CONYGAR

The Conygar Investment Company PLC

Report and accounts
30 September 2021

YEAR ENDED 30 SEPTEMBER 2021

SUMMARY

- Net asset value increased by £25.3 million (28.5%) to £114.1 million (217.4p per share).
- Total cash deposits of £13.7 million (26.0p per share).
- No debt and no borrowings.
- £29.2 million surplus on valuation of the Group's investment properties, comprising a £28.7 million uplift at The Island Quarter, Nottingham, and £0.5 million uplift at Cross Hands, Carmarthenshire. The combined surplus amounts to an increase of 55.6p per share before other net operational and administrative costs. At The Island Quarter, the resulting £70.5 million valuation equates to approximately £2 million per acre.
- Development progressing for the first phase of the mixed-use development at The Island Quarter and resolution passed to grant planning permission for a 700-bed student accommodation scheme.
- Detailed planning application submitted in January 2021 for the next phase of The Island Quarter development which includes a hotel, to be managed by Intercontinental Hotels Group, residential rental apartments and co-working space.
- A further planning application was submitted in October 2021 for the proposed waterfront development in Holyhead, Anglesey, supplementing the outline consent previously granted in 2014, which includes a 250-berth marina, 259 townhouses and apartments and associated retail and public realm.
- Bought back 1.09 million shares (2.0% of ordinary share capital) at an average price of 111.5p per share.

Group net assets summary

	30 September 2021		*30 September 2020*	
		Per share		*Per share*
	£'m	*p*	*£'m*	*p*
Properties	108.4	206.6	56.2	104.9
Cash	13.7	26.0	32.1	60.0
Provisions	(7.3)	(13.9)	–	–
Other	(0.7)	(1.3)	0.5	0.9
Net assets	114.1	217.4	88.8	165.8

Registered in England No. 04907617

CONTENTS

DIRECTORS AND ADVISERS

The Board of Directors
N J Hamway (Non-Executive Chairman)
R T E Ware (Chief Executive)
F N G Jones (Property Director)
C J D Ware (Property Director)
D Baldwin (Finance Director)
B S Sandhu (Non-Executive Director)

Company Secretary
D Baldwin

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Registered number
04907617

Website
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CHAIRMAN'S & CHIEF EXECUTIVE'S STATEMENT

Results summary

We present the Group's results for the year ended 30 September 2021.

The Group's net asset value per share has increased by 51.6p (31%) in the year to 217.4p as at 30 September 2021 (2020: 165.8p). The profit before tax, which includes a £29.2 million unrealised surplus from the revaluation of our investment properties, was £28.2 million (2020: loss of £8.2 million).

As at 30 September 2020, the Group's investment in The Island Quarter, Nottingham, was reported at cost as the fair value at that date was not readily determinable. However, the substantial progress made during the year to corroborate the project's design, market comparables and development cash flows, as well as the significant progress made on planning and the commencement of development, has enabled this 36-acre site to be more reliably valued by Knight Frank LLP as at 30 September 2021.

The resulting valuation of £70.5 million, which represents a £28.7 million (69%) surplus over cost, provides support and justification for the direction of travel taken to date as we start to unlock, for the benefit of all stakeholders, the full potential of a project which will, in due course, provide an exciting new destination as well as substantial investment and employment opportunities for the city of Nottingham. Further details of the basis and valuation sensitivities are set out in note 12.

Since acquiring The Island Quarter in 2016, we have made significant headway in developing the concept and strategy and over the last year have submitted three detailed planning applications for the early phase developments. Two of these have subsequently been granted with the third, which includes two hotels, residential apartments and co-working space, expected to be considered by the planning committee at the end of 2021. The detailed applications granted to date have enabled us to commence the construction of the first phase, which includes a 21,500 square foot food and beverage-led building, planned for completion by Easter 2022, and initiate the on-site preliminary groundworks for a 700-bed student accommodation scheme which we hope to have operational for the September 2023 university intake.

In addition, the valuation of our retail park at Cross Hands, Carmarthenshire, has increased in the year by 7.6% from £16.5 million at 30 September 2020 to £17.8 million at 30 September 2021, in line with the increase in capital values reported across the retail warehousing sector.

Retailers with a predominantly out-of-town presence have been much better protected from the rise of online retailing than those with a more traditional high street focus where click-and-collect, larger car parking provisions and the drive-to convenience have proved more desirable, as highlighted by their higher footfall throughout the pandemic and quicker recovery post-lockdowns.

At our retail park in Cross Hands, from which over 70% of the Group's rental income is currently derived, we have collected 97% of the rents receivable in the year which reduces to 92% for the Group as a whole. Of the remainder, 2% are expected to be received in full by the end of the calendar year, 1% are on deferred payment terms to be settled in full by March 2022 and 5% have been provided for in these financial statements.

This is a pleasing result, particularly given the volatility in the retail sector throughout the pandemic, which confirms the strength and adaptability for the vast majority of the Group's tenants.

During the year we have also made good progress on the rest of the portfolio, the brief highlights of which are set out below.

At Holyhead Waterfront in Anglesey we have submitted a further application, to supplement the outline consent granted in 2014, for a waterfront development to include both residential apartments and a 250-berth marina, which we are very hopeful will provide a catalyst for the regeneration of Holyhead.

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

Interest continues, from the renewables sector, in our 203-acre site at Rhosgoch, Anglesey. However, growing concerns about the capacity for the UK's existing nuclear capability to phase out gas power and meet the government's net zero targets have reopened the possibility for at least one more large scale nuclear project this parliament. Whilst exploratory talks continue between the UK government and various operators, for a possible nuclear capability on the Isle of Anglesey, we have not progressed the renewables option for our sites at Rhosgoch and Parc Cybi as they, in addition to Holyhead, would be ideally located to support the infrastructure required for such a project.

As previously reported, we exchanged a conditional contract in 2019 to sell our industrial property in Selly Oak, Birmingham, to a specialist provider of student accommodation. The conditionality within the agreement requires, in addition to other matters, the granting of a permission on the site for a student accommodation scheme which was duly obtained, subject to agreeing the section 106, in September 2021. This we hope will be the catalyst for the completion of the property's sale in the coming months.

Elsewhere, we are completing the construction of a spine road and associated drainage at Haverfordwest in Pembrokeshire to open up the site for future development and have sold two of our smaller development sites at King's Lynn, Norfolk and Fishguard Lorry Stop in Pembrokeshire.

Cash flow

The net cash outflow in the year was £18.5 million, including £16.9 million incurred to progress our property developments. As at 30 September 2021, the Group has available cash deposits of £13.7 million, much of which is allocated to the implementation of essential infrastructure and completion of the first phase development at Nottingham. However, in order to further progress our pipeline of development projects, in particular The Island Quarter, we will need to raise substantial amounts either as debt, through asset sales or from joint ventures and we are in advanced discussions on a number of fronts in that regard.

Dividend

The Board recommends that no dividend is declared in respect of the year ended 30 September 2021. More information on the Group's dividend policy can be found within the strategic report on page 11.

Share buy back

During the year, the Group acquired 1,092,000 ordinary shares, representing 2.0% of its ordinary share capital, at a cost of £1.22 million which equates to an average price of 111.5p per share. As a result of the buy backs, net asset value per share has been enhanced by 1.1p 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 the buy back authority to be a useful capital management tool and will continue to use it when we believe the stock market value differs too widely from our view of the intrinsic value of the Company.

Board change

We are pleased to welcome David Baldwin to the Board. David was appointed as Finance Director on 10 May 2021 having been with the Company for five years as Financial Controller and also, since 6 April 2020, as Company Secretary.

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

Outlook

The speed and effectiveness of the UK's vaccination programme has enabled a quicker and stronger economic recovery than many commentators predicted. This success has been mirrored in the real estate sector with commercial property values increasing in the last year, on average by approximately 7%, driven by higher transaction volumes and the hardening of yields across much of the market. Our results have benefited from this economic bounce and reflect a significant improvement to those reported in the previous year.

Although we are acutely aware that a sustained economic recovery remains far from assured, and that the expectations within the real estate industry have changed markedly over recent years, we are increasingly confident that our property portfolio is well positioned to benefit both from the renewed market optimism and significant post COVID-19 social changes.

N J Hamway
Chairman

R T E Ware
Chief Executive

22 November 2021

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 strategy and business model.

Strategy and business model

The Conygar Investment Company PLC ("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 and we 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 Group at the year end

The Group net assets as at 30 September 2021 may be summarised as follows:

		Per share
	£'m	*p*
Properties	108.4	206.6
Cash	13.7	26.0
Provisions	(7.3)	(13.9)
Other	(0.7)	(1.3)
Net assets	114.1	217.4

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's balance sheet remains both liquid and robust with cash deposits at 30 September 2021 of £13.7 million and no borrowings. We have utilised part of the Group's cash deposits to commence the infrastructure works and construction of the first phase of The Island Quarter development in Nottingham. However, the continuation of future phases requires us to seek either debt funding, joint venture partners or to sell assets to take best advantage of the opportunities presented by this significant development and discussions are ongoing in this regard.

Key performance indicators

The key measures considered when monitoring progress towards the Board's objective of providing attractive shareholder returns include the headway made during the year on its development and investment property portfolio, the movements in net asset value per share and levels of uncommitted cash, each of which are considered below.

Investment properties and development projects

Nottingham, Nottinghamshire

The Group acquired the 36-acre Island Quarter site in Nottingham city centre in December 2016 for £13.5 million. The Island Quarter is an exciting mixed-use development comprising new homes, grade A office space, hotels and student accommodation.

STRATEGIC REPORT (continued)

During 2021, construction began on the first phase, comprising a 21,500 square foot food and beverage-led building with a canal-side setting surrounded by new high quality public realm. This is scheduled to open at Easter 2022 and will, we believe, open up this previously underused canal-side part of the city and bring local residents back to The Island Quarter.

In January 2021, a detailed planning application was submitted for the first major phase of the site, which includes two hotels to be managed by The Intercontinental Hotels Group, 247 residential rental apartments, 32,000 square feet of co-working space, as well as food and beverage areas. Amendments were made to the original application, such that it is now hoped the permission will be granted by the end of the year.

In May 2021, a detailed planning application was submitted for a 700-bed student accommodation scheme which was granted in September 2021, subject to agreeing the section 106.

We are progressing the designs for subsequent phases of The Island Quarter and are in discussions with a variety of commercial occupiers and potential investors and hope to make announcements on that front later in the year.

Cross Hands, Carmarthenshire

Following the completion of the lettings in the year to Burger King, Snap Fitness and One Below the retail park at Cross Hands is now fully occupied, producing an annual rent roll of £1.38 million, which given the economic and social backdrop over the last 12 months is a very pleasing result. The strength and diversity of the tenant base was emphasised during the pandemic with the park, which comprises a number of leading brands including Lidl, B&M Retail, Costa Coffee, Iceland Foods, Dominos Pizza and Pets At Home, continuing to trade well.

Holyhead Waterfront, Anglesey

After a period of successful stakeholder and community engagement, we submitted a further detailed application in October 2021 for the proposed waterfront development, which supplements the outline consent granted in 2014. The application includes a 250-berth marina, 259 townhouses and apartments, marine commercial and additional A1/A3 retail units together with substantial areas of improved public realm.

A further £0.7 million of costs in connection with the detailed design and reserved matters application were expensed in the year to retain the carrying value of the property, in line with the prior year, at its estimated net realisable value of £5.0 million.

Selly Oak, Birmingham

Selly Oak comprises two industrial units, let to University Hospitals Birmingham NHS Foundation Trust and Revolution Gymnastics Limited. Contracts were exchanged in 2019 for the sale of the property, on a subject to planning basis, to a specialist provider of student accommodation.

The purchaser submitted an application at the start of the year for a 523 student accommodation scheme for which a resolution to grant planning permission, subject to agreeing the section 106, was confirmed by the local authority in September 2021. A further update on the sale is expected in the coming months once the terms of the section 106 have been finalised.

Haverfordwest, Pembrokeshire

At Haverfordwest in Pembrokeshire, where we have outline consent for 729 residential units and 90,000 square feet of implemented A1 retail, we are constructing a 300 metre spine road and associated infrastructure, to be completed by the end of the year, which will enable either the sale or development of the site on a plot by plot basis.

STRATEGIC REPORT (continued)

In addition, an application has been submitted to Pembrokeshire County Council, with a planning officer's recommendation for approval, to reduce the costs payable under the existing section 106 agreement. We are hopeful of a positive outcome, but await confirmation of the hearing date from the planning committee.

Parc Cybi business park, Anglesey and Rhosgoch, Anglesey

We hold substantial plots of land at Parc Cybi business park and Rhosgoch in Anglesey for which there has been continued interest during the year from operators in the renewables sector. However, whilst discussions are ongoing between the UK government and various operators, for the possible reopening of a nuclear capability in Anglesey, we have not pursued the renewables option.

King's Lynn, Norfolk and Fishguard Lorry Stop, Pembrokeshire

During the year the Group's development sites at King's Lynn and Fishguard Lorry Stop were sold for total net proceeds of £1.0 million, resulting in a combined net profit of £0.4 million.

Summary of investment properties

	2021 *£'m*	*2020* *£'m*
Nottingham – (1)	70.50	19.76
Cross Hands – (2)	17.75	16.50
Total	88.25	36.26

(1) The Group's investment in Nottingham was valued by Knight Frank LLP in their capacity as external valuers as at 30 September 2021. In accordance with IAS 40, as this project was not sufficiently advanced, such that the fair value could be readily determined at 30 September 2020, the investment in Nottingham was reported at cost in the prior year.

(2) The Group's investment in Cross Hands was independently valued by Knight Frank LLP in both the current and prior years.

Summary of development projects

We remain confident that there is significant upside in these projects, but this will only become evident over the medium term.

	2021 *£'m*	*2020* *£'m*
Haverfordwest	8.62	7.78
Holyhead Waterfront	5.00	5.00
Selly Oak	3.57	3.57
Rhosgoch	2.50	2.50
Parc Cybi	0.50	0.50
King's Lynn (1)	–	0.53
Fishguard Lorry Stop (1)	–	0.07
Total	20.19	19.95

(1) As set out in the strategic report, the Group's development sites at King's Lynn and Fishguard Lorry Stop were sold in the year.

STRATEGIC REPORT (continued)

Financial review

Net asset value

The net asset value increased by £25.3 million (51.6p per share) to £114.1 million at 30 September 2021. The primary movements in the year were revaluation surpluses for the investment properties at Nottingham and Cross Hands of £28.7 million and £0.5 million respectively, net rental income of £1.3 million plus £0.4 million from the sale of our development sites at King's Lynn and Fishguard Lorry Stop. This has been offset by £0.7 million of development costs written off, £2.1 million of administrative costs, a £1.7m provision for deferred tax on unrealised chargeable gains and £1.2 million spent purchasing our own shares.

Cash flow and financing

At 30 September 2021, the Group had cash deposits of £13.7 million and no debt (2020: cash of £32.1 million and no debt).

During the year, the Group used £1.8 million of cash in its operating activities (2020: used £6.3 million).

The primary cash outflows in the year were capital costs of £16.9 million and £1.2 million to buy back shares. Capital expenditure includes the construction costs and associated professional fees for the ongoing infrastructure works, first phase development and student block preliminary works at The Island Quarter, completion of the Burger King unit at Cross Hands, construction of a spine road on the residential site at Haverfordwest and statutory fees to advance the proposed development at Holyhead Waterfront.

The cash outflows were partly offset by cash proceeds of £1.0 million from the sales of King's Lynn and Fishguard Lorry Stop, resulting in a net cash outflow in the year of £18.5 million (2020: cash outflow of £7.8 million).

Net income from property activities

	2021	*2020*
	£'m	*£'m*
Rental and other income	1.6	1.7
Direct property costs	(0.3)	(0.2)
	1.3	1.5
Proceeds from property sales	1.0	3.7
Cost of property sales	(0.6)	(3.5)
Total net income arising from property activities	1.7	1.7

Administrative expenses

The administrative expenses for the year ended 30 September 2021 were £2.1 million (2020: £2.6 million). The major items were salary costs of £1.4 million (2020: £1.9 million), head office running costs and various costs arising as a result of the Group being listed on AIM.

Taxation

Current tax is payable, at a rate of 19% on net rental income and profits from the sale of development properties after deduction of finance costs and administrative expenses.

Deferred tax is calculated at a rate of 25%, being the rate that has been enacted or substantively enacted by the balance sheet date and which is expected to apply when the tax liability, resulting from unrealised chargeable gains arising on revaluation of the Group's investment properties, is projected to be settled.

STRATEGIC REPORT (continued)

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 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 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, reported profitability and cash flows.

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 its operations and 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 2021 (2020: £nil).

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 then much larger investment property portfolio to enhance these properties by refurbishment, re-letting and extending tenancies, fund the operations 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 the dividend policy each year. Our focus is, and will primarily continue to be, growth in net asset value per share.

Share buy backs

During the year, the Group acquired 1,092,000 ordinary shares at an average price of 111.5p, costing £1.2 million, which represented 2.04% of its ordinary share capital. As a result of the share buy backs, the net asset value per share has been enhanced by approximately 1.1p 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.

STRATEGIC REPORT (continued)

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 risks

Strategic risks are risks arising from an inappropriate strategy or through flawed execution of a strategy. By definition, strategic risks 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 continually monitors and discusses the potential impact that changes to the environment in which we operate can have 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, by ensuring we have the right calibre of staff and external support in place we look 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.

Market risks

Market risks primarily arise from the possibility that the Group is exposed to fluctuations in the values of, or income from, its cash deposits, 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.

Continuing low interest rates have historically made our liquidity position a drag on income, but it is likely to be helpful as we take on debt in the coming years to finance our developments. However, the Group is currently not party to any debt facilities and the management team have adapted admirably during the COVID-19 pandemic to advance the development portfolio.

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. Where it is not possible to reliably measure fair value, cost is used instead.

STRATEGIC REPORT (continued)

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.

Financial assets

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

	30 Sep 21 *£'000*	*30 Sep 20* *£'000*
Fixed rate term deposit	–	10,009
Floating rate	13,657	22,117
	13,657	32,126

Fixed and floating rate financial assets comprise cash and short term deposits held with banks whose credit ratings are acceptable to the Board.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. The Group's principal financial assets include its financial interest in property assets, cash deposits and trade and other receivables. The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

In the event of default by an occupational tenant, the Group will suffer a rental shortfall and incur additional costs. The Directors continually monitor tenant arrears in order to anticipate, and minimise the impact of, defaults by occupational tenants and if necessary, where circumstances allow, will apply rigorous credit control procedures to facilitate the recovery of trade receivables.

Under IFRS 9, the Group is required to provide for any expected credit losses arising from trade receivables. For all assured shorthold tenancies, credit checks are performed prior to acceptance of the tenant. Regulated tenants are incentivised through the benefit of their tenancy agreement to avoid default on their rent and rent deposits are held in respect of two leases. Taking these factors into account, the risk to the Group of individual tenant default and the credit risk of trade receivables are considered low, albeit the risk has increased as a result of the impact of COVID-19, as is borne out by the level of trade receivables written off in the current and prior years.

The Directors have provided for rental and other arrears due from various tenants impacted by, amongst other factors, the COVID-19 pandemic which amount to £118,000 at 30 September 2021 and which remain outstanding at the date of signing these financial statements. The table below sets out the movement in the bad debt provision during the year. The impaired receivables are based on a review of expected credit losses. Impaired receivables and receivables not considered to be impaired are not material to the financial statements and, therefore, no further analysis is provided.

STRATEGIC REPORT (continued)

Provision for bad debts

	30 Sep 21 *£'000*	*30 Sep 20* *£'000*
At the start of the year	49	–
Provided in the year	69	49
At the end of the year	118	49

The credit risk on cash deposits is managed through the Company's policies of monitoring counterparty exposure and the use of counterparties of good financial standing. At 30 September 2021, the credit exposure from cash held with banks was £13.7 million which represents 12.0% of the Group's net assets. All cash deposits at the balance sheet date are placed with banks, whose credit ratings are acceptable to the Board, on instant access accounts. Should the credit quality or the financial position of the banks currently utilised significantly deteriorate, cash deposits would be moved to alternative banks.

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 Group has cash deposits at the balance sheet date of £13.7 million. However, we will need to raise substantial amounts either as debt, or through joint ventures or asset sales, in order to significantly progress The Island Quarter development in Nottingham.

Section 172 statement

Directors' duty to promote the success of the Company under Section 172 Companies Act 2006

The strategic report is required to include a statement that describes how the Directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duty under section 172. Some of the matters identified in Section 172(1) are already covered by similar provisions in the QCA Code and have thus been previously reported by the Company in the corporate governance statement, the corporate governance report and the QCA statement of compliance on our website. In order to avoid unnecessary duplication, the relevant parts of those documents are identified below and are to be treated as expressly incorporated by reference into this strategic report. Under section 172 (1) of the Companies Act 2006, each individual Director must act in the way he considers, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to six matters detailed in the section. In discharging their duties, the Directors seek to promote the success of Conygar for the benefit of members as a whole and have regard to all the matters set out in Section 172(1), where applicable and relevant to the business, taking account of its size and structure and the nature and scale of its activities in the commercial property market. The following paragraphs address each of the six matters in Section 172(1) (a) to (f).

(a) The likely consequences of any decision in the long term: The commercial property market is cyclical by nature. Investing in commercial property is a long term business. The decisions taken must have regard to long term consequences in terms of success or failure and managing risks and uncertainties. The Directors cannot expect that every decision they take will prove, with the benefit of hindsight, to be the best one - external factors may affect the market and thus change conditions in the future, after a decision has been taken. However, the Group's investment decisions are undertaken by a Board with a wide range of experience, over many years, in both the property and finance sectors.

STRATEGIC REPORT (continued)

(b) The interests of the Company's employees: The Company has five full time employees, including the Chief Executive, two Property Directors and the Finance Director. These Executive Directors sit on the Board with the Non-Executive Directors.

(c) The need to foster the Company's business relationships with suppliers, customers and others: The Directors have regularly reported in the Company's annual reports on the constructive relationships that Conygar seeks to build with its tenants and the mutual benefits that this brings to both parties; and this reporting has been extended over the past two years following Principle 3 of the QCA Code to include suppliers and others. This is therefore addressed under Principle 3 in the QCA compliance statement. In recent years, it has been vital to foster our business relationships with tenants given external factors affecting business and the economy, such as political uncertainty and the continuing impact of the COVID-19 pandemic.

(d) The impact of the Company's operations on the community and the environment: This is also addressed under Principle 3 of the QCA Code in the QCA compliance statement. Due to its size and structure and the nature and scale of its activities, the Board considers that the impact of Conygar's operations as a landlord on the community and the environment is low. Conygar's assets are used by its tenants for their own operations rather than by Conygar itself. In the past year, the Company has not been made aware of any tenant operations that have had a significant impact on the community or the environment. In relation to planned developments, Conygar seeks to ensure that designs and construction comply with all relevant environmental standards and with local planning requirements and building regulations so as not to adversely affect the community or the environment.

(e) The desirability of the Company maintaining a reputation for high standards of business conduct: This is addressed under Principle 8 of the QCA Code in the corporate governance statement and in the QCA compliance statement. The Board considers that maintaining Conygar's reputation for high standards of business conduct is not just desirable - it is a valuable asset in the competitive commercial property market.

(f) The need to act fairly as between members of the Company: The Company has only one class of shares, thus all shareholders have equal rights and, regardless of the size of their holding, every shareholder is, and always has been, treated equally and fairly. Relations with shareholders are further addressed under Principles 2, 3 and 10 of the QCA Code in the corporate governance report and the QCA compliance statement. We have been reviewing how we communicate with shareholders and are in the process of encouraging shareholders to adopt electronic communications and proxy voting in place of paper documents where this suits them, as well as to raise questions in writing if they are unable to attend AGMs.

This report was approved by the Board on 22 November 2021 and signed on its behalf by:

R T E Ware
Chief Executive

22 November 2021

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, two Property Directors, the Finance Director and two independent Non-Executive Directors, one of whom is Chairman, N J Hamway and the other is B S Sandhu. The Board is responsible to shareholders for the proper management of the Company. A statement of going concern and a statement of the Directors' responsibilities in respect of the financial statements is given on pages 25 and 26.

Biographies

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 until June 2003. He is also Chairman of Marwyn Value Investors Limited which is quoted on the London Stock Exchange.

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.

Property Director – Christopher Ware

Christopher Ware graduated from the University of Exeter before completing a Masters 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 before joining Conygar in 2012. Christopher is also a CFA charterholder.

CORPORATE GOVERNANCE REPORT (continued)

Finance Director – David Baldwin

David Baldwin qualified as a member of the Chartered Association of Certified Accountants in 1992. He joined Frogmore Estates PLC as a commercial and residential property accountant in 1995 before moving to Prestbury Investment Holdings Limited as Financial Controller until 2015. He then joined The Conygar Investment Company PLC, also as its Financial Controller, before being appointed Company Secretary in April 2020 and Finance Director in May 2021.

Non-Executive Director – Bim Sandhu

Bim Sandhu is a graduate of the LSE and was Secretary of the KPMG UK Property & Construction Group after qualification as a Chartered Accountant. He left to become Finance Director and then Managing Director of the UK operations of a client, Hudson Conway, an Australian listed developer. Bim was co-founder and CEO of UK developer Raven Mount plc and co-founder of Raven Russia Limited, a developer of logistics warehouses, and co-founder and Chairman of Raven Audley Court plc, a developer and operator of assisted living facilities. He is currently CEO of The Santon Group and Non-Executive Director of AEW UK REIT plc and Africa Logistics Properties Holdings Limited.

Workings of the Board

The Board has a formal schedule of matters to consider. 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 met formally eight times in the 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. Outside of the formal meetings the Directors are in regular contact to ensure they are fully briefed with the ongoing activities of the Group and to deal with any matters, in a timely manner, as and when they arise. The outside commitments of the Non-Executive Directors are also regularly monitored to ensure they have sufficient capacity to properly consider, advise and monitor the Group's activities.

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 B S Sandhu. 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 awards under the profit sharing plan, special discretionary and any other bonus awards, 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 21 to 23.

CORPORATE GOVERNANCE REPORT (continued)

Audit committee

The audit committee is chaired by N J Hamway and its other member is B S Sandhu, 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, the Finance Director and any relevant senior management.

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 its external auditors. The audit committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

Key activities of the audit committee for the year under review

1. Reviewing and, where necessary, challenging the Group's annual report and financial statements for the year ended 30 September 2021 and the unaudited interim results for the six months to 31 March 2021 to ensure they are fair, balanced and understandable for shareholders and other users of the accounts.
2. Holding committee meetings with the Group's auditor to discuss the findings of the audit to include:
   - An assessment of the effectiveness of the audit process;
   - A review of the key accounting judgements on the financial statements;
   - Discussing any material issues that arose during the audit; and
   - Assessing the overall control environment.
3. Assessing the remuneration, independence, objectivity and effectiveness of the external auditor.
4. Reviewing the system of internal controls, fraud detection and risk management.
5. Reviewing the adequacy and security of the Company's arrangements for whistleblowers to raise concerns about possible wrongdoing.

Meetings and attendance

The Directors attended the following meetings during the year:

	Board	*Audit committee*	*Remuneration committee*
N J Hamway	7/8	2/2	2/2
R T E Ware	8/8	–	–
F N G Jones	8/8	–	–
C J D Ware	8/8	–	–
B S Sandhu	8/8	2/2	2/2
D Baldwin*	8/8	2/2	–

* D Baldwin, who was appointed as Finance Director on 10 May 2021, was invited to attend the relevant part of the Audit committee meetings.

CORPORATE GOVERNANCE REPORT (continued)

Independent Non-Executive Directors

Bim Sandhu became a Director of the Company in March 2020, he has been a shareholder in the Company since inception and currently holds a 7.7% interest in the shares of the Company. Bim has extensive relevant experience as a public company Director both as an Executive and as a Non-Executive Director, particularly in finance and property and has substantial stakes in a number of listed and unlisted companies. Nigel Hamway has been a Director since inception and he and his family own 2.1% of the Company's shares. Nigel is an experienced investor and Company Director across many sectors. These Non-Executive Directors 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. Furthermore, the shareholdings of both Nigel and Bim align their interest in the Company with those of shareholders and their board directorships elsewhere gives them extensive experience of ensuring that the interests of all stakeholders are considered.

Bim and Nigel are not employed by the Company and neither receives any remuneration above the fees set out in the Directors' remuneration report.

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 auditor, 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.

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 policies for whistleblowing, bribery and anti-corruption and a share dealing code.

Relations with shareholders

Communications with shareholders are given high priority. Pages 7 to 15 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 AGM and results meetings to communicate with private and institutional investors and welcomes their participation. Details of resolutions to be proposed at the AGM on 20 December 2021 can be found in the notice of the meeting on page 61.

CORPORATE GOVERNANCE REPORT (continued)

Internal control

The Directors acknowledge that they are responsible for the Company's systems of internal control and for reviewing their 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 systems 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 which are reviewed and approved by the Board.
- 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

Remuneration committee

The Company's remuneration committee is chaired by N J Hamway and its other member is B S Sandhu. 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 196.3p. 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 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 as required through 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. B S Sandhu was appointed on 3 March 2020 and N J Hamway's letter of appointment was extended on 21 October 2021. 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:

Executive Directors	*Date of contract*	*Unexpired term (months)*	*Notice period (months)*
R T E Ware	11 May 2021	N/A	12
F N G Jones	11 May 2021	N/A	12
C J D Ware	26 January 2018	N/A	12
D Baldwin	1 September 2021	N/A	12
Non-Executive Directors			
N J Hamway	21 October 2021	36	6
B S Sandhu	3 March 2020	17	6

D Baldwin stands for election and R T E Ware and N J Hamway will retire by rotation at the AGM and, being eligible, offer themselves for re-election.

Directors' emoluments

	2021			*2020*			
Executive Directors	*Basic salary £'000*	*Fees £'000*	*Total £'000*	*Basic salary £'000*	*Payment in lieu of notice £'000*	*Fees £'000*	*Total £'000*
R T E Ware	400	–	400	400	–	–	400
F N G Jones	162	–	162	155	–	–	155
C J D Ware	162	–	162	155	–	–	155
D Baldwin*	65	–	65	–	–	–	–
R H McCaskill**	–	–	–	150	305	–	455
Non-Executive Directors							
N J Hamway	–	90	90	–	–	90	90
B S Sandhu***	–	50	50	–	–	29	29
M D Wigley****	–	–	–	–	–	45	45
	789	140	929	860	305	164	1,329

* Fees paid to D Baldwin from his date of appointment as Finance Director on 10 May 2021.

** R H McCaskill stepped down on 6 April 2020.

*** Fees paid to B S Sandhu from his date of appointment as Non-Executive Director on 3 March 2020.

**** M D Wigley stepped down on 30 September 2020.

DIRECTORS' REMUNERATION REPORT (continued)

No non-cash benefits were paid to Directors.

This report was approved by the Board on 22 November 2021 and signed on its behalf by:

R T E Ware
Director

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 2021.

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

There are no significant events since the balance sheet date that require disclosure in the financial statements.

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 reported in the attached financial statements.

The Directors do not recommend a dividend in respect of the year ended 30 September 2021 (2020: nil).

Directors' interest in shares

The Directors' interests in the shares of the Company, together with their beneficial and family interests, were as follows:

	Ordinary shares	
	30 September 2021	*30 September 2020*
N J Hamway	1,089,700	1,089,700
R T E Ware	4,602,500	4,602,500
F N G Jones	164,200	164,200
C J D Ware	1,079,335	1,079,335
B S Sandhu	4,062,500	4,062,500

There have been no changes in the Directors' shareholdings since the year end.

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 22 November 2021, 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	8,492,725	16.18
R T E Ware	4,602,500	8.77
B S Sandhu	4,062,500	7.74

Political contributions

The Group made no political donations during the year (2020: £nil).

Financial instruments

Details of the Group's financial instruments are given in note 22.

Going concern

The Group's liquidity and cash flow forecasts, looking ahead two years, are considered at each Board meeting along with a review of tenant covenants and rental collection performance. In order to further progress our pipeline of development projects, in particular The Island Quarter, we will need to raise substantial amounts either as debt, through asset sales or from joint ventures and are in advanced discussions on a number of fronts in that regard. The Directors have a reasonable expectation that the Company has, at present, and will obtain, as required, adequate resources to continue in operational existence for the foreseeable future and so 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 IFRS. 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 auditor

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 auditor for the purposes of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office and a resolution to appoint them as auditor for the ensuing year will be proposed at the forthcoming AGM.

Annual General Meeting

The AGM of the Company will be held on Monday, 20 December 2021 at 4.00pm at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London, SE1 2AU.

The formal notice of the meeting and the resolutions to be proposed at that meeting are attached on page 61.

In addition to ordinary business, there are resolutions to give a Director's authority to serve any notice or send or supply any other document or information to a shareholder by electronic means, to disapply pre-exemption rights and allot equity securities together with a resolution to give share buy back authorities.

By order of the Board

D Baldwin
Company Secretary

22 November 2021

INDEPENDENT AUDITOR’S 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 2021 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 notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards (IAS) in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2021 and of the Group’s profit for the year then ended;
- have been properly prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006; and
- 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 as applied to listed entities, 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

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Group and the Company’s ability to continue to adopt the going concern basis of accounting included:

- obtaining, critically appraising and assessing for arithmetical accuracy the Directors’ formal going concern assessment;
- reviewing projected cashflows and other available evidence to assess the ability of the Company to continue in operation for at least 12 months from the date of signing this report;
- performing a sensitivity analysis on key assumptions underlying the Directors’ going concern assessment, including the timing of commencement of, and the level of expenditure on, property development; and
- discussion of events after the reporting date with the Directors to assess their impact on the going concern assumption, including comparison of the post year end cash balances to forecast positions.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF THE CONYGAR INVESTMENT COMPANY PLC (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under “Key audit matters” within this report.

The Group consists of the Company and its fifteen subsidiaries, twelve of which are registered in the UK, with the remaining three incorporated in Jersey. All audit work has been carried out by the Company’s auditor. No work was undertaken by component auditors.

Our group audit scope included an audit of the Group and Company financial statements of The Conygar Investment Company PLC. Based on our risk assessment, all non-dormant entities within the Group were subject to full scope audit and was performed by the group audit team. The extent of our audit work on the components was based on our assessment of the risk of material misstatement and of the materiality of that component. The components within the scope of our audit work therefore covered 100% of Group revenue, Group profit before tax and Group net assets.

At the Group level we also tested the consolidation process to confirm our conclusion that there were no significant risks of material misstatement of the consolidated financial information.

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

Key audit matters

Key audit matter	*How our scope addressed this matter*
Valuation of investment property The Group's investment properties at Nottingham and Cross Hands represent significant assets and in accordance with IAS 40 are measured at fair value in line with IFRS 13 on the Statement of Financial Position. The value of the investment property held within the Group financial statements at the year-end is £17.75m in respect of Cross Hands, and the Nottingham project is held as investment properties under construction at fair value of £70.5m. In both cases, the Directors obtained a third-party valuation to assist their assessment of the fair value of each investment property. Due to the significance of the investment properties to the financial statements, the valuation of investment properties is a key audit matter.	Our audit procedures included the following: ● Agreeing the investment property valuations to the external valuation reports; ● Challenging the assumptions used in the preparation of the valuation reports, including benchmarking the key assumptions and inputs to external market data and comparable property transactions, in particular rental yields; ● Assessing the competence, independence and integrity of each external valuer; and ● Checking that the treatment of fair value movements is in accordance with IFRS 13 and IAS 40. Based on our procedures, we noted no material exceptions and considered the accounting and disclosure of investment properties to be appropriate.
Impairment of development and trading properties Included in the Group's financial statements are development and trading properties held at £20.2m. During the year an impairment loss of £0.7m was charged to the Consolidated Statement of Comprehensive Income. At each reporting date the Directors assess whether there is any indication that the development and trading properties held are impaired. These impairment assessments incorporate a range of assumptions and judgements, such as land value and rental yield. Due to the potential significance of these judgements to the Group and Company financial statements, impairment of development and trading properties is a key audit matter.	Our audit procedures included the following: ● Reviewing management's consideration of impairment; verifying and challenging any assumptions or contentions, such as the use of market yield, to supporting external evidence; and ● Obtaining management's assessment regarding the impairment, critically appraising by assessing for arithmetical accuracy, considering both complimentary and contradictory evidence. Based on our procedures, we noted no material exceptions and considered the accounting and disclosure of development and trading properties to be appropriate. We concluded that the carrying values of the development and trading properties are not materially misstated.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, as set out below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

We determined a planning materiality of £1,715,000 for the Group financial statements and £1,640,000 for the Company financial statements. This is based on 2% of gross assets per draft financial information at the planning stage. Performance materiality was set at 80% of materiality.

On receipt of draft Group results for the year ended 30 September 2021, which reflected the revaluation impact in respect of the Nottingham project, we reassessed materiality as £2,590,000 for the Group financial statements and £1,605,000 for the Company financial statements. We reassessed materiality at the completion stage and concluded that the revised planning materiality figures remained appropriate.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the 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 25 and 26, 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 Director's 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 and 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Group and Company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the Group and Company's financial statements to material misstatement and how fraud might occur, including through discussions with the Directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the Group and Company by discussions with Directors, and by updating our understanding of the sector in which the Group and Company operates.

Laws and regulations of direct significance in the context of the Group and Company include The Companies Act 2006, AIM Rules for Companies and UK Tax legislation.

In addition, the Group is subject to other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to its ability to operate or to avoid a material penalty. These include anti-bribery legislation and employment law.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of Group and Company financial statement disclosures. We reviewed the Company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the Company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the Group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

Use of our 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 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 our audit work, for this report, or for the opinions we have formed.

Michael Di Leto (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

22 November 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2021

	Note	*Year ended 30 Sep 21 £'000*	*Year ended 30 Sep 20 £'000*
Rental income		1,592	1,675
Proceeds on sale of development and trading properties		1,050	–
Revenue		2,642	1,675
Direct costs of rental income		288	233
Costs on sale of development and trading properties		620	–
Development costs written off	14	675	5,611
Direct costs		1,583	5,844
Gross profit/(loss)		1,059	(4,169)
Surplus/(deficit) on revaluation of investment property	11	459	(1,722)
Surplus on revaluation of investment properties under construction	12	28,718	–
Profit on sale of investment property		–	167
Administrative expenses		(2,058)	(2,623)
Operating profit/(loss)	3	28,178	(8,347)
Finance costs	6	(2)	(5)
Finance income	6	34	187
Profit/(loss) before taxation		28,210	(8,165)
Taxation	8	(1,685)	210
Profit/(loss) and total comprehensive income/(charge) for the year		26,525	(7,955)
Basic and diluted profit/(loss) per share	10	49.99p	(14.73)p

All amounts are attributable to equity shareholders of the Company.

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

The notes on pages 41 to 59 form part of these accounts

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2021

	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 2020					
At 1 October 2019	2,826	3,727	–	94,177	100,730
Adjustment on implementation of IFRS 16	–	–	–	23	23
	2,826	3,727	–	94,200	100,753
Loss for the year	–	–	–	(7,955)	(7,955)
Total comprehensive charge for the year	–	–	–	(7,955)	(7,955)
Purchase of own shares	–	–	(3,965)	–	(3,965)
Cancellation of treasury shares	(146)	146	3,965	(3,965)	–
At 30 September 2020	2,680	3,873	–	82,280	88,833
Changes in equity for the year ended 30 September 2021					
At 1 October 2020	2,680	3,873	–	82,280	88,833
Profit for the year	–	–	–	26,525	26,525
Total comprehensive income for the year	–	–	–	26,525	26,525
Purchase of own shares	–	–	(1,217)	–	(1,217)
Cancellation of treasury shares	(55)	55	1,217	(1,217)	–
At 30 September 2021	2,625	3,928	–	107,588	114,141

The notes on pages 41 to 59 form part of these accounts

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September 2021

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 2020					
At 1 October 2019	2,826	3,727	–	73,467	80,020
Adjustment on implementation of IFRS 16	–	–	–	23	23
	2,826	3,727	–	73,490	80,043
Loss for the year	–	–	–	(2,268)	(2,268)
Total comprehensive charge for the year	–	–	–	(2,268)	(2,268)
Purchase of own shares	–	–	(3,965)	–	(3,965)
Cancellation of treasury shares	(146)	146	3,965	(3,965)	–
At 30 September 2020	2,680	3,873	–	67,257	73,810
Changes in equity for the year ended 30 September 2021					
At 1 October 2020	2,680	3,873	–	67,257	73,810
Loss for the year	–	–	–	(1,191)	(1,191)
Total comprehensive charge for the year	–	–	–	(1,191)	(1,191)
Purchase of own shares	–	–	(1,217)	–	(1,217)
Cancellation of treasury shares	(55)	55	1,217	(1,217)	–
At 30 September 2021	2,625	3,928	–	64,849	71,402

The notes on pages 41 to 59 form part of these accounts

CONSOLIDATED BALANCE SHEET
at 30 September 2021

Company Number: 04907617

	Note	*30 Sep 2021 £'000*	*30 Sep 2020 £'000*
Non–current assets			
Investment properties	11	17,750	16,500
Investment properties under construction	12	70,500	19,761
Right of use asset	7	53	146
Deferred tax asset	8	2,935	–
		91,238	36,407
Current assets			
Development and trading properties	14	20,192	19,952
Trade and other receivables	15	2,661	1,655
Tax asset		28	31
Cash and cash equivalents		13,657	32,126
		36,538	53,764
Total assets		127,776	90,171
Current liabilities			
Trade and other payables	16	3,367	1,215
Provision for liabilities and charges	17	5,614	–
Lease liability for right of use asset	7	34	89
		9,015	1,304
Non-current liabilities			
Deferred tax liability	8	4,620	–
Lease liability for right of use asset	7	–	34
		4,620	34
Total liabilities		13,635	1,338
Net assets		114,141	88,833
Equity			
Called up share capital	18	2,625	2,680
Capital redemption reserve		3,928	3,873
Retained earnings		107,588	82,280
Total equity		114,141	88,833

The accounts on pages 34 to 59 were approved by the Board and authorised for issue on 22 November 2021 and are signed on its behalf by:

R T E WARE
D BALDWIN

The notes on pages 41 to 59 form part of these accounts

COMPANY BALANCE SHEET
at 30 September 2021

Company number: 04907617

	Note	*30 Sep 2021* *£'000*	*30 Sep 2020* *£'000*
Non-current assets			
Investment in subsidiary undertakings	13	16	16
Right of use asset	7	53	146
		69	162
Current assets			
Development and trading properties	14	6,570	7,165
Trade and other receivables	15	60,628	44,204
Cash and cash equivalents		12,956	31,185
		80,154	82,554
Total assets		80,223	82,716
Current liabilities			
Trade and other payables	16	8,787	8,783
Lease liability for right of use asset	7	34	89
		8,821	8,872
Non-current liabilities			
Lease liability for right of use asset	7	–	34
Total liabilities		8,821	8,906
Net assets		71,402	73,810
Equity			
Called up share capital	18	2,625	2,680
Capital redemption reserve		3,928	3,873
Retained earnings		64,849	67,257
Total equity		71,402	73,810

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 £1,191,000 (2020: loss of £2,268,000). As at 30 September 2021, the entire balance of £64,849,000 in retained earnings represents distributable reserves.

The accounts on pages 34 to 59 were approved by the Board and authorised for issue on 22 November 2021 and are signed on its behalf by:

R T E WARE
D BALDWIN

The notes on pages 41 to 59 form part of these accounts

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2021

	Year ended 30 Sep 21 £'000	*Year ended 30 Sep 20 £'000*
Cash flows from operating activities		
Operating profit/(loss)	28,178	(8,347)
Development costs written off	675	5,611
(Surplus)/deficit on revaluation of investment properties	(29,177)	1,722
Profit on sale of investment property	–	(167)
Profit on sale of development and trading properties	(430)	–
Depreciation of right of use assets	93	93
Cash flows from operations before changes in working capital	(661)	(1,088)
Increase in trade and other receivables	(1,006)	(107)
Additions to development and trading properties	(1,438)	(4,901)
Net proceeds from sale of development and trading properties	1,025	–
Increase/(decrease) in trade and other payables	287	(253)
Cash flows used in operations	(1,793)	(6,349)
Tax received	3	38
Cash flows used in operating activities	(1,790)	(6,311)
Cash flows from investing activities		
Additions to investment properties	(15,496)	(1,369)
Proceeds from sale of an investment property	–	3,673
Finance income	34	187
Cash flows (used in)/generated from investing activities	(15,462)	2,491
Cash flows from financing activities		
Purchase of own shares	(1,217)	(3,965)
Cash flows used in financing activities	(1,217)	(3,965)
Net decrease in cash and cash equivalents	(18,469)	(7,785)
Cash and cash equivalents at 1 October	32,126	39,911
Cash and cash equivalents at 30 September	13,657	32,126

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 41 to 59 form part of these accounts

COMPANY CASH FLOW STATEMENT
for the year ended 30 September 2021

	Year ended 30 Sep 21 £'000	*Year ended 30 Sep 20 £'000*
Cash flows from operating activities		
Operating loss	(1,208)	(2,449)
Development costs written off	–	668
Profit on sale of development and trading properties	(430)	–
Depreciation of right of use assets	93	93
Provision against loan to group undertaking	(14)	–
Cash flows from operations before changes in working capital	(1,559)	(1,688)
(Increase)/decrease in trade and other receivables	(17)	3
Additions to development and trading properties	–	83
Net proceeds from the sale of development and trading properties	1,025	–
Decrease in trade and other payables	(101)	(282)
Cash flows used in operating activities	(652)	(1,884)
Cash flows from investing activities		
Movement in balances with group entities	(16,394)	(2,591)
Finance income	34	186
Cash flows used in investing activities	(16,360)	(2,405)
Cash flows from financing activities		
Purchase of own shares	(1,217)	(3,965)
Cash flows used in financing activities	(1,217)	(3,965)
Net decrease in cash and cash equivalents	(18,229)	(8,254)
Cash and cash equivalents at 1 October	31,185	39,439
Cash and cash equivalents at 30 September	12,956	31,185

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 41 to 59 form part of these accounts

NOTES TO THE ACCOUNTS
for the year ended 30 September 2021

1. General information and accounting policies

1a General information

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

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 7 to 15. Further information about the Group can be found on its website, www.conygar.com.

1b Accounting policies

The principal accounting policies of the Group are set out below. These policies have been consistently applied in the preparation of these financial statements.

Basis of preparation

The financial statements are presented in Sterling as this is the Group's functional currency. Amounts are rounded to the nearest thousand pounds, unless otherwise stated.

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 accounting policies below.

Adoption of new and revised standards

During the year, the Group adopted the amendments to IFRS 16 in connection with rent concessions that were introduced as a result of COVID-19. However, as these largely apply to lessees rather than lessors, there was no material change to the Group's accounting policies or disclosures.

The Group has also adopted all new amendments to standards and interpretations, which came into effect for the current financial year, but these have not had a material impact on the disclosures or amounts reported in the financial statements.

Standards and interpretations in issue not yet adopted

The following IFRSs have been issued but are not effective as at the balance sheet date and so have not been applied in the preparation of these financial statements:

Amendments to IFRS 3, IFRS 4, IFRS 7, IFRS 9, IFRS 16, IFRS 17, IAS 1, IAS 8, IAS 12, IAS 16, IAS 37 and IAS 39.

The future adoption of these standards and interpretations is not expected to have a material effect on the financial statements of the Group.

NOTES TO THE ACCOUNTS (continued)

1. **General information and accounting policies (continued)**

Basis of consolidation The consolidated financial statements incorporate the financial statements of the Company and all its entities, which are controlled by the Company. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra Group transactions, balances, income and expenses are eliminated in full on consolidation.

Revenue 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.

Turnover is attributable to the principal activity of the Company and arises wholly within the United Kingdom. Revenue includes amounts of £293,000 and £280,000 from individual customers which are derived from the leasing of an investment property.

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 either waived or satisfied.

Finance income comprises bank interest recognised on an effective interest rate basis.

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.

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 non-assessable or disallowed items. 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.

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

NOTES TO THE ACCOUNTS (continued)

1. General information and accounting policies (continued)

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.

Investment properties under construction Investment properties under construction are initially reported in the balance sheet at cost less impairment. This methodology is adopted because the value of these properties is dependent 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 are often difficult to estimate pending confirmation of designs, planning permissions and uncertain market conditions, and hence, in accordance with IAS 40, are measured at cost until either the fair value becomes readily determinable or construction is complete.

However, once the development of the property is sufficiently designed, appraised and advanced, and market comparables are readily available, investment properties under construction are then valued at each balance sheet date at fair value, as determined by professionally qualified external valuers, 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.

Impairment losses are calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of comprehensive income.

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.

Trade and other payables Trade and other 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.

NOTES TO THE ACCOUNTS (continued)

1. General information and accounting policies (continued)

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 and subsequently paid.

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.

Capital redemption reserve Upon cancellation of treasury shares the nominal value of each cancelled share is transferred to the capital redemption reserve with any premium paid for those shares, over their nominal value, treated as a deduction from retained earnings.

Leasing The Group has entered into commercial property leases as lessor of its investment and development and trading 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.

The Group leases its office premises. In accordance with IFRS 16, the Group recognises a right of use asset and corresponding lease liability for its office lease, which is depreciated and amortised respectively over the lease term. However, where leases are low value or of less than 12 months, the expense is recognised on a straight line basis over the lease term.

1c Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that may affect the reported amounts of assets 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 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:

- Valuations of investment properties and investment properties under construction, 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 significant methods and assumptions used by the valuers to estimate the fair value of investment properties are set out in notes 11 and 12.
- 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.

NOTES TO THE ACCOUNTS (continued)

1. General information and accounting policies (continued)

The principal areas of judgement are as follows:

- The Directors have assessed the carrying values of the Group's trading and development properties at the balance sheet date. Consideration has been given to such factors as market conditions, cash flow projections and comparable transaction evidence. Where a property's carrying value is considered to be impaired an adjustment has been made to write down the asset to the Director's assessment of its net realisable value. As set out in the chairman's and chief executive's report and strategic report the carrying value of Holyhead Waterfront has been written down in the year by £0.7 million.
- The Company has exchanged a conditional contract, on a subject to planning basis, to sell the industrial units at Selly Oak. Due to the conditionality contained in the contract, which remained outstanding at the balance sheet date, no revenue or uplift in value has been recognised in these financial statements.
- Trade receivables and accrued rental income recognised in advance of receipt are subject to impairment testing. This accrued rental income arises due to the spreading of rent-free periods and contracted rental uplifts in accordance with IFRS 16 Leases. Impairment calculations have been carried out using the forward-looking, simplified approach to the expected credit loss model within IFRS 9.

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. 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 and developments under construction held for sale in the ordinary course of business.

Revenue	*Year ended 30 Sep 21 £'000*	*Year ended 30 Sep 20 £'000*
Investment properties	1,233	936
Development and trading properties	1,409	739
	2,642	1,675

NOTES TO THE ACCOUNTS (continued)

2. Segmental information (continued)

Balance sheet

	30 Sep 2021				30 Sep 2020			
	Investment properties £'000	*Development properties £'000*	*Other £'000*	*Group total £'000*	*Investment properties £'000*	*Development properties £'000*	*Other £'000*	*Group total £'000*
Investment properties	88,250	–	–	88,250	36,261	–	–	36,261
Development & trading properties	–	20,192	–	20,192	–	19,952	–	19,952
	88,250	20,192	–	108,442	36,261	19,952	–	56,213
Other assets	5,080	335	13,919	19,334	1,279	45	32,634	33,958
Total assets	93,330	20,527	13,919	127,776	37,540	19,997	32,634	90,171
Liabilities	(13,129)	(329)	(177)	(13,635)	(884)	(215)	(239)	(1,338)
Net assets	80,201	20,198	13,742	114,141	36,656	19,782	32,395	88,833

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	Year ended 30 Sep 21 £'000	*Year ended 30 Sep 20 £'000*
Audit of the Company's consolidated and individual financial statements	47	39
Audit of subsidiaries, pursuant to legislation	24	15
Fees payable to the Company's auditor for tax services	–	13
Amortisation of right of use asset	93	93

4. Particulars of employees

The aggregate payroll costs were:

	Year ended 30 Sep 21 £'000	*Year ended 30 Sep 20 £'000*
Wages and salaries	1,247	1,673
Social security costs	161	215
	1,408	1,888

The average monthly number of persons, including Executive Directors, employed by the Company during the year was seven (2020: seven).

NOTES TO THE ACCOUNTS (continued)

5. Directors' emoluments

	Year ended 30 Sep 21 £'000	Year ended 30 Sep 20 £'000
Basic salary and total emoluments	929	1,329
Emoluments of the highest paid Director	400	455

The Board, being the key management personnel, comprises the only persons having authority and responsibility for planning, directing and controlling the activities of the Group.

6. Finance income and cost

	Year ended 30 Sep 21 £'000	Year ended 30 Sep 20 £'000
Bank interest receivable	34	187
Interest cost under IFRS 16	2	5

7. Leases

Group and Company as lessor:

The Group and Company receive income from investment properties and existing tenants located at several development sites. At 30 September 2021, the minimum lease payments receivable under non-cancellable operating leases were as follows:

	Group		Company	
	30 Sep 21 £'000	30 Sep 20 £'000	30 Sep 21 £'000	30 Sep 20 £'000
Less than one year	1,385	1,223	232	227
Between one and five years	5,873	5,254	716	801
Over five years	6,249	6,668	160	307
	13,507	13,145	1,108	1,335

The amounts above represent total rental income up to the next tenant only break date for each lease.

Group and Company as lessee:

The Group and Company are party to a lease which terminates on 28 April 2022.

IFRS 16 requires lessees to record all leases on the balance sheet as liabilities along with an asset reflecting the right of use of the asset over the lease term.

At the start of the prior year, the lease liability was calculated as the present value of the remaining lease payments, discounted at an incremental borrowing rate of 2.7%. The right of use asset was measured at the amount equal to the lease liability adjusted for rent prepaid on the date of implementation. Depreciation of the right of use asset is on a straight line basis over the lease term.

NOTES TO THE ACCOUNTS (continued)

7. Leases (continued)

The modified retrospective approach was adopted for transition purposes such that comparatives were not restated and the difference between the right of use asset and lease liability at the start of the prior year was recognised within the Group's opening retained earnings.

Right of use asset	*Year ended 30 Sep 21 £'000*	*Year ended 30 Sep 20 £'000*
At the start of the year	146	239
Depreciation	(93)	(93)
At the end of the year	53	146

Lease liability	*£'000*	*£'000*
At the start of the year	123	217
Lease payments	(91)	(99)
Interest on lease liability	2	5
At the end of the year	34	123

Lease liability maturity analysis	*30 Sep 21 £'000*	*30 Sep 20 £'000*
Gross lease payments due:		
Within one year	34	91
Within two to five years	–	34
Total gross lease payments	34	125
Less future financing charges	–	(2)
At end of the year	34	123
Current	34	89
Non-current	–	34

NOTES TO THE ACCOUNTS (continued)

8. Tax

	Year ended 30 Sep 21 £'000	*Year ended 30 Sep 20 £'000*
Current tax charge/(credit)	–	(210)
Deferred tax charge	1,685	–
Total tax charge/(credit)	1,685	(210)

The tax assessed on the profit for the year differs from the standard rate of tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 30 Sep 21 £'000	*Year ended 30 Sep 20 £'000*
Profit/(loss) before tax	28,210	(8,165)
Profit/(loss) before tax multiplied by the standard rate of UK tax	5,360	(1,551)
Effects of:		
Investment property revaluation not taxable	(5,543)	327
Movement in tax losses carried forward	186	1,244
Expenses not deductible for tax purposes	10	31
Capital allowances utilised	(13)	(65)
Impact of differing tax rates for offshore entities	–	14
Overprovision of prior year tax	–	(210)
Deferred tax charge	1,685	–
Total tax charge/(credit) for the year	1,685	(210)

Deferred tax asset

	Year ended 30 Sep 21 £'000	*Year ended 30 Sep 20 £'000*
Deferred tax asset at the start of the year	–	–
Deferred tax credit for the year	2,935	–
Deferred tax asset at the end of the year	2,935	–

The Group has recognised a deferred tax asset for tax losses, held by group undertakings, where the Directors believe it is probable that this asset will be recovered.

As at 30 September 2021, the Group has further unused losses of £20.1 million (2020: £41.0 million) for which no deferred tax asset has been recognised in the consolidated balance sheet.

NOTES TO THE ACCOUNTS (continued)

8. Tax (continued)

Deferred tax liability – in respect of chargeable gains on investment properties	*Year ended 30 Sep 21 £'000*	*Year ended 30 Sep 20 £'000*
Deferred tax liability at the start of the year	–	–
Deferred tax charge for the year	4,620	–
Deferred tax liability at the end of the year	4,620	–

The Directors have assessed the potential deferred tax liability of the Group as at 30 September 2021 in respect of chargeable gains that would be payable if the investment properties were sold at their financial year end valuations. Based on the unrealised chargeable gains of £18,478,000 (2020: £nil) a deferred tax liability of £4,620,000 has been recognised.

The deferred tax asset and liability have been calculated at a corporation tax rate of 25% being the rate that has been enacted or substantively enacted by the balance sheet date and which is expected to apply when the liability is settled and the asset realised.

9. Dividends

No dividend will be paid in respect of the year ended 30 September 2021 (2020: nil).

10. Profit/(loss) per share

Profit per share is calculated as the profit attributable to ordinary shareholders of the Company for the year of £26,525,000 (2020: loss of £7,955,000) divided by the weighted average number of shares in issue throughout the year of 53,064,275 (2020: 54,007,994). There are no diluting amounts in either the current or prior years.

11. Investment properties

Freehold investment properties

	Group		*Company*	
	30 Sep 21 £'000	*30 Sep 20 £'000*	*30 Sep 21 £'000*	*30 Sep 20 £'000*
At the start of the year	16,500	21,429	–	–
Additions	791	305	–	–
Disposals	–	(3,512)	–	–
Revaluation surplus/(deficit)	459	(1,722)	–	–
At the end of the year	17,750	16,500	–	–

As at 30 September 2021, Cross Hands was valued by Knight Frank LLP in their capacity as external valuers. The valuation was prepared on a fixed fee basis, independent of the property value and undertaken in accordance with RICS Valuation – Global Standards 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.

NOTES TO THE ACCOUNTS (continued)

11. Investment properties (continued)

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 all periods as Level 3 in the fair value hierarchy as defined in IFRS 13. For Cross Hands, the key unobservable inputs are the net initial yields and expiry void periods. Net initial yields have been estimated for the individual units at between 5.0% and 9.5% and expiry void periods are projected at between 6 and 12 months. The principal sensitivity of measurement to variations in the significant unobservable outputs is that decreases in net initial yields and void periods will increase the fair value.

The historical cost of the Group's investment properties as at 30 September 2021 was £14,242,000 (2020: £13,451,000).

The Group's revenue for the year includes £1,552,000 derived from properties leased out under operating leases (2020: £1,635,000).

12. Investment properties under construction

Freehold land and buildings

	Group		*Company*	
	30 Sep 21	*30 Sep 20*	*30 Sep 21*	*30 Sep 20*
	£'000	*£'000*	*£'000*	*£'000*
At the start of the year	19,761	–	–	–
Additions	16,407	–	–	–
Revaluation surplus	28,718	–	–	–
Introductory fee provision (note 17)	5,614	–	–	–
Transfer from trading properties	–	19,761	–	–
At the end of the year	70,500	19,761	–	–

Investment properties under construction comprise the freehold land and buildings at The Island Quarter in Nottingham which are held for current or future development as investment properties and reported in the balance sheet at fair value as at 30 September 2021 and cost as at 30 September 2020.

The fair value of this property rests in the ongoing and planned developments which, as at 30 September 2020, was difficult to estimate pending confirmation of designs and planning permissions, and hence, in accordance with IAS 40, was measured at cost until either the fair value became readily determinable or construction was complete.

However, the substantial progress made during the year to corroborate the design, market comparables and projected cash flows as well as the significant progress made on planning and the commencement of the development has enabled The Island Quarter to be valued as at 30 September 2021 by Knight Frank LLP in their capacity as external valuers.

The valuations of the Group's investment properties are inherently subjective as they are based on the valuers' assumptions which may not prove to be accurate and which, as a result, are subject to material uncertainty. This is particularly true for The Island Quarter given its scale, lack of comparable evidence and the early stage position of this substantial development where relatively small changes to the underlying assumptions of key parameters, such as rental levels, net initial yields, construction costs, finance costs and void periods can have a significant impact both positively and negatively on the resulting valuation.

NOTES TO THE ACCOUNTS (continued)

12. Investment properties under construction (continued)

In preparing their valuation, Knight Frank have utilised market and site specific data, their own extensive knowledge of the real estate sector, professional judgement and other market observations as well as information provided by the Company's Executive Directors. The resulting models and assumptions therein have also been reviewed for overall reasonableness by the Conygar Board. Inevitably in a complex model like this, and as noted above, variations in assumptions can lead to widely differing values. The Board have considered the valuation in the context of their experience and believe the value of approximately £2 million per acre is justifiable.

The valuation was prepared on a fixed fee basis, independent of the property value and undertaken in accordance with RICS Valuation – Global Standards 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 Nottingham 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 all periods as Level 3 in the fair value hierarchy as defined in IFRS 13. For Nottingham, the key unobservable inputs are the net initial yields, construction costs, rental income rates and expiry void periods. Net initial yields have been estimated for the individual units at between 4.35% and 7.0%. The principal sensitivity of measurement to variations in the significant unobservable outputs is that decreases in net initial yields, construction costs and void periods will increase the fair value whereas reductions to rental income rates would decrease the fair value.

The historical cost of the Group's investment properties under construction as at 30 September 2021 was £36,168,000 (2020: £19,761,000).

NOTES TO THE ACCOUNTS (continued)

13. Investment in subsidiary undertakings

Company	*30 Sep 21* *£'000*	*30 Sep 20* *£'000*
At 30 September	16	16

The companies listed below are the subsidiary undertakings of the Group at 30 September 2021, all of which are wholly owned.

Company name	*Principal activity*	*Country of registration*	*% of equity held*
Conygar Holdings Ltd**	Holding Company	England	100%
Conygar Haverfordwest Ltd**	Property trading and development	England	100%*
Conygar Holyhead Ltd**	Property trading and development	England	100%*
Conygar Nottingham Ltd**	Property investment	England	100%*
Nohu Limited**	Property investment	England	100%*
Parc Cybi Management Company Limited**	Management Company	England	100%
Conygar Developments Ltd**	Dormant	England	100%*
Conygar Wales PLC**	Dormant	England	100%*
The Island Quarter Student Property Company Ltd**	Dormant	England	100%*
The Island Quarter Student Operating Company Ltd**	Dormant	England	100%*
The Island Quarter Propco 1 Ltd**	Dormant	England	100%*
The Island Quarter Management Company Ltd**	Dormant	England	100%*
Lamont Property Holdings Ltd***	Holding Company	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.

*** Subsidiaries incorporated in Jersey with a registered office at 3rd Floor, 44 Esplanade, St Helier, Jersey JE4 9WG.

NOTES TO THE ACCOUNTS (continued)

14. Development and trading properties

	Group		Company	
	30 Sep 21	*30 Sep 20*	*30 Sep 21*	*30 Sep 20*
	£'000	*£'000*	*£'000*	*£'000*
At the start of the year	19,952	39,999	7,165	7,915
Additions	1,510	5,325	–	(82)
Disposals	(595)	–	(595)	–
Transfer to investment properties under construction	–	(19,761)	–	–
Development costs written off	(675)	(5,611)	–	(668)
At the end of the year	20,192	19,952	6,570	7,165

Development and trading properties are reported in the balance sheet at the lower of cost and net realisable value. 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.

15. Trade and other receivables

	Group		Company	
	30 Sep 21	*30 Sep 20*	*30 Sep 21*	*30 Sep 20*
	£'000	*£'000*	*£'000*	*£'000*
Trade receivables	127	107	14	39
Amounts owed by group undertakings	–	–	60,193	43,786
Other receivables	1,229	613	257	172
Prepayments and accrued income	1,305	935	164	207
	2,661	1,655	60,628	44,204

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.

16. Trade and other payables

	Group		Company	
	30 Sep 21	*30 Sep 20*	*30 Sep 21*	*30 Sep 20*
	£'000	*£'000*	*£'000*	*£'000*
Amounts owed to group undertakings	–	–	8,618	8,605
Social security and payroll taxes	55	56	55	56
Trade payables	2,300	611	12	26
Accruals and deferred income	1,012	548	102	96
	3,367	1,215	8,787	8,783

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

NOTES TO THE ACCOUNTS (continued)

17. Provision for liabilities and charges

	30 Sep 21 £'000	30 Sep 20 £'000
Services and introduction fee	5,614	–

The Group is party to a services agreement and introduction fee agreement in connection with its investment property at Nottingham. The fee payable, under the terms of each agreement, in connection with introductory and other services, is to be calculated on the earlier of the date of sale of the property or 22 December 2021 with settlement to follow, subject to agreement between each party, 31 business days after the fee calculation has been finalised. The provision as at 30 September 2021 has been calculated by reference to the open market value of the property at the balance sheet date after allowing for a priority return and applicable costs.

There are no provisions within the Company in the current or previous years.

18. Share capital

Authorised share capital:	30 Sep 21 £	30 Sep 20 £
140,000,000 (2020: 140,000,000) Ordinary shares of 5p each	7,000,000	7,000,000

Allotted and called up:

	No	£'000
As at 30 September 2019	56,522,435	2,826
Cancellation of treasury shares	(2,930,845)	(146)
As at 30 September 2020	53,591,590	2,680
Cancellation of treasury shares	(1,092,000)	(55)
As at 30 September 2021	52,499,590	2,625

In December 2010, the Group began a share buyback programme and during the year ended 30 September 2021 purchased 1,092,000 (2020: 2,930,845) shares on the open market at a cost of £1,217,000 (2020: £3,965,000). On 16 September 2021, 1,092,000 ordinary shares of 5p each were transferred out of treasury and cancelled (2020: 2,930,845 ordinary shares of 5p each).

19. Capital commitments

As at 30 September 2021, the Group had contracted capital commitments, not provided for in the financial statements, of £12,800,000 (2020: £326,000) relating to the construction, development or enhancement of the Group's investment and trading properties.

As at 30 September 2021, the Company had contracted capital commitments of £nil (2020: £nil).

NOTES TO THE ACCOUNTS (continued)

20. 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 £15,130,000 (2020: £15,117,000) provision following the write down in the carrying value of Haverfordwest in a previous year.

Subsidiaries	*30 Sep 21* *£'000*	*30 Sep 20* *£'000*
Conygar Nottingham Limited	33,538	19,157
Conygar Cross Hands Limited	13,541	13,452
Conygar Haverfordwest Limited	8,818	8,161
Conygar Holyhead Limited	3,824	3,011
Nohu Limited	469	–
Parc Cybi Management Company Limited	3	5
Conygar Holdings Limited	(6,867)	(6,871)
Conygar Ashby Limited	(1,702)	(1,684)
Conygar Wales PLC	(50)	(50)
	51,574	35,181

During the year, the Company received a management fee of £50,000 (2020: £50,000) from Conygar Holyhead Limited in respect of management services.

During the year, the Company charged a management fee of £62,500 (2020: £250,000) to Conygar Cross Hands Limited, for management services in connection with the retail park development, of which £nil (2020: £62,500) is included within trade and other receivables on the Company balance sheet as at 30 September 2021.

21. Loss 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 £1,191,000 (2020: loss of £2,268,000).

22. Financial instruments

The policies and risk management arrangements, as set out in this note, apply to both the Group and Company.

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.

NOTES TO THE ACCOUNTS (continued)

22. Financial instruments (continued)

The management of cash is monitored regularly with summary cash statements produced on a monthly basis and discussed 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 held on either instant access accounts with floating interest rates or three-month deposit accounts at fixed 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 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 Groups' principal financial assets include its financial interest in property assets, cash deposits and trade and other receivables. The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account the value of any collateral obtained.

In the event of default by an occupational tenant, the Group will suffer a rental shortfall and incur additional costs. The Directors continually monitor tenant arrears in order to anticipate, and minimise the impact of, defaults by occupational tenants and if necessary will apply rigorous credit control procedures to facilitate the recovery of trade receivables.

Under IFRS 9, the Group is required to provide for any expected credit losses arising from trade receivables. For all assured shorthold tenancies, credit checks are performed prior to acceptance of the tenant. Regulated tenants are incentivised through the benefit of their tenancy agreement to avoid default on their rent and rent deposits are held in respect of two leases. Taking these factors into account, the risk to the Group of individual tenant default and the credit risk of trade receivables are considered low, albeit that risk increased as a result of the impact of COVID-19, as is borne out by the level of trade receivables written off in the current and prior years.

The Directors have provided for rental and other arrears due from various tenants impacted by the COVID-19 pandemic which amount to £118,000 as at 30 September 2021 and which remain outstanding at the date of signing these financial statements. The impaired receivables are based on a review of expected credit losses. Impaired receivables and receivables not considered to be impaired are not material to the financial statements and, therefore, no further analysis is provided.

NOTES TO THE ACCOUNTS (continued)

22. Financial instruments (continued)

The credit risk on cash deposits is managed through the Company's policies of monitoring counterparty exposure and the use of counterparties of good financial standing. At 30 September 2021, the credit exposure from cash held with banks was £13.7 million which represents 12.0% of the Group's net assets. All cash deposits at the balance sheet date are placed with banks, whose credit ratings are acceptable to the Board, on instant access accounts. Should the credit quality or the financial position of the banks currently utilised significantly deteriorate, cash deposits would be moved to alternative banks.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial commitments as they fall due. The Group seeks to manage its liquidity risk by ensuring that sufficient cash is available to meet its obligations for a period of at least 12 months.

The following tables set out the Group's and Company'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 and Company can be required to pay.

Financial assets:

	Group		*Company*	
	30 Sep 21 £'000	*30 Sep 20 £'000*	*30 Sep 21 £'000*	*30 Sep 20 £'000*
Cash and cash equivalents	13,657	32,126	12,956	31,185
Trade receivables	127	107	14	39
Other receivables (excluding VAT)	253	232	240	169
	14,037	32,465	13,210	31,393

Financial liabilities:

	Group		*Company*	
	30 Sep 21 £'000	*30 Sep 20 £'000*	*30 Sep 21 £'000*	*30 Sep 20 £'000*
Trade payables and other accrued expenses	3,175	993	138	136

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 and sustain the future development of the business.

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 2021 and 30 September 2020, 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).

NOTES TO THE ACCOUNTS (continued)

22. Financial instruments (continued)

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.

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.

23. Events after the balance sheet date

There are no significant events since the balance sheet date that require disclosure in the financial statements.

GLOSSARY OF TERMS

AGM	Annual General Meeting
AIM	The AIM market of the London Stock Exchange PLC
Conygar	The Conygar Investment Company PLC
Default	The failure of a tenant to comply with a provision in their lease
EPS	Earnings per share, calculated as the earnings for the year after tax attributable to members of the 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
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 2021 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 Monday, 20 December 2021 at 4:00pm to consider and, if thought fit, pass the resolutions below:

Resolutions 1 to 9 are proposed as ordinary resolutions and resolutions 10 and 11 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 2021 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 2021.
3. To re-appoint Saffery Champness LLP as auditor 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 to agree the remuneration of the auditors.
5. To elect David Baldwin as a Director of the Company.
6. To re-appoint Robert Thomas Ernest Ware, who retires by rotation, as a Director of the Company.
7. To re-appoint Nigel Jonathon Hamway, who retires by rotation, as a Director of the Company.

SPECIAL BUSINESS

8. (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 £250,000 (comprising 5,000,000 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.

9. That the Company be authorised, subject to an in accordance with the provisions of the Companies Act 2006, to serve any notice or send or supply any other document or information to any shareholder (or where applicable a nominee) by making the notice or document or information available on the Company's website or by other electronic means.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Special resolutions

10. That subject to the passing of resolution 8 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 8 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 £250,000 (comprising 5,000,000 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.

11. 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;

    (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	D Baldwin
London	Company Secretary
W1W 6AN	22 November 2021

NOTICE OF ANNUAL GENERAL MEETING (continued)

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:
   - 4:00pm on 16 December 2021; or
   - if this meeting is adjourned, at 4:00pm 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, Molex House, Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX** or;
   - scanned and emailed to voting@shareregistrars.uk.com and;
   - received by the Company no later than 4:00pm on 16 December 2021.

   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.

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).

NOTICE OF ANNUAL GENERAL MEETING (continued)

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 applies 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), Molex House, Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX**. 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 4:00pm on 16 December 2021.

    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 davidbaldwin@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.

    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).

NOTICE OF ANNUAL GENERAL MEETING (continued)

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 22 November 2021 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 52,499,590 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 22 November 2021 are 52,499,590.

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 the Chairman of the meeting OR the following person ....

....

of ....

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 20 December 2021 at 4:00pm 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 2021 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 2021.			
3	To re-appoint Saffery Champness LLP as auditor of the Company.			
4	To authorise the Directors to agree the remuneration of the auditors.			
5	To elect David Baldwin as Director of the Company.			
6	To re-appoint Robert Thomas Ernest Ware, who retires by rotation, as a Director of the Company.			
7	To re-appoint Nigel Jonathon Hamway, who retires by rotation, as a Director of the Company.			
8	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 £250,000.			
9	To give Directors' authority to serve any notice or send or supply any other document or information to a shareholder via the Company's website or by other electronic means.			
Special Resolutions				
10	To give Directors' authority to disapply pre-emption rights and allot equity securities.			
11	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, Molex House, The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, or it can be scanned and emailed to voting@shareregistrars.uk.com, by 4:00pm on 16 December 2021.
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, Molex House, The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX or it can be scanned and emailed to voting@shareregistrars.uk.com. In each case, the proxy appointment must be received no later than 4:00pm on 16 December 2021 together with any authority (or a notarially certified copy of such authority) under which it is signed.

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