
Conygar Haverfordwest Ltd	Property trading and development	England	60%*
Conygar Advantage Limited	Holding company	Guernsey	100%



Lamont Property Acquisition (Jersey) I Ltd	Property investment	Jersey	100%*
Lamont Property Acquisition (Jersey) II Ltd	Property investment	Jersey	100%*
Lamont Property Acquisition (Jersey) III Ltd	Property investment	Jersey	100%*
Lamont Property Acquisition (Jersey) IV Ltd	Property investment	Jersey	100%*
Lamont Property Acquisition (Jersey) V Ltd	Property investment	Jersey	100%*
Lamont Property Acquisition (Jersey) VII Ltd	Property investment	Jersey	100%*

* Indirectly owned

15. GOODWILL

	30 Sep 11	30 Sep 10
	£'000	£'000
At 1 October 2010 and 30 September 2011	3,173	3,173

The goodwill arose upon the acquisition of the non-controlling interests in Martello Quays Limited and represents the excess of the consideration over the fair value of the identifiable net assets acquired. The goodwill has been wholly allocated to the development project within Martello Quays Limited, which is considered to represent a single income generating unit. The development project is still at an early stage, but management have prepared forecasts indicating that the net present value of the project exceeds its carrying value when discounted at the Group's weighted average cost of capital.

16. TRADING INVESTMENTS

	£'000
At 1 October 2010	-
Additions	2,277
Disposals	(405)
Loss on fair value revaluation	(70)
At 30 September 2011	<u>1,802</u>

17. PROPERTY INVENTORIES

	30 Sep 11	30 Sep 10
	£'000	£'000
Properties held for resale or development	<u>20,779</u>	<u>6,111</u>



18. TRADE AND OTHER RECEIVABLES

	30 Sep 11	30 Sep 10
	£'000	£'000
Trade receivables	878	2,286
Provision for doubtful debts	(138)	(245)
	<u>740</u>	<u>2,041</u>
Other receivables	74	132
Prepayments and accrued income	1,800	57
	<u>2,614</u>	<u>2,230</u>

The directors consider that the carrying amount of trade and other receivables approximates to their fair value due to the short term nature of these financial assets.

19. TRADE AND OTHER PAYABLES

	30 Sep 11	30 Sep 10
	£'000	£'000
Social security and payroll taxes	413	45
Trade payables	687	1,300
Other payables	-	69
Accruals and deferred income	6,341	4,352
	<u>7,441</u>	<u>5,766</u>

The directors consider that the carrying amounts of the trade and other payables approximate to their fair value due to the short period of repayment.

20. BANK LOANS

	30 Sep 11	30 Sep 10
	£'000	£'000
Bank loans	34,752	35,586
Debt issue costs	(1,088)	(1,496)
	<u>33,664</u>	<u>34,090</u>

Details of the financial liabilities are given in note 28.



21. PREFERENCE SHARES

	30 Sep 11	30 Sep 10
	£'000	£'000
Preference shares	7,376	13,324

As part of the offer for The Advantage Property Income Trust Limited, the Company issued 62,902,335 convertible preference shares of £0.01 each of which 32,457,595 (2010: 62,313,045) were outstanding at the year end. The preference shares are convertible at any point into ordinary shares at the option of the preference shareholder. The conversion rate is one ordinary share for five preference shares. Any preference shares not converted are redeemable for £0.25 each on 31 December 2011.

Although equity share capital at law, the preference shares are classified as hybrid instruments under IFRS consisting of a discounted debt element of £0.20 per share and an equity element of £0.02 per share which has been credited to an equity reserve. A notional interest element is charged to the income statement over the period to redemption.

The movement on the preference shares during the year was as follows:

	30 Sep 2011	30 Sep 2010
	£'000	£'000
At 30 September 2010	13,324	12,612
Fair value of preference shares at date of issue	-	18
Equity components	-	(2)
Liability component at date of issue	13,324	12,628
Conversions to ordinary shares in the period at carrying value	(6,586)	(95)
Notional interest charge	638	791
At 30 September 2011	7,376	13,324

22. SHARE CAPITAL

Authorised share capital:

	30 Sep 11	30 Sep 10
	£	£
140,000,000 (2010– 140,000,000) Ordinary shares of £0.05 each	7,000,000	7,000,000
150,000,000 (2010– 150,000,000) Preference shares of £0.01 each	1,500,000	1,500,000

Allotted and called up:

	30 Sep 11		30 Sep 10	
	No	£'000	No	£'000
Ordinary shares of £0.05 each	123,362,223	6,169	117,391,133	5,870

Amounts recorded as liability:

	30 Sep 11		30 Sep 10	
	No	£'000	No	£'000
Preference shares of £0.01 each (Note 21)	32,457,595	325	62,313,045	623

The Preference shares were issued in connection with the offer for The Advantage Property Income Trust Limited. They are convertible at any stage into Ordinary shares. The conversion rate is one Ordinary



share for five Preference shares. Any Preference shares not converted are redeemable for £0.25 each on 31 December 2011.

During the year, the Company issued 5,971,090 (2010: 90,240) ordinary shares of £0.05 each in respect of conversions of 29,855,450 (2010: 451,200) preference shares. The carrying value of the liability which was treated as consideration for these issues was £6,885,000 (2010: £93,000) and £597,000 (2010: £9,000) was transferred from equity reserve to reflect the equity elements of the preference shares.

The resulting movement on the group's share capital during the year was as follows:

Allotted and Called Up

	Price £	No.	£'000
At 30 September 2009		116,172,721	5,809
Share issue – 7 October 2009	1.140	350,880	18
Share issue – 20 October 2009	1.155	45,696	2
Share issue – 17 November 2009	1.100	18,049	1
Share issue – 26 November 2009	1.100	1,380	-
Share issue – 10 December 2009	0.595 (average)	625,000	31
Share issue – 14 December 2009	1.100	1,532	-
Share issue – 7 January 2010	1.200	106,416	6
Share issue – 7 January 2010	1.100	21,000	1
Share issue – 2 February 2010	1.100	1,316	-
Share issue – 10 February 2010	1.100	43,297	2
Share issue – 18 August 2010	1.100	3,846	-
At 30 September 2010		<u>117,391,133</u>	<u>5,870</u>
Share issue – 28 October 2010	1.100	93,300	5
Share issue – 9 February 2011	1.100	3,000,000	150
Share issue – 15 April 2011	1.100	18,802	1
Share issue – 31 May 2011	1.100	4,400	-
Share issue – 6 June 2011	1.100	2,843,148	142
Share issue – 15 August 2011	1.100	11,440	1
		<u>123,362,223</u>	<u>6,169</u>

23. TREASURY SHARES

In December 2010, the Group began a share buyback programme and during the year ended 30 September 2011 purchased 21,237,981 shares on the open market at a cost of £24,649,000. All of these shares were held in treasury as at 30 September 2011.

24. ACQUISITIONS

On 24 November 2009, the Group acquired six Jersey-based companies (the "Lamont portfolio") which hold seven freehold and long leasehold buildings for a total cash consideration of £44,763,000 million. Although effected through the acquisition of separate legal entities, the Lamont portfolio does not in substance constitute a business combination as defined by IFRS 3 and has accordingly been treated as an asset purchase. The portfolio consisted of:



- Brennan House, Farnborough Aerospace Centre, Hampshire
- Three units at Aker Village, Kirkhill, Aberdeen
- Cambridge Road, Whetstone Business Park, Leicester (sold during the year ended 30 September 2011)
- Kelvin II, Kelvin Close, Birchwood Park, Warrington
- Crystal Drive, Sandwell Business park, Oldbury, West Midlands

The annual rent roll was, at the time of acquisition, approximately £4.41 million representing a net initial yield of 9.8%. The buildings comprise 562,000 sq ft of lettable space and occupy some 47 acres.

The Group also acquired the remaining 2.15% of the issued share capital of The Advantage Property Income Trust Limited ("TAP") and thereby owned 100% of the issued share capital of the company by 8 January 2010.

The transaction was accounted for by the purchase method of accounting:

	30 Sep 2011	30 Sep 2010
	£'000	£'000
Share of net assets acquired	-	1,281
Gain in respect of acquisition	-	(608)
Total consideration	<u>-</u>	<u>673</u>
Satisfied by:		
Ordinary shares at fair value	-	580
Preference shares at fair value	-	17
Cash	<u>-</u>	<u>76</u>
	<u>-</u>	<u>673</u>

25. SHARE BASED PAYMENTS

No options were granted in either the current or prior year.

The Group and Company recognised total expenses of £nil (2010 - £434,000) in relation to equity settled share-based payment transactions.



26. DEFERRED TAX ASSET

Deferred tax assets are recognised in the accounts as follows:

	30 Sep 11		30 Sep 10	
	Provided £'000	Not Provided £'000	Provided £'000	Not Provided £'000
Share based payments	-	2	-	2
Losses	-	1,464	-	1,464
	-	1,466	-	1,466

The deferred tax asset in respect of the trading losses carried forward has not been recognised on the basis that it is uncertain when taxable profits will be available for offset.

Movements on the recognised assets are as follows:

	Share Based Payments £'000
At 1 October 2009	92
Debit to profit and loss account	(92)
At 30 September 2010	-
At 1 October 2010	-
Debit to profit and loss account	-
At 30 September 2011	-

27. COMMITMENTS

Group as lessee:

At 30 September 2011, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	30 Sep 11 £'000	30 Sep 10 £'000
Within one year	126	187
In the second to fifth years inclusive	503	503
	629	690

Group as lessor:

In addition, the Group holds retail, office, industrial and leisure buildings as investment properties which are let to third parties. These are non-cancellable leases and the income profile based upon the unexpired lease length was as follows:

	30 Sep 11 £'000	30 Sep 10 £'000
Less than one year	11,397	13,950
Between one and five years	36,112	36,791
Over five years	21,560	27,269
	69,069	78,010



At 30 September 2011, the Group was committed to complete a purchase of land at Clun Bach, Fishguard, provided a number of conditions precedent relating to the receipt of suitable planning consents are met. A deposit of £36,500 was paid on 4 August 2010. The acquisition was completed in November 2011.

28. FINANCIAL INSTRUMENTS

The interest rate profile of the Group bank borrowings at 30 September 2011 was as follows:

	Interest Rate	Maturity	30 Sep 2011 £'000	30 Sep 2010 £'000
Lloyds Banking Group (1)	LIBOR +2%	2 – 5 years	20,150	20,150
Capita (2)	5.24%	2 – 5 years	14,602	15,435
			<u>34,752</u>	<u>35,585</u>

(1) Senior bank facility repayable 27 January 2015. Margin is on sliding scale from 2% to 3.5% subject to loan to value covenants.

(2) Interest rate fixed until 18 January 2013.

Loans

As at 30 September 2011, TAPP Property Limited maintained a facility with the Lloyds Banking Group of up to £78,000,000 (2010: £78,000,000) under which £20,150,000 (2010 - £20,150,000) had been drawn down. This facility is repayable on or before 27 January 2015 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 70% and an interest cover ratio covenant of 150%.

As at 30 September 2011, TOPP Property Limited maintained a facility with Capita of £35,267,000 (2010: £35,267,000) of which £14,601,000 (2010 - £15,435,000) had been drawn down. This facility is repayable on or before 18 January 2013 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 70% and an interest cover ratio covenant of 135%.

Fair Values of Financial Assets and Financial Liabilities

The fair values of all the Group's financial assets and liabilities are set out below:

	Book Value 30 Sep 2011 £'000	Book Value 30 Sep 2010 £'000	Fair Value 30 Sep 2011 £'000	Fair Value 30 Sep 2010 £'000
Financial Assets				
Cash	35,674	67,322	35,674	67,322
Financial Liabilities				
Floating rate borrowings	20,150	20,150	20,150	20,150
Fixed rate borrowings	14,601	15,435	14,235	15,250
Interest rate swaps	1,368	5,042	1,368	5,042
Preference share liability	7,376	13,324	7,376	13,324



Derivative Financial Instruments

	Protected Rate %	Expiry	Market Value at 30 Sep 2011 £'000	Market Value at 30 Sep 2010 £'000
£21.8 million (2010: £21.8 million) swap	2.38 (2010: 5.135)	Feb 2015	(865)	(3,182)
£12.7 million (2010: £12.7 million) swap	2.38 (2010: 5.15)	Feb 2015	(503)	(1,860)
			<u>(1,368)</u>	<u>(5,042)</u>

The valuation of the swaps was provided by JC Rathbone Associates Limited, is a tier 2 valuation and represents the change in fair value since execution. The fair value is derived from the present value of the future cash flows discounted at rates obtained by means of the current yield curve appropriate for those instruments.

The fair value of the Group's trade debtors and other receivables and trade creditors and other payables is not considered to vary from historic cost due to the short term nature of these financial assets and liabilities. As such, they are excluded from the disclosure.

29. EVENTS SINCE THE BALANCE SHEET DATE

Since 30 September 2011, we completed the acquisition of Fishguard Lorry Stop (otherwise referred to as land at Clun Bach, Fishguard) for £330,000.

In November 2011, we have taken an option to purchase a site at Aberystwyth Park Lodge, Aberystwyth, which, in conjunction with a local developer and Sainsbury's, we hope to develop into a food retail supermarket together with petrol filling station and car park.

On 11 November 2011, we drew down £33 million of our Lloyds Banking Group facility taking the outstanding loan amount on that facility to £49.79 million.

The Report and Accounts for the year ended 30 September 2011 will be posted to shareholders shortly and copies may be obtained for free of charge for at least one month following their posting by writing to The Secretary, The Conygar Investment Company PLC, Fourth Floor, 110 Wigmore Street, London, W1U 3RW. They are also available on the website www.conygar.com.

The Company's Annual General Meeting will be held at 3.00pm on Thursday, 5 January 2012 at the offices of Wragge & Co LLP, 3 Waterhouse Square, 142 Holborn, London, EC1N 2SW.

The directors of Conygar accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the directors of Conygar (who have taken all reasonable care to ensure that such is the case) the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.



GLOSSARY OF TERMS

AIM	The AIM market of the London Stock Exchange PLC
EPRA	European Public Real Estate Association
EPRA EPS	A measure of earnings per share designed by EPRA to present underlying earnings from core operating activities
EPRA NAV	A measure of net asset value designed by EPRA presenting net asset value excluding the effects of fluctuations in value in instruments that are held for long term benefit, net of deferred tax
EPS	Earnings per share, calculated as the earnings for the period after tax attributable to members of the parent Company divided by the weighted average number of shares in issue in the period
Equivalent Yield	The constant capitalisation rate which, if applied to all cash flows from an investment property, equates to the market rent
Net Initial Yield	Annual net rents expressed as a percentage of the investment property valuation
NAV	Net asset value
Reversionary Yield	The anticipated yield which the Net Initial Yield will rise to once the rent reaches the ERV
Conygar	The Conygar Investment Company PLC
TAP	The Advantage Property Income Trust Limited
Loan to Value	The amount of borrowing divided by the value of investment property expressed as a percentage
PBT	Profit before taxation
UK	United Kingdom
ERV	Estimated Rental Value being the open market rent as estimated by the Company's valuers
NNNAV or Triple Asset Value	A measure of net asset value taking into account asset revaluations, the fair value of debt and any associated tax effects
Passing Rent	The annual gross rental income excluding the effects of lease incentives
Tenant Break	An option in a lease for a tenant to terminate that lease early
Lease Re-gear	A mutual re-negotiation of a lease between landlord and tenant prior to a lease expiry date



GLOSSARY OF TERMS

Average Unexpired Lease Length

The average unexpired lease term expressed in years weighted by rental income

Rent-Free Period

A lease incentive offering the tenant a period without paying rent

Vacancy Rate

The estimated rental value of vacant properties expressed as a percentage of the total estimated rental value of the portfolio