

Regulatory Announcement

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Company CW RESIDENTIAL PLC ORD 50P
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CW Residential PLC

12 May 2008

Preliminary results for the year ended 31 December 2007

CHAIRMAN'S STATEMENT

Change in accounting standards

As shareholders will recall, since 1 January 2007 we are now obliged to report in accordance with IFRS (International Financial Reporting Standards), whereas previously we reported under UK GAAP (United Kingdom Generally Accepted Accounting Practice). A reconciliation of the differences between the two accounting regimes is set out in the notes to the attached annual accounts.

Trading results

Trading results for the year ended 31 December 2007 show a profit before taxation of 132,964 (2006 restated: 49,156). Turnover for the year was 5,043,162 (2006 restated: 1,654,771). Earnings per share were 4.3 pence (2006 restated: 1.9 pence).

Asset value per share

Assets per share as at 31 December 2006 under the former UK GAAP regime were 167.6 pence per share. In accordance with IFRS requirements, shareholders should note that the potential deferred taxation related to revalued investment properties is now recognised as a liability. Previously, taxation was only recorded when a property was sold. The potential liability was disclosed by way of a note in the previous annual accounts (391,420). Also, as permissible under IFRS, we have recognised our pro-rata share of the then revaluation of property in our associate company, Rhymecare Holdings Ltd (at the time we switched over to IFRS), which sum amounted to 277,413, resulting in a net asset per share under IFRS, after allowing for our 2007 profits, of 163.1 pence as at 31 December 2007. Shareholders should also be aware that following a recent revaluation of Rhymecare's property, there has been a further uplift in its value, equivalent to 12.1 pence per CW Residential ordinary share, after allowing for potential tax payable by Rhymecare should their property realise its new revaluation figure. In accordance with IFRS, this additional figure is not included in our accounts, nor in our 163.1 pence asset value per share.

Dividends

In view of the Group's strong financial position, your directors propose a final dividend of 1.88 pence per share (2006: 1.79 pence), subject to shareholder approval at the Annual General Meeting on 12 June 2008. This will bring the total dividend in respect of the year ended 31 December 2007 up to 3.76 pence per share (2006: 3.58 pence).

Development division

In 2007 in Tunbridge Wells we completed the sale of our remaining flat at The Old Dairy, as well as all 22 flats at Balmoral House. Our Rochester development, consisting of 23 flats, is due for completion in approximately 2 months. We have exchanged on 16 flats, with a further one in solicitors' hands.

Although the new homes market has weakened during the last few months, we believe that there is still a demand for the remaining flats, albeit that sales are expected to take place at a slower rate. Since the year end we have had a successful planning appeal in Maidstone and are in the process of completing the purchase of the remaining land required to form a 4 flat development. No other sites are currently under consideration.

Investment division

During 2007, your Group completed the sale of investment properties totalling 289,309. There were no purchases of investment properties during 2007. Since the year end we have increased our investment by 105,000 in Leighton & Henley plc, a Leighton Buzzard based house builder, run by experienced individuals.

Healthcare

At our healthcare associate, Rhymecare Holdings Ltd, construction of their extension at their Pulborough retirement home is almost complete. With the end of the disruption caused by the building works and the additional rooms, profitability should increase.

Buy back of share capital

Shareholders should be aware that following our year end we bought back 207,400 ordinary shares at 143 pence per share for cancellation, with the aim of increasing the net assets per share. This purchase represented 5.5% of our then issued share capital. Following this repurchase there are now 3,547,600 ordinary shares in issue.

Future direction

Your directors believe that prices of residential investment properties and in particular development sites, have not yet fully adjusted to reflect the current economic environment and so your Board has not yet begun to look for replacement stock and/or development opportunities. However, with no debt, your Group is in a strong position to take advantage of future opportunities as and when they occur.

Finally, I should like to take the opportunity to thank my fellow director and our professional advisors for their continuing support over the last year.

Robert Dory
Chairman

CONSOLIDATED INCOME STATEMENT for the year ended 31 DECEMBER 2007

	2007
	£
Continuing operations	
Revenue	5,043,162

Cost of sales	(4,649,064)	-
Gross profit	394,098	-
Administrative expenses	(301,730)	-
Operating profit/(loss) before net gains on investment properties	92,368	-
Net gain from fair value adjustment on investment properties	110,888	-
Profit on disposal of investment properties	20,332	-
Operating profit	223,588	-
Finance costs	(104,460)	-
Finance income	7,440	-
Share of profit of associated undertaking	6,396	-
Profit before taxation	132,964	-
Taxation credit	28,405	-
Profit for the year	161,369	-
Earnings per share		
Basic	4.3p	
Diluted	4.3p	

*Restated for International Financial Reporting Standards

CONSOLIDATED BALANCE SHEET as at 31 DECEMBER 2007

	2007	
	£	
ASSETS		
Non-current assets		
Investment properties	2,215,113	
Property, plant and equipment	15,421	
Investment in associate	967,306	
Financial assets	250,000	
	3,447,840	
Current assets		

Inventories	2,033,578	
Trade and other receivables	315,360	
Cash and cash equivalents	938,994	
	<hr/>	<hr/>
	3,287,932	
	<hr/>	<hr/>
TOTAL ASSETS	6,735,772	
	<hr/>	<hr/>
EQUITY AND LIABILITIES		
Capital and reserves attributable to the company's equity shareholders		
Share capital	1,877,500	
Share premium account	535,207	
Capital redemption reserve	301,250	
Other reserve	342,752	
Retained earnings	3,067,189	
	<hr/>	<hr/>
Total equity	6,123,898	
	<hr/>	<hr/>
Non-current liabilities		
Deferred tax liabilities	390,006	
	<hr/>	<hr/>
Current liabilities		
Borrowings	-	
Trade and other payables	221,868	
	<hr/>	<hr/>
	221,868	
	<hr/>	<hr/>
Total liabilities	611,874	
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	6,735,772	
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*Restated for International Financial Reporting Standards

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 DECEMBER 2007

	2007	F
	£	
Net cash generated/(absorbed) from operating activities	2,665,060	
	<hr/>	<hr/>
Investing activities		
Proceeds on disposal of investment properties	308,469	
Purchase of investment properties	(1,172)	
Purchases of property, plant and equipment	(16,554)	
Purchase of financial assets	(250,000)	
Purchase of investment in associate	-	
Dividend received	41,491	
Finance income	7,440	
	<hr/>	<hr/>
Net cash generated from investing activities	89,674	

Financing activities	
Net proceeds of issue of new bank loan	-
Repayments of bank loan	(1,639,261)
Purchase of own shares	-
Finance cost paid	(104,460)
Dividends paid	(137,809)
Net cash (absorbed) from financing activities	(1,881,530)
Net increase/(decrease) in cash and cash equivalents	873,204
Cash and cash equivalents at beginning of year	65,790
Cash and cash equivalents at end of year	938,994

*Restated for International Financial Reporting Standards

Copies of the Annual Report and Financial Statements will be posted to Shareholders in due course.

Enquires:

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Landsbanki Securities (UK) Limited
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