



**THE CONYGAR INVESTMENT  
COMPANY PLC**

**INTERIM REPORT**  
**Six months ended 31 March 2021**

# The Conygar Investment Company PLC

## Interim results

for the six months ended 31 March 2021

### Summary

- Net asset value of £86.7 million (164.0p per share).
- Total cash deposits of £23.9 million (45.3p per share).
- No debt and no borrowings.
- Development commenced for the first phase of the mixed-use development at The Island Quarter, Nottingham.
- Detailed planning applications submitted in January 2021 and May 2021 for the next two phases of The Island Quarter development which include a hotel, to be managed by Intercontinental Hotels Group, residential rental apartments, co-working space and a 702 bed student accommodation scheme.
- £1.2 million write down in the value of the retail park at Cross Hands, Carmarthenshire as a result of the continuing negative investor sentiment towards this sector.
- Bought back 0.74 million shares (1.4% of ordinary share capital) at an average price of 109.0p per share.

### Group net assets as at 31 March 2021

	£'m	Per share p
Investment properties	42.7	80.9
Development properties	19.5	36.9
Cash	23.9	45.3
Other	0.6	0.9
Net assets	<u>86.7</u>	<u>164.0</u>

# **The Conygar Investment Company PLC**

## **Interim results**

**for the six months ended 31 March 2021**

### **Chairman's and Chief Executive's statement**

#### **Results summary**

We present the Group's results for the period ended 31 March 2021.

More than a year on from its start, the UK and global economies continue to be severely impacted by the unprecedented and, all too often, tragic effects of COVID-19. However, the rapid rollout and continuing success of the UK's vaccination programme, the significant reduction in infection and hospitalisation rates during the last few months and the steps taken along the roadmap to ease lockdown restrictions should allow us to cautiously look forward to an improvement in business confidence during 2021, albeit with the pace of recovery determined to a large extent by the response to the significant social and economic changes we have all experienced this past year.

The net asset value was £86.7 million at 31 March 2021 (31 March 2020: £95.3 million; 30 September 2020: £88.8 million) and the loss after tax for the six month period was £1.4 million (period ended 31 March 2020: loss of £1.5 million, year ended 30 September 2020: loss of £8.0 million). The loss for the current period includes a £1.2 million write down in the value of our retail park at Cross Hands, Carmarthenshire, as a result of the significant impact of COVID-19 on the retail sector compounded by the strong growth in online shopping both before and, to an even greater extent, throughout the pandemic.

We have continued to support our customers, staff and tenants whenever possible including, in a number of cases, the deferral of rent for some of our tenants most negatively impacted by COVID-19. Rent collection rates have been reasonably strong at 90% for December 2020 with 82% collected to date for March 2021.

Despite the challenges posed by the further lockdown in January 2021, the Group has made steady progress on its property portfolio over the six month period, the highlights of which are set out below.

At The Island Quarter, Nottingham, work has begun on site for the first phase of this exciting and substantial development comprising a 21,500 square foot food and beverage led building in an enhanced canal-side setting with associated public realm. This initial phase, which is scheduled for completion by the end of March 2022, will, we believe, open up the previously underused canal-side part of the city and bring the local residents back to The Island Quarter, thereby further unlocking the potential of the remaining site.

In January 2021, a detailed planning application was submitted for the first major phase of The Island Quarter's mixed-use scheme which includes a hotel, to be managed by the Intercontinental Hotels Group, 247 residential rental apartments, 32,000 square feet of flexible co-working space, plus an extensive food and beverage area. It is hoped that planning permission for this phase will be achieved later in 2021.

After the half year end, in May 2021, a detailed planning application was also submitted for a 702 bed student accommodation scheme which we hope to have operational for the September 2023 university intake.

We continue to progress the designs for subsequent phases of The Island Quarter and are advancing our discussions on financing options for the development which we hope to make further announcements on later in the year.

At Haverfordwest in Pembrokeshire, construction of a spine road and associated drainage commenced in January 2021, which should be completed later this year, to open up the site for future development.

The 31 March 2021 revaluation of our retail park at Cross Hands in Carmarthenshire, at £15.85 million, reflects a 3.9% reduction in value since the year end. The retail sector has continued to suffer from forced closures and trading restrictions with investor sentiment remaining negative towards this sector. However, the park at Cross Hands has been able to trade well throughout the pandemic reflecting the large proportion of 'essential' high quality tenants. Our unpaid rents, which have been provided for in these financial statements, arose primarily from Peacock Stores Limited who occupy 5,200 square feet at Cross Hands and who went into administration in November 2020.

At Cross Hands, we completed the construction of the 2,750 square foot Burger King restaurant and drive-through which commenced trading in December 2020. A change of use application was also submitted, to be determined in the coming weeks, to progress the letting to a gym operator, with whom we exchanged contracts in 2020, for a 3,400 square foot unit.

At the Holyhead Waterfront scheme in Anglesey, we continue to work on the detailed design and reserved matters application in tandem with the marine consenting process and expect to submit both in the next few months.

In April 2019, we exchanged a conditional contract, on a subject to planning basis, to dispose of our industrial property in Selly Oak, Birmingham. An amended planning application for this student accommodation scheme was submitted by the purchaser in January 2021 and we are awaiting its determination.

During the period the Company's development sites at King's Lynn, Norfolk, and Fishguard lorry stop in Pembrokeshire were sold for total net proceeds of £1.0 million resulting in a combined net profit of £0.4 million.

## **Share buyback**

During the six-month period ended 31 March 2021, the Group acquired 740,000 ordinary shares, representing 1.4% of its ordinary share capital, at a cost of £0.81 million which equates to an average price of 109.0p per share. We continue to see the buyback authority as a useful capital allocation 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.

## **Outlook**

After 15 months of COVID-19 we expect the country slowly to return to a semblance of normality, boosted by the extraordinary success of the vaccinations. We have no idea how the huge debt hang-over from government intervention will affect the future but we think trends such as working from home and retail moving online will have been accelerated. We continue to stick to what we know. The Island Quarter project at Nottingham has significantly progressed along with the majority of our other assets and we continue to operate with sensible overheads, no debt and cash reserves. We anticipate real progress will be made over the next year.

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

10 May 2021

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

## Financial review

### Net asset value

During the six months ended 31 March 2021, the net asset value decreased by £2.1 million to £86.7 million (31 March 2020: £95.3 million; 30 September 2020: £88.8 million). The primary movements in the period were £0.8 million of rental income plus a £0.4 million profit on the sale of our development sites at King's Lynn and Fishguard lorry stop offset by £0.4 million of development costs written off, a £1.2 million reduction in the valuation of Cross Hands, £1.0 million of administrative costs and £0.8 million relating to the purchase of our own shares (£0.5 million of which were paid for in the period and £0.3 million settled in April 2021 to complete the purchase of 0.3 million shares acquired on 31 March 2021).

### Cash flow and financing

At 31 March 2021, the Group had cash of £23.9 million and no debt (31 March 2020: cash of £36.1 million and no debt; 30 September 2020: cash of £32.1 million and no debt).

The primary cash outflows in the current period were £8.4 million incurred on development projects and investment properties, including £7.1 million to progress the development at Nottingham, and £0.5 million to buy back shares. These were partly offset by cash inflows of £1.0 million from the sale of King's Lynn and Fishguard lorry stop resulting in a net cash outflow during the period of £8.2 million.

### Net income from property activities

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sep</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>
Rental income	0.8	0.9	1.7
Direct property costs	<u>(0.2)</u>	<u>(0.1)</u>	<u>(0.2)</u>
	0.6	0.8	1.5
Sale of properties	1.0	3.7	3.7
Cost of properties sold	<u>(0.6)</u>	<u>(3.5)</u>	<u>(3.5)</u>
	<u>0.4</u>	<u>0.2</u>	<u>0.2</u>
Total net income arising from property activities	<u><u>1.0</u></u>	<u><u>1.0</u></u>	<u><u>1.7</u></u>

## Administrative expenses

The administrative expenses for the period ended 31 March 2021 were £1.0 million (period ended 31 March 2020: £1.6 million; year ended 30 September 2020: £2.6 million). The major items were salary costs of £0.7 million (period ended 31 March 2020: £1.2 million; year ended 30 September 2020: £1.9 million) and various costs arising as a result of the Group being listed on AIM.

## Taxation

No tax is payable on the loss for the six months ended 31 March 2021 (period ended 31 March 2020: tax credit of £0.2 million; year ended 30 September 2020: tax credit of £0.2 million).

As at 31 March 2021, the Group has unused tax losses and capital allowances totalling £42 million for which no deferred tax asset has been recognised in the consolidated balance sheet at 31 March 2021 (30 March 2020: £nil; 30 September 2020: £nil). However, the Board are committed to delivering long term value for shareholders and as such are hopeful that some or all of these losses will be utilised in the future against returns from the Group's property development portfolio.

## Summary of investment properties

	<i>31 Mar 2021 £'m</i>	<i>31 Mar 2020 £'m</i>	<i>30 Sep 2020 £'m</i>
Nottingham – at cost <sup>(1)</sup>	26.88	–	19.80
Cross Hands – at valuation <sup>(2)</sup>	15.85	16.40	16.50
Total investment	<u>42.73</u>	<u>16.40</u>	<u>36.30</u>

(1) The Group's investment in Nottingham was transferred to investment properties under construction during the year ended 30 September 2020.

(2) External valuations provided by Knight Frank LLP at each period end.

## Summary of development and trading properties

	<i>31 Mar</i> <i>2021</i> <i>£'m</i>	<i>31 Mar</i> <i>2020</i> <i>£'m</i>	<i>30 Sep</i> <i>2020</i> <i>£'m</i>
Nottingham <sup>(2)</sup>	–	16.76	–
Haverfordwest	7.93	7.71	7.78
Holyhead Waterfront	5.00	9.56	5.00
Selly Oak	3.57	3.57	3.57
Rhosgoch	2.50	3.00	2.50
Parc Cybi	0.50	0.50	0.50
King's Lynn <sup>(3)</sup>	–	0.76	0.53
Fishguard lorry stop <sup>(3)</sup>	–	0.07	0.07
Total	<u>19.50</u>	<u>41.93</u>	<u>19.95</u>

- (1) Development projects are stated at the lower of cost and net realisable value.
- (2) As set out above, the Group's investment in Nottingham was transferred to investment properties under construction in the year ended 30 September 2020.
- (3) King's Lynn and Fishguard lorry stop were both sold in the current period for gross proceeds of £0.53 million each which resulted in a combined net profit of £0.4 million.



**The Conygar Investment Company PLC**  
**Consolidated statement of comprehensive income**  
**For the six months ended 31 March 2021**

		<i>Six months ended</i>		<i>Year ended</i>
		<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
		<i>2021</i>	<i>2020</i>	<i>2020</i>
	Note	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Rental income		824	876	1,675
Proceeds on sale of development properties		1,050	–	–
<b>Revenue</b>	3	<u>1,874</u>	<u>876</u>	<u>1,675</u>
Direct costs of:				
Rental income		(155)	(51)	(233)
Costs of development properties sold		(620)	–	–
Development costs (written off) / written back	9	<u>(367)</u>	<u>63</u>	<u>(5,611)</u>
<b>Direct costs</b>		<u>(1,142)</u>	<u>12</u>	<u>(5,844)</u>
<b>Gross profit / (loss)</b>		732	888	(4,169)
Deficit on revaluation of investment properties	7	(1,151)	(1,284)	(1,722)
Profit on sale of investment property		–	168	167
Administrative expenses		<u>(973)</u>	<u>(1,591)</u>	<u>(2,623)</u>
<b>Operating loss</b>		<u>(1,392)</u>	<u>(1,819)</u>	<u>(8,347)</u>
Finance costs	4	(1)	–	(5)
Finance income	4	<u>25</u>	<u>120</u>	<u>187</u>
<b>Loss before taxation</b>		<u>(1,368)</u>	<u>(1,699)</u>	<u>(8,165)</u>
Taxation		–	210	210
<b>Loss and total comprehensive charge for the period</b>		<u>(1,368)</u>	<u>(1,489)</u>	<u>(7,955)</u>
Basic and diluted loss per share	6	(2.55)p	(2.74)p	(14.73)p

All amounts are attributable to equity shareholders.

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

**The Conygar Investment Company PLC**  
**Consolidated statement of changes in equity**  
**For the six months ended 31 March 2021**

**Changes in equity for the six months ended 31 March 2020**

	<i>Share capital £'000</i>	<i>Capital redemption reserve £'000</i>	<i>Treasury shares £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
At 1 October 2019	2,826	3,727	–	94,177	100,730
Loss for the period	–	–	–	(1,489)	(1,489)
Total comprehensive change for the period	–	–	–	(1,489)	(1,489)
Purchase of own shares	–	–	(3,965)	–	(3,965)
<b>At 31 March 2020</b>	<b>2,826</b>	<b>3,727</b>	<b>(3,965)</b>	<b>92,688</b>	<b>95,276</b>

**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
Loss for the year	2,826	3,727	–	94,200	100,753
Total comprehensive change for the year	–	–	–	(7,955)	(7,955)
Purchase of own shares	–	–	–	–	–
Cancellation of treasury shares	(146)	146	(3,965)	–	(3,965)
<b>At 30 September 2020</b>	<b>2,680</b>	<b>3,873</b>	<b>–</b>	<b>82,280</b>	<b>88,833</b>

**Changes in equity for the six months ended 31 March 2021**

At 1 October 2020	2,680	3,873	–	82,280	88,833
Loss for the period	–	–	–	(1,368)	(1,368)
Total comprehensive change for the period	–	–	–	(1,368)	(1,368)
Purchase of own shares	–	–	(807)	–	(807)
<b>At 31 March 2021</b>	<b>2,680</b>	<b>3,873</b>	<b>(807)</b>	<b>80,912</b>	<b>86,658</b>

**The Conygar Investment Company PLC**  
**Consolidated balance sheet**  
**As at 31 March 2021**

		<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
		<i>2021</i>	<i>2020</i>	<i>2020</i>
	Note	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Non-current assets</b>				
Investment properties	7	15,850	16,400	16,500
Investment properties under construction	8	26,882	–	19,761
Right of use asset		100	–	146
		<u>42,832</u>	<u>16,400</u>	<u>36,407</u>
<b>Current assets</b>				
Development and trading properties	9	19,503	41,934	19,952
Trade and other receivables	10	1,453	1,848	1,655
Tax asset		31	70	31
Cash and cash equivalents		23,933	36,079	32,126
		<u>44,920</u>	<u>79,931</u>	<u>53,764</u>
<b>Total assets</b>		<u>87,752</u>	<u>96,331</u>	<u>90,171</u>
<b>Current liabilities</b>				
Trade and other payables	11	995	1,005	1,215
Lease liability		99	–	89
		<u>1,094</u>	<u>1,005</u>	<u>1,304</u>
<b>Non-current liabilities</b>				
Provision for liabilities and charges	12	–	50	–
Lease liability		–	–	34
<b>Total liabilities</b>		<u>1,094</u>	<u>1,055</u>	<u>1,338</u>
<b>Net assets</b>		<u>86,658</u>	<u>95,276</u>	<u>88,833</u>
<b>Equity</b>				
Called up share capital		2,680	2,826	2,680
Capital redemption reserve		3,873	3,727	3,873
Treasury shares		(807)	(3,965)	–
Retained earnings		80,912	92,688	82,280
<b>Total equity</b>		<u>86,658</u>	<u>95,276</u>	<u>88,833</u>
<b>Net assets per share</b>	13	164.0p	177.8p	165.8p

**The Conygar Investment Company PLC**  
**Consolidated cash flow statement**  
**For the six months ended 31 March 2021**

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Cash flows from operating activities</b>			
Operating loss	(1,392)	(1,819)	(8,347)
Development costs written off / (written back)	367	(63)	5,611
Profit on sale of development and trading properties	(430)	–	–
Deficit on revaluation of investment properties	1,151	1,284	1,722
Profit on sale of investment property	–	(168)	(167)
Depreciation of right of use asset	46	–	93
<b>Cash flows from operations before changes in working capital</b>	(258)	(766)	(1,088)
Decrease / (increase) in trade and other receivables	202	(378)	(107)
Net proceeds from sale of development and trading properties	1,033	–	–
Additions to trading and development properties	(686)	(1,790)	(4,901)
(Decrease) / increase in trade and other payables	(296)	134	(253)
<b>Cash flows used in operations</b>	(5)	(2,800)	(6,349)
Tax received	–	–	38
<b>Cash flows used in operating activities</b>	(5)	(2,800)	(6,311)
<b>Cash flows from investing activities</b>			
Additions to investment properties	(7,737)	(925)	(1,369)
Proceeds from the sale of investment property	–	3,738	3,673
Finance income	25	120	187
<b>Cash flows (used in) / generated from investing activities</b>	(7,712)	2,933	2,491
<b>Cash flows from financing activities</b>			
Purchase of own shares	(476)	(3,965)	(3,965)
<b>Cash flows used in financing activities</b>	(476)	(3,965)	(3,965)
Net decrease in cash and cash equivalents	(8,193)	(3,832)	(7,785)
Cash and cash equivalents at 1 October	32,126	39,911	39,911
<b>Cash and cash equivalents at 30 September</b>	<b>23,933</b>	<b>36,079</b>	<b>32,126</b>

**The Conygar Investment Company PLC**  
**Notes to the interim results**  
**For the six months ended 31 March 2021**

**1. 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 financial information set out in this report covers the six months to 31 March 2021, with comparative amounts shown for the six months to 31 March 2020 and the year to 30 September 2020, and includes the results and net assets of the Company and its subsidiaries, together referred to as the Group.

Further information about the Group and Company can be found on its website [www.conygar.com](http://www.conygar.com).

**2. Basis of preparation**

The accounting policies used in preparing the condensed financial information are consistent with those of the annual financial statements for the year ended 30 September 2020 other than the mandatory adoption of new standards, revisions and interpretations that are applicable to accounting periods commencing on or after 1 October 2020, as detailed in the annual financial statements.

The condensed financial information for the six month period ended 31 March 2021 and the six month period ended 31 March 2020 has been reviewed but not audited and does not constitute full financial statements within the meaning of section 435 of the Companies Act 2006.

The financial information for the year ended 30 September 2020 does not constitute the Group’s statutory accounts for that period but it is derived from those accounts. Statutory accounts for the year ended 30 September 2020 have been delivered to the Registrar of Companies. Saffery Champness LLP reported on those accounts, their report was unqualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The board of directors approved the above results on 10 May 2021.

Copies of the interim report may be obtained from the Company Secretary, The Conygar Investment Company PLC, First Floor, Suite 3, 1 Duchess Street, London, W1W 6AN.

### 3. 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 and trading properties, which include sites and developments under construction held for sale in the ordinary course of business.

#### Balance Sheet

	31 Mar 21				31 Mar 20			
	Investment properties £'000	Development properties £'000	Other £'000	Group total £'000	Investment properties £'000	Development properties £'000	Other £'000	Group total £'000
Investment properties	42,732	–	–	42,732	16,400	–	–	16,400
Development & trading properties	–	19,503	–	19,503	–	41,934	–	41,934
	42,732	19,503	–	62,235	16,400	41,934	–	58,334
Other assets	1,205	256	24,056	25,517	1,196	265	36,536	37,997
Total assets	43,937	19,759	24,056	87,752	17,596	42,199	36,536	96,331
Liabilities	(516)	(48)	(530)	(1,094)	(273)	(228)	(554)	(1,055)
Net assets	43,421	19,711	23,526	86,658	17,323	41,971	35,982	95,276

#### Revenue

	Six months ended		Year ended
	31 Mar 2021 £'000	31 Mar 2020 £'000	30 Sept 2020 £'000
Investment properties	640	474	936
Development and trading properties	1,234	402	739
	1,874	876	1,675

**The Conygar Investment Company PLC**  
**Notes to the interim results (continued)**  
**For the six months ended 31 March 2021**

**4. Finance income and costs**

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank interest receivable	25	120	187
	<u>25</u>	<u>120</u>	<u>187</u>
Interest cost under IFRS 16	1	–	5
	<u>1</u>	<u>–</u>	<u>5</u>

**5. Dividends**

No dividends were paid in the period ended 31 March 2021 (period ended 31 March 2020: £nil; year ended 30 September 2020: £nil).

**6. Loss per share**

Loss per share is calculated as the loss attributable to ordinary shareholders of the Company for the period ended 31 March 2021 of £1,368,000 (period ended 31 March 2020: loss of £1,489,000; year ended 30 September 2020: loss of £7,955,000) divided by the weighted average number of shares in issue throughout the period of 53,569,832 (31 March 2020: 54,424,398; 30 September 2020: 54,007,994). There are no diluting amounts in either the current or prior periods.

**7. Investment properties**

	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At the start of the period	16,500	21,429	21,429
Additions	501	(196)	305
Disposals	–	(3,549)	(3,512)
Revaluation deficit	(1,151)	(1,284)	(1,722)
	<u>15,850</u>	<u>16,400</u>	<u>16,500</u>
At the end of the period	<u>15,850</u>	<u>16,400</u>	<u>16,500</u>

## 7. Investment properties (continued)

As at 31 March 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 was undertaken in accordance with the RICS Valuation – Global Standards [incorporating the International Valuation Standards] effective 31 January 2020 on the basis of fair value, supported by reference to market evidence of transaction prices for similar properties. It assumes a willing buyer and a willing seller in an arm’s length transaction and reflects usual deductions in respect of purchaser’s costs and SDLT as applicable at the valuation date. The independent valuer makes various assumptions including future rental income, anticipated void costs and the appropriate discount rate or yield.

The fair value of Cross Hands has been determined using an income capitalisation technique whereby contracted rent and market rental values are capitalised with a market capitalisation rate. This technique is consistent with the principles in IFRS 13 and uses significant unobservable inputs, such that the fair value has been classified in 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 5.25% and 10.75% and expiry void periods are projected at between 6 months and 24 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 31 March 2021 was £13,952,000 (31 March 2020: £12,863,000; 30 September 2020: £13,451,000).

The Group’s revenue for the period ended 31 March 2021 includes £804,000 derived from properties leased out under operating leases (period ended 31 March 2020: £856,000; year ended 30 September 2020: £1,635,000).

## 8. Investment properties under construction

	<i>31 Mar 2021 £'000</i>	<i>31 Mar 2020 £'000</i>	<i>30 Sept 2020 £'000</i>
At the start of the period	19,761	–	–
Additions	7,121	–	–
Transfer from trading properties	–	–	19,761
At the end of the period	<u>26,882</u>	<u>–</u>	<u>19,761</u>



**The Conygar Investment Company PLC**  
**Notes to the interim results (continued)**  
**For the six months ended 31 March 2021**

**8. Investment properties under construction (continued)**

Investment properties under construction comprise freehold land and buildings at The Island Quarter, Nottingham which are held for current or future development as investment properties and reported on the balance sheet at cost.

The fair value of this property rests in the planned developments, and is difficult to estimate pending confirmation of designs and planning permissions, and hence, in accordance with IAS 40, has been measured at cost until either the fair value becomes readily determinable or construction is complete.

**9. Development and trading properties**

	<i>31 Mar</i> <i>2021</i> <i>£'000</i>	<i>31 Mar</i> <i>2020</i> <i>£'000</i>	<i>30 Sept</i> <i>2020</i> <i>£'000</i>
At the start of the period	19,952	39,999	39,999
Additions	513	1,872	5,325
Disposals	(595)	–	–
Transfer to investment properties under construction	–	–	(19,761)
Development costs (written off) / written back	(367)	63	(5,611)
	<u>19,503</u>	<u>41,934</u>	<u>19,952</u>

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.

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

## 10. Trade and other receivables

	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Trade receivables	87	252	107
Other receivables	293	609	613
Prepayments and accrued income	1,073	987	935
	<u>1,453</u>	<u>1,848</u>	<u>1,655</u>

Trade and other receivables are measured on initial recognition at transaction cost, 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.

## 11. Trade and other payables

	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Social security and payroll taxes	56	68	56
Trade payables	685	243	611
Accruals and deferred income	254	694	548
	<u>995</u>	<u>1,005</u>	<u>1,215</u>

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

## 12. Provision for liabilities and charges

	<i>31 Mar</i>	<i>31 Mar</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Amounts payable from development profit	<u>–</u>	<u>50</u>	<u>–</u>

The Group is party to a profit share agreement which would become payable on the earliest of the disposal of its retail park at Cross Hands or the date upon which the open market value of Cross Hands is agreed between the parties on completion of the development. The profit share provision has been calculated by reference to the open market value of the property at each balance sheet date after deducting applicable costs. As a result of the reduction in the value of Cross Hands since 31 March 2020 no profit share is payable as at 31 March 2021.

**The Conygar Investment Company PLC**  
**Notes to the interim results (continued)**  
**For the six months ended 31 March 2021**

**13. Net assets per share**

Net assets per share is calculated as the net assets of the Group divided by the number of shares in issue. There are no diluting or adjusting amounts for the reported periods.

	<i>31 Mar</i> <i>2021</i> <i>£'000</i>	<i>31 Mar</i> <i>2020</i> <i>£'000</i>	<i>30 Sept</i> <i>2020</i> <i>£'000</i>
Net assets	<u>86,658</u>	<u>95,276</u>	<u>88,833</u>
	<i>No.</i>	<i>No.</i>	<i>No.</i>
Shares in issue	<u>52,851,590</u>	<u>53,591,590</u>	<u>53,591,590</u>
Net assets per share	<u>164.0p</u>	<u>177.8p</u>	<u>165.8p</u>

**14. Key management compensation**

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Group and are considered to be the directors of the Company. Amounts paid in respect of key management compensation were as follows:

	<i>Six months ended</i>		<i>Year ended</i>
	<i>31 Mar</i> <i>2021</i> <i>£'000</i>	<i>31 Mar</i> <i>2020</i> <i>£'000</i>	<i>30 Sept</i> <i>2020</i> <i>£'000</i>
Short term employee benefits	<u>430</u>	<u>881</u>	<u>1,329</u>

**SAFFERY CHAMPNESS LLP**

Chartered Accountants

71 Queen Victoria Street

London EC4V 4BE

Telephone 020 7841 4000

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

**Introduction**

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six month period ended 31 March 2021 which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the AIM Rules (“the AIM Rules”). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

**Directors’ responsibilities**

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

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting,” as adopted by the European Union.

**Our responsibility**

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

## **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six month period ended 31 March 2021 is not prepared, in all material aspects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules.

**Saffery Champness LLP**

**Chartered Accountants and Registered Auditors**

**London**

**10 May 2021**

### *Notes:*

- (a) The maintenance and integrity of The Conygar Investment Company PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.
- (b) Legislation in the United Kingdom governing the presentation and dissemination of financial information may differ from legislation in other jurisdictions.

## **Directors and advisers**

### **Directors**

N J Hamway (*Non-executive Chairman*)  
R T E Ware (*Chief Executive*)  
B S Sandhu (*Non-executive Director*)  
C J D Ware (*Property Director*)  
D Baldwin (*Finance Director – appointed 10 May 2021*)  
F N G Jones (*Property Director*)

### **Secretary**

D Baldwin

### **Registered office**

First Floor, Suite 3  
1 Duchess Street  
London W1W 6AN

### **Registrar**

Share Registrars Limited  
The Courtyard  
17 West Street  
Farnham  
Surrey GU9 7DR

### **Nominated adviser & stockbroker**

Liberum Capital Limited  
Ropemaker Place, Level 12  
25 Ropemaker Street  
London EC2Y 9LY

### **Solicitors**

Gowling WLG (UK) LLP  
4 More London Riverside  
London SE1 2AU

### **Auditors**

Saffery Champness LLP  
71 Queen Victoria Street  
London EC4V 4BE