

**ADMISSION DOCUMENT**

**relating to**

**WYNNSTAY PROPERTIES PLC**

**in connection with the admission of  
its issued share capital and loan stock to**

**THE ALTERNATIVE INVESTMENT MARKET  
OF THE LONDON STOCK EXCHANGE**

This document has been prepared by Wynnstay Properties Public Limited Company ("Wynnstay Properties PLC" or "the Company") in connection with the admission of all of its issued ordinary shares of 25p each ("the Ordinary Shares") and all of its issued 8.25% Convertible Loan Stock 1992-1997 ("the Stock") to the Alternative Investment Market ("AIM") of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("the London Stock Exchange").

The Directors of the Company ("the Directors"), whose names appear below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been/will be made for the Ordinary Shares and the Stock to be admitted to trading on AIM. It is emphasised that no application is being made for admission of these securities to the Official List.

AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than those of the Official List. The London Stock Exchange has not itself examined this document.

The Company's Ordinary Shares and the Stock are currently traded under Rule 4.2 of the Rules of the London Stock Exchange. Accordingly, this document contains the information required by the transitional arrangements laid down by the London Stock Exchange for companies whose securities are traded under Rule 4.2 and does not include the information required to be included in a prospectus in accordance with the Public Offer of Securities Regulations 1995.

If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities.

## WYNNSTAY PROPERTIES PLC

Registered in England No. 22473C

### **1. Details of the Company**

The Company is a public limited company and was incorporated in England and Wales under the Companies Acts 1862 to 1883 on 9th April 1886 with the registered number 22473C. The liability of the members of the Company is limited.

The legislation now applying to the Company is the Companies Acts 1985 to 1989.

The principal activity of the Company and of the Wynnstay group ("the Group") is that of property owners, developers and managers.

The main object of the Company (contained in Clause 4(a) of its Memorandum of Association) is to purchase, lease or otherwise acquire, or to mortgage, sell or hold as an investment, land and buildings, and to manage, let for rent or develop such land and buildings or construct buildings or carry out any works on such land and carry out any ancillary businesses to allow the Company to carry on its main business.

## **2. The Wynnstay Group of Companies**

The Company is the holding company of the Group. The Group also comprises:

- Marfield Estates Limited
- Ripple Properties Limited
- William Wheeler (Properties) Limited
- Wynnstay Developments Limited
- Wynnstay Management Services Limited
- York Road (Bognor) Property Company Limited

Each of these companies is a wholly and beneficially owned subsidiary of the Company other than William Wheeler (Properties) Limited which is a subsidiary of Wynnstay Developments Limited.

## **3. Latest Annual Audited Accounts**

A copy of the report and accounts of the Company for the year ending 25th March 1995 which contains consolidated accounts for the Group is attached at Appendix 1.

## **4. Current Trends**

The Board considers that the prospect of rental growth in the United Kingdom property market is limited at present and is dependant upon a sustained revival in the economy.

The Directors are therefore determined to enhance the quality of the portfolio by pursuing a policy of disposing of those properties which are vacant or where their size, nature or location means that they no longer fit long term into the Group's portfolio. It is intended to employ the proceeds from such disposals in acquiring attractive commercial investment properties.

Recently, contracts have been exchanged for the sale of a land site at Colchester, held by the Company as a trading asset, involving a price in excess of book value. This contract is conditional on the purchaser obtaining an acceptable planning consent for retail development, subject to which, it is anticipated that completion will take place on or before 30th November 1995.

The Group has medium term loan facilities of £8.5 million for property investment, of which approximately £7.73 million has been drawn down to date. The Directors intend to utilise the balance of these funds when suitable opportunities for further investment become available but it is not their intention to seek to increase such facilities. Indeed, the Board's objective is to achieve a reduction in gearing.

**5. Prospects for the Current Financial Year**

The Directors consider that the location and spread of the Group's portfolio positions the Group to benefit from any revival in the economy. Inevitably, changes in interest rates will impact on profitability.

A positive contribution is expected, after related financing charges from those properties acquired during 1994/95 and also from any property disposals.

**6. Adequacy of Working Capital**

In the opinion of the Company, having made due and careful enquiry, the working capital available to the Company and its Group is sufficient for their present requirements.

**7. Share Capital**

The authorised share capital of the Company is £2,000,000 divided into 8,000,000 ordinary shares of 25p each.

The issued share capital of the Company is currently £788,817 divided into 3,155,267 ordinary shares of 25p each.

All Ordinary Shares are fully paid.

By virtue of an Ordinary Resolution dated 12th July 1995, the Directors have the authority to allot authorised but unissued shares in the Company until 11th July 2000.

**8. Rights Attaching to Shares in the Company**

The rights attaching to ordinary shares are contained in the Company's Articles of Association ("the Articles of Association"). The Articles of Association contain provisions which have the following effect:

**(a) Voting Rights**

On a show of hands every member personally present at a general meeting or (being a corporation) is present by a duly authorised representative who is not himself a member shall have one vote. A member present only by proxy shall have no vote but a proxy for a corporation may vote.

On a poll, every member present personally or by proxy at a general meeting shall have one vote for every £1 of share capital held by him.

If two or more persons are jointly entitled to a share, then, in voting upon any questions, the vote of a senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other holders of the share, and for this purpose seniority shall

be determined by the order in which the names stand in the register of members.

**(b) *Entitlement to Dividends***

The Company in general meeting may from time to time declare dividends which are payable out of the profits of the Company. Dividends shall be paid to members in proportion to the amounts paid up on shares held by each member. The Directors may from time to time pay an interim dividend, or pay any preferential dividends on shares issued upon the terms that the preferential dividends thereon shall be payable on fixed dates.

The Directors may deduct from any dividend or other moneys payable in respect of any shares held by a member, either alone or jointly with any other member, all such sums of money (if any) as may be due and payable by him either alone or jointly with any other person to the Company on account of calls or otherwise.

No unpaid dividend or interest shall bear interest as against the Company.

**(c) *Return of Capital on Winding Up***

The Articles of Association contain no special provisions relating to rights to assets on a winding up. Accordingly, the general law will apply and any assets available for distribution to shareholders after payment to creditors will be distributed to members *pro rata* their holdings of ordinary shares.

If the Company is the subject to a creditors or voluntary winding up, the liquidators may with the sanction of an Extraordinary Resolution:

- (i) divide among the members *in specie* any part of the assets of the Company; and
- (ii) vest any part of the assets of the Company in trustees upon such trusts for or for the benefit of the members or any of them as the liquidators with the like sanction shall think fit.

The Extraordinary Resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights, but each member shall in that event have a right of dissent and other ancillary rights in the same manner as if such resolution were a Special Resolution passed pursuant to Section 287 of the Companies Act 1948.

**(d) *Redemption***

Subject to the provisions of the Companies Act 1985 ("the Act") (or any re-enactment or modification of the same), the Company may purchase its own shares (including any redeemable shares).

**(e) *Variation of Share Rights***

Subject to the provisions of Companies Acts, all or any of the rights or privileges for the time being attached to any class of shares in the Company may be modified or abrogated at any time (and notwithstanding that the Company may be or be about to be in liquidation) in any manner with the sanction of an Extraordinary Resolution passed at a separate meeting of the members of that class.

All the provisions of the Articles of Association relating to General Meeting (including the obligation to notify members as to their right to appoint proxies) shall apply to such meeting *mutatis mutandis*, provided always that the necessary quorum shall be members of the class holding or representing by proxy one-third of the capital paid up on the issued shares of the class, and that the members of such class shall on a poll have one vote for each share of the class held by them respectively, provided also that if at any adjourned meeting of the members of such class a quorum as above defined is not present, those members who are present shall form a quorum.

**(f) *Rights of Pre-emption***

The Company in general meeting may direct that new shares shall be offered to existing members in proportion to the number of existing shares held by them. If the offer is declined, the Directors may dispose of the shares in such manner as they think most beneficial to the Company.

No other pre-emption rights are contained in the Articles of Association regarding the issue and allotment of shares in respect of authorised share capital or to the transfer of shares.

**9. The Stock**

The Company has issued £821,489 of the Stock being £1,000,000 nominal stock created by an Instrument dated 18th September 1987 (the "Loan Stock Instrument").

If the entire issued Stock were to be converted by each Stockholder in accordance with the rights set out below, the Company would be obliged to issue 469,422 ordinary shares. The following Stockholder would hold in excess of 3 per cent. of the issued share capital of the Company following such conversion:

<b>Stockholder</b>	<b>Amount of Stock Held</b>	<b>No. of ordinary shares following conversion</b>	<b>Percentage of fully diluted issued share capital</b>
Hoare Trustees	£550,652	314,658	8.68

The rights of Stockholders are as follows:

**(a) *Ranking***

The Stock constitutes an unsecured obligation of the Company ranking *pari passu* and rateably without determination or preference with other unsecured debts of the Company.

**(b) *Rights to Conversion***

Each Stockholder has the right to convert the whole or part of his Stock at a rate of one fully paid ordinary share for every £1.75 of Stock held by him ("the Rate of Conversion") : This right is exercisable on 26th March ("the Conversion Date") in any of the years 1992 to 1997 inclusive.

**(c) *Procedures for Conversion***

A Stockholder wishing to exercise his right of conversion shall complete the notice of conversion printed on the Stock certificate and deposit the same together with the relevant Stock certificate at the registered office of the Company not less than 30 days prior to the Conversion Date in the relevant year. Interest on Stock converted will cease to accrue as from (but not including) 25th March in the year of conversion. All Stock converted shall be cancelled and shall not be capable of being reissued.

**(d) *Variation of Rate of Conversion***

In the event of any capitalisation or rights issue or any consolidation, sub-division or reduction of capital by the Company, the rate of conversion may be adjusted in accordance with the Articles of Association.

**(e) *Repayment of Stock***

The Stock, unless converted and unless repayment is accelerated as a result of a default by the Company, will be repaid at par together with accrued interest on 26th March 1997.

**(f) Default**

The Loan Stock Instrument contains the following terms relating to default by the Company.

In the event that:

- (i) default is made by the Company in the performance or observance of any obligation or provision binding on it under the terms of the Loan Stock Instrument; or
- (ii) any material indebtedness of the Company or any subsidiary shall not be paid or repaid on the due date as extended by any applicable grace period or shall become due and payable prior to the specified maturity date therefor by reason of default or if any guarantee given by the Company or any of its subsidiaries shall not be honoured when due and called; or
- (iii) the Company stops or threatens to stop payment or ceases or threatens to cease to carry on its business or substantially the whole of its business; or
- (iv) the Company shall be unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or the equivalent statutory provisions in any other applicable jurisdiction or shall commence negotiations with any one or more of its creditors with a view to the general readjustment or re-scheduling of its indebtedness or shall make a general assignment for the benefit of or a composition with its creditors; or
- (v) an encumbrancer takes possession or a receiver administrator or similar officer is appointed of the whole or any part (which is material in relation to the total assets of the Company) of the undertaking property or assets of the Company or if any distress or other process shall be levied or enforced or sued out upon or against any material part of the property or undertaking of the Company; or
- (vi) an order be made or an effective resolution passed for the winding up of the Company (otherwise than for the purposes of reconstruction or amalgamation whilst solvent on terms which shall have been previously approved by the Stockholders, such approval not to be unreasonably withheld);

then and in any such event if any Stockholder gives written notice to the Company declaring the Stock held by it to be due and payable the Stock shall become immediately repayable at its principal amount together with interest (if any) accrued to the date of repayment.

At any time after the Stock shall have become repayable the Stockholders or any of them may without further notice institute such proceedings as they may think fit to enforce payment of the monies then due.

**(g) *Rights Attaching to the Underlying Securities***

Shares arising on conversion rank *pari passu* with the fully paid ordinary shares in the Company in all respects. Such shares therefore carry the same rights with regard to voting, entitlement to dividends (but only in respect of the financial year of the Company in which the conversion took place), return of capital on winding up, and redemption. Details of these rights are set out in Section 8 above.

**(h) *Interest***

The Stock bears interest at a rate of 8.25 per cent. per annum from the date of issue accruing from day to day. Such interest is payable by the Company on 25th March and 25th September in each year.

**10. Dividend Entitlement Dates**

The dates upon which dividends are declared or paid vary from year to year. An interim dividend was paid on 13th December 1994. The final dividend for the 1995 financial year was paid on 18th July 1995.

**11. Directors**

Brief details of each Director of the Company are set out below:

***Brian Leonard Cann*** FRICS (aged 64) was appointed as a non-executive Director in 1990 and Chairman in 1991. Previously, he was Managing Director of St. Martins Property Corporation Limited. He was President of the British Property Federation in 1988/89.

***Michael Livingstone Cheesmer*** FRICS (aged 54) joined the Company as Managing Director in 1986. He was previously the Senior Property Surveyor with the National Bus Company following 8 years with Blue Circle Industries plc as Regional Estates Surveyor.

***Philip Geoffrey Hugh Collins*** LLB, BCL (aged 47) was appointed as a non-executive Director of the Company in 1988. He is a partner at Lovell White Durrant, Solicitors.

*Anthony Robert Harris* FRICS (aged 59) was appointed as a non-executive Director of the Company in 1994. He is Managing Director of Rogers Chapman PLC.

*Philip John Duppa Langrishe* MA (Cantab), (aged 78) joined the Board in 1959, was Managing Director of the Company from 1967 to 1986 and Chairman from 1981 to 1991. A solicitor, he is former Senior Partner of Peake & Co. (now incorporated into Charles Russell, Solicitors) and is currently a non-executive Director of the Company.

*Ian Stuart Lockhart* MA (Cantab), (aged 54) was appointed as a non-executive Director of the Company in 1972. He is a partner at Charles Russell, Solicitors.

*Michael Leicester John Marshall* MA (Oxon), FRICS (aged 71) was appointed as a non-executive Director of the Company in 1986(*check*). He was Senior Partner at Chesterton from 1973 to 84.

Details of their current directorships and of their other directorships held over the five years preceding the date of this document are listed at Appendix 2.

The Company has recently appointed *Peter Robert Kirkland* as Financial Controller and Company Secretary. He is a Chartered Accountant and was previously Group Secretary with John Lelliott Group PLC and Clayform Properties PLC.

## 12. Directors' and Other Interests in the Share Capital

### (a) Shares

The interests of the Directors and their immediate families in the share capital of the Company which have been notified to the Company pursuant to Sections 324 or 328 of the Act or which are required to be entered in the register maintained by the Company under the provisions of Section 325 of the Act or are interests of a person connected (within the meaning of Section 346 of the Act) with a Director (insofar as the latter are known to or could with reasonable diligence be ascertained by the Directors) are as follows:

Name	Ordinary Shares
B L Cann	10,000
M L Cheesmer	15,250*
P G H Collins	181,753
A R Harris	10,000
P J D Langrishe	75,830
I S Lockhart	10,000
M L J Marshall	27,595

In addition, I S Lockhart holds a non-beneficial interest in 59,760 Ordinary Shares.

\*The interests of Mr Cheesmer are as indicated above and not as indicated in the Directors' Report for the year ending 25th March 1995.

**(b) *Share Options***

M L Cheesmer holds an option to subscribe for 86,333 ordinary shares in the Company before 11th October 1999 at an exercise price of 180 pence per share.

**(c) *Details of Substantial Shareholders***

At 15th September 1995 the Directors had been notified or were aware of the following interests, which are in excess of 3 per cent. of the issued ordinary share capital of the Company:

<b>Shareholder</b>	<b>No. of Ordinary Shares</b>	<b>Percentage of issued share capital</b>
Panther Securities PLC	628,448	19.92
Mr H J A Bird	217,000	6.88
Mr P G H Collins	181,753	5.76
Miss M E Dickinson	112,000	3.55

Panther Securities PLC is a "substantial shareholder" within the meaning of the AIM Rules, having a shareholding in excess of 10 per cent.

**(d) *Persons exercising control of the Company***

The Directors have not been notified and are not aware of any persons (individually or acting together) directly or indirectly holding in excess of 30 per cent. of the issued share capital of the Company or of any arrangements whereby any persons could exercise control over the Company.

**13. Intellectual Property and Contracts**

There are no patents or other intellectual property rights, licenses or particular contracts on which the Company relies which are of fundamental importance to the Company's business.

**14. Significant Investments**

Other than in the normal course of business, the Company has no significant investments in progress.

**15. Legal Proceedings**

There are no legal or arbitration proceedings active, pending or threatened:

- (a) against the Company or any member of its Group; or
- (b) being brought by the Company or any member of its Group

which are having or may have a significant effect on the Company's financial position.

**16. Prospectuses and Promoters**

No securities of the Company have been promoted to the public during the two years preceding the date of this document. No prospectus or circular including audited accounts has been published by the Company since the end of the Company's last financial year.

**17. Nominated Advisor, Nominated Broker and Solicitors**

The Company's Nominated Advisor and Nominated Broker is Teather & Greenwood of Salisbury House, London Wall, London EC2M 5TH, who have approved this document for the purposes of Section 57 of the Financial Services Act 1986.

The solicitors to the Company are Field Fisher Waterhouse of 41 Vine Street, London EC3N 2AA.

**18. Availability of Admission Document**

Copies of this document will be available free of charge at the offices of Field Fisher Waterhouse, 41 Vine Street, London EC3N 2AA for not less than 14 days after the Company's shares are admitted to AIM.

15 September 1995

**APPENDIX 1**

**Last Annual Accounts**

# WYNNSTAY PROPERTIES PLC

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## CHAIRMAN'S STATEMENT REPORT OF THE DIRECTORS and FINANCIAL STATEMENTS YEAR ENDED 25TH MARCH 2005

### CONTENTS

2	Directors and Advisers
3	Chairman's Statement
5	Report of the Directors
9	Report of the Auditors
10	Financial Statements
15	Notes to the Financial Statements
22	Five Year Financial Review
23	Notice of Annual General Meeting
25	Biographies of the Directors
26	Summary of Property Portfolio

**WYNNSTAY PROPERTIES PLC**

**DIRECTORS**

P.G.H. COLLINS, LL.B., B.C.L.  
*(Chairman)*

M.L. CHEESMER, F.R.I.C.S.  
*(Managing Director)*

C.H. DELEIVINGNE

P.R. KIRKLAND, F.C.A.  
*(Finance Director & Secretary)*

I.S. LOCKHART, M.A.

T.J. NAGLE, B.Th., F.R.I.C.S.

**REGISTERED OFFICE**

Cleary Court, 21 St. Swithin's Lane, London EC4N 8AD  
Tel: 020 7626 3057

**AUDITORS**

MOORE STEPHENS  
St. Paul's House, 8/12 Warwick Lane, London EC4M 7BP

**SOLICITORS**

FIELD FISHER WATERHOUSE  
35 Vine Street, London EC3N 2AA

**NOMINATED ADVISER & NOMINATED BROKER**

CHARLES STANLEY & COMPANY LIMITED  
25 Luke Street, London EC2A 4AR

**VALUERS**

SANDERSON WEATHERALL  
Washington House, 40-41 Conduit Street, London W1 2YQ

**REGISTRARS**

CAPITA REGISTRARS  
The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU  
Tel: 0870 162 3100

**BANKERS**

C. HOARE & CO.  
37 Fleet Street, London EC4P 4DQ

N.M. ROTHSCHILD & SONS LIMITED  
New Court, St. Swithin's Lane, London EC4P 4DU

# WYNNSTAY PROPERTIES PLC

## CHAIRMAN'S STATEMENT

Wynnstay has enjoyed another highly satisfactory year in terms of both profitability and Shareholders' funds.

### Overview of Results

Profit before property disposals and taxation continued at a similar level to that achieved in each of the past two years, despite higher overhead and finance costs. A substantial surplus over book value was realised from the property disposal completed in February 2005 to which I refer below, resulting in record pre-tax profits for the year. In addition, the year end property revaluation saw a further significant increase in the value of the portfolio. As a result, Shareholders' funds rose to £11.72 million, compared with £10.45 million last year.

The results may be summarised as follows:

	Change	2005	2004
• Profit before property disposals and taxation:	- 0.2%	£650,000	£651,000
• Profit on ordinary activities before taxation:	+ 49.3%	£1,093,000	£732,000
• Net asset value per share:	+ 12.1%	371p	331p
• Basic Earnings per share:	+ 59.2%	26.9p	16.9p
• Dividends per share:	+ 5.3%	8.0p	7.6p

### Property Management

Property income rose by 7.5% to £1,693,000 (2004: £1,575,000). This increase reflects a full year's contribution from the business centre in Chessington, acquired in November 2003 and a seven month contribution from the industrial units at Basingstoke, which we purchased in August 2004.

The portfolio remained fully let and income producing throughout the year, with two exceptions. We took a surrender of the lease on one of the industrial units at Basingstoke, negotiated a good settlement with the outgoing tenant as regards the condition of the property and entered into a new lease at an increased rent with a local business. As a result, the property has been brought up to standard without significant expense to the Company. The other vacant property was let on a temporary basis for six months during the year and has subsequently undergone extensive repairs, following which it is now being actively re-marketed. The void costs in this case, including loss of rent, amounted to approximately £40,000.

We were again fortunate in not incurring any bad debts during the period.

### Portfolio

It is pleasing to note that the policy of upgrading and repositioning the portfolio has been reflected in the revaluation. Sanderson Weatherall, appointed as the Company's independent valuers following the demise of Chesterton, valued the portfolio at £18.74 million at the year end. Once again, among the best performing properties in terms of growth have been the industrial properties acquired in central southern England over the past few years.

In my interim statement, I reported on the acquisition of our self-contained industrial investment at Crockford Lane, Basingstoke for a consideration of £1.5 million. This property comprises three adjoining units totalling 22,495 sq. ft., and from September will produce an increased rental income of £133,150 p.a.

Also at the interim stage, I reported on the exchange of contracts for the disposal of our office and retail property at Bognor Regis for £1,475,000, realising a net profit before taxation of £443,000. As a result, the mix of our portfolio has shifted towards the industrial sector which now accounts for 55% by value, with the balance comprising 24% offices and 21% retail.

### Borrowings and Gearing

Net borrowings at the year-end were £5.93 million (2004: £6.08 million) and, as a result of Shareholders' funds having increased by £1.27 million, net gearing at the year-end was 51%, compared with 58% last year.

We are at a preliminary stage in renegotiating our loan facilities and with the Company having become significantly stronger financially over recent years, it is anticipated that this should enable us to achieve improved terms.

### **Dividend**

The Directors are recommending a total dividend for the year of 8.0p per share, compared with 7.6p last year, representing an increase of 5.3%. Subject to approval at the AGM, a final dividend of 5.7p per share will be paid on 4th August 2005 to Shareholders on the register on 8th July 2005.

### **Interest Rates**

The first half of the year saw further interest rate increases, spurred by rises in consumer spending and in the residential market. However, concerns on these issues appear to have abated, with rates having been stable for some months and with evidence of a significant slowdown in retail spending, lead indicators now suggest that the next move in rates may be downwards. Should this prove to be the case, it will be an encouraging sign for commercial property investment.

### **Outlook**

The current year is likely to prove somewhat more challenging with one of our larger properties likely to become vacant at the half-year. Additionally, our rental income will inevitably show a decline until we are able to reinvest the proceeds from our recent property disposal. However, this is not easy as a result of the scarcity of suitable properties and the prices being sought. The Board's view is that it is preferable over the short term to monitor the market rather than risk over-paying, particularly at a time many see as being a mature stage in the current cycle. With our modest gearing, we are in a strong financial position to undertake significant levels of investment should attractive opportunities become available. Although there remain a small number of properties we would consider selling, it is as yet too early to forecast whether any disposals will take place during the current financial year.

### **Shareholders' Meeting**

I urge Shareholders, if possible, to attend this year's Annual General Meeting which will be held at the Royal Automobile Club at 12.00 noon on Thursday 28th July 2005. Last year, I was able to provide a flavour of some of the properties in which Wynnstay has invested and I am hopeful of repeating the exercise this year.

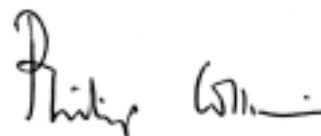
The Directors have decided this year not to seek authority for Wynnstay to purchase its own shares. The increase in the Company's share price over the past year, means that any resulting benefits would be significantly less than in the past, particularly after taking account of the costs involved. However, the merits of such an exercise will be kept under review and a renewed authority will be sought should this again be considered to be in Shareholders' interests.

The Notice of Meeting contains two resolutions under Special Business, relating to the Directors' authority to allot shares in the Company, details of which are set out in the Report of the Directors.

### **Closing Comments**

Shareholders may have noticed the recent announcement that I am to become Chairman of the Office of Fair Trading with effect from 1st October 2005. Although this will necessitate my ceasing to practise as a competition lawyer, my new part-time role at the OFT will not affect my work for, or commitment to, Wynnstay and the interests of its Shareholders.

As always, the Company's success over the past year would not have been possible without the effort and enthusiasm of my colleagues and our small full-time team. I extend my thanks to each of them, as well as to our professional advisers, for their highly-valued contributions.



Philip G.H. Collins  
*Chairman*

21st June 2005

# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2005

The Directors present their One Hundred and Nineteenth Annual Report, together with the audited Financial Statements of the Company and its subsidiaries for the year ended 25th March 2005.

### Principal Activity

The principal activity of the Group during the year continued to be that of Property Owners, Developers and Managers.

### Results and Dividends

A review of the business for the year and of the future prospects of the Group is included in the Chairman's Statement on pages 3 and 4. The financial statements are set out on pages 10 to 21.

The profit for the year after taxation amounted to £850,000 (2004 - £534,000). Details of movements in reserves are set out in note 17 to the financial statements on page 20.

The Directors have decided to recommend a final dividend of 5.7 pence per share for the year ended 25th March 2005 payable on 4th August 2005 to those Shareholders on the register on 8th July 2005. This dividend, together with the interim dividend of 2.3 pence paid on 16th December 2004, represents a total for the year of 8.0 pence (2004 - 7.6 pence).

### Fixed Assets

The investment properties have been valued by Sanderson Weatherall on the basis of Market Value at 25th March 2005. The movement in Fixed Assets is set out in Note 9 on Page 17.

### Directors

The Directors holding office during the financial year under review and their beneficial interests in the ordinary share capital of the Company at 25th March 2005 and 25th March 2004 are shown below:-

		<b>Ordinary Shares of 25p</b>	
		<b>25.3.05</b>	<b>25.3.04</b>
P.G.H. Collins	Non-Executive Chairman	854,036	854,036
M.L. Cheesmer	Managing Director	20,000	20,000
C.H. Delevingne	Non-Executive Director	–	–
P.R. Kirkland	Finance Director and Secretary	8,000	8,000
I.S. Lockhart	Senior Independent Non-Executive Director	10,000	10,000
T.J. Nagle	Non-Executive Director	13,000	13,000

In addition, Mr I.S. Lockhart held a non-beneficial interest in 57,900 shares at 25th March 2005 (59,760 shares at 25th March 2004). There have been no changes in any of the above shareholdings between 25th March 2005 and the date of this report.

Mr M.L. Cheesmer and Mr P.R. Kirkland each have service agreements with the Company. Under the respective terms thereof, their employment is subject to six months' notice of termination by either party.

In accordance with the Company's Articles of Association, the two Directors retiring by rotation are Mr T.J. Nagle and Mr C.H. Delevingne who, being eligible, offer themselves for re-election.

Brief biographies of each of the Directors appear on page 25.

## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2005 continued

#### Directors' Emoluments

Directors' emoluments for the year ended 25th March 2005 are set out below:-

	<u>Salaries</u>	<u>Fees</u>	<u>Benefits</u>	<u>Pension</u>	<u>Total 2005</u>	<u>Total 2004</u>
P.G.H. Collins	–	22,000	–	–	22,000	21,000
M.L. Cheesmer	73,500	7,850	9,921	7,350	98,621	93,648
C.H. Delevingne	–	7,850	–	–	7,850	7,500
P.R. Kirkland	67,500	7,850	954	6,750	83,054	78,794
I.S. Lockhart	–	7,850	–	–	7,850	7,500
T.J. Nagle	–	7,850	–	–	7,850	7,500
Total 2005	<u>£141,000</u>	<u>£61,250</u>	<u>£10,875</u>	<u>£14,100</u>	<u>£227,225</u>	
Total 2004	<u>£134,000</u>	<u>£58,500</u>	<u>£10,042</u>	<u>£13,400</u>		<u>£215,942</u>

#### Directors' Responsibilities in respect of the preparation of Financial Statements

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Directors' and Officers' Liability Insurance

The Group has maintained Directors' and Officers' insurance as permitted by the Companies Act 1985.

#### Substantial Interests

To the date of this report, the Directors have been notified or are aware of the following interests, which are in excess of three per cent of the issued Ordinary Share Capital of the Company:

	<b>No. of Ordinary Shares of 25p</b>	<b>Percentage of issued Share Capital</b>
Mr P.G.H. Collins	854,036	27.07%
York & District Investment Company Limited	380,839	12.07%
Mr H.J.A. Bird	179,280	5.68%

# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2005 continued

### Employees

Where appropriate, employees are informed on issues which are of interest to, or concern them. The Group's policy is to recruit and develop its employees on the basis of their suitability, experience and aptitude and regardless of sex, creed, race, nationality or disability.

### Payment to Suppliers

It is the Group's policy to pay suppliers according to agreed terms and conditions, provided that these are met. The Group does not have a standard or code which deals specifically with the payment of suppliers. The average period in the case of the parent company for which payment was outstanding during the year ended 25th March 2005 was 21 days (2004 – 20 days).

### Corporate Governance

The Board has considered the principles and provisions of the Combined Code issued by the Committee on Corporate Governance in July 2003 and applied them to the extent considered appropriate by the Board given the size of the Group.

- The Company is headed by an effective Board which leads and controls the Group.
- There is a clear division of responsibilities in running the Board and running the Group's business.
- The Board comprises two executive and four non-executive Directors. The Chairman is a non-executive member of the Board. In view of the size of the Group there is no formal procedure for the appointment of new Directors.
- The Board receives and reviews on a regular basis financial and operating information appropriate to the Directors being able to discharge their duties. An annual budget is approved by the Board and a revised forecast is prepared at the half year stage. Cashflow and other financial performance indicators are monitored monthly against budget.
- Directors submit themselves for re-election every three years by rotation in accordance with the Articles of Association.
- The Board welcomes communication from the Company's Shareholders and positively encourages their attendance at the Annual General Meeting.
- In view of the current size of the Group and its Board the establishment of an audit committee or an internal audit department would be inappropriate. However, the auditors to the Group have direct access to the non-executive Chairman.

### Remuneration Committee

The Board currently acts as the remuneration committee, the details of the Directors' emoluments being set out above. It is the Company's policy that the remuneration of Directors should be commensurate with services provided by them to the Group.

### Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2005 continued

### Internal Control

The Directors are responsible for the Group's system of internal financial control, which is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. In fulfilling these responsibilities, the Board has reviewed the effectiveness of the system of internal financial control. The Directors have established procedures for planning and budgeting and for monitoring, on a regular basis, the performance of the Group.

### Donations

The Group made no charitable or political donations during the year.

### Auditors

Moore Stephens have indicated their willingness to continue in office and resolutions concerning their re-appointment and remuneration will be proposed at the Annual General Meeting.

### Annual General Meeting

The Notice of the Annual General Meeting is set out on pages 23 and 24. This includes two items of Special Business as follows:

**Resolution 8.** The Directors may only allot shares or grant rights over ordinary shares if authorised to do so by Shareholders. Accordingly, Resolution 8 will be proposed as an Ordinary Resolution to grant the Directors authority to allot ordinary shares up to an aggregate nominal value of £262,939, representing one-third of the issued ordinary share capital of the Company as at 21st June 2005. If granted, this authority will expire five years from the date of passing the Resolution. The Directors have no present intention of issuing any share capital of the Company pursuant to such authority.

**Resolution 9.** Subject to the passing of Resolution 8 above, the Directors require additional authority from Shareholders to allot ordinary shares or grant rights over ordinary shares where they propose to do so for cash otherwise than to existing Shareholders pro rata to their holdings. Accordingly, Resolution 9 will be proposed as a Special Resolution to grant such authority. The authority will be limited to the issue of ordinary shares up to an aggregate nominal value of £78,881, being 10% of the issued ordinary share capital of the Company as at 21st June 2005. If granted, this authority will expire five years from the date of passing the Resolution.

The foregoing Resolutions, if approved, will replace the corresponding Resolutions passed at the Annual General Meeting held on 25th July 2002.

By Order of the Board,  
P.R. KIRKLAND  
*Secretary.*

21st June 2005

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF WYNNSTAY PROPERTIES PLC**

We have audited the financial statements of Wynnstay Properties PLC for the year ended 25th March 2005 set out on pages 10 to 21. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 15.

This report is made solely to the Company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors (including the Corporate Governance Statement), the Chairman's Statement and the five year Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of Audit Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 25th March 2005 and of the Group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,  
8/12 Warwick Lane,  
London EC4M 7BP

**Moore Stephens**  
Chartered Accountants  
Registered Auditors

21st June 2005

WYNNSTAY PROPERTIES PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT YEAR ENDED 25TH MARCH 2005

	Notes	2005		2004	
		£'000	£'000	£'000	£'000
<b>Turnover</b>					
Gross Rental Income	1		1,676		1,555
Fees and Commissions			<u>17</u>		<u>20</u>
			1,693		1,575
Property Outgoings	2		<u>(88)</u>		<u>(82)</u>
			1,605		1,493
Administrative Expenses	3		<u>(523)</u>		<u>(474)</u>
<b>Operating Profit</b>			1,082		1,019
Profit on Disposal of Investment Properties	5		<u>443</u>		<u>81</u>
			1,525		1,100
Finance Costs	6				
Interest Payable		(442)		(378)	
Investment Income		<u>10</u>		<u>10</u>	
			<u>(432)</u>		<u>(368)</u>
<b>Profit on Ordinary Activities before Taxation</b>			1,093		732
Taxation on Profit from Ordinary Activities	7		<u>(243)</u>		<u>(198)</u>
<b>Profit after Taxation Attributable to Ordinary Shareholders</b>			850		534
Dividends per share:-					
Interim Paid: 2.3p	2004: 2.2p		(72)		(69)
Final Payable: <u>5.7p</u>	2004: <u>5.4p</u>		<u>(180)</u>		<u>(171)</u>
Total: <u>8.0p</u>	<u>7.6p</u>		<u>(252)</u>		<u>(240)</u>
<b>Retained Profit for the Financial Year</b>			<u>598</u>		<u>294</u>
<b>Basic Earnings per Share</b>	8		26.9p		16.9p
<b>Normalised Earnings per Share</b>	8		14.5p		14.4p

**WYNNSTAY PROPERTIES PLC**  
**CONSOLIDATED BALANCE SHEET AT 25TH MARCH 2005**

	Notes	2005		2004	
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible Assets	9		18,751		17,470
Quoted Investments	11		<u>1</u>		<u>1</u>
			18,752		17,471
<b>Current Assets</b>					
Debtors	12	84		60	
Cash at Bank and in Hand		<u>272</u>		<u>515</u>	
		356		575	
<b>Creditors:</b> Amounts falling due within one year	13	<u>(884)</u>		<u>(837)</u>	
<b>Net Current Liabilities</b>			<u>(528)</u>		<u>(262)</u>
<b>Total Assets Less Current Liabilities</b>			18,224		17,209
<b>Creditors:</b> Amounts falling due after more than one year	13		<u>(6,200)</u>		<u>(6,600)</u>
			12,024		10,609
<b>Provisions for Liabilities and Charges</b>	15		<u>(304)</u>		<u>(160)</u>
<b>Net Assets</b>			<u>11,720</u>		<u>10,449</u>
<b>Capital and Reserves:</b>					
<b>Share Capital</b>	16		789		789
<b>Reserves</b>	17				
Capital Redemption Reserve		205		205	
Share Premium Account		1,135		1,135	
Capital Reserve		151		151	
Revaluation Reserve		<u>4,672</u>		<u>4,505</u>	
Non-Distributable Reserves			6,163		5,996
Profit and Loss Account			<u>4,768</u>		<u>3,664</u>
<b>Equity Shareholders' Funds</b>			<u>11,720</u>		<u>10,449</u>

Approved by the Board on 21st June 2005

P.G.H. Collins                    }  
M.L. Cheesmer                   } Directors

**WYNNSTAY PROPERTIES PLC**  
BALANCE SHEET AT 25TH MARCH 2005

	Notes	2005		2004	
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible Assets	9		18,751		17,470
Investment in Subsidiaries	10		2,406		2,406
Quoted Investments	11		<u>1</u>		<u>1</u>
			21,158		19,877
<b>Current Assets</b>					
Debtors	12	427		398	
Cash at Bank and in Hand		<u>272</u>		<u>515</u>	
		699		913	
<b>Creditors:</b> Amounts falling due within one year	13	<u>(4,125)</u>		<u>(4,076)</u>	
<b>Net Current Liabilities</b>			<u>(3,426)</u>		<u>(3,163)</u>
<b>Total Assets Less Current Liabilities</b>			17,732		16,714
<b>Creditors:</b> Amounts falling due after more than one year	13		<u>(6,200)</u>		<u>(6,600)</u>
			11,532		10,114
<b>Provisions for Liabilities and Charges</b>	15		<u>(304)</u>		<u>(160)</u>
<b>Net Assets</b>			<u>11,228</u>		<u>9,954</u>
<b>Capital and Reserves:</b>					
<b>Share Capital</b>	16		789		789
<b>Reserves</b>					
Capital Redemption Reserve	17	205		205	
Share Premium Account		1,135		1,135	
Capital Reserve		82		82	
Revaluation Reserve		<u>4,672</u>		<u>3,978</u>	
Non-Distributable Reserves			6,094		5,400
Profit and Loss Account			<u>4,345</u>		<u>3,765</u>
<b>Equity Shareholders' Funds</b>			<u>11,228</u>		<u>9,954</u>

Approved by the Board on 21st June 2005

P.G.H. Collins                    }  
M.L. Cheesmer                   } Directors

**WYNNSTAY PROPERTIES PLC**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 25TH MARCH 2005**

	Notes	2005		2004	
		£'000	£'000	£'000	£'000
<b>Cash Flow from Operating Activities</b>	19(i)		1,163		1,073
<b>Returns on Investment and Servicing of Finance</b>					
Interest Received		10		10	
Interest Paid		<u>(506)</u>		<u>(306)</u>	
<b>Net Cash (Outflow) from Returns on Investment and Servicing of Finance</b>			(496)		(296)
<b>Taxation Paid</b>			(164)		(118)
<b>Capital Expenditure and Financial Investment</b>					
Purchase of Tangible Fixed Assets		(1,571)		(2,006)	
Disposal of Tangible Fixed Assets		<u>1,468</u>		<u>905</u>	
<b>Net Cash (Outflow) from Investing Activities</b>			(103)		(1,101)
<b>Equity Dividends Paid</b>			<u>(243)</u>		<u>(230)</u>
<b>Net Cash Inflow/(Outflow) before Financing</b>			157		(672)
<b>Financing</b>					
Drawdown of Bank Loan			1,342		1,800
Repayment of Bank Loan			<u>(1,742)</u>		<u>(900)</u>
<b>(Decrease)/Increase in Cash in the Period</b>			<u>(243)</u>		<u>228</u>
<b>Reconciliation of Net Cash Flow to Movement in Net Debt</b>					
(Decrease)/Increase in Cash in the Period			(243)		228
Cash Outflow/(Inflow) from Debt Financing			<u>400</u>		<u>(900)</u>
Movement in Net Debt in the Period			157		(672)
<b>Net Debt at 25th March 2004</b>			<u>(6,085)</u>		<u>(5,413)</u>
<b>Net Debt at 25th March 2005</b>	19(ii)		<u>(5,928)</u>		<u>(6,085)</u>

**WYNNSTAY PROPERTIES PLC**

**OTHER FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2005**

	<b>2005</b> <b>£'000</b>	<b>2004</b> <b>£'000</b>
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>		
Profit for the Financial Year after Taxation	850	534
Taxation on Realised Property Revaluation	(66)	–
Unrealised Surplus on Revaluation of Investment Properties	<u>739</u>	<u>779</u>
Total Recognised Gains and Losses for the Year	<u><u>1,523</u></u>	<u><u>1,313</u></u>
<b>RECONCILIATION OF MOVEMENT OF SHAREHOLDERS' FUNDS</b>		
Opening Shareholders' Funds as at 26th March 2004	10,449	9,376
Profit for the Financial Year after Taxation	850	534
Dividends	(252)	(240)
Other recognised Gains and Losses – as per Statement of Total Recognised Gains and Losses	<u>673</u>	<u>779</u>
Closing Shareholders' Funds as at 25th March 2005	<u><u>11,720</u></u>	<u><u>10,449</u></u>
<b>NOTE OF HISTORICAL COST PROFITS AND LOSSES</b>		
Profit on Ordinary Activities before Taxation	1,093	732
Realisation of Property Revaluation Gains on Previous Years	<u>572</u>	<u>71</u>
Historical Cost Profit on Ordinary Activities before Taxation	<u><u>1,665</u></u>	<u><u>803</u></u>
Historical Cost Profit for the Year Retained after Taxation and Dividends	<u><u>1,170</u></u>	<u><u>365</u></u>

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2005

#### 1. ACCOUNTING POLICIES

##### **Basis of Preparation and Consolidation**

The Group Accounts have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and applicable accounting standards. The consolidated financial statements comprise the results of the Company and its subsidiary undertakings drawn up to 25th March each year.

##### **Depreciation**

In accordance with SSAP 19, Group properties are revalued annually and the aggregate surplus or deficit taken to an Investment Revaluation Reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties having unexpired terms in excess of 20 years, which is a departure from the requirements of the Companies Act 1985 to depreciate fixed assets. This is necessary in order to give a true and fair view and is in accordance with the requirements of SSAP 19. The resulting effect has not been quantified since, in the opinion of the Directors, it would be both impractical and misleading to do so. Leasehold improvements are amortised over the period of the underlying lease.

Depreciation of other fixed assets is 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 Profit and Loss Account below Operating Profit.

##### **Gross Rental Income**

Gross Rental Income represents the accrued charges under operating leases for rental of the Group's properties and is stated net of Value Added Tax. All income is derived in the United Kingdom.

##### **Repairs and Renewals**

Repairs and renewals are charged to the Profit and Loss Account as incurred.

##### **Deferred Taxation**

Deferred taxation is provided on all timing differences that have originated but not reversed by the Balance Sheet date on a non-discounted basis. Deferred taxation assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits against which deferred taxation assets are able to reverse.

##### **Investments**

Investments are stated at cost less provision for impairment.

##### **Pensions**

Pension contributions towards employees' pension plans are charged to the Profit and Loss Account as incurred.

#### 2. PROPERTY OUTGOINGS

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Rents Payable	5	5
Repairs, Insurance, Rates, etc	22	21
Property Management	<u>61</u>	<u>56</u>
	<u>88</u>	<u>82</u>

#### 3. ADMINISTRATIVE EXPENSES

General Administration, including Staff costs	487	432
Auditors' Remuneration: Audit	22	23
Other	10	12
Depreciation and Amortisation	<u>4</u>	<u>7</u>
	<u>523</u>	<u>474</u>

Included within General Administration costs above are pension payments made to a former Director of £4,884 (2004: £4,764).

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2005

<b>4. STAFF COSTS</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs, including Directors, during the year were as follows:		
Wages and Salaries	260	247
Social Security Costs	29	26
Other Pension Costs	<u>14</u>	<u>13</u>
	<u>303</u>	<u>286</u>
Details of Directors' emoluments, totalling £227,225 (2004 – £215,942), are shown in the Report of the Directors on page 6		
	<b>No.</b>	<b>No.</b>
The average number of employees, including Directors, engaged wholly in management and administration was:	8	8
	<b>£'000</b>	<b>£'000</b>
<b>5. PROFIT ON DISPOSAL OF INVESTMENT PROPERTIES</b>	<b>443</b>	<b>81</b>
Capital Gains Tax thereon:		
Current	51	–
Realised Property Revaluation	<u>66</u>	<u>–</u>
	<u>117</u>	<u>–</u>
<b>6. FINANCE COSTS (NET)</b>		
Principal repayable within five years:		
Bank Interest	442	378
Less Investment Income:		
Sundry Interest	<u>(10)</u>	<u>(10)</u>
	<u>432</u>	<u>368</u>
<b>7. TAXATION</b>		
(a) Analysis of the tax charge for the year:		
Corporation Tax on Profit on Ordinary Activities, including Profit on Disposal of Investment Properties	246	198
Prior year over provision	<u>(3)</u>	<u>–</u>
Current tax charge for the year	243	198
Deferred tax (note 15)	<u>–</u>	<u>–</u>
	<u>243</u>	<u>198</u>
(b) Factors affecting the tax charge for the year:		
Profit on Ordinary Activities before Taxation	<u>1,093</u>	<u>732</u>
Corporation tax thereon at 30% (2004 - 30%)	328	220
Expenses not deductible for tax purposes	–	4
Excess of Capital Allowances over depreciation	–	(1)
Indexation allowances on capital gains	(82)	(24)
Prior year over provision	(3)	–
Marginal rate relief	<u>–</u>	<u>(1)</u>
Current tax charge for the year	<u>243</u>	<u>198</u>

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2005

#### 8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing Profit after Taxation attributable to Ordinary Shareholders of £850,000 (2004: £534,000) by the weighted average number of 3,155,267 ordinary shares in issue during the period (2004: 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 after current taxation of £392,000 (2004: £81,000), set out in Note 5, from the amount of basic earnings and dividing the resulting figure by the same weighted average number of shares in issue for each year.

#### 9. TANGIBLE FIXED ASSETS

	<b>Freehold Investment Properties £'000</b>	<b>Leasehold Improve- ments £'000</b>	<b>Vehicles and Equipment Cost £'000</b>	<b>Total £'000</b>
<b>Group and Company</b>				
Balance at 25th March 2004	17,455	27	57	17,539
Additions	1,571	–	–	1,571
Disposals	<u>(1,025)</u>	<u>–</u>	<u>–</u>	<u>(1,025)</u>
	<u>18,001</u>	<u>27</u>	<u>57</u>	<u>18,085</u>
Depreciation, 25th March 2004	–	15	54	69
Charge for the year	<u>–</u>	<u>1</u>	<u>3</u>	<u>4</u>
	<u>–</u>	<u>16</u>	<u>57</u>	<u>73</u>
25th March 2005				
Net Book Values	18,001	11	–	18,012
Surplus for the year	<u>739</u>	<u>–</u>	<u>–</u>	<u>739</u>
Valuation	<u>18,740</u>	<u>11</u>	<u>–</u>	<u>18,751</u>
25th March 2004				
Net Book Values	16,676	12	3	16,691
Surplus for the year	<u>779</u>	<u>–</u>	<u>–</u>	<u>779</u>
Valuation	<u>17,455</u>	<u>12</u>	<u>3</u>	<u>17,470</u>

The Group's freehold investment properties were valued at £18,740,000 by Independent Valuers, Sanderson Weatherall, Chartered Surveyors, as at 25th March 2005, 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”.

The Valuers have confirmed that this definition produces the same figure as the former definition of Open Market Value.

Freehold investment properties would have been shown at an historical cost of £14,068,000 (2004: £12,950,000) if revaluations had not been undertaken.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2005

<b>10. INVESTMENT IN SUBSIDIARIES</b>	<b>Company</b>	
	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Shares at Cost, 25th March 2005 and 2004	2,406	2,406

<b>11. INVESTMENTS</b>	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Quoted Investments	1	1	1	1

The Market Value of Quoted Investments as at 25th March 2005 was Group £3,130 (2004: £1,970)  
Company £3,130 (2004: £1,970).

<b>12. DEBTORS</b>	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>				
Due from Subsidiary Companies	–	–	343	339
Other Debtors	56	10	56	9
Prepayments	28	50	28	50
	84	60	427	398

<b>13. CREDITORS</b>	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>				
Due to Subsidiary Companies	–	–	3,243	3,243
Current Corporation Tax	58	58	58	58
Other Taxation and Social Security Costs	69	64	69	64
Dividend Payable	180	170	180	170
Accruals and Deferred Income	577	545	575	541
	884	837	4,125	4,076

The Company has a bank overdraft facility, secured by a legal charge over one of its freehold properties which at the year end had a value of £420,000. The amount undrawn and available under this facility at 25th March 2005 was £250,000.

<b>Amounts falling due after more than one year:</b>	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank Loan	6,200	6,600	6,200	6,600

Interest is fixed at 6.422% per annum on £4,000,000 of the bank loan with interest on the remaining balance being charged at 1.25% per annum over LIBOR. The loan falls due for repayment on 5th June 2006.

The bank loan is secured by fixed charges over freehold land and buildings owned by the Company, which at the year end had a combined value of £12,465,000. The undrawn element of the bank loan available at 25th March 2005 was £1,800,000.

Amounts due to subsidiary companies are interest free and there are no fixed terms for their repayment.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2005

#### 14. FINANCIAL INSTRUMENTS

At 25th March 2005 the Group's financial instruments comprised borrowings and cash at bank and in hand, but excluded short term debtors and short term creditors. The main purpose of these financial instruments was to raise finance for the Group's operations. Throughout the period under review, the Group has not traded in any other financial instruments and the fair value of the Group's financial assets and liabilities at 25th March 2005 is not materially different from their book value. The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

##### Interest Rate Risk

The Group finances its operations through a combination of retained profits and bank borrowings. The Group borrows at fixed and floating rates of interest. The Group accepts a degree of interest rate risk, but keeps this under constant review in the light of interest rate movements.

##### Liquidity Risk

As regards liquidity, the Group has ensured continuity of funding, so that the majority of its borrowings should mature more than one year hence. Short term flexibility is achieved by an overdraft facility. Cash at bank and in hand at 25th March 2005 amounted to £272,000. Details of the Company's bank borrowings are set out in note 13.

#### 15. PROVISIONS FOR LIABILITIES AND CHARGES

##### Deferred Taxation – Group and Company

	<b>Advance Corporation Tax £'000</b>	<b>Industrial Buildings Allowances £'000</b>	<b>Total £'000</b>
At 26th March 2004	154	(314)	(160)
ACT utilised against Corporation Tax	(144)	–	(144)
At 25th March 2005	10	(314)	(304)

Deferred taxation is fully provided in the accounts in respect of Advance Corporation Tax (“ACT”) recoverable and Industrial Buildings Allowances (“IBAs”). ACT recoverable is provided to the extent that it is foreseeable that it is more likely than not there will be suitable taxable profits against which ACT recognised is able to reverse. In each of the years set out below, IBAs will fall away on completion of 25 years ownership by the Group of the properties concerned at which point, credits against the deferred tax provision will be made to the profit and loss account as follows:

Years ending 25th March:	2007 £'000	2008 £'000	2009 £'000	2012 £'000	Total £'000
	159	117	26	12	314
	159	117	26	12	314

No provision has been made for deferred taxation on gains recognised on the revaluation of investment properties to their market value. The total amount unprovided at 25th March 2005 is £251,000 (2004: £174,000). It is not currently envisaged that any capital gains tax will become payable in the foreseeable future.

	<b>Group</b>		<b>Company</b>	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
<b>16. SHARE CAPITAL</b>				
Ordinary Shares of 25p each:				
Authorised	2,000	2,000	2,000	2,000
Allotted, Called Up and Fully Paid	789	789	789	789

All shares rank equally in respect of Shareholder rights.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2005

#### 17. RESERVES

##### (i) GROUP

Non-Distributable	Capital Redemption Reserve £'000	Share Premium Account £'000	Capital Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance at 26th March 2004	205	1,135	151	4,505	5,996
Revaluation during year	–	–	–	739	739
Transfer to Profit and Loss Account	–	–	–	(572)	(572)
Balance at 25th March 2005	<u>205</u>	<u>1,135</u>	<u>151</u>	<u>4,672</u>	<u>6,163</u>
					<b>Profit and Loss Account £'000</b>
Balance at 26th March 2004					3,664
Retained profit for the year					598
Transfer from Revaluation Reserve					572
Taxation on realised property revaluation					(66)
Balance at 25th March 2005					<u>4,768</u>

##### (ii) COMPANY

Non-Distributable	Capital Redemption Reserve £'000	Share Premium Account £'000	Capital Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance at 26th March 2004	205	1,135	82	3,978	5,400
Revaluation during year	–	–	–	739	739
Transfer to Profit and Loss Account	–	–	–	(45)	(45)
Balance at 25th March 2005	<u>205</u>	<u>1,135</u>	<u>82</u>	<u>4,672</u>	<u>6,094</u>
					<b>Profit and Loss Account £'000</b>
Balance at 26th March 2004					3,765
Retained profit for the year					540
Transfer from Revaluation Reserve					45
Taxation on realised property revaluation					(5)
Balance at 25th March 2005					<u>4,345</u>

As permitted by Section 230 of the Companies Act 1985, the Profit and Loss Account of the Parent Company has not been separately presented in these financial statements, where the retained profit for the year was £540,000 (2004: £292,000).

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2005

18. SUBSIDIARY COMPANIES	Class of Shares	Percentage Held
William Wheeler (Properties) Ltd. (Dormant) (Shares held by Wynnstay Developments Ltd.)	Ordinary	100%
Wynnstay Developments Ltd.	Ordinary	100%
Wynnstay Management Services Ltd.	Ordinary	100%
York Road (Bognor) Property Co. Ltd. (Dormant)	Ordinary	100%
Marfield Estates Ltd. (Dormant)	Ordinary	100%
Ripple Properties Ltd. (Dormant)	Ordinary	100%

All the above subsidiary companies are incorporated in England and are engaged in property investment, management or development.

### 19. CONSOLIDATED CASH FLOW STATEMENT

**(i) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities**

	2005 £'000	2004 £'000
Operating Profit	1,082	1,019
Depreciation and Amortisation	4	7
(Increase)/Decrease in Debtors	(24)	10
Increase in Creditors	101	37
Net Cash Inflow from Operating Activities	<u>1,163</u>	<u>1,073</u>

**(ii) Analysis of Net Debt**

	25th March 2005 £'000	Cash Movement £'000	26th March 2004 £'000
Cash at Bank and in Hand	272	(243)	515
Debt due after more than one year	(6,200)	400	(6,600)
Net Debt	<u>(5,928)</u>	<u>157</u>	<u>(6,085)</u>

### 20. COMMITMENTS UNDER OPERATING LEASES

Annual rental commitments at 25th March 2005 on property leases expiring :-

	Group £'000	Company £'000
More than five years hence	<u>41</u>	<u>41</u>

### 21. RELATED PARTY TRANSACTIONS

There were no related party transactions other than with the Directors, which have been disclosed under Directors' Emoluments in the Report of the Directors on page 6.

## WYNNSTAY PROPERTIES PLC

### FIVE YEAR FINANCIAL REVIEW

Years Ended 25th March:	2005 £'000	2004 £'000	2003 £'000	2002 £'000	2001 £'000 <b>Restated</b>
<b>PROFIT AND LOSS ACCOUNT</b>					
Property Income	1,693	1,575	1,522	1,454	1,408
Profit before Disposal of Investment Properties and Taxation	650	651	654	581	498
Profit before Taxation	1,093	732	755	666	505
Profit after Taxation	850	534	584	488	369
Dividends	252	240	227	213	199
<b>BALANCE SHEET</b>					
Investment Properties	18,740	17,455	15,495	14,550	14,145
Shareholders' Funds	11,720	10,449	9,376	7,915	7,466
<b>PER SHARE</b>					
Basic Earnings	26.9p	16.9p	18.5p	15.5p	11.7p
Dividends	8.0p	7.6p	7.2p	6.75p	6.3p
Net Asset Value	371p	331p	297p	251p	236p

## WYNNSTAY PROPERTIES PLC

### NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and nineteenth ANNUAL GENERAL MEETING of the Members of Wynnstay Properties PLC will be held at The Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS on Thursday, 28th July 2005, at 12.00 noon to transact the following business:

#### ORDINARY BUSINESS

1. To adopt the Report of the Directors and the Financial Statements for the year ended 25th March 2005.
2. To declare a Dividend.
3. To re-elect as a Director, Terence J. Nagle, who retires by rotation.
4. To re-elect as a Director, Charles H. Delevingne, who retires by rotation.
5. To fix the remuneration of the Directors.
6. To re-appoint Moore Stephens as Auditors.
7. To authorise the Directors to determine the remuneration of the Auditors.

#### SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following resolution which will be proposed as an Ordinary Resolution:

THAT, in substitution for any existing authority subsisting at the date of this resolution, the Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 (the "Act") to exercise for a period from the date of the passing of this Resolution until 27th July 2010 all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal value of £262,939 and to make offers, agreements or other arrangements which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of such offers, agreements or other arrangements as if the authority conferred hereby had not expired.

9. To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:

THAT, subject to the passing of the Resolution numbered 8 in the notice of this meeting and in substitution for any existing authority subsisting at the date of this resolution, the Directors be and are hereby empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94(2) of the Act) for cash pursuant to the authority contained in the Ordinary Resolution above as if Section 89(1) of the Act did not apply to any such allotments provided that this power shall be limited to:

- (i) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of Ordinary Shares made in proportion (or as nearly as may be) to their existing holdings of Ordinary Shares subject to the Directors having a right to make such exclusions or other arrangements in connection with such offering as they may deem necessary or expedient:

**WYNNSTAY PROPERTIES PLC**  
**NOTICE OF MEETING continued**

- (a) to deal with equity securities representing fractional entitlements; and
  - (b) to deal with legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory; and
- (ii) other allotments (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount equal to £78,881

provided that the power hereby granted shall expire on 27 July 2010 save that the Company may before such expiry make offers, agreements or other arrangements which would or might require equity securities to be allotted after the expiry of the said period and the Directors may allot equity securities in pursuance of such offers, agreements or other arrangements as if the authority conferred hereby had not expired.

Registered Office:  
Cleary Court  
21 St. Swithin's Lane  
London EC4N 8AD

By Order of the Board,  
P.R. KIRKLAND  
*Secretary.*  
21st June 2005

**Notes:**

1. A Member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and on a poll to vote in his stead. The proxy need not be a Member of the Company. Proxies must be lodged at the office of the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU at least 48 hours before the time appointed for the Meeting.
2. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders registered in the register of members of the Company as at 12.00 noon on 26th July 2005, shall be entitled to attend or vote at the Annual General Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the relevant register of securities after 12.00 noon on 26th July 2005 shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
3. Copies of the following documents will be available for inspection at the Company's registered office during normal business hours on any weekday from the date of this Notice until the date of the Annual General Meeting and for 15 minutes prior to and during the Meeting:
  - (i) the register of Directors' interests in shares of the Company kept in accordance with Section 325 of the Companies Act 1985; and
  - (ii) copies of the service agreements under which Directors of the Company are employed by the Company.

## WYNNSTAY PROPERTIES PLC

### BIOGRAPHIES OF THE DIRECTORS

**Philip G.H. Collins (Non-Executive Chairman)** aged 57, is a Solicitor and in March 2005 was appointed Chairman elect of the Office of Fair Trading, prior to which he was a partner in an international firm based in the City where he specialised in E.U. law, with particular emphasis on competition issues. Previously, after practising for some years in the corporate and commercial field, he was seconded for a period to work as Chief Legal Adviser in an industrial group. Appointed a Director of Wynnstay Properties in 1988 and elected Chairman in October 1998.

**Michael L. Cheesmer (Managing Director)** aged 64, is a Chartered Surveyor who has spent his entire career in property. Following a period in private practice and as Principal Valuer with Kent County Council, he spent eight years with Blue Circle Industries as Southern Regional Estates Surveyor and four years subsequently with National Bus Company, appointed to head its property division. He joined Wynnstay Properties as Managing Director in July 1986.

**Charles H. Delevingne (Non-Executive)** aged 55. After spending his early career as a partner with prominent estate agencies, in 1981 he founded Harvey White Properties Limited, a substantial private commercial property investment company, which he continues to own jointly. Appointed to the Board in June 2002.

**Peter R. Kirkland (Finance Director and Company Secretary)** aged 58, is a Chartered Accountant. On qualifying, he worked for a City merchant bank for three years. He has since held directorships with a number of quoted companies, including Clayform Properties (now Development Securities) and following five years with a major construction group, he joined Wynnstay Properties in 1995 and was appointed to the Board the following year.

**Ian S. Lockhart (Non-Executive)** aged 64, after reading Classics at Cambridge, he was admitted as a Solicitor in 1967. He was senior partner in Peake & Co. prior to its amalgamation in 1989 with Charles Russell, where he was a partner until his retirement in 2001 and continues to act as a consultant, specialising in private clients and charities. Appointed a Director of Wynnstay Properties in 1972.

**Terence J. Nagle (Non-Executive)** aged 62, is a Chartered Surveyor who has spent his entire career in property with companies which include Mobil Oil and Rank Xerox. In 1972 he joined Brixton Estate and was Property Director from 1984 to 1993 and Managing Director from 1993 to 1997. Appointed a Director of Wynnstay Properties in October 1998.

**WYNNSTAY PROPERTIES PLC**  
**SUMMARY OF PROPERTY PORTFOLIO**  
**AT 25TH MARCH 2005**

Aldershot, Eastern Road	Industrial Unit
Alton, Newman Lane	Industrial Unit
Basingstoke, Crockford Lane	3 Industrial Units
Chessington, Oakcroft Business Park	3 Industrial Units
Colchester, North Hill	Offices
Colchester, Short Wyre Street	4 Retail Units
Cosham, High Street	Offices
Crawley, Whitworth Road	Industrial Unit
Diss, Vinces Road	Industrial Unit
Dorking, High Street	4 Retail Units
Epsom, Depot Road	Offices
Gosport, High Street	Retail Unit
Heathfield, Station Road	5 Industrial Units
Hertford, Hertingfordbury Road	2 Industrial Units
Midhurst, North Street	Retail Unit
Norwich, City Trading Estate	6 Industrial Units
St. Neots, Huntingdon Street	4 Industrial Units
Shirley, High Street	Retail Unit
Twickenham, Third Cross Road	4 Industrial Units
Uckfield, Bell Lane	4 Industrial Units

All the above properties are Freehold.



