

Company [Wynnstay Properties PLC](#)
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Wynnstay Properties PLC
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Wynnstay Properties PLC
"the Company" or "Wynnstay"

Preliminary Results for Year Ended 25th March 2009

CHAIRMAN'S STATEMENT

I am pleased to report that despite the economic and financial turmoil we have witnessed over the past year and its effects on the commercial property market as well as in the economy generally, your Company enjoyed a satisfactory financial year and remains in good health.

Overview of financial performance

The financial performance may be summarised as follows:

The financial results may be summarised as follows:

	Change	2009	2008
• Net income before property revaluation, disposals and taxation	+ 11.8%	£964,000	£862,000
• Dividends per share, paid and proposed:	+ 5.8%	10.0p	9.45p
• Net asset value per share:	- 24.7%	414p	550p
• Adjusted net asset value per share*	- 27.4%	414p	572p

* Adjusted net asset value per share is net asset value determined in accordance with International Financial Reporting Standards and adjusted to exclude deferred tax arising on the revaluation of the investment portfolio.

The growth in net income before property revaluation, disposals and taxation reflects the enlargement of the portfolio as a result of the Quarry Wood Industrial Estate in Aylesford which we acquired in June 2008 together with rigorous control of overheads and other costs.

Net asset value per share has fallen as a result of the reduction in the value of the property portfolio, which is detailed further below.

Property Management

Property income rose to £1.87 million (2008 - £1.56 million), an increase of almost 20%, as we

benefited from the integration of the 18 units and 15 leases at Aylesford as well as some new leases and rent review settlements reflecting a busy year on the property management side. The portfolio has been fully let throughout the year and no rental income remained outstanding at the year end. Paul Williams has engaged actively with those tenants who are suffering as a result of the deteriorating economic conditions.

Portfolio

As at 25 March 2009, our Independent Valuers, Sanderson Weatherall, have undertaken the annual valuation of the company's portfolio at £20,745,000, representing a reduction of £5,421,000 or 20.7%. Commercial property values continued to decline across-the-board over the year, and whilst it provides scant comfort to our shareholders it is noticeable that some of the larger quoted property companies are reporting far greater percentage falls in the value of their portfolios than that which we have reported.

Whilst we have examined and continue to examine a number of potential property acquisitions, the only addition during the year was the purchase of the Aylesford industrial estate to which I referred in my statement last year.

As I reported at the half-year, we have been working hard on securing a planning permission for a redevelopment on the site of our four industrial units in Twickenham and we were pleased to receive consent for a mixed residential and commercial development comprising five houses and three apartments at the front of the site and a two storey commercial building to the rear with new access, landscaping and parking in October 2008.

We have also submitted a planning application for change of use of the upper parts of our office premises at North Hill, Colchester to residential use and after much consultation with Colchester Borough Council and English Heritage, a decision is awaited.

Following the revaluation, as at the year-end, the industrial sector within the portfolio accounted for 65% by value, with the retail and office elements comprising 20% and 15% respectively.

Borrowings and Gearing

Net borrowings at the year-end were £7.9 million (2008 - £3.6 million) reflecting the additional borrowings made to finance the Aylesford acquisition, and net gearing at the year-end was 52% compared to 16% last year.

During the year, we entered into a new five year £8.5 million facility with one of Scandinavia's leading banking groups, Svenska Handelsbanken AB, to replace the previous facility for the same amount with N.M. Rothschild & Sons which was due to expire in March 2011. Taken overall, the principal terms of the new arrangement are not materially different from those under the previous facility. Paul Williams and Toby Parker worked hard to deliver this project and I am pleased to report that your Company did not incur any significant costs in negotiating and entering into the new arrangements which provide the benefit of a borrowing facility which runs through until December 2013.

At the present time, the company is benefiting from unprecedented low levels of interest payable on that part of our facility where the rate of interest is not fixed, as well as interest receivable on our cash deposits. It is the intention of your board to fix the rate of interest on all or a substantial part of the variable element of the facility as soon as it is deemed appropriate to so do.

Costs

As anticipated when I wrote in last year's annual report, the changes that we made in that year are now delivering overhead savings significantly in excess of the figure of £100,000 per annum I mentioned last year. Our smaller, cost-effective premises provide an adequate base for our small team and our present and anticipated requirements.

Taxation

Tax on the year's net income has benefited from the reduction in the rate of corporation tax to 28% from 30% which was announced in last year's budget. As a result of the revaluation of the property portfolio in March 2009, the provision for deferred tax of £693,000 as at March 2008 has been more than fully written back. The tax credit for the year amounted to £484,000.

Dividend

The Directors are recommending a total dividend for the year of 10.0p per share, compared with 9.45p last year, representing a 5.8% increase. An interim dividend of 2.75p was paid in December 2008 and, subject to approval of Shareholders at the Annual General Meeting, a final dividend of 7.25p per share will be paid on 22 July 2009 to Shareholders on the register on 26 June 2009.

Outlook

We are going through, and remain in, a period of great economic uncertainty which has inevitably had a severe impact on the commercial property market. However, your Company remains in a healthy financial position, with strong cash flow and available bank facilities which together with our uncharged properties will enable us to continue to grow and develop the portfolio as opportunities arise.

Annual General Meeting

Our Annual General Meeting will be held at the Royal Automobile Club at 12 noon on Wednesday 15th July 2009. We had an excellent attendance last year and received positive feedback from a number of Shareholders. As always, I would encourage as many Shareholders as possible to attend this important event which provides an opportunity to learn more about Wynnstay and to meet the Directors as well as other Shareholders.

Articles of Association

As a consequence of the 2006 Companies Act, it is now considered necessary for the company to update its articles of association which were initially drafted on the basis of the 1862 Companies Act, and amended periodically thereafter. As a result, you are being asked to vote to adopt these new articles at the General Meeting, and you will note from Appendix A that the main changes simply help to bring us into the 21st century. Your board is unanimous in their recommendation that these articles are adopted.

Colleagues and Advisers

I would like to thank Paul Williams and Toby Parker for all their endeavours on behalf of your Company during the year, as well as my fellow Directors and our professional advisers for their continued wise counsel and support.

Brian Cann FRICS

We were saddened to hear at the beginning of April of the sudden death of Brian Cann, who preceded me as Chairman of Wynnstay.

Brian had a distinguished career in property, latterly as Chief Executive of St Martins Property Corporation which had substantial interests both in the UK and abroad. He was a former President of the British Property Federation.

He became a non-executive Director in 1990 and was appointed Chairman in 1991. Brian performed this role for seven years with great skill and determination as well as good humour and charm, leading the Company with distinction through some challenging times as well as on its admission to AIM.

Our condolences go to his widow, Sheila and their children and grandchildren.

18th June 2009
Philip G.H. Collins
Chairman

Enquiries:

Wynnstay Properties plc

Toby Parker, Finance Director - 020 7745 7160

Nominated Adviser & Broker
Charles Stanley Securities

Rick Thompson / Carl Holmes - 020 7149 6000

CONSOLIDATED INCOME STATEMENT YEAR ENDED 25TH MARCH 2009

	2009 £'000	2008 £'000
Property Income	1,874	1,565
Property Costs	(97)	(92)
Administrative Costs	(430)	(554)
	-----	-----
	1,347	919
Movement in fair value of:		
Investment Properties	(5,421)	(135)
Other investments	-	(1)
	-----	-----
Operating (Loss)/Income	(4,074)	783
Investment Income	41	38
Other Income	-	135
Finance Costs	(424)	(229)
	-----	-----
(Loss)/Income before Taxation	(4,457)	727
Taxation	484	251
	-----	-----
(Loss)/Income for the year after Taxation	(3,973)	978
Dividends paid	(303)	(286)
	-----	-----
(Loss)/Profit Retained	(4,276)	692

	=====	=====
Basic earnings per share	(125.9p)	31.0p
	=====	=====

CONSOLIDATED BALANCE SHEET AT 25TH MARCH 2009

	2009	2008
	£'000	£'000
Non Current Assets		
Investment Properties	20,745	21,380
Other Property, Plant and Equipment	10	11
Investments	3	3
	-----	-----
	20,758	21,394
Current Assets		
Accounts Receivable	101	152
Deferred tax	20	-
Cash and cash equivalent	1,119	888
	-----	-----
	1,240	1,040
Current Liabilities		
Accounts payable	(782)	(557)
Income tax payable	(229)	(221)
	-----	-----
	(1,011)	(778)
Net Current Assets	229	262
Total Assets Less Current Liabilities	20,987	21,656
Non-Current Liabilities		
Loans payable	(7,900)	(3,600)
Deferred Tax	-	(693)
	-----	-----
Net Assets	13,087	17,363
	=====	=====
Capital and Reserves		
Share Capital	789	789
Share Premium Account	1,135	1,135
Capital Redemption Reserve	205	205
Retained Earnings	10,958	15,234
	-----	-----
Equity attributable to equity holders of the parent	13,087	17,363
	=====	=====

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 25TH MARCH
2009

	2009 £'000	2008 £'000
Cash Flow from Operating Activities		
(Loss)/Profit before taxation	(4,457)	727
Adjusted for:		
Depreciation	1	9
Decrease in fair value of investment properties	5,421	135
Interest income	(41)	(173)
Interest expense	424	229
Decrease in fair value of investment	-	1
Changes in:		
Trade and other receivables	51	270
Trade and other payables	234	(360)
Income tax paid	(221)	(40)
	-----	-----
Net cash from operating activities	1,412	798
	=====	=====
Cashflow used in investing activities		
Interest and Other income received	41	173
Purchase of property, plant and equipment	(4,786)	(5)
	-----	-----
Net cash used in investing activities	(4,745)	(168)
	=====	=====
Cashflow from financing activities		
Dividends paid	(303)	(286)
Interest payable	(433)	(226)
Loans drawn down	8,500	-
Repayments on bank loans	(4,200)	(200)
	-----	-----
Net cash from financing activities	3,564	(715)
	=====	=====
Net increase in cash and cash equivalents	231	251
Cash and cash equivalents at beginning of period	888	637
	-----	-----
Cash and cash equivalents at end of period	1,119	888
	=====	=====

Notes:

- The financial information above does not constitute full accounts within the meaning of Section 240

Companies Act 1985 as amended (the 'Act'). Full accounts in respect of the year ended 25th March 2008,

on which the auditors reported without qualification and which contained no statement under Section 237 (2)

or (3) of the Act, have been delivered to the Registrar of Companies.

2. Basic earnings per share are calculated by dividing Net (Loss)/Income after Taxation attributable to Ordinary

Shareholders of £3,973,000 (2008: profit £978,000) by the weighted average number of 3,155,267 ordinary

shares in issue during the period (2008: 3,155,267). There are no instruments in issue that would have the

effect of diluting earnings per share.

Normalised earnings per share have been calculated by deducting profit on disposal of investment properties

of £nil (2008: £nil), set out in Note 5, from net income after taxation attributable to Ordinary Shareholders

and dividing the resulting figure by the same weighted average number of shares in issue for each year.

3. A final dividend of 7.25p (2008: 6.85p) per share is being recommended and will be paid on 22 July 2009, to

Shareholders on the register at the close of business on 26 June 2009.

4. The 2009 Annual Report & Financial Statements are being posted to Shareholders on Monday 22 June and

copies may be obtained by writing to the Secretary, Wynnstay Properties PLC, 18 Southampton

Place, London WC1A 2AJ.

5. The Company's Annual General Meeting will be held at 12 Noon on Wednesday 15th July 2009 at The Royal

Automobile Club, 89 Pall Mall, London SW1Y 5HS.

This information is provided by RNS
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