CONYGAR

The Conygar Investment Company PLC

Report And Accounts
30 September 2019

YEAR ENDED 30 SEPTEMBER 2019

SUMMARY

- Net asset value per share 178.2p at 30 September 2019.
- Resolution passed to grant planning permission for our mixed-use scheme in Nottingham City Centre.
- Construction of the Lidl store at Cross Hands, Carmarthenshire completed.
- Completion of the construction and sale in October 2019 of B&M store in Ashby-de-la-Zouch, Leicestershire.
- Disposal of the Premier Inn at Parc Cybi, Anglesey completed in March 2019.
- Sale of Selly Oak, Birmingham agreed subject to planning permission.
- Write down of land value at Haverfordwest, Pembrokeshire by £18.6 million, reflecting the weak housing market.
- Bought back 3.24 million shares (5.4% of ordinary share capital) at an average price of 172.3 pence per share.
- Total cash available of £39.9 million and no borrowings.

Summary Group Net Assets as at 30 September 2019

	£'m	*Per Share p*
Properties	61.4	108.7
Cash	39.9	70.6
Other Net Liabilities	(0.6)	(1.1)
Net Assets	100.7	178.2

Registered in England No. 04907617

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DIRECTORS AND ADVISERS

The Board of Directors
N J Hamway (Non-Executive Chairman)
R T E Ware (Chief Executive)
R H McCaskill (Finance Director)
F N G Jones (Property Director)
C J D Ware (Property Director)
M D Wigley (Non-Executive Director)

Company Secretary
R H McCaskill

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Registered Number
04907617

Website
www.conygar.com

CHAIRMAN'S & CHIEF EXECUTIVE'S STATEMENT

Results Summary

We present the Group's results for the year ended 30 September 2019.

Net asset value per share was 178.2p (2018: 201.3p) and the loss before tax for the year was £13.9 million (2018: £3.8 million).

The main reason for the loss before tax was the write down of £18.6 million at Haverfordwest, Anglesey, which was announced in the interim results for the six months ended 31 March 2019. As reported in May 2019, we are continuing with our plans to build the first phase of houses at this site but the demand from major housebuilders and potential homeowners for this land has been much lower than expected. These market conditions, along with the increasing costs of construction, have resulted in us re-evaluating the project and have given rise to the write-down.

Despite this negative, the Group has made good progress on the rest of the portfolio and we shall briefly outline the highlights here.

At our retail park in Cross Hands, Carmarthenshire, we completed the construction of the 23,000 square foot Lidl food store in September 2019 and accordingly, the 25 year lease with Lidl UK GmbH commenced. In October 2019, we also exchanged an agreement for lease with Union Burger Limited to construct a 2,750 square foot Burger King restaurant and drive through. Construction will commence in January. Lettings at the retail park have been strong with 90,000 square feet now tenanted and only 10,000 square feet available to let. As the park is almost fully let, a third party valuation has been undertaken and this has resulted in a surplus of £4.8 million in the year. This surplus is a significant positive when one considers the current travails of the retail sector and underlines how there is still opportunity to create value in this sector, provided the fundamentals are sound.

In October 2019, we completed the construction of the 20,000 square foot store and the 7,500 square foot garden centre at Ashby-de-la-Zouch, Leicestershire, both of which are let to B&M Retail Limited. This asset was forward sold and the Group received net proceeds of £4.2 million after the year end.

We also completed the sale of our 80 bedroom hotel, that had been let to Premier Inn Hotels Limited at Parc Cybi, Anglesey, in March 2019 and the Group received net proceeds of £6.9 million, representing a net initial yield of 4.7%.

In April 2019, we exchanged a conditional contract with a specialist provider of student accommodation to sell our industrial property in Selly Oak, Birmingham. This contract is conditional on the purchaser obtaining planning permission for its redevelopment and is also conditional on us managing the handover of the existing property with vacant possession. We expect the purchaser to submit a detailed planning application in the coming months.

As announced in April 2019, a resolution to grant planning permission was passed for our 37 acre mixed use scheme in Nottingham City Centre. We have worked closely with Nottingham City Council since our acquisition of the site in December 2016 to design a scheme which will regenerate this area of the City Centre that has been largely unused for over twenty-five years. This phased mixed use scheme will consist of offices, student housing, private residential and build to rent flats, a hotel and an associated food and beverage offering and potentially, an entertainment and leisure venue, which could have various uses. We are encouraged by the discussions we have had with potential occupants for all aspects of the scheme following the resolution to grant the planning permission and we are working with the Council to agree our section 106 obligations as quickly as possible. This will enable us to proceed with the first phase of this exciting development.

Dividend

The Board recommends that no dividend is declared in respect of the year ended 30 September 2019. More information on the Group's dividend policy can be found within the Strategic Report on page 10.

CHAIRMAN'S & CHIEF EXECUTIVE'S STATEMENT (continued)

Share Buy Back

During the year, the Group acquired 3,239,000 ordinary shares representing 5.4% of its ordinary share capital, at an average price of 172.3p per share at a cost of £5.6 million. As a result of the buy backs, net asset value per share has been enhanced by 1.7 pence per share. The Group will seek to renew the buy back authority of 14.99% of the issued share capital of the Company at the forthcoming AGM. We consider it to be a vital capital management tool and believe it is prudent to have maximum flexibility given the level of uncertainty we see in the wider economy.

Board Changes

Michael Wigley, who joined the Board in October 2003 when the Company floated on the Stock Exchange, will retire at the end of September 2020. Michael's contribution throughout his tenure has been exemplary and we will miss his wise counsel. We anticipate announcing an alternative director at the Annual General Meeting.

Outlook

The disposals of the assets at Parc Cybi, Anglesey, and Ashby-de-la-Zouch, Leicestershire and the conditional sale of our property at Selly Oak, Birmingham, emphasise the Group's desire to realise value when opportunities arise. Funds raised from these disposals will be recycled into our other projects.

In spite of the current political uncertainty, the Group is well placed to deliver the existing developments and to take advantage of any market volatility we could see in the coming months, with cash of £39.9 million and no borrowings.

N J Hamway
Chairman

R T E Ware
Chief Executive

25 November 2019

STRATEGIC REPORT

The Group's Strategic Report provides a review of the business for the financial year; discusses the Group's financial position at the year end and explains the principal risks and uncertainties facing the business and how we manage those risks. We also outline the Group's business model and strategy.

Strategy and Business Model

Conygar is an AIM quoted property investment and development group dealing primarily in UK property. Our aim is to invest in property assets and companies where we can add significant value using our property management, development and transaction structuring skills.

The business operates three major strands being, property investment, property development and investment in companies which trade or invest in property or hold substantial property assets. We continue to focus upon positive cash flow and are prepared to use modest levels of gearing to enhance returns. Assets are recycled to release capital as opportunities present themselves and we will continue to buy back shares where appropriate. The Group is content to hold cash and adopt a patient strategy unless there is a compelling reason to invest.

Position of the Company at the year end

The Group net assets as at 30 September 2019 may be summarised as follows:

		Per Share
	£'m	*p*
Properties	61.4	108.7
Cash	39.9	70.6
Other Net Liabilities	(0.6)	(1.1)
Net Assets	100.7	178.2

With the exception of the £18.6 million write down at Haverfordwest, good progress has been made on our investment properties and development projects since we last reported, the details of which are set out below. The Group has adequate resources to maintain and develop its business and the balance sheet remains both liquid and robust with cash deposits at 30 September 2019 of £39.9 million and no borrowings.

Investment Properties and Development Projects

Nottingham, Nottinghamshire

The Group acquired 37 acres in Nottingham City Centre in December 2016 for £13.5 million. The site was formerly the headquarters and laboratories of Boots, the chemists, and has been mostly vacant for over twenty-five years. An outline planning application was submitted in June 2018 and the resolution to grant planning permission for the mixed use scheme was passed by Nottingham City Council in April 2019. The permission for the development of over two million square feet including offices, apartments and student housing, will be formally granted upon the signing of a Section 106 agreement between the Group and Nottingham City Council. It is hoped that this agreement will be signed in the coming weeks, which will enable us to start the infrastructure works and the first phase of the development.

Cross Hands, Carmarthenshire

At this retail park, 90,000 square feet of a total 100,000 square feet are now let. This includes the completion of the 23,000 square foot Lidl store, a 5,000 square foot unit that has been let to Shoe Zone

STRATEGIC REPORT (continued)

PLC and a lease agreement, exchanged in September 2019, with Union Burger Limited to construct a 2,750 square foot Burger King restaurant and drive through, subject to planning permission being granted.

This planning application was submitted in October 2019 and we expect to receive a decision by the end of 2019 which will enable construction to begin in January 2020. Discussions to let the remaining 10,000 square feet are ongoing.

Holyhead Waterfront, Anglesey

After agreeing with Stena Line Ports Limited to take 100% control of the Joint Venture development project last year, we have continued work on the detailed design and Reserved Matters application. We expect to submit the Reserved Matters and Marine Consent applications in early 2020.

Parc Cybi Business Park and Rhosgoch, Anglesey

In March 2019, we completed the sale of our 80 bedroom hotel at Parc Cybi, on the outskirts of Holyhead, which is let to Premier Inn Hotels Ltd for a term of 25 years. The Group received net proceeds of £6.9 million which represents a net initial yield of 4.7%. We are now looking at development proposals for the adjoining 1.4 acre residual plot.

Also at Parc Cybi, the option agreement we signed with Horizon Nuclear Power in December 2016, enabling them to construct a 6.9 acre logistics centre, is still in place. At our 203 acre site in Rhosgoch, Horizon Nuclear Power terminated its option agreement to use this land and we are now considering other uses for the site. It is likely that the potential future use will be in the renewables sector.

Selly Oak, Birmingham

We acquired two units on Selly Oak Industrial Estate for £3.5 million including costs in April 2018. The units consist of 50,000 square feet and are fully let to University Hospitals Birmingham NHS Foundation Trust and Revolution Gymnastics Limited, generating income of £215,000 per annum.

In April 2019, we exchanged a conditional contract, on a subject to planning permission basis, to sell this property to a specialist provider of student accommodation. The purchaser is expecting to submit a detailed planning application in the coming months.

Haverfordwest, Pembrokeshire

At Haverfordwest, our Reserved Matters application for the first phase of 115 houses was approved in September 2019 and we will start construction at the beginning of 2020. This follows the write down of the value of the investment, details of which were announced in the interim results for the six month period ended 31 March 2019.

Ashby-de-la-Zouch, Leicestershire

At Ashby-de-la-Zouch, we completed the construction, and received net proceeds of £4.3 million, for the 20,000 square foot store and 7,500 square foot garden centre let to B&M Retail Limited.

King's Lynn, Norfolk

This is a six acre residential development site near to King's Lynn which we are in discussions to sell.

STRATEGIC REPORT (continued)

Summary of Investment Properties

	2019	*2018*
	£'m	*£'m*
Cross Hands	18.30	9.64
Ashby-de-la-Zouch	3.13	0.13
Nottingham(1)	–	15.00
Haverfordwest (Retail)(1)	–	3.59
Selly Oak(1)	–	3.57
Rhosgoch(1)	–	3.47
Parc Cybi, Holyhead(1)	–	2.83
Total investment to date	21.43	38.23

(1) As set out in the tables above and below, the Group's investments in Nottingham, Haverfordwest (Retail), Selly Oak, Rhosgoch and Parc Cybi have been reclassified as development properties during the year.

Summary of Development Projects

It remains our intention, once the individual projects are significantly advanced, to introduce third party valuations as soon as it is practical to do so. We remain confident that there is significant upside in these projects which will become evident over the medium term.

	2019	*2018*
	£'m	*£'m*
Nottingham	15.52	–
Holyhead Waterfront	9.23	8.85
Haverfordwest(1)	7.33	22.14
Selly Oak	3.57	–
Rhosgoch	3.00	–
King's Lynn	0.78	0.87
Parc Cybi	0.50	–
Fishguard Lorry Stop	0.07	0.07
Total investment to date	40.00	31.93

(1) As set out in the Chairman's and Chief Executive's Statement, the Group has written down the carrying value of Haverfordwest by £18.6m as a result of the weakening of the housing market, the rising costs of construction and the fact that our retail development at this site is not currently able to commence.

STRATEGIC REPORT (continued)

Financial review

Net Asset Value

The net asset value at 30 September 2019 was £100.7 million (2018: £120.3 million). The primary movements in the year were £6.0 million from the revaluation of investment properties plus net rental income of £1.5 million, offset by £19.1 million of development costs written off, £2.6 million of administrative costs and £5.6 million spent purchasing our own shares.

Cash flow and Financing

At 30 September 2019, the Group had cash of £39.9 million and no borrowings (2018: cash of £49.3 million and no borrowings).

During the year, the Group used £2.0 million cash in operating activities (2018: used £1.0 million).

The primary cash outflows in the year were £5.6 million to buy back shares and £8.5 million on investment and development properties, including development costs for the B&M store in Ashby-de-la-Zouch, the Premier Inn at Parc Cybi and the Lidl store at Cross Hands. These were partly offset by cash inflows of £5.5 million from the sale of the Premier Inn, resulting in a net cash outflow in the year of £9.4 million (2018: cash inflow of £12.1 million).

Net Income from Property Activities

	2019	*2018*
	£'m	*£'m*
Rental and other income	1.8	1.5
Direct property costs	(0.2)	(0.2)
	1.6	1.3
Sale of investment property	5.5	4.3
Cost of investment property sold	(5.5)	(3.8)
Total net income arising from property activities	1.6	1.8

Administrative Expenses

The administrative expenses for the year ended 30 September 2019 were £2.6 million compared with £3.1 million the previous year. The major items were salary costs of £1.6 million (2018: £1.9 million) and various costs arising as a result of the Group being listed on AIM.

Taxation

The tax charge for the year is £0.1 million on the pre-tax loss of £13.9 million. Current tax is payable, at a rate of 19% for UK registered companies and 20% for those registered in Jersey, on net rental income after deduction of finance costs and administrative expenses.

Capital management

Capital Risk Management

The Board's primary objective when managing capital is to preserve the Group's ability to continue as a going concern, in order safeguard its equity and provide returns for shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital.

STRATEGIC REPORT (continued)

The Group does not currently have any borrowings, but may utilise borrowing in the future to fund development projects. When doing so, the Group will seek to ensure that it can stay within agreed covenants with its lenders.

Treasury Policies

The objective of the Group's treasury policies is to manage the Group's financial risk, secure cost effective funding for the Group's operations and to minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group.

The Group finances its activities with a combination of cash and short term deposits. Other financial assets and liabilities, such as trade receivables and trade payables, arise directly from the Group's operations. The Group may also finance its activities with bank loans and enter into derivative transactions to manage the interest rate risk arising from the Group's operations and its sources of finance. Throughout the year, and as at the balance sheet date, no group undertakings were party to any bank loans or derivative instruments.

The management of cash is monitored weekly with summary cash statements produced on a monthly basis and discussed regularly in management and board meetings. The approach is to provide sufficient liquidity to meet the requirements of the business in terms of funding developments and potential acquisitions. Surplus funds are invested with a broad range of institutions. At any point in time, at least half of the Group's cash is held on instant access or short term deposit of less than 30 days.

Dividend policy

The Board recommends that no dividend is paid in respect of the year ended 30 September 2019.

Our dividend policy is consistent with the overall strategy of the business: namely, to invest in property assets and companies where we can add significant value using our property management, development and transaction structuring skills.

In previous years we have used the surplus cash flow from the investment property portfolio to enhance these properties by refurbishment, re-letting and extending tenancies, fund the operation of the business, create a medium term pipeline of development opportunities, pay a modest dividend and buy back shares where appropriate.

The Board will continue to review our dividend policy each year. Our focus is, and will continue to be, primarily growth in net asset value per share.

Share buy backs

During the year, the Group acquired 3,239,000 ordinary shares at an average price of 172.3p, which represented 5.4% of its ordinary share capital. This cost £5.6 million and net asset value per share has been enhanced by approximately 1.7 pence per share. The Group will seek to renew the buy back authority of 14.99% of the issued share capital of the Company at the forthcoming AGM. We consider it to be a vital capital management tool and believe it is prudent to have maximum flexibility given the level of uncertainty we see in the wider economy.

Principal risks and uncertainties

Managing risk is an integral element of the Group's management activities and a considerable amount of time is spent assessing and managing risks to the business. Responsibility for risk management rests with the Board, with external advisers used where necessary.

STRATEGIC REPORT (continued)

Strategic risks

Strategic risks are risks arising from an inappropriate strategy or through flawed execution of a strategy. By definition, strategies tend to be longer term than most other risks and, as has been amply demonstrated in the last few years, the economic and wider environment can alter quickly and significantly. Strategic risks identified include global or national events, regulatory and legal changes, market or sector changes and key staff retention.

The Board devotes a considerable amount of time and resource to continually monitoring and discussing the environment in which we operate and the potential impacts upon the Group. We are confident we have sufficiently high calibre directors and managers to manage strategic risks.

We are content that the Group has the right approach toward strategy and our strong balance sheet is good evidence of that.

Operational risks

Operational risks are essentially those risks that might arise from inadequate internal systems, processes, resources or incorrect decision making. Clearly, it is not possible to eliminate operational risk, however a considerable amount of time and resource is applied towards ensuring we have the right calibre of staff and external support to minimise such risks, as most operational risks arise from people-related issues. Our executive directors are very closely involved in the day-to-day running of the business to ensure sound management judgement is applied.

The Group has not suffered any material loss from operational risks during the year.

Market risks

Market risks primarily arise from the possibility that the Group is exposed to fluctuations in the values of, or income from, its investment properties and development projects. This is a key risk to the principal activities of the Group and the exposures are continuously monitored through timely financial and management reporting and analysis of available market intelligence.

Where necessary, management takes appropriate action to mitigate any adverse impact arising from identified risks and market risks continue to be monitored closely.

Estimation and judgement risks

To be able to prepare accounts according to generally accepted accounting principles, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the accounts. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the circumstances. The results of these considerations form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the following:

Investment Properties

The fair values of investment properties are based upon open market value and calculated, where applicable, using a third party valuation provided by an external valuer.

Development Properties

The net realisable value of properties held for development requires an assessment of fair value of the underlying assets using property appraisal techniques and other valuation methods. Such estimates are inherently subjective and actual values can only be determined in a sales transaction.

STRATEGIC REPORT (continued)

Investment Properties under Construction

The fair value of investment properties under construction rests in planned developments, and is difficult to estimate before the completion of their construction, and hence has been estimated by the Directors at cost as an approximation to fair value.

Financial Liabilities

Throughout the year, and as at the balance sheet date, the Group did not maintain any bank loan facilities or derivative financial instruments.

Financial Assets

The interest rate profile of the Group's cash at the balance sheet date was as follows:

	30 Sep 19 *£'000*	*30 Sep 18* *£'000*
Floating rate	39,911	49,262

Floating rate financial assets comprise cash and short term deposits at call.

Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. The principal counterparties are the Group's tenants (in respect of trade receivables arising under operating leases) and banks (as holders of the Group's cash deposits).

The credit risk of trade receivables is considered low because tenant rent payments are monitored regularly and, if necessary, appropriate action is taken to recover monies owed.

The credit risk on cash deposits is limited because the counterparties are banks with credit ratings which are acceptable to the Board. As at 30 September 2019, the Group had a single balance of £54,000 (2018: £57,000) where the counter-party had failed to honour a notice deposit and a full impairment provision has been recorded against the balance.

There are no other receivables which are past due but not impaired.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group seeks to manage its liquidity risk by ensuring that sufficient cash is available to meet its foreseeable needs.

This report was approved by the Board on 25 November 2019 and signed on its behalf by:

R T E Ware
Chief Executive

25 November 2019

CORPORATE GOVERNANCE REPORT

Corporate Governance Code

The Directors consider it important that appropriately high standards of corporate governance are maintained. In compliance with the AIM rules, the Company has therefore chosen to comply with the QCA Code.

The Workings of the Board and its Committees

The Board

The Board currently comprises the chief executive, the finance director, two property directors and two independent non-executive directors, one of whom is Chairman, N J Hamway and the other is M D Wigley. These demonstrate a range of experience and sufficient calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct which are vital to the success of the Company. The Board is responsible to shareholders for the proper management of the Company. A statement of the directors' responsibilities in respect of the financial statements and a statement on going concern is given on pages 21 and 22.

Biographies

Independent Non-Executive Chairman – Nigel Hamway

Nigel Hamway qualified as a member of the Institute of Chartered Accountants in England and Wales with Peat Marwick after obtaining a degree from Cambridge University. He joined Dubilier PLC as chief financial accountant, leaving to take up a position in international corporate finance at Charterhouse Bank in 1986, becoming a director in 1990.

From 1991 to 2016, he was a director of Charterhouse Development Capital. For several years he was responsible for Charterhouse's international investment business. He has had extensive board experience in many countries and businesses.

Chief Executive – Robert Ware

Robert Ware qualified as a member of the Institute of Chartered Accountants in England and Wales with Peat Marwick. He served as a director of Development Securities PLC between 1988 and 1994, filling the roles of joint managing director and finance director in the latter stage of his tenure. He joined MEPC PLC in June 1997, serving first as corporate development director and then as deputy chief executive between June 1997 and June 2003. He is also Chairman of Marwyn Value Investors Limited which is quoted on the London Stock Exchange.

Finance Director – Ross McCaskill

Ross McCaskill graduated with a Classics degree from Oxford University in 2003 and subsequently joined Dixon Wilson, a firm of Chartered Accountants specialising in the provision of services to high net worth private clients. Having received a broad training, Ross qualified as a member of the Institute of Chartered Accountants in England and Wales and was then seconded to the firm's Paris office. There, he was responsible for managing services provided to clients with complex offshore structures, most of which held sizeable property portfolios and landed estates.

In 2007, he joined Prestbury Investment Holdings Limited and managed the finances of a number of that group's investment property portfolios before joining Conygar in 2009 as Financial Controller. Ross was appointed Finance Director and Company Secretary in 2015.

CORPORATE GOVERNANCE REPORT (continued)

Property Director – Freddie Jones

Freddie Jones graduated from St Andrews University before going on to Cass Business School where he completed an MSc in Real Estate Finance and graduated from there in 2007. He joined Conygar in 2008 and has since then managed multiple investment and development projects for the Group. Freddie was appointed Property Director in 2018.

Property Director – Christopher Ware

Christopher Ware graduated from the University of Exeter before completing a Master's degree in Real Estate at Reading. He started his career at Colliers International, working in the Central London investment team and becoming a Chartered Surveyor during that time. He joined Conygar in 2012. Christopher is also a CFA charterholder and was appointed Property Director in 2018.

Independent Non-Executive Director – Michael Wigley

Michael Wigley was a stockbroker in the City of London from 1964 until his retirement in 1999. The majority of that time was spent with the firm of Anderson where he was senior partner at the time of the takeover by Matheson Investment Limited in 1987. He was a director of the latter company until 1997. He was Chairman and latterly a non-executive director of Development Securities PLC between 1990 and 2000.

Workings of the Board

The Board has a formal schedule of matters specifically reserved to it. All directors have access to the advice and services of the company secretary who is responsible to the Board for ensuring that board procedures are followed and that applicable rules and regulations are complied with. In addition, the company secretary ensures that the directors receive appropriate training as necessary. The appointment and removal of the company secretary is a matter for the Board as a whole.

The Board meets approximately ten times a year, reviewing trading performance, ensuring adequate funding, setting and monitoring strategy, examining major acquisition possibilities and reporting to shareholders. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the executive directors are fully considered. The chairman ensures that the directors may take independent professional advice as required at the Company's expense.

The following committees deal with specific aspects of the Group's affairs.

Remuneration Committee

The Company's remuneration committee is chaired by N J Hamway and its other member is M D Wigley. It is responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The committee determines the contract terms, remuneration and other benefits for each of the executive directors, including performance related bonus schemes, pension rights and compensation payments. The Board itself determines the remuneration of the non-executive directors. The non-executive directors are not involved in any discussions or decisions about their own remuneration.

Further details of the Company's policies on remuneration, service contracts and compensation payments are included in the Directors' Remuneration Report on pages 17 to 19.

CORPORATE GOVERNANCE REPORT (continued)

Audit Committee

The audit committee is chaired by N J Hamway and its other member is M D Wigley, and it meets not less than twice annually. The committee also provides a forum for reporting by the Company's external auditors. Meetings are also attended, by invitation, by the chief executive and the finance director.

The audit committee is responsible for reviewing a wide range of matters including the half-year and annual financial statements before their submission to the Board and monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The audit committee advises the Board on the appointment of external auditors and on their remuneration both for audit and non-audit work, and discusses the nature, scope and results of the audit with external auditors. The audit committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

Meetings and Attendance

The Directors' attendance at Board and Committee Meetings during the year is shown below:

	Board	*Audit Committee*	*Remuneration Committee*
N J Hamway	8/8	2/2	1/1
R T E Ware	8/8	–	–
R H McCaskill	7/8	2/2*	–
F N G Jones	7/8	–	–
C J D Ware	8/8	–	–
M D Wigley	8/8	2/2	1/1

* R H McCaskill was invited to attend the Audit Committee meetings by the Chairman, N J Hamway.

Evaluating Board Performance

Assessment of the Board's performance and that of its committees is undertaken by the Board as a whole, led by the Company's Chairman. Although the Company has no formal procedure for measuring the effectiveness of the Board, the Board carefully reviews its effectiveness by reference to financial performance, adherence to budgets, succession planning and the overall growth of the Company and taking account of the opinions and insights of its auditors, nominated adviser, broker, legal and other advisers. The method of assessing Board effectiveness and performance will be reviewed on a continuous basis.

Training and Development

An induction programme is arranged for newly appointed Directors which includes papers and meetings on the business, current strategy and shareholder expectations. Guidance is also given on the duties, responsibilities and liabilities of a Director of a listed company and key Board policies and procedures.

Directors have access to training as required and are encouraged to continue their own professional development through attendance at seminars and briefings.

CORPORATE GOVERNANCE REPORT (continued)

Promoting Ethical Values and Behaviours

The Board is committed to ensuring that the Company operates according to the highest ethical standards for which it has primary responsibility. The Directors believe that the main determinant of whether a business behaves ethically and with integrity is the quality of its people. As the Board currently fulfils the responsibilities that might otherwise be assumed by a Nominations Committee, the Directors have responsibility for ensuring that individuals employed by the Company demonstrate the highest levels of integrity and undertake reviews of its employees regularly. In addition, the Company has a formal Bribery and Anti-Corruption Policy and a Share Dealing Code.

Relations with Shareholders

Communications with shareholders are given high priority. Pages 6 to 12 of these financial statements include a detailed review of the business and future developments. There is regular dialogue with shareholders. The Company's website is found at www.conygar.com.

The Board uses the Annual General Meeting and results meetings to communicate with private and institutional investors and welcomes their participation. Details of resolutions to be proposed at the AGM on 8 January 2020 can be found in the notice of the meeting on page 52.

Internal Control

The directors acknowledge that they are responsible for the Company's systems of internal control and for reviewing its effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve the Company's strategic objectives, and can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Company's key risk management processes and system of internal control procedures include the following:

- Management structure: Authority to operate is delegated to executive directors within limits set by the Board. The appointment of executives to the most senior positions within the Group requires the approval of the Board.
- Identification and evaluation of business risks: The major financial, commercial, legal, regulatory and operating risks within the Group are identified through annual reporting procedures.
- Information and financial reporting systems: The Group's planning and financial reporting procedures include detailed operational budgets for the year ahead. The Board reviews and approves them.
- Investment appraisal: A budgetary process and authorisation levels regulate capital expenditure. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Board. Commercial, legal and financial due diligence work is, where possible, carried out if a business is to be acquired.
- Audit Committee: The audit committee monitors the controls which are in place and any perceived weakness in the control environment. The audit committee also considers and determines relevant action in respect of any control issues raised by external auditors.

DIRECTORS' REMUNERATION REPORT

Information Not Subject to Audit

Remuneration Committee

The Company's remuneration committee is chaired by N J Hamway and its other member is M D Wigley. The committee makes recommendations to the Board, within agreed terms of reference, on an overall remuneration package for executive directors and any other senior executives.

Remuneration Policy and Review

The Company's policy on directors' remuneration remains that the overall remuneration package should be sufficiently competitive to attract, retain and motivate high quality executives capable of achieving the Group's objectives and thereby enhancing shareholder value. The package consists of a basic salary with the potential for significant performance related bonuses aligned to growth in shareholder value, as represented by net assets per share. All Group employees are employed by the Company.

The details of individual components of the executive remuneration package and service contracts are summarised below.

Basic salary and benefits: The salary and benefits are reviewed annually at the complete discretion of the remuneration committee. At present, the directors receive no benefits.

Profit sharing plan: The profit sharing plan ("The plan") is an annual plan in which executive directors and senior executives will be entitled to an allocation of a profit sharing pool. The plan requires that the fully diluted net asset value per share must be at least 250p, and the mid market share price must average at least 230p in the three months prior to any payment. When the asset value hurdle is passed the Remuneration Committee can accrue a profit sharing pool, however this will not be allocated or paid out until the share price criterion is met, and the Committee is satisfied that the net asset value is based on realised profits.

The plan is based upon the increase in the audited fully diluted net asset value per share of the Company. The profit sharing pool is 20% of any increase in the net asset value per share at 30 September over the previous highest audited diluted net asset value per share ("high watermark") which was 196.3 pence. This ensures that executive directors cannot accrue any profit share twice in respect of the same net asset value growth. The previous high watermark was at 30 September 2014.

A schedule showing the full calculation will be published in the financial statements should any profit share accrue.

The remuneration committee has absolute discretion over participation, pool allocation and determination of performance conditions, save in a limited number of circumstances covering change in control and certain good leaver provisions.

Pensions: The Company does not make contributions to directors' pension plans other than through salary sacrifice arrangements or the Company's workplace pension scheme.

Service contracts: The Company's policy is for all executive directors to have contracts of employment with provision for termination on no more than 12 months' notice.

DIRECTORS' REMUNERATION REPORT (continued)

Non-executive directors

Neither of the non-executive directors have service contracts. Letters of Appointment provide for a period of three years which may be extended by mutual agreement for a further three years. The letters of appointment were extended on 22 October 2019. The remuneration of the non-executive directors takes the form solely of fees, which are set by the Board, having taken advice on appropriate levels. The non-executive directors are not involved in any discussions or decision about their own remuneration.

Service contracts

The service contracts and letters of appointment of the directors include the following terms:

	Date of Contract	*Unexpired Term (Months)*	*Notice Period (Months)*
Executive Directors			
R T E Ware	25 October 2007	N/A	12
R H McCaskill	1 October 2015	N/A	12
F N G Jones	26 January 2018	N/A	12
C J D Ware	26 January 2018	N/A	12
Non-Executive Directors			
N J Hamway	25 October 2007	35	6
M D Wigley	25 October 2007	11	6

N J Hamway and R T E Ware retire by rotation at the AGM and, being eligible, offers themselves for re-election.

Audited Information

Directors' emoluments

	2019			*2018*			
	Basic Salary £'000	*Fees £'000*	*Total £'000*	*Basic Salary £'000*	*Payment in lieu of notice £'000*	*Fees £'000*	*Total £'000*
Executive Directors							
R T E Ware	400	–	400	370	–	–	370
R H McCaskill	300	–	300	290	–	–	290
F N G Jones *	155	–	155	100	–	–	100
C J D Ware *	155	–	155	100	–	–	100
P M C Rabl **	–	–	–	67	202	–	269
Non-Executive Directors							
N J Hamway	–	90	90	–	–	70	70
M D Wigley	–	45	45	–	–	45	45
	1,010	135	1,145	927	202	115	1,244

* The 2018 basic salaries for F N G Jones and C J D Ware are from their dates of appointment as Directors.

** Mr P M C Rabl stepped down on 25 January 2018.

DIRECTORS' REMUNERATION REPORT (continued)

No non-cash benefits were paid to Directors.

This report was approved by the Board on 25 November 2019 and signed on its behalf by:

R H McCaskill
Company Secretary

DIRECTORS' REPORT

Directors' Report

The directors present their report, of which the Corporate Governance report forms a part, and the accounts of the Group and the Company for the year ended 30 September 2019.

Principal Activities and Review of the Business

The principal activity of the Group and the Company during the year was property trading, property investment, acquiring property assets with development and investment potential, and investing in companies with significant property assets. The Company's principal subsidiaries are listed in note 13 to the accounts. Details of the share buy backs during the year are included in the Strategic Report.

A review of the Company's activities and likely future developments during this year is dealt with in the Chairman's and Chief Executive's Statement and the Strategic Report.

Significant Events Since the Balance Sheet Date

In October 2019, the Group completed the sale of the B&M store at Ashby-de-la-Zouch. This asset was forward sold and the Group received net proceeds of £4.2 million.

In November 2019, the Company acquired 2,930,845 ordinary shares representing 5.19% of its ordinary share capital, at a price of 135.0p per share at a cost of £4.0 million.

Results and Dividends

The Group's trading results for the year and the Group's and Company's financial position at the end of the year are shown in the attached financial statements.

The directors do not recommend a dividend in respect of the year ended 30 September 2019 (2018: nil).

The Directors and Their Interests in the Shares of the Company

The directors who served the Company during the year together with their beneficial and family interests in the shares of the Company were as follows:

	Ordinary Shares of £0.05 each	
	At 30 September 2019	*At 30 September 2018*
N J Hamway	1,089,700	1,089,700
R T E Ware	4,500,000	4,500,000
R H McCaskill	2,000	2,000
F N G Jones	164,200	164,200
C J D Ware	1,079,335	1,079,335
M D Wigley	330,000	330,000

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

DIRECTORS' REPORT (continued)

Major Interests in Shares

At 25 November 2019, the directors have been notified that the following shareholders have an interest of 3% or more in the Company's issued share capital:

Name	*No of Shares*	*%*
Premier Miton Group PLC	9,991,218	18.64
R T E Ware	4,500,000	8.40
B Sandhu	4,015,000	7.49

Political Contributions

The Group made no political donations during the year (2018: £nil).

Financial Instruments

Details of the Group's financial instruments are given in note 23.

Going Concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. The directors are required to prepare financial statements for the Group in accordance with the International Financial Reporting Standards as adopted by the European Union ('IFRS') and have elected to prepare financial statements for the Company in accordance with IFRS. Company law requires the directors to prepare such financial statements in accordance with IFRS, the Companies Act 2006 and Article 4 of the IAS Regulation. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Group and Company and of the profit or loss of the Group for that period.

International Accounting Standard 1 requires that the financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all the applicable International Financial Reporting Standards. Directors are also required to:

- Select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

DIRECTORS' REPORT (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have chosen, in accordance with S414c (11) of the Companies Act 2006, to include Principal Risks and Uncertainties within the Strategic Report.

Electronic Publication

The directors are also responsible for the maintenance and integrity of the investor information contained on the website. Legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

All of the directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

The trade and assets of the incumbent auditor, Rees Pollock, were acquired by Blick Rothenberg Limited on 1 October 2019. Blick Rothenberg LLP, trading as Rees Pollock, was appointed to fill the casual vacancy arising. Blick Rothenberg LLP, trading as Rees Pollock, have expressed their willingness to continue in office and a resolution to re-appoint them as auditors for the ensuing year will be proposed at the forthcoming AGM.

AGM

The AGM of the Company will be held on Wednesday 8 January 2020 at 10.30am at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London, SE1 2AU.

The notice of meeting and the resolutions to be proposed at that meeting are attached on page 52.

In addition to ordinary business, there are resolutions to give a director's authority to disapply pre-exemption rights and allot equity securities together with a resolution to give share buy back authorities.

By Order of the Board

R H McCaskill
Company Secretary

25 November 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONYGAR INVESTMENT COMPANY PLC

Opinion

We have audited the financial statements of The Conygar Investment Company PLC ('the Company') and its subsidiaries (the 'Group') for the year ended 30 September 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of changes in equity, the consolidated and company balance sheets, the consolidated and company cash flow statements, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONYGAR INVESTMENT COMPANY PLC (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	*Description of risk*	*How the scope of our audit addressed the risk*
Impairment of development and trading properties	The Group has significant development and trading properties. The Group's assessment of the carrying value requires significant judgment, and is often supported only by estimated future profitability of development projects which are yet to begin. The outcome of these projects could vary widely from these current estimates.	We have reviewed management's calculations for the development projects. Most of the development and trading properties are at a very early stage. Management's assumptions as to costs and expected revenue have, on a sample basis, been agreed to supporting documentation where possible. Computational accuracy has also been checked and reviewed. We have performed sensitivity analysis to determine the headroom for overall profitability. Based on our procedures we concluded that the carrying values of the development and trading properties are not materially misstated.
Changes in classification of assets from investment properties to development and trading properties	A significant number and aggregate value of investment properties and investment properties under construction have been transferred to trading and development properties. This changes the measurement basis of these assets from fair value to historic cost, with fair value at the date of transfer constituting initial value for subsequent cost measurement. There is a risk that the transfers may not comply with the provisions of the relevant accounting standards, or that the transfer could disguise potential uplifts in value.	We have reviewed the factual basis underpinning the transfer of assets to ensure this is adequately supported by external factors rather than just management's intentions. We have also reviewed the fair value utilised at the date of transfer and sought corroborative evidence to support the basis that management applied in establishing that fair value.

This is not a complete list of all risks identified by our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONYGAR INVESTMENT COMPANY PLC (continued)

Our application of materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and evaluate the impact of misstatements identified.

Based on our professional judgment, we determined overall materiality for the Group's financial statements as a whole to be £1,000,000 (2018: £700,000). In determining this, we considered a range of benchmarks with specific focus on the gross assets as at the balance sheet date. This materiality level represents 1.0% (2018: 0.6%) of gross assets.

For the actual application of sampling techniques during the course of the audit a lower level, referred to as performance materiality, is used. This is established using professional judgement, which is largely based on the detection risk arising from the entity's activities, that is to say, the risk that misstatements are not detected due to sampling levels being too low to give a reasonable expectation that erroneous matters would be detected.

In our opinion, the activities of the Group do not create significant detection risk. Consequently, a percentage of 75% of overall materiality has generally been applied in establishing performance materiality, which was therefore set at £750,000.

Based on our professional judgment, we determined the materiality for the Company's financial statements as a whole to be £500,000 (2018: £700,000). In determining this, we considered a range of benchmarks with specific focus on the total assets as at the balance sheet date. This materiality level represents 0.6% (2018: 0.6%) of total assets. Due to the higher transaction volume in the Company, performance materiality was set at 50% of overall materiality, so was £250,000.

We report to the Audit Committee all identified unadjusted errors in excess of £100,000 in respect of the Group financial statements and £50,000 in respect of the Company financial statements. Errors below that threshold would also be reported if, in our opinion as auditor, disclosure was required on qualitative grounds.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including controls, and assessing the risks of material misstatement.

We carried out a full scope audit of all the components of the Group. These components were subject to specific audit procedures where the extent of our audit work was based on our assessment of the risks of material misstatement. All audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONYGAR INVESTMENT COMPANY PLC (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 21 to 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONYGAR INVESTMENT COMPANY PLC (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters which we are required to state to them in an auditor's 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 and the Company's members, as a body, for this report, or the opinions we have formed.

Alexander Macpherson (Senior Statutory Auditor)
For and on behalf of Rees Pollock
Chartered Accountants
Statutory Auditor
35 New Bridge Street
London
EC4V 6BW

25 November 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2019

	Note	*Year Ended 30 Sep 19 £'000*	*Year Ended 30 Sep 18 £'000*
Rental income		1,661	1,342
Other property income		116	196
Revenue		1,777	1,538
Direct costs of:			
Rental income		179	161
Development costs written off	14	19,084	3,232
Direct Costs		19,263	3,393
Gross Loss		(17,486)	(1,855)
Surplus on revaluation of investment properties	10	5,996	34
Profit on sale of investment property		–	446
Profit on purchase of interest in joint venture		–	1,083
Loss on sale of Regional REIT shares		–	(2,132)
Dividends received from Regional REIT		–	1,636
Other gains		1	3
Administrative expenses		(2,616)	(3,075)
Operating Loss	3	(14,105)	(3,860)
Finance income	6	252	91
Loss Before Taxation		(13,853)	(3,769)
Taxation	7	(119)	95
Loss and Total Comprehensive Charge for the Year		(13,972)	(3,674)
Loss per share	9	(24.57)p	(5.72)p

All amounts are attributable to equity shareholders

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

The notes on pages 35 to 50 form part of these accounts.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2019

	Attributable to the equity holders of the Company				
Group	*Share Capital £'000*	*Capital Redemption Reserve £'000*	*Treasury Shares £'000*	*Retained Earnings £'000*	*Total Equity £'000*
Changes in equity for the year ended 30 September 2018					
At 1 October 2017	3,356	3,197	(389)	129,626	135,790
Loss for the year	–	–	–	(3,674)	(3,674)
Total comprehensive charge for the year	–	–	–	(3,674)	(3,674)
Purchase of own shares	–	–	(11,832)	–	(11,832)
Cancellation of treasury shares	(368)	368	12,221	(12,221)	–
At 30 September 2018	2,988	3,565	–	113,731	120,284
Changes in equity for the year ended 30 September 2019					
At 1 October 2018	2,988	3,565	–	113,731	120,284
Loss for the year	–	–	–	(13,972)	(13,972)
Total comprehensive charge for the year	–	–	–	(13,972)	(13,972)
Purchase of own shares	–	–	(5,582)	–	(5,582)
Cancellation of treasury shares	(162)	162	5,582	(5,582)	–
At 30 September 2019	2,826	3,727	–	94,177	100,730

The notes on pages 35 to 50 form part of these accounts.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2019

Company	*Share Capital £'000*	*Capital Redemption Reserve £'000*	*Treasury Shares £'000*	*Retained Earnings £'000*	*Total Equity £'000*
Changes in equity for the year ended 30 September 2018					
At 1 October 2017	3,356	3,197	(389)	116,359	122,523
Loss for the year	–	–	–	(8,832)	(8,832)
Total comprehensive charge for the year	–	–	–	(8,832)	(8,832)
Purchase of own shares	–	–	(11,832)	–	(11,832)
Cancellation of treasury shares	(368)	368	12,221	(12,221)	–
At 30 September 2018	2,988	3,565	–	95,306	101,859
Changes in equity for the year ended 30 September 2019					
At 1 October 2018	2,988	3,565	–	95,306	101,859
Loss for the year	–	–	–	(16,257)	(16,257)
Total comprehensive charge for the year	–	–	–	(16,257)	(16,257)
Purchase of own shares	–	–	(5,582)	–	(5,582)
Cancellation of treasury shares	(162)	162	5,582	(5,582)	–
At 30 September 2019	2,826	3,727	–	73,467	80,020

The notes on pages 35 to 50 form part of these accounts.

CONSOLIDATED BALANCE SHEET

at 30 September 2019

Company Number: 04907617

	Note	*30 Sep 2019* *£'000*	*30 Sep 2018* *£'000*
Non-Current Assets			
Investment properties	10	21,429	3,570
Investment properties under construction	11	–	34,663
		21,429	38,233
Current Assets			
Development and trading properties	14	39,999	31,931
Trade and other receivables	15	1,470	1,425
Cash and cash equivalents		39,911	49,262
		81,380	82,618
Total Assets		102,809	120,851
Current Liabilities			
Trade and other payables	16	788	457
Tax liabilities		141	110
		929	567
Non-Current Liabilities			
Provision for liabilities and charges	17	1,150	–
Total Liabilities		2,079	567
Net Assets		100,730	120,284
Equity			
Called up share capital	18	2,826	2,988
Capital redemption reserve		3,727	3,565
Retained earnings		94,177	113,731
Total Equity		100,730	120,284

The accounts on pages 28 to 50 were approved by the Board and authorised for issue on 25 November 2019 and are signed on its behalf by:

R T E WARE
R H MCCASKILL

The notes on pages 35 to 50 form part of these accounts.

COMPANY BALANCE SHEET

at 30 September 2019

Company number: 04907617

	Note	*30 Sep 2019* *£'000*	*30 Sep 2018* *£'000*
Non-Current Assets			
Investment in subsidiary undertakings	13	16	16
Investment properties	10	–	3,570
Investment properties under construction	11	–	6,296
		16	9,882
Current Assets			
Development and trading properties	14	7,915	941
Trade and other receivables	15	39,859	51,439
Cash and cash equivalents		39,439	46,775
		87,213	99,155
Total Assets		87,229	109,037
Current Liabilities			
Trade and other payables	16	7,209	7,178
Net Assets		80,020	101,859
Equity			
Called up share capital	18	2,826	2,988
Capital redemption reserve		3,727	3,565
Retained earnings		73,467	95,306
Total Equity		80,020	101,859

The Company has taken advantage of the exemption within section 408 of the Companies Act 2006 not to present its own profit and loss account. The loss for the year dealt with in the financial statements of the Company was £16,257,000 (2018: loss of £8,832,000). As at 30 September 2019, the entire balance of £73,467,000 in retained earnings represents distributable reserves.

The accounts on pages 28 to 50 were approved by the Board and authorised for issue on 25 November 2019 and are signed on its behalf by:

R T E WARE
R H MCCASKILL

The notes on pages 35 to 50 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 September 2019

	Year Ended 30 Sep 19 £'000	*Year Ended 30 Sep 18 £'000*
Cash Flows From Operating Activities		
Operating loss	(14,105)	(3,860)
Development costs written off	19,084	3,232
Surplus on revaluation of investment properties	(5,996)	(34)
Profit on purchase of interest in joint venture	–	(1,083)
Profit on sale of investment property	–	(446)
Loss on sale of Regional REIT shares	–	2,132
Depreciation	–	24
Cash Flows From Operations Before Changes In Working Capital	(1,017)	(35)
Change in trade and other receivables	(45)	(249)
Change in land, developments and trading properties	(932)	(211)
Change in trade and other payables and provisions	93	(541)
Cash Flows Used In Operations	(1,901)	(1,036)
Tax paid	(88)	(10)
Cash Flows Used In Operating Activities	(1,989)	(1,046)
Cash Flows From Investing Activities		
Acquisition of and additions to investment properties	(7,531)	(7,687)
Proceeds from sale of investment property	5,499	4,331
Finance income	252	91
Proceeds from the sale of Regional REIT shares	–	25,511
Repayment of loan by joint venture partner	–	2,500
Cash received from joint venture	–	224
Cash Flows (Used In)/Generated From Investing Activities	(1,780)	24,970
Cash Flows From Financing Activities		
Purchase of own shares	(5,582)	(11,832)
Cash Flows Used In Financing Activities	(5,582)	(11,832)
Net (decrease)/increase in cash and cash equivalents	(9,351)	12,092
Cash and cash equivalents at 1 October	49,262	37,170
Cash and Cash Equivalents at 30 September	39,911	49,262

As the Group is currently funded wholly through equity instruments, no reconciliation of changes in liabilities arising from financing activities is presented.

The notes on pages 35 to 50 form part of these accounts.

COMPANY CASH FLOW STATEMENT
for the year ended 30 September 2019

	Year Ended 30 Sep 19 £'000	*Year Ended 30 Sep 18 £'000*
Cash Flows From Operating Activities		
Operating loss	(16,510)	(9,168)
Provision against loan to subsidiary undertaking	15,117	–
Development costs written off	516	3,232
Surplus on revaluation of investment property	–	(34)
Loss on sale of Regional REIT shares	–	2,132
Fair value of properties and land leased to Stena Line	–	3,604
Depreciation	–	24
Cash Flows From Operations Before Changes in Working Capital	(877)	(210)
Change in trade and other receivables	405	–
Change in land, developments and trading properties	(141)	(122)
Change in trade and other payables	37	(467)
Cash Flows Used In Operating Activities	(576)	(799)
Cash Flows From Investing Activities		
Acquisition of and additions to investment properties	(2,982)	(4,762)
Proceeds from the sale of investment property	5,499	–
Loans to subsidiary undertakings	(3,948)	(362)
Finance income	253	87
Proceeds from the sale of Regional REIT shares	–	25,511
Repayment of loan by joint venture partner	–	2,500
Cash Flows (Used In)/Generated From Investing Activities	(1,178)	22,974
Cash Flows From Financing Activities		
Cash received from joint venture	–	224
Purchase of own shares	(5,582)	(11,832)
Cash Flows Used In Financing Activities	(5,582)	(11,608)
Net (decrease)/increase in cash and cash equivalents	(7,336)	10,567
Cash and cash equivalents at 1 October	46,775	36,208
Cash and Cash Equivalents at 30 September	39,439	46,775

As the Company is currently funded wholly through equity instruments, no reconciliation of changes in liabilities arising from financing activities is presented.

The notes on pages 35 to 50 form part of these accounts.

NOTES TO THE ACCOUNTS
for the year ended 30 September 2019

1. Accounting Policies and General Information

1a General Information

The Conygar Investment Company PLC ("the Company") is incorporated in the United Kingdom and domiciled in England and Wales, is listed on the AIM market of the London Stock Exchange and registered at Companies House under registration number 04907617.

The Company's subsidiaries are shown in note 13. The Company and its subsidiaries are collectively referred to below as "the Group".

The nature and scope of the Group's operations and principal activities are described in the Strategic Report on pages 6 to 12. Further information about the Group can be found on its website, www.conygar.com.

1b Basis of Preparation

The financial statements have been prepared in accordance with International Reporting Standards adopted for use in the European Union ("IFRS").

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared on the historical cost basis except where stated otherwise in the significant accounting policies below.

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that may affect the reported amounts of asset and liabilities at each balance sheet date and the reported amounts of revenue and expenses during the year. These estimates are based on historical experience and various other assumptions that management and the board of directors believe are reasonable under the circumstances.

The principal areas of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- investment property valuations, where the opinion of external valuers has been obtained at each reporting date using recognised valuation techniques and the principles of IFRS 13 "Fair Value Measurement".
- the net realisable value of properties held for development which requires an assessment of fair value for the underlying assets using property appraisal techniques and other valuation methods. Such estimates are inherently subjective and actual values can only be determined in a sales transaction.

The principal areas of judgement are:

- the classification of our forward sold development at Ashby-de-la-Zouch as an investment property. The Directors consider that the extent of outstanding conditions remaining at the balance sheet date, in relation to the completion of the sale and development agreements for the B&M unit, were sufficient to justify this asset's continued classification as an investment property at 30 September 2019 as set out in note 10.
- The reclassification during the year of a number of assets from investment properties and investment properties under construction to trading properties as set out in notes 10, 11 and 14. During the year, the directors have reconsidered their intentions, as well as the best use, for a number of the Group's early stage property developments such that the planned development of these assets is, at the balance sheet date, with the intention of realising value in the short to medium term rather than for earning long term rental income or for capital appreciation (or both).

NOTES TO THE ACCOUNTS (continued)

1. Accounting Policies and General Information (continued)

The Group's accounting policies for property valuation are set out in 1c.

1c Summary of Significant Accounting Policies

The principal accounting policies of the Group are set out below. These policies have been consistently applied to all of the periods presented, unless otherwise stated.

Adoption of New and Revised Standards

During the year, the Group has adopted IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". IFRS 9 deals with the classification and measurement of financial instruments and includes a requirement to apply an expected credit loss approach to the impairment of short term financial assets such as trade receivables, but its adoption has not had a material impact on the Group's financial statements. IFRS 15 combines a number of previous standards, setting out a five step-model for the recognition of revenue and establishing principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. As the majority of the Group's revenue is derived from leases which are outside the scope of IFRS 15, its adoption has not had a material impact on the Group's financial statements.

The Group has also adopted the amendments to IAS 40 "Investment Property", which clarify when a disposal of investment property should be recognised in line with the revenue recognition criteria of IFRS 15. The accounting policies below reflect this change.

Standards and Interpretations in Issue not yet Adopted

The IASB has issued IFRS 16 "Leases", which is effective for periods beginning on or after 1 January 2019 and has not been adopted early. For lessees, IFRS 16 will result in almost all operating leases being brought on balance sheet, as the distinction between operating and finance leases will be removed. The Company is only party to one such lease as set out in note 20. Since IFRS 16 will not result in significant changes of accounting policies for lessors, the Directors' assessment of its impact remains unchanged from that reported in the 2018 financial statements, where it was noted that it was not expected to have a material impact on the Group's financial statements.

The IASB and IFRIC have also issued or revised IFRS 3, IFRS 7, IFRS 9, IFRS 11, IFRS 17, IAS 1, IAS 8, IAS 12, IAS 19, IAS 23, IAS 28, IAS 39 and IFRIC 23 but these are not expected to have a material effect on the operations of the Group.

Basis of Consolidation The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings drawn up to 30 September each year. Subsidiary undertakings are those entities over which the Group has the ability to govern the financial and operating policies through the exercise of voting rights. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

All intra group balances, transactions, income and expenses and profit and losses on transactions between the Company and its subsidiaries and between subsidiaries are eliminated.

Revenue Recognition Property revenue comprises rental and other income exclusive of VAT, which is recognised in the Statement of Comprehensive Income on an accruals basis and a straight line basis, together with sales of trading, development and investment properties. Rental income receivable in the period from lease commencement to the earlier of lease expiry and any tenant's option to break is spread evenly over that period. Any incentive for lessees to enter into a lease agreement and any costs associated with entering into the lease are spread over the same period.

NOTES TO THE ACCOUNTS (continued)

1. Accounting Policies and General Information (continued)

Disposals of properties are recognised when the buyer obtains control of the property by way of obtaining the legal title or possession of the property or when the significant risks and returns have been transferred to the buyer. For conditional exchanges, sales are recognised when the conditions are satisfied.

Revenue in respect of investment represents investment income, fees and commissions earned on an accruals basis and profits or losses recognised on investments held for the short term.

Dividends are recognised when the shareholders' right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

Operating Profit Operating profit is stated after charging income from trading investments but before finance costs and finance income.

Expenses All expenses are accounted for on an accruals basis. They are charged through the Statement of Comprehensive Income with the exception of share issue expenses, which are charged to the share premium account.

Profit sharing plan The Group has a profit sharing plan which is an annual plan in which executive directors and senior executives will be entitled to an allocation of a profit sharing pool based upon the increase in the net asset value of the Company.

Amortisation The lease of the Company's premises is amortised over the length of the lease.

Taxation The taxation charge represents the sum of tax currently payable and deferred tax. The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply in the period when the liability is settled or the asset is realised.

Fixed Asset Investments Fixed asset investments are recognised at cost and are subsequently remeasured at fair value. The resulting gain or loss is recognised in the Statement of Comprehensive Income.

Investment in Subsidiaries Investments in subsidiaries are held in the Company balance sheet at cost and reviewed annually for impairment.

Investment Properties Investment properties comprise properties owned by the Group which are held for capital appreciation, rental income or both. They are initially recorded at cost and subsequently valued at each balance sheet date at fair value as determined by professionally qualified external valuers.

Acquisitions of investment properties are recognised on unconditional exchange of contracts where it is reasonable to assume at the balance sheet date that completion of the acquisition will occur. After initial recognition, investment properties are measured at fair value, with unrealised gains and losses recognised in the Statement of Comprehensive Income. Valuations are calculated by applying capitalisation rates to future rental cash flows with reference to data from comparable market transactions, together with an assessment of the security of the income.

NOTES TO THE ACCOUNTS (continued)

1. Accounting Policies and General Information (continued)

Investment properties under construction Investment properties under construction are reported in the Balance Sheet at fair value, and the lower of cost or net realisable value is deemed by the directors to equate to fair value. This methodology has been adopted because the value of these properties is dependant upon a detailed knowledge of the planning status, the competitive position of the assets and a range of complex development appraisals. The fair value of these properties rests in the planned developments, and is difficult to estimate pending confirmation of designs and planning permission, and hence has been estimated by the Board at the lower of cost or net realisable value as an approximation to fair value.

Development and Trading Properties Development and trading properties are reported in the Balance Sheet at the lower of cost and net realisable value. Cost comprises the original purchase price of the property together with directly attributable costs. Net realisable value represents the estimated selling price less all estimated costs of completion.

Cash and Cash Equivalents Cash and cash equivalents comprise cash in hand and deposits with maturities of three months or less held with banks and financial institutions.

Trade and Other Receivables Trade and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment. Impairment is calculated using an expected credit loss model.

Borrowing and Borrowing Costs Interest bearing bank loans and overdrafts are initially recorded at fair value, net of direct finance and other costs and are subsequently measured at amortised cost. Finance and other costs incurred in respect of the borrowings are accounted for on an accruals basis using the effective interest rate method and written off to the Statement of Comprehensive Income over the length of the associated borrowings. Transaction costs are amortised over the life of the loan and charged to the Statement of Comprehensive Income as part of the Group's finance costs.

Trade and Other Payables Trade payables are recognised initially at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities and equity Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Provisions Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be readily estimated.

Equity instruments Equity instruments issued by the Company are recorded at the proceeds received, net of directly attributable issue costs. Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividend is approved by the Company's shareholders.

Treasury shares Shares which have been repurchased are classified as Treasury Shares and shown as a separate item within equity. They are recognised at the trade date for the amount of consideration paid, together with directly attributable costs. This is presented as a deduction from total equity.

Leasing The Group has entered into commercial property leases as lessor of its investment property portfolio. As the terms of these leases do not transfer substantially all the risks and rewards of ownership to the lessee they are classified as operating leases. Rentals receivable under operating leases are credited to income on a straight line basis over the term of the relevant lease. Benefits granted as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

NOTES TO THE ACCOUNTS (continued)

1. Accounting Policies and General Information (continued)

The Group leases its office premises. As the terms of the lease do not transfer substantially all the risks and rewards of ownership to the Company, the lease is classified as an operating lease. Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

2. Segmental Information

IFRS 8 "Operating Segments" 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 held for capital appreciation, rental income or both; and,
- Development properties, which includes sites, developments in the course of construction and sites available for sale.

Balance Sheet

	30 Sep 2019				*30 Sep 2018*			
	Investment Properties £'000	*Development Properties £'000*	*Other £'000*	*Group Total £'000*	*Investment Properties £'000*	*Development Properties £'000*	*Other £'000*	*Group Total £'000*
Investment properties	21,429	–	–	21,429	38,233	–	–	38,233
Development & trading properties	–	39,999	–	39,999	–	31,931	–	31,931
	21,429	39,999	–	61,428	38,233	31,931	–	70,164
Other assets	1,040	86	40,255	41,381	3,124	19	47,544	50,687
Total assets	22,469	40,085	40,255	102,809	41,357	31,950	47,544	120,851
Liabilities	(1,649)	(146)	(284)	(2,079)	(287)	(7)	(273)	(567)
Net assets	20,820	39,939	39,971	100,730	41,070	31,943	47,271	120,284

Revenue	*Year ended 30 Sep 19 £'000*	*Year ended 30 Sep 18 £'000*
Investment properties	646	762
Development and trading properties	1,131	776
	1,777	1,538

NOTES TO THE ACCOUNTS (continued)

3. Operating Loss

Operating loss is stated after charging:

	Year ended 30 Sep 19 £'000	*Year ended 30 Sep 18 £'000*
Audit of the Company's consolidated and individual financial statements	33	33
Audit of subsidiaries, pursuant to legislation	16	16
Fees payable to the Company's auditor for tax services	11	18
Depreciation of owned assets	–	24
Operating lease rentals – land and buildings	196	231

4. Particulars of Employees

The aggregate payroll costs were:

	Year ended 30 Sep 19 £'000	*Year ended 30 Sep 18 £'000*
Wages and salaries	1,435	1,664
Social security costs	189	215
	1,624	1,879

The average monthly number of persons, including executive directors, employed by the Company during the year was seven (2018: seven).

5. Directors' Emoluments

	Year ended 30 Sep 19 £'000	*Year ended 30 Sep 18 £'000*
Basic salary	1,145	1,042
Payment in lieu of notice	–	202
Total emolument	1,145	1,244
Emoluments of the highest paid director	400	370

The board of directors comprises the only persons having authority and responsibility for planning, directing and controlling the activities of the Group. The section of the Directors' Remuneration Report headed "Audited Information" on pages 18 to 19 of this Annual Report forms part of these financial statements.

NOTES TO THE ACCOUNTS (continued)

6. Finance Income

	Year ended 30 Sep 19 £'000	*Year ended 30 Sep 18 £'000*
Interest on cash deposits	252	91

7. Taxation on Ordinary Activities

	Year ended 30 Sep 19 £'000	*Year ended 30 Sep 18 £'000*
UK current tax charge	119	110
Deferred tax credit	–	(205)
	119	(95)

The tax assessed on the loss for the year differs from the standard rate of tax in the UK of 19% (2018: 19%). The differences are explained below:

	Year ended 30 Sep 19 £'000	*Year ended 30 Sep 18 £'000*
Loss before taxation	(13,853)	(3,769)
Loss before tax multiplied by the standard rate of UK tax	(2,632)	(716)
Effects of:		
Investment property revaluation not taxable	(1,198)	(96)
Utilisation of tax losses	–	(4)
Movement in tax losses carried forward	3,883	1,128
Amounts not deductible for tax	11	(195)
Capital allowances	(1)	(2)
Impact of differing tax rates for offshore entities	56	(5)
Current tax charge for the year	119	110

8. Dividends

No dividend will be paid in respect of the year ended 30 September 2019 (2018: nil).

9. Loss per share

Loss per share is calculated as the loss attributable to ordinary shareholders of the Company for the year of £13,972,000 (2018: loss of £3,674,000) divided by the weighted average number of shares in issue throughout the year of 56,860,879 (2018: 64,184,339). There are no diluting amounts in either the current or prior years.

NOTES TO THE ACCOUNTS (continued)

10. Investment Properties

Freehold investment properties

	Group		*Company*	
	30 Sep 19	*30 Sep 18*	*30 Sep 19*	*30 Sep 18*
	£'000	*£'000*	*£'000*	*£'000*
At the start of the year	3,570	–	3,570	–
Additions	4,767	3,536	–	3,536
Revaluation movement	5,996	34	–	34
Reclassification from investment properties under construction	10,666	–	–	–
Reclassification to trading properties	(3,570)	–	(3,570)	–
At the end of the year	21,429	3,570	–	3,570

The Group's investment properties are comprised of Cross Hands and Ashby-de-la-Zouch. Cross Hands was valued by Knight Frank LLP as at 30 September 2019 in their capacity as external valuers. The valuation was prepared on a fixed fee basis, independent of the property value and was undertaken in accordance with the RICS Valuation – Global Standards 2017 on the basis of fair value, supported by reference to market evidence of transaction prices for similar properties. It assumes a willing buyer and a willing seller in an arm's length transaction and reflects usual deductions in respect of purchaser's costs and SDLT as applicable at the valuation date. The independent valuer makes various assumptions including future rental income, anticipated void costs and the appropriate discount rate or yield.

The fair value of Cross Hands has been determined using an income capitalisation technique whereby contracted rent and market rental values are capitalised with a market capitalisation rate. This technique is consistent with the principles in IFRS 13 and uses significant unobservable inputs, such that the fair value has been classified, in both the current and prior years, as Level 3 in the fair value hierarchy as defined in IFRS 13. For Cross Hands, the key unobservable input is the net initial yield which has been estimated for the individual units at between 5.25% and 8.00%. The principal sensitivity of measurement to variations in the significant unobservable outputs is that decreases in net initial yield will increase the fair value.

Ashby-de-la-Zouch has been revalued to reflect the forward sale and confirmed by the completion of the sale after the balance sheet date.

The historical cost of the Group's investment properties as at 30 September 2019 was £14,283,000 (2018: £3,536,000).

The Group's revenue for the year includes £1,315,000 derived from properties leased out under operating leases (2018: £992,000).

NOTES TO THE ACCOUNTS (continued)

11. Investment Properties Under Construction

Freehold land and buildings

	Group		*Company*	
	30 Sep 19	*30 Sep 18*	*30 Sep 19*	*30 Sep 18*
	£'000	*£'000*	*£'000*	*£'000*
At the start of the year	34,663	34,293	6,296	5,064
Additions	4,151	4,206	2,982	1,232
Disposals	(5,499)	(3,836)	(5,499)	–
Reclassification to investment properties	(10,666)	–	–	–
Reclassification to trading properties	(22,649)	–	(3,779)	–
At the end of the year	–	34,663	–	6,296

Investment properties under construction comprise freehold land and buildings under development or landholdings for current or future development as investment properties which are reported in the Balance Sheet at fair value, and the lower of cost or net realisable value is deemed by the directors to equate to fair value.

Property and land valuations are inherently subjective as they are made on assumptions which may not prove to be accurate. For these reasons, the investment properties under construction, as reported in the prior year were classified as Level 3 as defined in IFRS 13. There were no transfers between levels in the year.

12. Investment in Joint Ventures

	30 Sep 19	*30 Sep 18*
	£'000	*£'000*
At the start of the year	–	7,267
Investment in joint venture	–	76
Contribution to planning costs by joint venture partner	–	(300)
Repayment of loan by joint venture partner	–	(2,500)
Reclassification to trading properties	–	(4,543)
At the end of the year	–	–

As reported in the 2018 financial statements, the Company acquired the 50% interest in Conygar Holyhead Limited previously owned by its joint venture partner Stena Line Ports Limited on 23 May 2018.

The Group held a 50% interest was CM Sheffield Limited until the dormant company was dissolved on 2 October 2018.

13. Investment in Subsidiary Undertakings

Company	*30 Sep 19*	*30 Sep 18*
	£'000	*£'000*
At 30 September	16	16

NOTES TO THE ACCOUNTS (continued)

13. Investment in Subsidiary Undertakings (continued)

The companies listed below are the subsidiary undertakings of the Group at 30 September 2019, all of which are wholly owned.

Company name	*Principal activity*	*Country of registration*	*% of equity held*
Conygar Holdings Ltd**	Holding Company	England	100%
Conygar Wales PLC**	Holding Company	England	100%*
Conygar Developments Ltd**	Property trading and development	England	100%*
Conygar Haverfordwest Ltd**	Property trading and development	England	100%*
Conygar Holyhead Ltd**	Property trading and development	England	100%*
Conygar Nottingham Ltd**	Property trading and development	England	100%*
Conygar Ynys Mon Ltd**	Property trading and development	England	100%*
Martello Quays Ltd**	Property trading and development	England	100%
Parc Cybi Management Company Limited**	Management Company	England	100%*
The Nottingham Island Site Management Company Ltd**	Dormant	England	100%*
Lamont Property Holdings Ltd***	Property investment	Jersey	100%*
Conygar Ashby Ltd***	Property investment	Jersey	100%*
Conygar Cross Hands Ltd***	Property investment	Jersey	100%*

* Indirectly owned.

** Subsidiaries with the same registered office as the Company.

*** Incorporated in Jersey with a registered office at One Waverley Place, Union Street, St Helier, Jersey JE1 1AX

14. Development and Trading Properties

	Group		*Company*	
	30 Sep 19 *£'000*	*30 Sep 18* *£'000*	*30 Sep 19* *£'000*	*30 Sep 18* *£'000*
At the start of the year	31,931	29,311	941	7,282
Additions	933	4,913	141	495
Reclassification from investment properties	3,570	–	3,570	–
Reclassification from investment properties under construction	22,649	–	3,779	–
Reclassification from joint ventures	–	4,543	–	–
Lease of properties at fair value	–	(3,604)	–	(3,604)
Development costs written off	(19,084)	(3,232)	(516)	(3,232)
At the end of the year	39,999	31,931	7,915	941

At 30 September 2019, the Group's development and trading properties comprised Nottingham, Haverfordwest, Holyhead Waterfront, Selly Oak, Kings Lynn, Parc Cybi Business Park and Rhosgoch.

The net realisable value of properties held for development requires an assessment of the underlying assets using property appraisal techniques and other valuation methods. Such estimates are inherently subjective as they are made on assumptions which may not prove to be accurate and which can only be determined in a sales transaction.

As set out in the Chairman's and Chief Executive's Statement, the Group has written down the carrying value of Haverfordwest by £18.6m as a result of the weakening of the housing market, the rising costs of construction, which are being significantly impacted by Brexit, and the fact that our retail development at this site is not currently able to commence.

NOTES TO THE ACCOUNTS (continued)

14. Development and Trading Properties (continued)

Further details on progress for each of the development and trading properties is set out in both the Chairman's and Chief Executive's Statement and the Strategic Report.

15. Trade and Other Receivables

	Group		*Company*	
	30 Sep 19 *£'000*	*30 Sep 18* *£'000*	*30 Sep 19* *£'000*	*30 Sep 18* *£'000*
Trade receivables	74	84	38	14
Amounts owed by group undertakings	–	–	39,515	50,690
Other receivables	494	377	104	359
Prepayments and accrued income	902	964	202	376
	1,470	1,425	39,859	51,439

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.

16. Trade and Other Payables

	Group		*Company*	
	30 Sep 19 *£'000*	*30 Sep 18* *£'000*	*30 Sep 19* *£'000*	*30 Sep 18* *£'000*
Amounts owed to group undertakings	–	–	6,927	6,931
Social security and payroll taxes	65	61	65	61
Trade payables	164	82	20	67
Accruals and deferred income	559	314	197	119
	788	457	7,209	7,178

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.

17. Provision for Liabilities and Charges

	30 Sep 19 *£'000*	*30 Sep 18* *£,000*
Amount payable from development profit	1,150	–

The Group is party to a profit share agreement for one of its properties which would become payable on the earliest of the disposal of the asset or the date upon which the open market value is agreed between the parties following completion of the development.

NOTES TO THE ACCOUNTS (continued)

18. Share Capital

Authorised share capital:

	30 Sep 19	*30 Sep 18*
	£	*£*
140,000,000 (2018: 140,000,000) Ordinary shares of £0.05 each	7,000,000	7,000,000

Allotted and called up:

	No	*£'000*
As at 30 September 2017	67,126,435	3,356
Cancellation of treasury shares	(7,365,000)	(368)
As at 30 September 2018	59,761,435	2,988
Cancellation of treasury shares	(3,239,000)	(162)
As at 30 September 2019	56,522,435	2,826

In December 2010, the Group began a share buyback programme and during the year ended 30 September 2019 purchased 3,239,000 (2018: 7,130,000) shares on the open market at a cost of £5,582,000 (2018: £11,823,000). On 30 September 2019, 3,239,000 ordinary shares of 5 pence each were transferred out of treasury and cancelled (2018: 7,365,000 ordinary shares of 5 pence each).

19. Deferred Tax Liability

The movements in the prior year deferred tax liability, which related entirely to unrealised gains on a Group investment property were as follows:

Group	*30 Sep 19*	*30 Sep 18*
	£'000	*£'000*
At the start of the year	–	205
Credit to the statement of comprehensive income	–	(205)
At the end of the year	–	–

Deferred tax liabilities have been measured at a rate of 19% (2018: 19%), being the rate substantively enacted at the balance sheet date.

20. Commitments

Group and Company as lessee:

At 30 September 2019, the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	30 Sep 19	*30 Sep 18*
	£'000	*£'000*
Within one year	99	131
In the second to fifth years inclusive	57	–
	156	131

NOTES TO THE ACCOUNTS (continued)

20. Commitments (continued)

Group and Company as lessor:

The Group and Company receive income under non-cancellable leases from investment properties and existing properties located at several development sites. At 30 September 2019, the income profile based upon the unexpired lease lengths was as follows:

	Group		*Company*	
	30 Sep 19	*30 Sep 18*	*30 Sep 19*	*30 Sep 18*
	£'000	*£'000*	*£'000*	*£'000*
Less than one year	1,237	909	190	43
Between one and five years	4,601	3,348	880	155
Over five years	6,016	3,721	456	398
	11,854	7,978	1,526	596

As at 30 September 2019, the Group had commitments of £965,000 for the remaining construction costs and building retentions payable in connection with the developments at Cross Hands, Ashby-de-la-Zouch and Parc Cybi (2018: £3,100,000).

21. Related Party Transactions

The Company has made advances to and received advances from the following subsidiaries in order to provide both long term and additional working capital funding. All amounts are repayable upon demand, non-interest bearing and will be repaid from the trading activities of each group undertaking. The amount owed to the Company by Conygar Haverfordwest Limited is net of a £15,117,000 (2018: £nil) provision following the write down in the carrying value of Haverfordwest as reported in the Chairman's and Chief Executive's Statement.

	30 Sep 19	*30 Sep 18*
Subsidiaries	*£'000*	*£'000*
Conygar Holdings Limited	(6,877)	(6,881)
Conygar Haverfordwest Limited	7,344	22,270
Conygar Nottingham Limited	15,225	15,024
Conygar Cross Hands Limited	12,806	9,431
Conygar Holyhead Limited	2,354	1,994
Conygar Ashby Limited	1,784	1,970
Parc Cybi Management Company Limited	2	–
Conygar Wales PLC	(50)	(50)
	32,588	43,758

During the year, the Company received a management fee from Conygar Holyhead Limited of £50,000 (2018: £50,000) in respect of management services and intercompany interest of £nil (2018: £44,000) due on the secured interest bearing loan.

During the year the Company charged a management fee to Conygar Cross Hands Limited of £1,000,000 (2018: £nil) for management services in connection with the Cross Hands development.

NOTES TO THE ACCOUNTS (continued)

22. Profit of Parent Company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these financial statements. The parent company's loss for the year amounts to £16,257,000 (2018: loss of £8,832,000).

23. Financial Instruments

Treasury Policies

The objective of the Group's treasury policies is to manage the Group's financial risk, secure cost effective funding for the Group's operations and to minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group.

The Group finances its activities with a combination of cash and short term deposits. Other financial assets and liabilities, such as trade receivables and trade payables, arise directly from the Group's operations. The Group may also finance its activities with bank loans and enter into derivative transactions to manage the interest rate risk arising from the Group's operations and its sources of finance. Throughout the year, and as at the balance sheet date, no group undertakings were party to any bank loans or derivative instruments.

The management of cash is monitored weekly with summary cash statements produced on a monthly basis and discussed regularly in management and board meetings. The approach is to provide sufficient liquidity to meet the requirements of the business in terms of funding developments and potential acquisitions. Surplus funds are invested with a broad range of institutions. At any point in time, at least half of the Group's cash is held on instant access or short term deposit of less than 30 days.

Financial risk management

The main risks associated with the Group's financial assets and liabilities are set out below, together with the policies currently applied by the Board for their management.

Market Risk

Market risk in financial assets and liabilities is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risk arises from open positions in interest bearing assets.

Market Risk – Interest Rate Risk

The Group's interest bearing assets comprise cash and cash equivalents, all of which are on instant access or overnight deposit, and all of which are held at floating interest rates. Changes in market interest rates therefore affect the Group's finance income.

Market Risk – Currency Risk

All the Group's assets and liabilities are denominated in Pounds Sterling therefore, the Group has no exposure to currency risk.

Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. The principal counterparties are the Group's tenants (in respect of trade receivables arising under operating leases) and banks (as holders of the Group's cash deposits).

NOTES TO THE ACCOUNTS (continued)

23. Financial Instruments (continued)

The credit risk of trade receivables is considered low because tenant rent payments are monitored regularly and if necessary appropriate action is taken to recover monies owed.

The credit risk on cash deposits is limited because the counterparties are banks with credit ratings which are acceptable to the Board. As at 30 September 2019, the Group had a single balance of £54,000 (2018: £57,000) where the counter-party had failed to honour a notice deposit and a full impairment provision has been recorded against the balance.

There are no other receivables which are past due but not impaired.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group seeks to manage its liquidity risk by ensuring that sufficient cash is available to meet its foreseeable needs.

The following tables set out the Group's financial assets and liabilities all of which are due within one year. The tables have been drawn up based on the undiscounted cash flows of financial liabilities, based on the earliest date on which the Group can be required to pay.

	30 Sep 19	*30 Sep 18*
	£'000	*£'000*
Financial assets:		
Cash and cash equivalents	39,911	49,262
Trade and other receivables	264	169
	40,175	49,431

	30 Sep 19	*30 Sep 18*
	£'000	*£'000*
Financial liabilities:		
Trade payables and other accrued expenses	486	232

Capital Risk Management

The Board's primary objective when managing capital is to preserve the Group's ability to continue as a going concern, in order to safeguard its equity and provide returns for shareholders and benefits for other stakeholders, whilst maintaining an optimal capital structure to reduce the cost of capital.

The Group does not currently have any borrowing, but may utilise borrowing in the future to fund development projects. When doing so the Group will seek to ensure that it can stay within agreed covenants with its lenders.

At both 30 September 2019 and 30 September 2018, the capital structure of the Group consisted of cash and cash equivalents, and equity attributable to the shareholders of the Company (comprising share capital, retained earnings and capital redemption reserves.

In managing the Group's capital structure, the Board considers the Group's cost of capital. In order to maintain or adjust the capital structure, the Group keeps under review the amount of any dividends, share buy backs or other returns to shareholders.

NOTES TO THE ACCOUNTS (continued)

23. Financial Instruments (continued)

Details of significant accounting policies adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies in note 1.

At each balance sheet date, all financial assets and liabilities were measured at amortised cost. The fair value of the Group's financial assets and liabilities is not considered to vary from historic cost due to the short term nature of these financial assets and liabilities.

24. Events After the Balance Sheet Date

In October 2019, the Group completed the sale of the B&M store at Ashby-de-la-Zouch. This asset was forward sold and the Group received net proceeds of £4.2 million.

In November 2019, the Company acquired 2,930,845 ordinary shares representing 5.19% of its ordinary share capital, at a price of 135.0p per share at a cost of £4.0 million.

GLOSSARY OF TERMS

AGM	Annual General Meeting
AIM	The AIM market of the London Stock Exchange PLC
Conygar	The Conygar Investment Company PLC
EPS	Earnings per share, calculated as the earnings for the year after tax attributable to members of the parent Company divided by the weighted average number of shares in issue in the year
IFRS	International Financial Reporting Standards adopted for use in the European Union
Loan to Value	The amount of borrowing divided by the value of investment property expressed as a percentage
NAV	Net asset value
Net Initial Yield	Annual net rents expressed as a percentage of the investment property valuation
Passing Rent	The annual gross rental income excluding the effects of lease incentives
PBT	Profit before taxation
QCA Code	The UK's Quoted Companies Alliance Corporate Governance Guidelines for Small and Mid-Size Quoted Companies.
Tenant Break	An option in a lease for a tenant to terminate that lease early
UK	United Kingdom

The Conygar Investment Company PLC
(Company Number 04907617)
(the "**Company**")

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU on 8 January 2020 at 10.30am to consider and, if thought fit, pass the following resolutions:

Resolutions 1 to 7 are proposed as ordinary resolutions and resolutions 8 to 9 are proposed as special resolutions.

ORDINARY BUSINESS

Ordinary Resolutions

1 To receive and adopt the Company's annual accounts for the financial year ended 30 September 2019 together with the directors' report and the auditors' report on those accounts.

2 To approve the directors' remuneration report for the financial year ended 30th September 2019.

3 To re-appoint Blick Rothenberg, trading as Rees Pollock as auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next meeting at which accounts are laid before the Company.

4 To authorise the directors of the Company (the "**Directors**") to agree the remuneration of the auditors.

5 To re-appoint the following Director who retires by rotation:

Nigel Jonathon Hamway

6 To re-appoint the following Director who retires by rotation:

Robert Thomas Ernest Ware

SPECIAL BUSINESS

7 (a) That the Directors be and are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for, or convert any security into shares in the Company provided that this authority shall be limited to the allotment of up to an aggregate nominal amount of £400,000.00 (comprising 8,000,000 Ordinary Shares) and provided that this authority (unless renewed, varied or revoked by the Company in a general meeting) is for a period expiring on the earlier of (i) the conclusion of the next Annual General Meeting of the Company or (ii) the expiry of 15 months from the passing of this resolution; and

(b) the Company may, before such expiry of this authority, make an offer or agreement which would or might require the shares to be allotted or rights to subscribe for, or convert any security into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or convert any security into shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all subsisting authorities to allot any shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company to the extent unused.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Special Resolutions

8 That subject to the passing of resolution 7 above, the Directors be and are hereby generally and unconditionally empowered pursuant to sections 570 (1) and 573 of the Act to allot equity securities (within the meaning of section 560(1) of the Act) wholly for cash pursuant to the authority conferred by resolution 7 and / or by way of a sale of treasury shares as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with an offer of such securities by way of rights to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;

(b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £400,000.00 (comprising 8,000,000 Ordinary Shares);

and this power (unless renewed, varied or revoked by the Company in a general meeting) shall expire on the earlier of (i) the conclusion of the next Annual General Meeting of the Company after the passing of this resolution and (ii) the date falling 15 months after the date of the passing of this resolution, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted, or treasury shares to be sold after such expiry and the Directors may allot equity securities, or sell treasury shares, in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired. The authority granted by this resolution shall replace all existing authorities previously granted to the Directors to allot equity securities for cash or by way of a sale of treasury shares as if section 561 (1) of the Act did not apply.

9 That the Company be and is generally and unconditionally authorised for the purposes of section 701(1) of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) on the London Stock Exchange of ordinary shares of £0.05 each (each an "Ordinary Share") in the Company provided that:

(a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 14.99% of the Ordinary Shares in issue immediately following the Annual General Meeting at which this authority to purchase is granted;

(b) the minimum price (excluding expenses) which may be paid for such shares is £0.05 per share;

(c) the maximum price (excluding expenses) which may be paid for an Ordinary Share shall not be more than an amount equal to the higher of (i) 105% of the average of the middle market quotations for an Ordinary Share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is purchased and (ii) the higher of the price of the last independent trade of and the highest current independent bid for, an Ordinary Share on the London Stock Exchange, as stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time;

(d) unless previously renewed, varied or revoked, the authority conferred shall expire on the earlier of the conclusion of the Company's next Annual General Meeting or 15 months from the date of passing this resolution; and

NOTICE OF ANNUAL GENERAL MEETING (continued)

(e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

Registered Office	By Order of the Board
1 Duchess Street	R H McCaskill
London	Company Secretary
W1W 6AN	25 November 2019

Notes

Entitlement to attend and vote

1. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the Company's register of members at:
   - 10.30am on 6 January 2020; or
   - if this meeting is adjourned, at 10.30am on the day two days prior to the adjourned meeting (excluding non-working days),

   shall be entitled to attend and vote at the Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Only the holders of Ordinary Shares registered in the Company shall be entitled to attend and vote at the Meeting.

Appointment of proxies

3. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
4. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
6. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution.

Appointment of proxy using hard copy proxy form

7. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be
   - completed and signed;
   - sent or delivered to the Company at **Share Registrars Ltd, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR** or;
   - scanned and emailed to voting@shareregistrars.uk.com or;
   - received by the Company no later than 10.30am on 6 January 2020.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. If a member appoints a proxy or proxies and then decides to attend the Meeting in person and vote using his poll card, then the vote in person will override the proxy vote(s). If the vote in person is in respect of the member's holding, then all proxy votes will be disregarded. If, however, the member votes at the meeting in respect of less than the member's entire holding, then if the member indicates on his polling card that all proxies are to be disregarded, that shall be the case, but if the member does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the member's entire holding. If you do not have a proxy form and/or believe that you should have one or if you require additional forms, please contact Share Registrars Ltd.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Appointment of proxy by joint members

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Ltd. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

11. In order to revoke a proxy instruction you will need to inform the Company using the following method:

- by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to **Share Registrars Limited (Proxies), The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR**. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Share Registrars Ltd no later than 10.30am on 6 January 2020.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Communication

12. Except as provided above, members who have general queries about the Meeting should email the Company Secretary on rossmccaskill@conygar.com (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of general meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.

Appointment of proxies through CREST

13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available from https://www.euroclear.com/site/public/EUI).

CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCO Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual.

The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent 7RA36 by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

NOTICE OF ANNUAL GENERAL MEETING (continued)

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

If a corporation is a member of the Company, it may by resolution of its directors or other governing body authorise one or more persons to act as its representative or representatives at the Meeting and any such representative or representatives shall be entitled to exercise on behalf of the corporation all the powers that the corporation could exercise if it were an individual member of the Company. Corporate representatives should bring with them either an original or certified copy of the appropriate board resolution or an original letter confirming the appointment, provided it is on the corporation's letterhead and is signed by an authorised signatory and accompanied by evidence of the signatory's authority.

Issued shares and total voting rights

14. As at 25 November 2019 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 53,591,590 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 25 November 2019 are 53,591,590.

Documents on display

15. Copies of the Executive Directors' service contracts with the Company and any of its subsidiary undertakings and letters of appointment of the Non-Executive Directors are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the Annual General Meeting.

The Conygar Investment Company PLC
(Company Number 04907617)
(the "Company")

Annual General Meeting

FORM OF PROXY

I/We ....

of ....

....

being (a) member(s) of the Company, hereby appoint ....

of ....

or failing him the Chairman of the Meeting (see note 3) as my/our proxy to vote for me/us on my behalf as directed below at the Annual General Meeting of the Company to be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU on 8 January 2020 at 10.30am and at any adjournment thereof. I/we request such proxy to vote on the following resolutions as indicated below. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting:

Resolution Number	Resolution	For	Against	Vote Withheld
Ordinary Resolutions				
1	To receive and adopt the Company's annual accounts for the financial year ended 30 September 2019 together with the directors' report and the auditors' report on those accounts.			
2	To approve the directors' remuneration report for the financial year ended 30 September 2019.			
3	To re-appoint Blick Rothenberg, trading as Rees Pollock as auditors of the Company.			
4	To authorise the directors to agree the remuneration of the auditors.			
5	To re-appoint the following Director who retires by rotation: Nigel Jonathon Hamway			
6	To re-appoint the following Director who retires by rotation: Robert Thomas Ernest Ware			
7	To give directors' authority to allot shares in the Company or grant rights to subscribe for, or convert any security into shares in the Company up to an aggregate nominal amount of £400,000.00.			
Special Resolutions				
8	To give a directors' authority to disapply pre-emption rights and allot equity securities.			
9	To give a share buyback authority of up to a maximum aggregate number of ordinary shares of 14.99% of the Ordinary Shares in issue immediately following the Annual General Meeting.			

Names of joint holders (if any) ....

Date ....

Signed ....

Notes:

1 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.

2 Please indicate with an "X" in the appropriate boxes how you wish the proxy to vote. The proxy will exercise his discretion as to how he votes or whether he abstains from voting:
   (a) on any resolution referred to above if no instruction is given in respect of that resolution; and
   (b) on any business or resolution considered at the meeting other than the resolutions referred to above.
   A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution.

3 If you wish to appoint someone other than the Chairman of the Meeting as your proxy please insert their name. If you insert no name then you will have appointed the Chairman of the Meeting as your proxy. A proxy need not be a member of the Company but must attend the meeting to represent you. Where you appoint as your proxy someone other than the Chairman of the Meeting, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.

4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.

5 In the case of a corporation, this form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.

6 In the case of joint holders, the votes of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register.

7 To be effective, this Form of Proxy, duly executed together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified or office copy thereof) must be lodged at the Company's Registrars, Share Registrars Ltd, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, by 10.30am on 6 January 2020.

8 Any alterations to this form of proxy should be initialled. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. For details on how to change your proxy instructions or revoke your proxy appointment please see the notes to the notice of meeting.

9 Completion of this form will not prevent you from subsequently attending and voting at the Meeting in person, in which case any votes cast by proxy will be excluded.

10 This Form of Proxy has been sent to you by post. It may be returned in hard copy form by post or by hand to the Company's Registrars, Share Registrars Ltd, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR. In each case, the proxy appointment must be received no later than 10.30am on 6 January 2020 together with any authority (or a notarially certified copy of such authority) under which it is signed.