

Wynnstay Properties PLC

Preliminary Results for Year Ended 25th March 2011

CHAIRMAN'S STATEMENT

I am pleased to report on the results and the performance of your company for the year ended 25 March 2011, the 125th year of its existence. Despite the uncertainties in the economy and the financial and commercial property markets which have been challenging for many businesses, including some of Wynnstay's tenants, this has been a satisfactory year and, I am pleased to say, your company remains in good health.

Overview of financial performance

The financial performance may be summarised as follows:

	Change	2011	2010
• Profit before movement in fair value of investment properties and taxation	- 10.6%	£886,000	£990,000
• Earnings per share	- 60.5%	16.6p	43.1p
• Dividends per share, paid and proposed:	-	10.5p	10.5p
• Net asset value per share:	+ 1.5%	462p	456p

Property Management and Portfolio

As anticipated in my interim statement, property income was lower at £1.69 million (2009 - £1.93 million), principally as the result of the disposal of our retail premises at Dorking for £925,000 (excluding sale costs) in August 2010 on which I reported in that statement, and the existence of a number of vacant premises, notably our Crawley warehouse which has been non-income producing since the lease expired in July 2010.

We conducted negotiations with several prospective tenants for this property, but ultimately none proceeded to completion. However, close to the year end we received a satisfactory offer for the freehold of this building and took the decision to sell it in view of the difficulty of securing a good tenant in the short to medium term on a basis which would provide value for shareholders. I am pleased to report that this sale was completed on 10th June and the sale price of £1.1million was significantly in excess of book value, which together with the release of a provision for repairs to the building, results in a profit of circa £265,000 which will be reflected in next year's accounts.

One of the larger units at our industrial estate in Aylesford became vacant during the year and this also contributed to the reduction in income, although I am delighted that since the year end it has been re-let on satisfactory terms.

As shareholders are aware we obtained planning consent in 2008 for the redevelopment of our property at Twickenham and after considering various options we obtained vacant possession of the four units which had been let on a short term basis in order to prepare for the development or disposal of the site. We are currently discussing with our architects certain changes to the scheme to improve its marketability.

Following the grant of planning consent for the change of use of the upper floors of our office building in Colchester, which I reported on last year, and with little prospect of future rental and capital growth, we marketed the freehold of the property for sale and have accepted an offer. I hope to be in a position to update you further about this at the Annual General Meeting.

In a busy year on the management side we have been successful in re-letting or renewing leases on other units at our Aylesford Industrial Estate, in addition to the one already mentioned above, and in renewing the two leases on generally satisfactory terms at Hertford as well as securing a new tenant at one of the three units at the Oakcroft Business Centre at Chessington, and for one of the retail units at Colchester.

We continue to manage actively our relationships with our tenants and to work closely with them to understand their current and future needs and thus to reduce the incidence of vacant premises and tenant defaults arising in the portfolio, with their attendant costs and loss of income.

Portfolio Valuation

As at 25 March 2011, our Independent Valuers, Sanderson Weatherall, have undertaken the annual valuation of the Company's portfolio at £20,120,000, representing a modest fall, on a like-for-like basis of £225,000 or 1%, over the valuation at the end of the prior year. This fall, coupled with the sale of the Dorking property, results in a total reduction in the value of the investment portfolio of 5.5%. This is a satisfactory outcome given the conditions and challenges in the economy and the markets.

Following the revaluation, as at the year-end, the industrial sector within the portfolio accounted for 70% by value, with the retail and office

elements each comprising 15%.

Borrowings and Gearing

Net borrowings at the year-end were £7.45 million (2010 - £8.5 million) and net gearing at the year-end was 52% compared to 62% last year as a result of the sale of the Dorking property in August 2010.

The Company has benefited from the historically very low levels of interest payable on that part of our borrowing facility where the rate of interest is variable. The fixed rate of interest on the other part of our borrowing expired in March 2011, so all our borrowings are now on variable terms. At the time of writing, there seems to be little indication of an increase in interest rates until later in the calendar year, but the Board continues to keep the position under close review.

Costs

Our property costs during the year were significantly impacted by the level of empty business rates on the vacant premises to which I have referred above, although our total property costs were only slightly above last year. Administrative costs were somewhat lower compared to the previous year, as we continue to exercise tight control over overheads and the changes that we made in 2007-8 continue to deliver significant savings.

Purchase by the Company of its own shares

In January 2010, the Company held an Extraordinary General Meeting at which resolutions authorising the Company to make market purchases of its own shares were duly passed. This authority expires at the conclusion of this year's Annual General Meeting. Accordingly, a General Meeting is being convened following the Annual General Meeting in order to consider resolutions granting a new authority for the Company to purchase its own shares. A separate circular is being posted to shareholders together with this Annual Report and Financial Statements.

Dividend

The Directors are recommending a total dividend for the year at the same level as last year, namely 10.5p per share. An interim dividend of 2.9p per share was paid in December 2010 and, subject to approval of shareholders at the Annual General Meeting, a final dividend of 7.6p per share will be paid on 22nd July 2011 to shareholders on the register on 24th June 2011.

Outlook

Prospects for the United Kingdom economy continue to be uncertain in the light of many challenges including rising taxation, lack of consumer confidence, increasing inflation and reduced public spending. As we have seen over the past year in your Company, these conditions can affect the ability to retain tenants and to relet vacant premises promptly and on acceptable terms.

Nevertheless, your Company remains in a sound and healthy position and we will continue to seek out opportunities that will add to the quality of our earnings and the value of our assets, so as to maximise value for shareholders.

Tributes

John Langrishe

John Langrishe was a descendant of one of the founding families of Wynnstay and had a long and active involvement with the Company over his long life. He was a solicitor and a partner in the firm, Peake & Co., which had formed the Company in 1886. As well as being a shareholder, he acted as legal adviser, Board member, Managing Director and Chairman. He oversaw the disposal of the flats at Wynnstay Gardens, Kensington in the 1960's and the significant strategic move of the Company into commercial property. With detailed knowledge of Wynnstay's history, he knew a significant number of its shareholders and their family connections with the Company, and kept in contact with many of them after retirement. After standing down from the Board, which he had joined in 1959 he retained an active interest in the Company's development right up to the time of his death in December 2010.

Ian Lockhart

Ian Lockhart, who joined the Board as a non-executive Director in 1972, was also a solicitor and a partner in Peake & Co. and thus also knew a considerable number of the shareholders and their families. He provided informed and wise counsel to the Board during a period of significant change and considerable challenges. He retired prematurely due to sudden ill-health and died in April 2011.

Hugh Bird

Hugh Bird, like John Langrishe, was also a descendant of one of the founding families of Wynnstay. He was a significant individual shareholder and a regular attendee at our Annual General Meetings, in latter years despite his advancing age and ill-health. He always took a keen interest in the Company's affairs and was keen to preserve its individual character and its future as a family enterprise.

I am sure that many shareholders would join with me in conveying our condolences to their wives and families.

Colleagues and Advisers

As always, it would not be possible for Wynnstay to operate as it does, in a tight, lean and purposeful way without the hard work of Paul Williams, our Managing Director, and Toby Parker, our Finance Director and I would like to thank them as well as my fellow directors and our professional advisers for their support and advice throughout the past challenging year.

Annual General Meeting

Our Annual General Meeting will be held at the Royal Automobile Club on Thursday 14th July 2011 at 12 noon. As always, I would encourage as many shareholders as possible to attend so that they can meet the Board and other shareholders and learn more about your Company's activities.

The Company's Annual Report & Accounts for the year ended 25th March 2011 have today been posted to shareholders and are available to download on the Company's website <http://www.wynnstayproperties.co.uk>

14th June 2011
Philip G.H. Collins
Chairman

For further information please contact:

Wynnstay Properties Plc Toby Parker, Finance Director	020 7554 8766
Charles Stanley Securities - Nominated Adviser Dugald J. Carlean / Carl Holmes	020 7149 6000

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 25TH MARCH 2011

	Notes	2011 £'000	2010 £'000
Property Income	1	1,691	1,934
Property Costs	2	(136)	(121)
Administrative Costs	3	<u>(389)</u>	<u>(448)</u>
		1,166	1,365
Movement in Fair Value of Investment Properties	9	(225)	545
Loss on Sale of Investment Property		<u>(39)</u>	-
Operating Income		902	1,910
Investment Income	5	6	7
Finance Costs	5	<u>(247)</u>	<u>(382)</u>
Income before Taxation		661	1,535
Taxation	6	<u>(212)</u>	<u>(367)</u>
Income after Taxation		<u>449</u>	<u>1,168</u>
Basic and diluted earnings per share		16.6p	43.1p

The company has no other items of comprehensive income.

STATEMENT OF FINANCIAL POSITION 25TH MARCH 2011

	Notes	2011 £'000	2010 £'000
Non Current Assets			
Investment Properties	9	18,825	21,290
Other Property, Plant and Equipment	10	6	8
Investments	12	<u>3</u>	<u>3</u>
		18,834	21,301
Current Assets			
Accounts Receivable	14	26	103

Cash and Cash Equivalents		881	753
		907	856
Current Liabilities			
Bank Loans Payable		-	(200)
Accounts Payable	15	(757)	(877)
Derivative Financial Instruments		-	(65)
Income Taxes Payable		(240)	(269)
		(997)	(1,411)
Net Current Assets		1,205	(555)
Total Assets Less Current Liabilities		20,039	20,746
Non-Current Liabilities			
Bank Loans Payable	16	(7,455)	(8,300)
Deferred Taxation	17	(56)	(81)
Net Assets		<u>12,528</u>	<u>12,365</u>
Capital and Reserves			
Share Capital	18	789	789
Treasury shares		(1,570)	(1,570)
Share Premium Account		1,135	1,135
Capital Redemption Reserve		205	205
Retained Earnings		<u>11,969</u>	<u>11,806</u>
		<u>12,528</u>	<u>12,365</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 25TH MARCH 2011

	2011	2010
	£'000	£'000
Cashflow from operating activities		
Income before taxation	661	1,535
Adjusted for:		
Depreciation	2	2
Decrease/(Increase) in fair value of investment properties	225	(545)
Interest income	(6)	(7)
Interest expense	312	317
(Profit)/Loss on financial liabilities at fair value	(65)	65
Loss on disposal of investment properties	39	-
Changes in:		
Trade and other receivables	77	(2)
Trade and other payables	(120)	93
Income taxes paid	(266)	(226)
Interest paid	(312)	(315)
Net cash from operating activities	<u>547</u>	<u>917</u>
Cashflow from investing activities		
Interest and other income received	6	7
Sale of investment properties	<u>906</u>	-
Net cash from investing activities	<u>912</u>	<u>7</u>
Cashflow from financing activities		
Dividends paid	(286)	(320)
Proceeds from bank loans	-	800
Repayments of bank loans	(1,045)	(200)

Purchase of treasury shares	-	(1,570)
Net cash from financing activities	(1,331)	(1,290)
Net increase/(decrease) in cash and cash equivalents	128	(366)
Cash and cash equivalents at beginning of period	753	1,119
Cash and cash equivalents at end of period	881	753

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 25th MARCH 2011

YEAR ENDED 25 MARCH 2011

	Share Capital	Capital Redemption Reserve	Share Premium Account	Treasury Shares	Retained Earnings	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Balance at 26 March 2010	789	205	1,135	(1,570)	11,806	12,365
Total comprehensive income for the year	-	-	-	-	449	449
Dividends - note 7	-	-	-	-	(286)	(286)
Balance at 25 March 2011	<u>789</u>	<u>205</u>	<u>1,135</u>	<u>(1,570)</u>	<u>11,969</u>	<u>12,528</u>

YEAR ENDED 25 MARCH 2010

	Share Capital	Capital Redemption Reserve	Share Premium Account	Treasury Shares	Retained Earnings	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Balance at 26 March 2009	789	205	1,135	-	10,958	13,087
Total comprehensive income for the year	-	-	-	-	1,168	1,168
Dividends	-	-	-	-	(320)	(320)
Purchase of treasury shares	-	-	-	(1,570)	-	(1,570)
Balance at 25 March 2010	<u>789</u>	<u>205</u>	<u>1,135</u>	<u>(1,570)</u>	<u>11,806</u>	<u>12,365</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2011

1. ACCOUNTING POLICIES

Wynnstay Properties PLC is a public limited company incorporated and domiciled in England and Wales. The principal activity of the company is property investment, development and management. The Company's ordinary shares are traded on the Alternative Investment Market.

Basis of Preparation

The Accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements have been presented in pounds sterling being the functional currency of the company. The financial statements have been prepared under the historical cost basis modified for the revaluation of investment properties, financial assets and financial liabilities measured at fair value through profit or loss, and investments.

The financial statements comprise the results of the Company drawn up to 25th March each year.

(a) New interpretations and revised standards effective for the year ended 25 March 2011

The directors have adopted all new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to the operations and effective for accounting periods beginning on or after 26 March 2010.

(b) Standards and Interpretations in issue but not yet effective

by standards and interpretations in issue but not yet issued. The International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued revisions to a number of existing standards and new interpretations with an effective date of implementation after the date of these financial statements.

It is not anticipated that the adoption of these revised standards and interpretations will have a material impact on the figures included in the financial statements in the period of initial application.

Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. 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 those relating to the fair value of investment properties.

Investment Properties

All the company's investment properties are revalued annually and stated at fair value at 25th March. The aggregate of any resulting surpluses or deficits are taken to profit or loss.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less cost to sell.

Depreciation

In accordance with IAS 40, freehold and leasehold investment properties are included in the balance sheet at fair value, and are not depreciated. Leasehold improvements are amortised over the period of the underlying lease.

Other plant and equipment is recognised at cost and depreciated on a straight line basis calculated at annual rates estimated to write off each asset over its useful life of 5 years.

Disposal of Investments

The gains and losses on the disposal of investment properties and other investments are included in the statement of comprehensive income in the year of disposal.

Property Income

Property Income represents the value of accrued charges under operating leases for rental of the Group's properties. Revenue is measured at the fair value of the consideration received. All income is derived in the United Kingdom.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax is the expected tax payable on the taxable income for the year based on the tax rate enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of prior years. Taxable profit differs from income before tax because it excludes items of income or expense that are deductible in other years, and it further excludes items that are never taxable or deductible.

Deferred taxation 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 profits, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences (including unrealised gains on revaluation of investment properties) and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, including deferred tax on the revaluation of investment property.

Investments

The quoted investment is recognised as held at fair value, and is measured at subsequent reporting dates at fair value, which is either at the bid price, or the latest traded price, depending on the convention of the exchange on which the investment is quoted. Changes in fair value are recognised in profit or loss.

Trade and other accounts receivable

Trade and other receivables are initially measured at fair value as reduced by appropriate allowances for estimated irrecoverable amounts. All receivables do not carry any interest and are short term in nature.

Cash and cash equivalents

Cash comprises cash at bank and on demand deposits. Cash equivalents are short term (less than three months from inception), repayable on demand and which are subject to an insignificant risk of change in value.

Trade and other accounts payable

Trade and other payables are initially measured at fair value. All trade and other accounts payable are not interest bearing.

Comparative information

The information for the year ended 25 March 2010 has been extracted from the latest published audited financial statements.

Pensions

Pension contributions towards employees' pension plans are charged to the statement of comprehensive income as incurred. The pension scheme is defined as a pension contribution scheme.

Financial Instruments

Derivative financial instruments are initially measured at fair value at the contract date entered into, and subsequently measured to their fair value at each reporting date. Embedded derivatives are recognised separately on the statement of financial position, when not closely related to the host contract. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss.

2. PROPERTY COSTS	2011	2010
	£'000	£'000
Rents payable	5	4
Empty rates	46	-
Property management and repairs	29	7
	80	11
Legal fees	37	30
Agents fees	12	74
Credit losses	<u>7</u>	<u>6</u>
	<u>136</u>	<u>121</u>

3. ADMINISTRATIVE COSTS	2011	2010
	£'000	£'000
Rents payable - operating lease rentals	20	15
General administration, including staff costs	330	395
Auditors' remuneration: Audit fees	32	32
Tax services	5	4
Depreciation and amortisation	<u>2</u>	<u>2</u>
	<u>389</u>	<u>448</u>

Included within General administration costs above are pension payments made to a former director of £5,724 (2010: £5,724).

4. STAFF COSTS	2011	2010
	£'000	£'000
Staff costs, including Directors, during the year were as follows:		
Wages and salaries	166	163
Social security costs	18	16
Other pension costs	<u>15</u>	<u>15</u>
	<u>199</u>	<u>194</u>

Details of Directors' emoluments, totalling £174,989 (2010: £171,623), are shown in the Report of the Directors

	No.	No.
The average number of employees, including Directors, engaged wholly in management and administration was:	<u>5</u>	<u>5</u>

The number of Directors for whom the Company paid pension benefits during the year was:	<u>1</u>	<u>1</u>
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5. FINANCE COSTS (NET)	2011	2010
	£'000	£'000
Interest payable on bank loans	312	317
(Profit)/Loss on financial liabilities at fair value through profit or loss (note 19)	<u>(65)</u>	65
	247	382
Less: Bank interest receivable	<u>(6)</u>	<u>(7)</u>
	<u>241</u>	<u>375</u>

6. TAXATION	2011	2010
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	2011	2010
	£'000	£'000
(a) Analysis of the tax charge for the year:		
UK Corporation tax at 28% (2010: 28%)	237	269
Overprovision from previous years	-	(3)
	<u>237</u>	<u>266</u>
Deferred tax - timing differences - note 17	<u>(25)</u>	<u>101</u>
Current tax charge for the year	<u>212</u>	<u>367</u>
(b) Factors affecting the tax charge for the year:		
Net Income before taxation	<u>661</u>	<u>1,535</u>
Current Year:		
Corporation tax thereon at 28% (2010 - 28%)	185	430
Expenses not deductible for tax purposes	8	24
Excess of capital allowances over depreciation	(7)	(24)
Investment loss/(gain) not taxable	63	(153)
Marginal rate relief	<u>(12)</u>	<u>(8)</u>
	<u>237</u>	<u>269</u>

7. DIVIDENDS	2011	2010
	£'000	£'000
Final dividend paid in year of 7.6p per share (2010: 7.25p per share)	206	229
Interim dividend paid in year of 2.9p per share (2010: 2.9p per share)	<u>80</u>	<u>91</u>
	<u>286</u>	<u>320</u>

The Board recommends the payment of a final dividend of 7.6p per share, which will be recorded in the Financial Statements for the year ending 25th March 2012.

8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing Income after Taxation attributable to Ordinary shareholders of £449,000 (2010: £1,168,000) by the weighted average number of 2,711,617 (2010: 3,155,267) ordinary shares in issue during the period. There are no instruments in issue that would have the effect of diluting earnings per share. The share buy back of 443,650 shares took place in March 2010 and therefore had no effect on the weighted average number of shares in issue as at March 2010.

9. INVESTMENT PROPERTIES	2011	2010
	£'000	£'000
Cost		
Balance at 25th March 2010	21,290	20,745
Disposals	(945)	-
Assets held for sale (note 13)	(1,295)	-
Revaluation (Deficit)/Surplus	<u>(225)</u>	<u>545</u>
Balance at 25th March 2011	<u>18,825</u>	<u>21,290</u>

The Group's freehold investment properties were valued at £20,120,000 by Independent Valuers, Sanderson Weatherall, Chartered Surveyors, as at 25th March 2011, in accordance with the RICS Appraisal and Valuation Standards, on the basis of Market Value, defined as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Freehold investment properties, including assets held for sale (Note 13), would have been shown at an historical cost of £16,613,000 (2010: £17,270,000) if revaluations had not been undertaken.

10. OTHER PROPERTY, PLANT AND EQUIPMENT

10. OTHER PROPERTY, PLANT AND EQUIPMENT

	2011 £'000	2010 £'000
Cost		
Balance at 25th March 2010 and at 25th March 2011	<u>47</u>	<u>47</u>
Depreciation		
Balance at 25th March 2010	39	37
Charge for the Year	<u>2</u>	<u>2</u>
Balance at 25th March 2011	<u>41</u>	<u>39</u>
Net Book Values at 25th March 2011	<u>6</u>	<u>8</u>

11. OPERATING LEASES RECEIVABLE

	2011 £'000	2010 £'000
The future minimum lease payments receivable under non-cancellable operating leases which expire:		
Not later than one year	1,389	1,556
Between 2 and 5 years	2,439	2,557
Over 5 years	<u>197</u>	<u>141</u>
	<u>4,025</u>	<u>4,254</u>

Rental Income recognised in the statement of comprehensive income amounted to £1,691,000 (2010: £1,934,000).

Typically, the properties were let for a term of between 5 and 15 years at a market rent with rent reviews every 5 years. The properties are leased on terms where the tenant has the responsibility for repairs and running costs for each individual unit with a service charge payable to cover common services provided by the landlord on certain properties.

12. INVESTMENTS

	2011 £'000	2010 £'000
Quoted investments	<u>3</u>	<u>3</u>

13. NON CURRENT ASSETS HELD FOR SALE

	2011 £'000	2010 £'000
Investment properties	<u>1,295</u>	-

The company anticipates that it will sell two commercial properties within the current financial year and as a result, these properties are re-classified under this heading in accordance with IFRS5.

14. ACCOUNTS RECEIVABLE

	2011 £'000	2010 £'000
Other receivables	26	82
Prepayments	-	<u>21</u>
	<u>26</u>	<u>103</u>

15. ACCOUNTS PAYABLE

	2011 £'000	2010 £'000
Other creditors	153	108
Accruals and deferred income	<u>604</u>	<u>769</u>
	<u>757</u>	<u>877</u>

16. BANK LOANS PAYABLE	2011	2010
	£'000	£'000
Bank Loan: Repayable on 17 December 2013	7,455	7,700
Bank Loan: Repayable equally over 4 years from 31 March 2010	-	<u>800</u>
	<u>7,455</u>	<u>8,500</u>

Interest has been fixed at 6.351% per annum on £3,600,000 of the bank loan until 31st March 2011, with interest on any variable rate element being charged at 1.25% per annum over LIBOR. Thereafter, interest is accruing on the remaining balance of £3,855,000 at a rate of 1.25% per annum over LIBOR until 17 December 2013.

The loan facility is secured by fixed charges over a number of freehold land and buildings owned by the Group, which at the year end had a combined value of £11,625,000 (2010: £13,100,000). The undrawn element of the loan facility available at 25th March 2011 was £1.05million (2010: £nil). The loan is additionally secured by a memorandum of security over cash deposits of £300,000 (2010: £300,000).

17. DEFERRED TAX

Under IAS 12 Income Tax, provision is made for the deferred tax liability associated with the revaluation of investment properties. The Group provides for deferred tax on investment properties by reference to the tax that would be due on the sale of investment properties by applying the corporation tax rate of 28% (2010: 28%) to the revaluation deficit after indexation allowance.

	Deferred Tax on property revaluation £'000
At 26th March 2010	81
Release of provision in the year - note 6	<u>(25)</u>
At 25th March 2011	<u>56</u>

18. SHARE CAPITAL	2011	2010
	£'000	£'000
Ordinary Shares of 25p each:		
Authorised: 8,000,000 shares	<u>2,000</u>	<u>2,000</u>
Allotted, Called Up and Fully Paid	<u>789</u>	<u>789</u>

All shares rank equally in respect of Shareholder rights.

In March 2010, the company acquired 443,650 Ordinary shares of Wynnstay Properties plc from Channel Hotels and Properties Ltd at a price of £3.50 per share as the Directors deemed it was in the best interests of the Company to do so. These shares, representing in excess of 14% of the total shares in issue, are held in Treasury. At 25th March 2011, total shares in issue and fully paid are 3,155,267, of which 443,650 are held in treasury.

19. STATEMENT OF CASH FLOWS

Analysis of Net Debt	25th March 2011	Cash Movement	26th March 2010
	£'000	£'000	£'000
Cash and cash equivalents	(881)	(128)	(753)
Bank loans due within one year	-	(200)	200
Bank loan due after more than one year	<u>7,455</u>	<u>(845)</u>	<u>8,300</u>
Net Debt	<u>6,574</u>	<u>1,173</u>	<u>7,747</u>

20. COMMITMENTS UNDER OPERATING LEASES

Future rental commitments at 25th March 2011 under non-cancellable operating leases are as follows:-

	2011	2010
	£'000	£'000
Within one year	15	3

21. RELATED PARTY TRANSACTIONS

The Company has entered into an agreement with I.F.M.Consultants Ltd, a company owned and controlled by T.J.C. Parker, a Director of the Company, for that company to provide certain consultancy services. During the year to 25th March 2011, I.F.M. Consultants Ltd was paid £33,825 (2010: £35,875). There were no other related party transactions other than with the Directors, which have been disclosed under Directors' Emoluments in the Report of the Directors on page 8.

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 27th May 2011 the company entered into a sale contract for £1,100,000 of its freehold interest at Crawley with a completion date of 10th June 2011. This sale, together with a release of provisions for repairs to the building, will give rise to a profit to the company of circa £265,000. The proceeds from sale will be used to discharge bank loans.

23. ANNUAL REPORT AND ACCOUNTS

The Annual Report and Accounts for the year ended 25th March 2011 will be posted to shareholders on or about 15 June 2011.

This information is provided by RNS
The company news service from the London Stock Exchange

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