

Regulatory Announcement

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Company	CW Residential PLC
TIDM	CWE
Headline	Preliminary Results
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28 May 2009

CW RESIDENTIAL PLC ("CW Residential", "the Company" or "the Group")

28 May 2009

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008 CANCELLATION OF ADMISSION TO TRADING ON AIM and RELATED PARTY TRANSACTION

A. PRELIMINARY RESULTS

CHAIRMAN'S STATEMENT

Following the general fall in UK property prices, in common with the majority of quoted property and/or house building groups currently reporting their results, we have had to take steps to reduce the value of our property based assets to reflect current market values. As a result, trading results for the year ended 31 December 2008 show a loss before taxation of £1,204,195 (2007: profit before taxation of £132,964), with the bulk of the loss, namely £833,401, being the impairment charge to reduce the value of the Group's property interests (excluding the investment in Leighton & Henley plc - see below) to market value following the general decline in UK residential property values. Turnover for the year was £103,087 (2007: £5,043,162). Losses per share were 29.9 pence (2007: earnings per share of 4.3 pence). All figures are prepared in accordance with IFRS (International Financial Reporting Standards).

Assets per share

Taking account of our pro-rata share of the earnings from Rhymecare Holdings Ltd and the portfolio revaluation by our valuers, Aitchison Raffety

(formerly Barton Rix), net assets per share are now 132.9 pence per share. As shareholders are aware, under IFRS we consolidated our pro-rata share of the property revaluation of Rhymecare at the time we switched over to IFRS from UK GAAP (1st January 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 16.5 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 132.9 pence asset value per share.

Dividends

We previously announced that on the successful completion of our 13 pre-sales of flats at our Rochester development (see below), it is proposed to pay a dividend of 1.97 pence per share. This is still the intention and a further announcement will be made in due course, included in which will be advice on the next dividend payment.

Development division

Completion of our 23 flats at our Rochester development has occurred and notice to complete on our 13 pre-sales has been given. As shareholders are aware, the new homes market is currently weak but we would hope to sell our remaining flats during 2009. We have not commenced development of our other development site in Maidstone (for four flats), as it is currently proposed to wait until demand strengthens. The £590,000 stock impairment charge is to reflect the reduction in value of our Rochester and Maidstone development interests. No other sites are currently under consideration.

Provided the residential market does not weaken further, when all our Rochester flats have been sold, your Company should have net cash in the region of £1.4m and so should be in a position to take advantage of any interesting situations that may arise.

Investment division

At 31 December 2008, Aitchison Raffery's revaluation of our portfolio resulted in a reduction in value of £243,401, which has been taken directly to the income statement. We have also reduced the value of our shareholding in Leighton & Henley plc, the Leighton Buzzard house builder, by 35% (from £355,000 to £230,750), to reflect the difficulties currently faced by the Company. The situation will be kept under review. In accordance with IFRS this impairment charge has been taken directly to the income statement.

Healthcare

At our healthcare associate, Rhymecare, occupancy continues to be good and so profitability is on the increase.

Buy back of share capital

During 2008 we bought back 261,400 ordinary shares at an average cost of 138 pence per share. This purchase represented 6.96% of our then issued share capital. There are therefore now 3,493,600 shares in issue.

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

Robert Döry
Chairman
28 May 2009

B. CANCELLATION OF ADMISSION TO TRADING ON AIM

Until the recent "credit crunch", shareholders were able to enjoy one of the benefits of an AIM quote, namely marketability of their shares (albeit in limited form). Since then, marketability in small cap AIM stocks has all but dried up, such that a purchase or sale of a few thousand CW Residential shares appears to affect their value disproportionately. In addition, due to increased regulation and professional costs, the cost of maintaining an AIM quote continues to rise disproportionately as well, in particular as regards small cap companies.

Your Board therefore proposes to seek shareholders approval to cancel trading on AIM. However, unlike some cancellations, it also proposes a number of safeguards for shareholders. Following cancellation, arrangements will be firmed up with JPJenkins, who have offered a matched bargain service, based on shareholders being able to access this service via their existing broker and/or by going through the process of opening an account direct with JPJenkins. Your Company will continue its policy of buying back shares for cancellation where possible. Without trading on AIM, your Company will be able to place all its accounting, tax and audit functions with one firm, such that, following the cancellation, we would propose to appoint Chantrey Vellacott DFK to these roles in place of Rawlinson & Hunter and Smith & Williamson. Additionally, with the elimination of our current AIM costs, the total savings from cancellation are estimated to amount to just over £100,000 annually, a significant sum for this Group. Finally, your Board, with a view to obtaining the benefits of any potential upturn in the economy/residential values, propose to continue to run the Company for a further period of five years. At that point, it will consult with shareholders and, if it is felt that a majority do not wish to carry on with their investment, your Board will endeavour to either arrange a bid for their shareholdings, or put forward proposals to wind the Company up.

To cancel its admission to AIM the Company requires a special resolution, requiring a 75% majority of votes cast, to be passed at the Company's AGM. With the above caveats in place, your Directors will be voting in favour of the resolution in respect of their shareholdings and recommend that shareholders do so as well. The requisite resolution appears as resolution 5 in the Notice of AGM. Assuming resolution 5 is passed, it is expected that the cancellation from AIM will take effect on 31 July 2009.

With the passing of resolution 5 and the subsequent substantial reduction in

annual running costs flowing from the cancellation, your Company should be well placed to take advantage of any upturn in the residential markets, as and when they may occur.

C. RELATED PARTY TRANSACTION

The Company has agreed to extend the loans from Robert Döry and Gareth Pearce in the increased sum of £573,255 ("the Loan") at 1.5% over Bank of Ireland's Base Rate, with interest being paid at maturity. The increase in the Loan is principally to continue to fund the Company's completed Rochester development until sufficient sales are completed, and will be repaid from the sales proceeds of flats already exchanged, or on 30 September 2009, whichever is the earlier.

Both Robert Dory and Gareth Pearce are substantial shareholders in, and directors of, the Company. The Loan is therefore a Related Party Transaction as defined by AIM Rule 13.

In the absence of any independent directors, Singer Capital Markets, nominated adviser to the Company, is satisfied that the terms of the Loan are fair and reasonable insofar as the Company's shareholders are concerned.

CONSOLIDATED INCOME STATEMENT for the year ended 31 DECEMBER 2008

	Notes	2008 £	2007 £
Continuing operations:			
Revenue	2	103,087	5,043,162
Cost of sales	2	(624,846)	(4,649,064)
		<hr/>	<hr/>
Gross (loss)/ profit	2	(521,759)	394,098
Administrative expenses		(360,335)	(301,730)
		<hr/>	<hr/>
Operating (loss)/profit before net (loss)/ gains on investment properties		(882,094)	92,368
Net (loss)/gain from fair value adjustment on investment properties	10	(243,401)	110,888
Profit on disposal of investment properties		7,108	20,332
Impairment of available for sale	14	(124,250)	-

financial assets

Operating (loss)/profit	3	(1,242,637)	223,588
Finance costs	7	(15,450)	(104,460)
Finance income	7	18,337	7,440
Share of profit of associated undertaking		35,555	6,396
(Loss)/profit before taxation		(1,204,195)	132,964
Taxation	8	150,128	28,405
(Loss)/profit for the financial year		(1,054,067)	161,369
(Loss)/earnings per share			
Basic and diluted	9	(29.9)p	4.3p

CONSOLIDATED BALANCE SHEET as at 31 DECEMBER 2008

	Notes	2008 £	2007 £
ASSETS			
Non-current assets			
Investment properties	10	1,971,712	2,215,113
Property, plant and equipment	12	11,270	15,421
Financial assets	14	230,750	250,000
Investments accounted for using the equity method	15	1,002,861	967,306
		3,216,593	3,447,840
Current assets			
Inventories	17	2,560,067	2,033,578
Trade and other receivables	18	61,391	315,360
Cash and cash equivalents	20	39,561	938,994

		2,661,019	3,287,932
		<hr/>	<hr/>
TOTAL ASSETS		5,877,612	6,735,772
		<hr/>	<hr/>
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity shareholders			
Share capital	22	1,746,800	1,877,500
Share premium account		535,207	535,207
Capital redemption reserve		431,950	301,250
Other reserve		342,752	342,752
Retained earnings		1,585,425	3,067,189
		<hr/>	<hr/>
Total equity		4,642,134	6,123,898
		<hr/>	<hr/>
Non-current liabilities			
Deferred tax liabilities	23	256,989	390,006
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	25	978,489	221,868
		<hr/>	<hr/>
Total liabilities		1,235,478	611,874
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		5,877,612	6,735,772
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**CONSOLIDATED CASH FLOWS for the year ended
31 DECEMBER 2008**

	Notes	2008 £	2007 £
Net cash (used in)/from operating activities	28	(1,135,372)	2,665,060
Cash flows from investing activities		<hr/>	<hr/>
Proceeds on disposal of investment properties		7,108	308,469
Purchase of investment properties		-	(1,172)

Purchases of property, plant and equipment		(100)	(16,554)
Purchase of financial assets	14	(105,000)	(250,000)
Dividend received		-	41,491
Finance income		18,337	7,440
		<hr/>	<hr/>
Net cash (used in)/from investing activities		(79,655)	89,674
		<hr/>	<hr/>
Cash flows from financing activities			
Net proceeds of issue of new loans		455,754	-
Repayments of bank loan		-	(1,639,261)
Purchase of own shares		(361,002)	-
Finance cost paid		(10,101)	(104,460)
Dividends paid	34	(66,695)	(137,809)
		<hr/>	<hr/>
Net cash from/(used in) financing activities		17,956	(1,881,530)
		<hr/>	<hr/>
Net (decrease)/increase in cash, cash equivalents and overdrafts		(1,197,071)	873,204
		<hr/>	<hr/>
Cash, cash equivalents and overdrafts at beginning of year		938,994	65,790
		<hr/>	<hr/>
Cash, cash equivalents and overdrafts at end of year	30	(258,077)	938,994
		<hr/>	<hr/>

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

Enquiries:

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