FINAL RESULTS AND NOTICE OF AGM

WYNNSTAY PROPERTIES PLC
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Wynnstay Properties PLC
14 June 2023

The information communicated within this announcement is deemed to constitute inside information for the purposes of the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this information is considered to be in the public domain.

WYNNSTAY PROPERTIES PLC
("Wynnstay" or the "Company")

AUDITED RESULTS FOR YEAR ENDED 25 MARCH 2023 AND NOTICE OF AGM

14 June 2023

Wynnstay Properties PLC is pleased to announce the publication of its audited results for the year ended 25 March 2023.

The Annual Report and Financial Statements is available on the Company's website www.wynnstayproperties.co.uk and will shortly be posted to those shareholders who have elected to receive documents by post, when a further announcement will be made.

This announcement contains three sections from the Annual Report and Financial Statements: Introduction to Wynnstay, Chairman's Statement and Managing Director's Review. It also contains the four Financial Statements contained in the Annual Report and Financial Statements together with the notes to those statements.

As stated in the note at the end of this announcement, the financial information set out in the announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006.

The Company's Annual General Meeting ("AGM") will be held on Tuesday 18 July 2023. Details of the arrangements for the meeting are set out in the notice of meeting in the Annual Report and Financial Statements.

This announcement was approved by the Board on 13 June 2023

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For more information on Wynnstay visit: www.wynnstayproperties.co.uk

WYNNSTAY PROPERTIES PLC

INTRODUCTION TO WYNNSTAY

A distinctive approach to commercial property investment primarily for private investors

Wynnstay is an AIM listed property investment and development business. Its principal shareholders are private investors wishing to invest in a portfolio of good quality secondary commercial properties for medium to long-term capital and income growth. The portfolio is currently focused on industrial, including trade counter, units.

Strategy

Wynnstay aims to achieve capital appreciation and generate rising dividend income for shareholders from a diversified and resilient commercial property portfolio in Central and Southern England, with diversity and resilience being reflected in the location, number and nature of the properties, and the mix of lease terms, tenants and uses.

For location, the focus is on areas where there is strong occupational demand. While many tenants have been in occupation for a considerable time, where a tenant leaves, voids can be managed and re-lettings can be achieved.

The majority of properties are multi-let, resulting in a number of individual tenancies in most locations, reducing exposure to any single tenant and risk of loss of rental income in the case of defaults and voids.

Leases are mainly for terms of five years or more with relatively few short-term agreements (two years or less), and usually with upward only rent reviews based on market rates. Flexibility in addressing tenant needs and requirements generally mean that the terms agreed result in a mutually beneficial outcome for both parties.

Tenants comprise a broad spread of occupiers, also reducing risk exposure: national and local government, international businesses, national trading chains and regional and local businesses. Uses include manufacturing and services; storage and distribution; and trade counter and out-of-town retail.

Active direct management and close engagement and constructive business relationships with tenants, together with refurbishment and selective development over time, underpin capital value and increase income.

Managed for shareholders

The portfolio is directly, rather than externally, managed. Finance and administrative operations are largely outsourced to external providers to meet specific needs. All report to the Board, the majority of whom are non-executive directors.

Management remuneration comprises salary and, where appropriate, a cash bonus. Wynnstay does not offer incentive schemes, such as share plans, share options or share bonuses.

As a result, both management and the Board are focused on Wynnstay's performance for the benefit of shareholders, operational costs are closely controlled and dilution of shareholders' investment and potential conflicts of interest are minimised.

Incremental growth

The portfolio has been built incrementally, with opportunities being taken to dispose of assets as and when the time is appropriate and to reinvest in assets that offer better long-term returns.

This is achieved gradually over time, without the need for deal-driven activity in pursuit of corporate or portfolio expansion.

Funding

Wynnstay adopts a prudent, pragmatic approach to funding. Investments are funded in part by retained profits and recycling capital receipts from disposals and in part from borrowings, the majority at a fixed rate and held at a modest loan-to-value level, from an experienced and supportive property lender. This provides security at times of uncertainty in debt markets.

Valuation

Properties are valued on a cautious basis, based upon professional advice from expert external valuers, recognising that commercial property is a cyclical market that can exhibit significant upward and downward movements over time and that steadiness and progression are most likely to be in shareholders' interests.

Wynnstay on AIM

Wynnstay's shares were quoted on its AIM introduction in 1995 at a mid-market price of 150p. On the day prior to the approval of this report, the mid-market price was 675p, an increase of 350%. The dividend paid in 1995 was 4p per share. The dividend paid and proposed for the current year will be 24p per share, an increase of 500%.

Performance

Wynnstay's distinctive approach has delivered on its strategy over both the medium and long term. Shareholders have benefitted from substantial increases in net asset value per share and dividends as the portfolio and its management have delivered strong results.

Corporate Performance over 5 years

Year Ended 25 March		2023	2022	2021	2020	2019
		pence	pence	pence	pence	pence
Net Asset Value per share		1,110p	1,090p	911p	792p	807p
Five Year Net Asset Value Growth	37.5%					
Dividends per share, paid and proposed		24.0p	22.5p	21.0p	15.0p	19.0p
Five Year Dividend Growth	26.3%					

Portfolio Performance

Year ended 25 March		2023	2022	2021	2020	2019
		£'000	£'000	£'000	£'000	£'000
Property Income		2,312*	2,308	2,438	2,271	2,216
Rental Income		2,304	2,252	2,140	2,271	2,216
Underlying† 5 Year Rental Income Growth	25.5%	2,179				1,730
Portfolio Value		39,320	38,975	34,005	34,260	35,095
Underlying† 5 Year Portfolio Value Growth	31.2%	37,220				28,365
		%	%	%	%	%
Loan-to-value ratio		25.3%	25.5%	29.4%	36.5%	35.6%
Gearing ratio		22.3%	21.8%	32.4%	52.2%	52.7%
Occupancy at year-end		100%	100%	99%	94%	100%
Rent Collection for year		100%♦	100%	99%►	100%	100%
Operating Costs/Income		31.1%♠	32.0%	34.8%	30.3%	28.2%
Operating Costs/Portfolio Value		1.8%♠	1.9%	2.5%	2.0%	1.8%
		years	years	years	years	years
Weighted average unexpired lease term:						
- to lease break		3.1	3.0	2.8	3.6	2.8
- to lease expiry		4.4	4.4	4.5	4.8	4.2

* Includes £8,000 of Other Property Income. See note 2 of the Financial Statements.

† Underlying Rental Income and Portfolio Value are for properties that have been held in the portfolio throughout the five year period. As a result, a property purchased in September 2019 with Rental Income of £111,000 and valuation of £1,840,000 and properties sold in the period with an aggregate Rental Income of £351,000 and an aggregate valuation of £5,920,000 have been excluded.

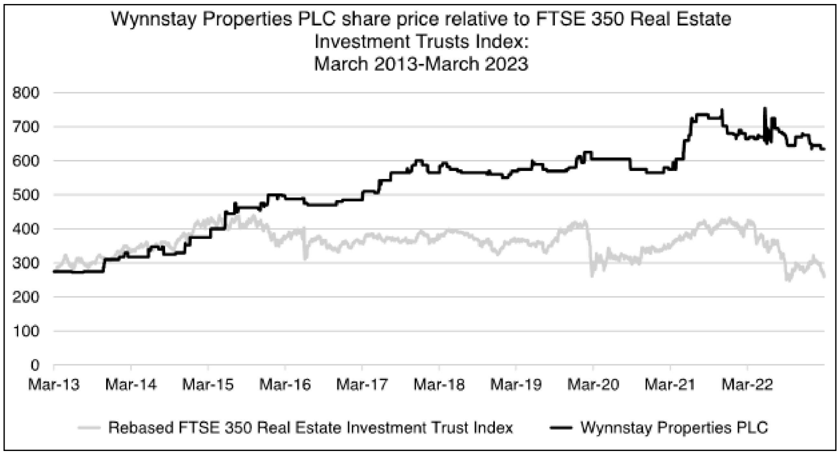
► Excludes rent concessions of £29,000 granted to tenants as a result of the Covid-19 pandemic.

♦ After rounding for £8,000 bad debt (0.3%).

♠ Excludes £81,000 of non-recurring costs incurred in 2023 relating to new Board appointments.

Share Price Performance

Although Wynnstay is quoted on AIM, and therefore is not a constituent of the FTSE 350 Real Estate Investment Trusts Index, the index contains a good cross-section of quoted property companies of various forms, all much larger than Wynnstay. Wynnstay's share price relative to the FTSE 350 Real Estate Investment Trusts Index is shown in the chart below. Wynnstay's share price has substantially outperformed the index over the ten-year period.



WYNNSTAY PROPERTIES PLC

CHAIRMAN'S STATEMENT

Against the background of considerable economic and political uncertainty, which has affected the financial and property markets as well as the personal finances of all of us, I am pleased to report on another successful year for Wynnstay and its shareholders.

Last year's report introduced a new section, entitled Introduction to Wynnstay. This described Wynnstay's distinctive approach to commercial property investment primarily for private shareholders and provided information both on the Company's performance and its share price performance over time. The section has been retained and updated in this report and continues to highlight Wynnstay's continued strength over time across a range of measures. I encourage all shareholders to read it.

The past year has also been significant for Wynnstay as we have planned and been preparing for succession on the Board, including the appointment of two new Non-executive Directors and the appointment of a new Managing Director to succeed Paul Williams. I will report further on these appointments later in this statement.

Returning to the past year, Wynnstay's financial performance is summarised in the following overview table.

Overview of financial performance

	Change	2023	2022
• Rental Income Annual* Underlying*	 **2.3%** **10.4%**	 £2,304,000 £2,304,000	 £2,252,000 £2,087,000
• Net Property Income **	**(4.6)%**	£1,497,000	£1,569,000
• Operating Income	**(75.7)%**	£1,842,000	£7,581,000
• Income before Taxation	**(80.1)%**	£1,430,000	£7,202,000
• Earnings per share (weighted average)	**(78.9)%**	42.2p	199.8p
• Dividends per share, paid and proposed	**6.7%**	24.0p	22.5p
• Net asset value per share	**2.0%**	1,110p	1,090p
• Loan to value ratio		25.3%	25.5%
• Gearing ratio		22.3%	21.8%

* Annual Rental Income is shown in note 2 of the Financial Statements and Underlying Rental Income is the like-for-like income from properties held in the portfolio throughout both years and thus excludes rental income in 2022 of £165,000 from the Surbiton property sold in February 2022.
** Excludes £81,000 of non-recurring costs incurred in 2023 relating to new Board appointments.

An innovation in this Annual Report is that our Managing Director, Paul Williams, has prepared a separate review of the management activity within the portfolio during the year, including some market context for this activity, the revaluation and the financial results. His review, which follows this statement, also gives a retrospective review of the evolution of the portfolio over his time at Wynnstay. He also comments on the important focus given over the past two years to improving the energy efficiency of our properties.

Portfolio and Valuation

There were no changes in the portfolio in the year. We continued actively to identify and pursue suitable additions to the portfolio. Opportunities at acceptable prices proved difficult for most of the year and we considered that it was prudent to retain cash until conditions for acquisitions improved. Late in the year negotiations commenced for the £2.5m acquisition of Riverdale Industrial Estate, Tonbridge and the transaction was eventually completed after the year-end. Further details are contained in the Managing Director's Review.

Whilst annual rental income increased by 2.3% to £2,304,000 compared to the prior year (2022: £2,252,000), the underlying rental income on a like-for-like basis, excluding the Surbiton property sold late in the prior year, increased by 10.4% to £2,304,000 (2022: £2,087,000). This significant increase in income reflects the benefits of the active management of the portfolio described in the Managing Director's Review.

Our Independent Valuers, BNP Paribas Real Estate, undertook the annual revaluation as at 25 March 2023 valuing the Company's portfolio at £39,320,000. This represents a 0.9% increase of £345,000 on the valuation as at 25 March 2022 and again reflects the benefits of the active management of the portfolio.

Although the increase in the valuation this year (0.9%) is modest compared to last year (2022: 23.7%), it should be recalled that last year's impressive increase reflected conditions in late 2021 and early 2022 and it was self evident that the market was likely to turn - as was indeed the case in the third and fourth quarters of 2022. This reversal resulted in significant valuation reductions in the commercial property sector, including for other quoted property companies with industrial portfolios. The reductions followed changes in the market after March 2022 as successive significant rate increases, rising inflation and economic uncertainty impacted yields. So it is worth reflecting on some reasons why the Wynnstay portfolio has performed well compared to some others.

Wynnstay's portfolio stands apart from other quoted property companies with industrial portfolios in that our assets are located in areas where there is robust occupational demand and limited supply, where modest rents generally provide opportunity for further rental growth over time as rent reviews arise and new lettings are achieved. The relatively small lot sizes of our assets also appeal, when marketed for sale, to a wide range of private investors.

The nature of the property valuation process means that there will always be a range within which the valuers work to reach a final valuation figure. Wynnstay has always valued its portfolio on a cautious basis based on professional advice from expert external valuers, recognising that commercial property is a cyclical market that can exhibit significant upward and downward movements over time and that steadiness and progression are most likely to be in shareholders' interests.

While this year the yields used by our valuers in determining the investment value of the assets generally moved out by between 0.25% and 0.5%, and in one case by 1%, the valuation benefitted overall from the management activity described in the Managing Director's Review which delivered increases in rental income and these increases, together with other market data, underpinned the estimated rental values used in the valuation.

The annual valuation is undertaken under accounting standards for use in our financial statements in accordance with RICS Global Standards and values each property as a separate asset on the basis of a sale of that property in the open market. Therefore, the valuation does not take account of any additional value that might be realised if the portfolio were to be offered on the open market or any other special factors that may be relevant in the case of individual potential purchasers, such as sales to other property investors, existing tenants or adjoining owners.

Income (Profit) and Costs

Income (Profit) for the year is shown in the Statement of Comprehensive Income.

Net Property Income, before the fair value adjustment of investment properties, property sales and taxation, for the year was £1,497,000 (2022: £1,569,000).

Operating Income after the fair value adjustment and property sales before taxation fell to £1,842,000 (2022: £7,581,000) principally as a result of the fact that no assets were sold in the year to generate profits on disposal and the valuation surplus for the year of £345,000 was much lower that the exceptional increase in the prior year (2022: £5,887,000).

The combined result is Income before Taxation for the year of £1,430,000 (2022: £7,202,000).

We continue our policy of exercising tight control over administrative costs. Non-recurring costs of £81,000 were incurred on succession matters, described further below. Property costs were lower than in the prior year at £96,000 (2022: £125,000) as no significant void or refurbishment costs were incurred.

Finance, Borrowings and Gearing

Wynnstay remains in a strong financial position.

At the year-end, we held cash of £3.3 million (2022: £3.5 million), our core borrowing was unchanged at £10.0 million (2022: £10.0 million) and our interest rate is fixed at 3.61% until December 2026. Net gearing was 22.3% (2022: 21.8%). In addition to our available cash balance and positive cash flow from our property activities, our £5m revolving credit facility remained undrawn.

As already mentioned above, since the year-end we have invested £2.5m of our year-end cash resources on the acquisition in Tonbridge described in the Managing Director's Review.

Dividend

Over recent years we have sought to pursue a progressive dividend policy that aims to provide shareholders with a rising income commensurate with Wynnstay's underlying growth and finances.

In the light of the satisfactory results for the year, the Board recommends a final dividend of 15.0p per share (2022: 14.0p). An interim dividend of 9.0p per share (2022: 8.5p) was paid in December 2022. Hence, the total dividend for this year of 24.0p per share (2022: 22.5p) represents an increase of 6.7% on the prior year.

Over the past five years, dividends have increased by 26.3% from 19.0p to 24.0p.

Subject to shareholder approval, the final dividend will be paid on 26 July 2023 to shareholders on the register at the close of business on 30 June 2023.

Board Succession

In the course of reviewing the composition of the Board and succession planning, Charles Delevingne expressed his wish to retire from the Board. Accordingly, we appointed a firm specialising in non-executive appointments to identify suitable candidates. Our external recruitment process attracted keen interest from a good range of qualified candidates and, in March 2023, we announced the appointment of two new Non-executive Directors, Hugh Ford and Ross Owen.

Hugh is a solicitor who has practiced in a major city firm and in industry, latterly in a major listed property company. Ross is a chartered surveyor with extensive commercial property investment management experience both as a partner in private practice and as a consultant and adviser. Further information on their careers is provided in the biographies at the end of this report. Their complementary backgrounds, experience and skills in business and commercial property will bring fresh insight and perspective to our Board deliberations on the evolution of Wynnstay's portfolio and the Company's future direction.

I am sure that I speak on behalf of all shareholders in thanking Charles Delevingne for his contribution to Wynnstay's success over the past twenty years during which his wisdom and guidance have been invaluable in implementing the major changes we have made to the portfolio which have underpinned delivery of our successful results for shareholders.

Management Succession

Paul Williams was appointed as Managing Director in 2006 and, having reached normal retirement age late last year, he indicated his wish to stand down when a suitable successor had been identified. Accordingly, we appointed a firm specialising in senior recruitment in the commercial property sector to carry out a search and announced a few weeks ago the appointment of Christopher Betts as Paul's successor. He will join Wynnstay next month as Managing Director designate and will join the Board, following a short handover period, later this summer.

During Paul's tenure as Managing Director the Company's portfolio has been transformed, as he reflects in his review below. When he was appointed, the portfolio comprised, in the main, small single-tenanted assets with a mix of industrial, office and retail uses. Under his leadership, Wynnstay has concentrated its investments into larger, multi-let, assets predominantly in the industrial, including trade-counter, sector. He has focused acquisitions on higher quality assets let to tenants with better covenants as well as identifying sites suitable for development adjacent to existing assets and planning small-scale developments that enhance the value of those assets.

In managing the portfolio to bring about this transformation, Paul has displayed the benefit of his wide experience in commercial property and his personal skills in dealing with people and the issues and challenges that arise, some in the ordinary course and others in unusual circumstances. He has built strong relationships with many of our tenants that has been invaluable in understanding their needs and maintaining them as longstanding occupiers and ensuring that they respect their lease obligations to us.

These strong relationships combined with Paul's patience and tenacity have resulted in few bad debts and few voids in the portfolio over his seventeen years at Wynnstay. Where tenants have faced difficulties, he has been sympathetic in dealing with them unless, of course, he was dealing with those who might wish to avoid their obligations through their own business failings.

Wynnstay's scale and structure in which the Managing Director is the only full-time employee mean that Paul has had to turn his hand to many different tasks and challenges, including several office moves and technological changes as the Company adapted to new ways of operating, including the sudden change to virtual working as a result of Covid-19.

On behalf of shareholders, I thank Paul for his significant contribution to the Company's evolution over this period and wish him a long and happy retirement.

Our Managing Director designate, Christopher Betts, has been a Chartered Surveyor for over 30 years. After graduating from Oxford Brookes University with a BSc in Estate Management, he joined Cluttons as a graduate trainee where he spent his first ten years in professional practice.

Subsequently, he has worked for various commercial property businesses including British Land, Frogmore and Romulus. Latterly he has been advising on and implementing a strategy and management programme at Peabody Trust for their London and South-East corporate office portfolio following significant recent mergers with other social housing providers.

Shareholder Matters

In my statement last year, I reported on the Board's review of the liquidity and marketability of Wynnstay shares and on the actions being taken as a result.

You will recall that Wynnstay has a small, and rather unusual, share register on which there are under 250 accounts, a significant number of which are connected through family relationships, with private investors rather than funds or institutions as shareholders. In the main, they are long-term investors with some holdings having passed from generation to generation since the company was founded in 1886. These long-term investors provide stability and continuity within the shareholder base. As a result of this base the volume and proportion of Wynnstay shares traded in the market is less than for many quoted companies with larger share registers and more dispersed holdings. Fewer Wynnstay shares tend to be available to trade and then only usually in modest quantities and with a sizeable "spread" between the bid and offer price. Shares are typically traded at a significant discount to the net asset value per share. However, both these features are also seen in other, much larger, quoted property companies.

Among the actions we decided to take was the provision of further succinct information on Wynnstay, its business and performance and to demonstrate Wynnstay has performed well for its investors, both against its objectives and relative to other quoted property companies, in the medium to long-term. The information provided last year has been updated and is contained in the Introduction to Wynnstay section above. The Company specific information demonstrates, in the Board's view, the benefits of Wynnstay's distinctive approach and the share price comparison shows that Wynnstay's share price has continued substantially to outperform the comparative real estate sector.

Share prices in the sector were buoyant during the first half of the last calendar year, but then declined substantially as concerns about the economy, inflation and interest rates affected both valuations and market sentiment towards the sector. While Wynnstay's share price has not been immune from this decline, the impact on Wynnstay has been significantly less than on the sector as a whole. The chart in the Introduction to Wynnstay section above shows that over the past ten years, while Wynnstay's share price has more than doubled, the performance of the comparative real estate sector has remained flat.

We also decided to ask shareholders to give Wynnstay authority to purchase its own shares so that the Company can act as a purchaser in the market where it is appropriate, and in the interests of shareholders generally, to do so. Other quoted property and investment companies, as well as other quoted companies, use share buybacks on a routine basis to enhance earnings and net asset value per share. Where shares are bought back dividends cease to be payable, thus conserving cash in the business and benefitting continuing shareholders and with the present intention being to hold any shares bought back in treasury so that they are available for reissue where there is market demand for shares or to facilitate individual property acquisitions.

Shareholders granted this authority at the Annual General Meeting in July 2022. The volume of shares traded since then has been relatively small and the market has generally been able to absorb most of the shares offered. However, the authority was used to acquire 15,000 Ordinary Shares at 710p in September 2022. The Board keeps the position under review and may exercise the authority when shares are available in the market and it is in the interests of shareholders generally to do so.

We also considered that Wynnstay's future development would be assisted if authority continued to be granted by shareholders, as has been the case for many years, to issue a limited number of shares without first offering them to existing shareholders. This gives Wynnstay flexibility, for instance, to issue shares for small fundraisings which might support a larger acquisition and allow the issue of shares as part consideration on individual property acquisitions to vendors, where the vendors wish to retain in interest in a broader portfolio of assets in a quoted company. Bringing in new investors with an interest in commercial property and in Wynnstay's distinctive approach to the share register would broaden the shareholder base and support its future development.

Outlook

At this time last year, I noted that the UK had entered a further period of uncertainty, following Brexit and the Covid pandemic, as a result of the effects of the Russian invasion of Ukraine and of rising inflation imposing real pressure on business costs and household incomes with consequent potential impacts on the economy.

This uncertainty continued throughout the year, not least as a result of the several changes of administration in government. Inflation reached levels not seen for forty years, with a major contributor being huge increases in energy prices which have affected both businesses and consumers although government measures have provided some relief. However, recent economic news has been more positive than might have been expected last autumn, when a long economic recession was forecast and inflation was continuing to rise.

Despite these conditions, Wynnstay remains in a very healthy position. We have a focused, stable and well-let portfolio which has been enhanced through acquisitions and disposals over the years. It is delivering, and is capable of continuing to deliver, growth of capital and income for shareholders in the medium and long-term. The main risks to continued growth are economic and political, such as significant disruption caused by events beyond our control or the UK economy suffering a significant downturn which affects the ability or willingness of businesses to invest or of consumers to spend.

The commercial property market is cyclical. Asset values can move up and down over time as a result, as we have seen over the past several years. Wynnstay has always adopted a cautious and realistic approach in valuing our assets and to the management and development of the business. As noted above, our annual revaluation is undertaken for accounting purposes and values our individual assets, not the portfolio as a whole.

Within the Wynnstay portfolio, the first few months of this financial year have been encouraging in terms of rental growth as the update in the Managing Director's Review describes. Accordingly, despite the broader uncertainties in the economy and elsewhere, the Board is optimistic about the current outlook for Wynnstay's business.

Colleagues and Advisers

Our Managing Director, Paul Williams, and our finance and company secretarial colleagues have continued to work effectively to deliver for shareholders. I would like to thank them, as well as my colleagues on the Board and our professional advisers, for their support over the year.

This support has been especially evident over the past year in addressing Board succession, and also in the prior year when we changed both our auditors and our nominated advisers and corporate brokers.

Shareholding Enquiries

From time to time we receive enquiries from shareholders with questions about their shareholdings or about buying or selling Wynnstay shares or transferring them, typically to relatives.

All enquiries about shareholdings, including changes of address and bank details and about such transfers of shares, should be directed to our Registrars, Link Group.

As regards buying or selling shares, this can be carried out by registering the holding online with our Registrars, Link Group, via their secure share portal www.signalshares.com, which also enables shareholdings to be managed quickly and easily. Shares can, of course, also be bought and sold in the usual way through a stockbroker or an online platform.

Annual General Meeting

The AGM provides an important and valued opportunity for the Board to engage with shareholders.

Our AGM this year will be held at **2.30pm on Tuesday 18 July 2023 at the Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS.** The Notice of Meeting is to be found at the end of this Annual Report.

I urge all shareholders to complete and return their proxy forms so that their votes on the resolutions being put to the meeting can be counted.

Shareholders who have registered for Link services online can also benefit from the ability to cast their proxy votes electronically, rather than by post. Shareholders not already registered for Link services online will need their investor code, which can be found on their share certificate or dividend tax voucher, in order to register.

To maximise shareholder engagement, shareholders who are unable to attend the AGM are encouraged to submit in writing those questions that they might have wished to ask in person at the meeting. Questions should be emailed to company.secretary@wynnstayproperties.co.uk at least 48 hours in advance of the AGM. You will receive a written response and, if there are common themes raised by a number of shareholders, we aim to provide a summary for all shareholders, grouping themes and topics together where appropriate, on the Company's website following the AGM.

Finally, on behalf of the Board, I would like to thank all shareholders, whether they have held shares for many years or have recently acquired shares, for their interest in and support for Wynnstay.

Philip Collins
Chairman
13 June 2023

WYNNSTAY PROPERTIES PLC

MANAGING DIRECTOR'S REVIEW

In my final full year at Wynnstay I am pleased to have the opportunity to report on the management activity within the portfolio during the year and to reflect on the evolution of the Wynnstay portfolio over the last seventeen years while I have been Managing Director.

The Portfolio during 2022-23

I will focus primarily on the portfolio which, as at the year-end, comprised 83 units and a development site in 15 locations.

Due to the number of leases, in most years there is inevitably a reasonable level of lease negotiation activity. However, the year just ended has been one of the most active that I can remember with ten lease renewals, five rent reviews, two leases being varied and one new letting. In addition, there were extended negotiations on one acquisition completed following the year-end to which I refer below.

Of the lease renewals that completed during the year, four were at Aylesford, two at Lichfield, two at Hailsham and one each at Ipswich and Uckfield. It is always pleasing to retain tenants on renewal and as a consequence of the ten renewed leases the rents receivable under these leases have increased by over 16% which will be reflected in future rental income. We completed five rent reviews, three at Petersfield and two at Aylesford and as a result of these five reviews the rents receivable under these leases have increased by over 17%.

With the good level of tenant retention through lease renewals, there are fortunately fewer vacant properties arising and hence less expenditure on empty property rates and refurbishment costs and inevitably less new letting activity. However, at Liphook one tenant did vacate early in the year and the unit was very quickly relet at a rent which is over 33% higher than previously received. This new letting creates excellent evidence to support rental increases elsewhere on the estate where further reviews are due in the next year or two.

During the year we completed two variations of existing leases. The first was at Cosham where we removed a tenant break clause thus securing annual rental income from the tenant for a further five years. The second was at Lichfield where a tenant break option that would have been due in

2026 was removed such that the rent will now continue until at least 2031 and will remain subject to an upward only rent review in 2026.

Portfolio in the current year

Compared with the active year I have described above, in the current year there will be a smaller number of lease negotiation transactions overall. However, there are some significant leases where renewals or reviews are due and where useful evidence for the level of market rents has been established in transactions completed in the prior year described above or in the early months of current year. Hence, I am optimistic about the outlook for the current year.

Portfolio Valuation

The lease activity described above has had a significant positive effect on the March valuation. As already noted in the Chairman's Statement, our Independent Valuers, BNP Paribas Real Estate, undertook the annual revaluation as at 25 March 2023 valuing the Company's portfolio at £39,320,000. This represents a 0.9% increase of £345,000 on the valuation as at 25 March 2022.

The Chairman has pointed out in his statement that while this percentage increase is modest compared to last year (2022: 23.7%), it should be considered against the background of significant valuation reductions in the commercial property sector and he has commented on some of the reasons for this. I hope that the lease negotiation activity of the past year and in the current year to date, together with the further activity over the course of the rest of the year to which I have referred above will assist in underpinning the valuation in March 2024.

Post year-end acquisition

As announced on 28 April 2023, we exchanged contracts for the purchase of Riverdale Industrial Estate, Tonbridge and completion took place in May 2023. We had agreed terms for this acquisition in mid-December 2022, but for various reasons the legal due diligence took several months. The total acquisition cost of approximately £2.5 million was funded entirely from the Company's existing cash resources.

This freehold property comprises of five industrial units arranged as two terraces with a central service yard. The estate is fully let to four tenants with a range of lease expiry dates. The current rent from the estate is £140,350 per annum and is subject to three outstanding upward only rent reviews effective from 29 September 2022 and a pending lease expiry effective from 30 November 2023. The net initial yield is 5.6%, which is anticipated to rise to around 6.9% when the outstanding rent reviews and lease renewal have been concluded.

The acquisition provides a good strategic fit with the existing portfolio in the south-east of England, including Quarry Wood Industrial Estate at Aylesford.

Energy efficiency in the portfolio

Over the past two years we have focused on improving the energy efficiency of all the properties in the portfolio. To achieve net-zero carbon by 2050 the UK government is setting and reviewing targets and regulations for the continual improvement of properties' Energy Performance Certificate (EPC) ratings as key to achieving this goal. Current EPC ratings for commercial properties run from A to G, with buildings that are rated A considered the most, and those rated G the least, energy-efficient. The latest government target is that, from 1 April 2023, all new lettings of non-domestic private rented property must have an EPC rating of E or above.

During the year there has been considerable activity, working with our tenants at various individual properties generally at modest cost and often undertaken where tenants wish to make other changes to suit their business needs, to achieve or improve upon existing EPC ratings to ensure we meet the Government's target.

I am pleased to report that the target of having all properties in the portfolio with EPC ratings of E and above by 1 April 2023 was exceeded, with many of the properties achieving an EPC rating of C and above. The Government's latest proposal is that all new lettings of commercial buildings should achieve an EPC rating of C or above by April 2025 and Wynnstay continues to work towards achieving this goal across its portfolio in advance of this deadline.

Reflections on the evolution of the portfolio

I have been Managing Director of Wynnstay for over seventeen years, having been appointed in February 2006. On my appointment, the portfolio comprised, in the main, small single-tenanted assets with a mix of industrial, office and retail uses. Since then, Wynnstay has concentrated its investment principally into larger, multi-let, assets predominantly in the industrial, including trade-counter, sector. I am pleased to have been able to take the lead in bringing about this transformation, upgrading the quality of the assets and the tenant covenants. I am particularly proud of delivering our successful development at Petersfield last year which had to be undertaken against the challenges of Covid-19 and its effects on the construction industry. It has proved to be an excellent addition to the portfolio.

At the time of my appointment the portfolio comprised 55 units in 20 locations with a value of just over £20 million producing a rental income of just over £1.5 million per annum. The current portfolio, following the recent acquisition at Tonbridge, comprises 88 units and a development site in 16 locations with a value of close to £42 million and a rental income of about £2.5 million per annum. In total, the portfolio now comprises over 250,000 square feet of lettable space.

Looking back over the past seventeen years, I have sold 16 of the 23 assets that I inherited in 2006 and have added 11 assets to the portfolio. Of the original 23 assets only 7 remain in the portfolio, with the offices in Surbiton having been bought and sold during my tenure.

The assets sold comprised mainly small, single-tenanted, properties including retail shops and small offices divided into suites, often with individuals as tenants and single industrial units. Where there have been redevelopment opportunities, typically for residential use, the assets have been sold at prices that reflected the higher value use or the greater value for development to a neighbour.

The funds realised from these disposals have been redeployed into larger, better quality, assets including several multi-let industrial estates such as those at Aylesford, our largest asset, Ipswich, Lichfield, Liphook and Petersfield. The tenants now include well-known national brands, often owned by quoted companies, with stronger covenants than those of our historic small business tenants. Some assets offered opportunities for development, such as at Aylesford, Liphook and Petersfield.

During the same period Wynnstay's net asset value and dividends have increased from 418p and 8.3p per share to 1,110p and 24.0p per share respectively. Wynnstay's share price has substantially outperformed the FTSE 350 Real Estate Investment Trusts Index over the last ten years as shown in the Introduction to Wynnstay section above. I am pleased to have played my part in delivering these results to shareholders.

This performance has been achieved despite various major hurdles ranging from the global financial crisis of 2008-9 to the Covid-19 crisis of 2020-22 and now to the gloomy world economic outlook that has developed since Covid-19 notably as a result of the Russian invasion of Ukraine and several other regional conflicts and geopolitical tensions. Over the period, the commercial property market in the UK has been through several cycles of upturns and downturns, the latest arising from the impact of rising inflation and interest rates over the past year.

I have certainly enjoyed my time at Wynnstay dealing with the many and varied tenants and their businesses, meeting and trying to work with them, on a principal-to-principal basis, to achieve the optimum result for them and their businesses as well as, of course, for Wynnstay shareholders. Maintaining positive and constructive relations with tenants is essential in a commercial property business and especially so in difficult times whether due to general economic conditions or to specific trading difficulties in a tenant's business and even when I have not been the giver of good news to a tenant.

As with all commercial property portfolios, tenants sometimes produce unexpected challenges. For instance, in Wynnstay's case, I recall the meat pie-making tenant who went into liquidation just before Christmas, leaving freezers full of ingredients at our unit. The electricity supplier had disconnected the power supply and the staff had vacated the unit. I was faced on repossession of the unit in January with arranging the disposal of considerable volumes of rotting meat which was a most unpleasant experience. On a more positive note, another tenant on liquidation left the premises full of racking and a large volume of motor spare parts which I was able to sell by auction over time, realising not only sufficient funds to cover the outstanding rent, but also the refurbishment of the premises for reletting at an increased rent.

In the coming weeks, I will be familiarising my successor, Chris Betts, with the Wynnstay portfolio and our tenants in order to ensure a smooth transition as well as discussing with him some of the opportunities that may arise depending on the direction that he and the Board may wish to take the portfolio. I am confident that Wynnstay can continue to grow successfully for the benefit of all shareholders, of which I plan to continue to be one, and I will follow the Company's future development with great interest.

Finally, I would like to thank the Board, our professional advisers, our service providers and suppliers for their support over many years and to thank all the Wynnstay shareholders over the past seventeen years for their loyalty and commitment.

Paul Williams
Managing Director
13 June 2023

WYNNSTAY PROPERTIES PLC

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 25 MARCH 2023

	Notes	2023	2022
		£'000	**£'000**
Property Income	2	**2,312**	2,308
Property Costs	3	**(96)**	(125)
Administrative Costs	4	**(719)**	(614)
Net Property Income		**1,497**	1,569
Movement in Fair Value of Investment Properties	10	**345**	5,887
Profit on Sale of Investment Property		**-**	125
Operating Income		**1,842**	7,581
Investment Income	6	**27**	--
Finance Costs	6	**(439)**	(379)
Income before Taxation		**1,430**	7,202
Taxation	7	**(288)**	(1,784)

Income after Taxation and Total Comprehensive Income		**1,142**	5,418
Basic and diluted earnings per share	9	**42.2p**	199.8p

The Company has no items of other comprehensive income.

WYNNSTAY PROPERTIES PLC

STATEMENT OF FINANCIAL POSITION 25 MARCH 2023

	Notes	2023 £'000	2022 £'000
Non-Current Assets			
Investment Properties	10	**39,320**	38,975
Investments	12	**3**	3
		39,323	38,978
Current Assets			
Trade and other receivables	14	**482**	301
Cash and Cash Equivalents		**3,268**	3,491
		3,750	3,792
Current Liabilities			
Trade and other payables	15	**(844)**	(1,048)
Income Taxes Payable		**(308)**	(284)
		(1,152)	(1,332)
Net Current Assets		**2,598**	2,460
Total Assets Less Current Liabilities		**41,921**	41,438
Non-Current Liabilities			
Bank Loans Payable	16	**(9,951)**	(9,938)
Deferred Tax Payable	17	**(2,034)**	(1,953)
		(11,985)	(11,891)
Net Assets		**29,936**	29,547
Capital and Reserves			
Share Capital	18	**789**	789
Capital Redemption Reserve		**205**	205
Share Premium Account		**1,135**	1,135
Treasury Shares		**(1,734)**	(1,570)
Retained Earnings		**29,541**	28,988
		29,936	29,547
Net Asset Value pence per share		**1,110p**	1,090p

Approved by the Board and authorised for issue on 13 June 2023

P.G.H. Collins — *Director*

C.P. Williams — *Director*

Registered number: 00022473

WYNNSTAY PROPERTIES PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 25 MARCH 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities		
Income before taxation	**1,430**	7,202
Adjusted for:		
Increase in fair value of investment properties	**(345)**	(5,887)
Interest receivable	**(27)**	-
Interest and finance costs payable	**439**	379
Profit on sale of investment property	-	(125)
Amortised loan fees	13	-
Revaluation movement	33	-
Changes in:		
(Increase)/decrease in trade and other receivables	**(181)**	41
(Decrease)/increase in trade and other payables	**(181)**	153
Cash generated from operations	**1,181**	1,763
Income taxes paid	**(206)**	(284)
Net cash generated from operating activities	**975**	1,479
Cash flows from investing activities		
Interest and other income received	**27**	-
Purchase of investment properties	-	(1,583)
Sale of investment properties	-	2,618
Net cash generated from investing activities	**27**	1,035
Cash flows from financing activities		
Interest paid	**(439)**	(379)
Dividends paid	**(622)**	(583)
Drawdown of bank loans net of fees	-	9,938
Repurchase of shares into treasury	**(164)**	-
Repayment of bank loans	-	(10,000)
Net cash used in financing activities	**(1,225)**	(1,024)
(Decrease)/increase in cash and cash equivalents	**(223)**	1,490
Cash and cash equivalents at beginning of period	**3,491**	2,001
Cash and cash equivalents at end of period	**3,268**	3,491

WYNNSTAY PROPERTIES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 25 MARCH 2023

YEAR ENDED 25 MARCH 2023	Share Capital	Capital Redemption Reserve	Share Premium Account	Treasury Shares	Retained Earnings	Total

	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 26 March 2022	**789**	**205**	**1,135**	**(1,570)**	**28,988**	**29,547**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,142**	**1,142**
Treasury Share repurchases	**-**	**-**	**-**	**(164)**	**-**	**(164)**
Revaluation movement	**-**	**-**	**-**	**-**	**33**	**33**
Dividends - note 8	**-**	**-**	**-**	**-**	**(622)**	**(622)**
Balance at 25 March 2023	**789**	**205**	**1,135**	**(1,734)**	**29,541**	**29,936**

YEAR ENDED 25 MARCH 2022

	Share Capital	Capital Redemption Reserve	Share Premium Account	Treasury Shares	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 26 March 2021	789	205	1,135	(1,570)	24,153	24,712
Total comprehensive income for the year	-	-	-	-	5,418	5,418
Dividends - note 8	-	-	-	-	(583)	(583)
Balance at 25 March 2022	789	205	1,135	(1,570)	28,988	29,547

FUNDS AVAILABLE FOR DISTRIBUTION

	2023 £'000	2022 £'000
Retained Earnings	**29,541**	28,988
Less: Cumulative Unrealised Fair Value Adjustment of Property Investments net of tax	**(13,376)**	(12,996)
Treasury Shares	**(1,734)**	(1,570)
Distributable Reserves	**14,431**	14,422

WYNNSTAY PROPERTIES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 25 MARCH 2023

Explanation of Capital and Reserves:

- **Share Capital:** This represents the subscription, at par value, of the Ordinary Shares of the Company.
- **Capital Redemption Reserve:** This represents money that the Company must retain when it has bought back shares, and which it cannot pay to shareholders as dividends: It is a non-distributable reserve and represents paid up share capital.
- **Share Premium Account:** This represents the subscription monies paid for Ordinary Shares of the Company in excess of their par value.
- **Treasury Shares:** This represents the total consideration and costs paid by the Company when purchasing the 458,650 shares as referred to in Note 18.
- **Retained Earnings:** This represents the profits after tax that can be used to pay dividends. However, dividends can only be paid from distributable deserves as detailed in the preceding table.

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2023

1. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

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 AIM, part of The London Stock Exchange. The Company's registered number is 00022473.

1.1 Basis of Preparation

The financial statements have been prepared in accordance with UK adopted International Accounting Standards ("IAS"). The financial statements have been presented in Pounds Sterling being the functional currency of the Company and rounded to the nearest thousand. The financial statements have been prepared under the historical cost basis modified for the revaluation of investment properties and financial assets measured at fair value through Operating Income.

The financial information set out in this announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. Accordingly pursuant to section 435(2), this announcement does not include the auditor's report on the statutory accounts.

(a) New Interpretations and Revised Standards Effective for the year ended 25 March 2023

The Directors have adopted all new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB and adopted by applicable law that are relevant to the operations and effective for accounting periods beginning on or after 26 March 2022:

- Amendment to IFRS 16: Leases Covid 19-Related Rent Concessions.
- IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

The adoption of these interpretations and revised standards had no material impact on the disclosures and presentation of the financial statements.

(b) Standards and Interpretations in Issue but not yet Effective

The International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued the below revisions to existing standards or new interpretations or new standards with an effective date of implementation after the period of these financial statements.

The following new amendment applicable in future periods has not been early adopted as it is not expected to have a significant impact on the financial statements of the Company:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for accounting periods beginning on or after 1 January 2023).
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies.
- Amendments to IAS 8 Definition of Accounting Estimates.
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

(c) Going concern

The financial statements have been prepared on a going concern basis. This requires the Directors to consider, as at the date of approving the financial statements, that there is reasonable expectation that the Company has adequate financial resources to continue to operate, and to meet its liabilities as they fall due for payment, for at least twelve months following the approval of the financial statements.

The Directors have reviewed cash balances and borrowing facilities to cover at least twelve months of operations, including financing costs and continuation of employment and advisory costs as currently contracted without any reduction for cost saving initiatives. The results of the review show that the Company has cash and borrowing facilities to cover at least twelve months of operations, and that the Company will satisfy the financial covenant ratios in the borrowing facilities as described in Note 16. In addition, the Statement of Financial Position as at 25 March 2023 shows that the Company held a cash balance of £3.3m and net assets of £29.9m and had a low gearing ratio of 22.3%. In the light of the foregoing considerations, the Directors consider that the adoption of the going concern basis is reasonable and appropriate.

1.2 Accounting Policies

Investment Properties

All the Company's investment properties are independently revalued annually and stated at fair value as at 25 March. The aggregate of any resulting increases or decreases are taken to operating income within the Statement of Comprehensive Income. The basis of independent valuation is described in Note 10.

Investment properties are recognised as acquisitions or disposals based on the date of contract completion.

Depreciation

In accordance with IAS 40, freehold investment properties are included in the Statement of Financial Position at fair value and are not depreciated.

The Company has no other property, plant and equipment.

Disposal of Investments

The gains and losses on the disposal of investment properties and other investments are included in Operating Income in the year of disposal. Gains and losses are calculated on the net difference between the carrying value of the properties and the net proceeds from their disposal.

Property Income

Property income is recognised on a straight-line basis over the period of the lease and is measured at the fair value of the consideration receivable. Lease deposits are held in separate designated deposit accounts and are thus not treated as assets of the Company in the financial statements. All income is derived in the United Kingdom. When there are changes to a tenancy agreement it is considered whether any lease incentives were given. Lease incentives are amortised over the period of the earliest of the lease termination date or the tenant lease break option date.

Deferred Income

Deferred Income arises from rents received in advance of the period to which they relate and are treated as Trade and Other Payables in the Statement of Financial Position. See note 15.

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 substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years. Taxable profit differs from income before taxation 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.

The Company provides for deferred tax on investment properties by reference to the tax that would be due on the sale of the investment properties. 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 to Income after Taxation and Total Comprehensive Income, including deferred tax on the revaluation of investment property.

Trade and Other Accounts Receivable

Trade and other receivables are initially measured at the operating lease measurement value and subsequently measured at amortised cost as reduced by appropriate allowances for expected credit losses. 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 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 and subsequently measured at amortised cost. All trade and other accounts payable are non-interest bearing.

Pensions

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

Borrowings

Interest rate borrowings are initially recognised at fair value, being proceeds received less any directly attributable transaction costs. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Dilapidations

Dilapidations receipts are recognised in the Statement of Comprehensive Income when the right to receive them arises. They are recorded in revenue as other property income unless a property has been agreed to be sold whereby the receipt is treated as part of the proceeds of sale of the property. See Note 2.

1.3 Key Sources of Estimation Uncertainty and Judgements

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 which are revalued annually by the Directors having taken advice from the Company's independent external valuers, on the basis described in Note 10. A key judgement taken by the Directors is as to whether a property is being held for sale.

There are no other judgemental areas identified by management that could have a material effect on the financial statements at the reporting date.

2. PROPERTY INCOME	**2023**	**2022**
	£'000	**£'000**
Rental income	**2,304**	2,252
Other property income	**8**	56
	2,312	2,308

Rental income comprises rents earned and apportioned over the lease period taking into account rent free periods and rents received during the period. Other property income comprises unexpended dilapidations and miscellaneous income arising from the letting of properties.

3. PROPERTY COSTS	**2023**	**2022**
	£'000	**£'000**
Empty rates	**2**	3
Property management	**33**	65
	35	68
Legal fees	**40**	34
Agent fees	**21**	23
	96	125

4. ADMINISTRATIVE COSTS	**2023**	**2022**
	£'000	**£'000**
Rents payable - short term lease	**6**	32
General administration, including staff costs	**582**	548
Auditors' remuneration - audit fees CLA Evelyn Partners Limited	**41**	31
Tax services - Saffrey Champness	**9**	**3**
Non-Recurring costs - costs relating to new Board appointments	**81**	-
	719	614

5. STAFF COSTS	**2023**	**2022**
	£'000	**£'000**
Staff costs, including Directors' fees, during the year were as follows:		
Wages and salaries	**270**	289
Social security costs	**36**	34
Other pension costs	**49**	13
	355	336

Further details of Directors' emoluments, totalling £319,000 (2022: £302,000), are shown under Directors' Emoluments in the Directors' Report and form part of these Financial Statements. There are no other key management personnel.

	2023	2022
	No.	**No.**
The average number of employees, including Non-Executive Directors, engaged wholly in management and administration was:	**5**	5
The number of Directors for whom the Company paid pension benefits during the year was:	**1**	1

6. FINANCE COSTS (NET)

	2023	2022
	£'000	**£'000**
Interest payable and finance costs on bank loans	**439**	379
Less: Bank interest receivable	**27**	-
	412	379

7. TAXATION

	2023	2022
	£'000	**£'000**
(a) Analysis of the tax charge for the year:		
UK Corporation tax at 19% (2022: 19%)		
Total current tax charge	**206**	293
Deferred tax - temporary differences	**82**	1,491
Tax charge for the year	**288**	1,784
(b) Factors affecting the tax charge for the year:		
Net Income before taxation	**1,430**	7,202
Current Year:		
Corporation tax thereon at 19% (2022: 19%)	**272**	1,368
Corporation tax adjustment for unrealised property value gains	**(65)**	-
Capital gains net tax movement on disposals	**-**	106
Deferred tax adjustment for change to 25% tax rate (2022: 25%)	**-**	467
Deferred tax net adjustments arising from revaluation of properties properties	**81**	(157)
Total tax charge for the year	**288**	1,784

In the Spring Budget 2021 the UK Government announced that from 1 April 2023 the corporation tax rate would rise from 19% to 25% on all profits in excess of £250,000. This new law was substantively enacted on 24 May 2021.

8. DIVIDENDS

	2023	2022
	£'000	**£'000**
Final dividend paid in year of 14.0p per share		
(2022: Final dividend 13.0p per share)	**378**	352
Interim dividend paid in year of 9.0p per share		
(2022: Interim dividend 8.5p per share)	**244**	231
	622	583

On 13 June 2023 the Board resolved to pay a final dividend of 15p per share which will be recorded in the Financial Statements for the year ending 25 March 2024.

9. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing Income after Taxation and Total Comprehensive Income attributable to Ordinary Shareholders of £1,142,000 (2022: £5,418,000) by the weighted average number of 2,703,357 (2022: 2,711,617) ordinary shares in issue during the period excluding shares held as treasury. There are no instruments in issue that would have the effect of diluting earnings per share.

10. INVESTMENT PROPERTIES

	2023	2022
	£'000	**£'000**

Properties		
Balance at beginning of financial year	**38,975**	34,005
Additions	**-**	1,583
Disposals	**-**	(2,500)
Revaluation Surplus	**345**	5,887
Balance at end of financial year	**39,320**	38,975

The Company's freehold properties were valued as at 25 March 2023 by BNP Paribas Real Estate, Chartered Surveyors, acting in the capacity of external valuers, and adopted by the Directors. The valuations were undertaken in accordance with the requirements of IFRS 13 and the RICS Valuation - Global Standards 2020.

The valuation of each property was on the basis of Fair Value. The valuers reported that the total aggregate Fair Value of the properties held by the Company was £39,320,000.

The valuer's opinions were primarily derived from comparable recent market transactions on arms-length terms.

In the financial year ending 25 March 2023, the total fees earned by the valuer from Wynnstay Properties PLC and connected parties were less than 5% of the valuer's Company turnover.

The valuation complies with International Financial Reporting Standards. The definition adopted by the International Accounting Standards Board (IASB) in IFRS 13 is Fair Value, defined as: 'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'

These recurring fair value measurements for non-financial assets use inputs that are not based on observable market data, and therefore fall within level 3 of the fair value hierarchy.

The most pertinent market data observed reflected net initial yields which ranged from broadly 4.15% to 6.50%, with equivalent yields estimated to range between broadly 5.50% and 6.75%. The portfolio exhibits a net initial yield of 5.73% (2022: 5.19%) and a nominal equivalent yield of 6.02% (2022: 5.71%).

There have been no transfers between levels of the fair value hierarchy. Movements in the fair value are recognised in profit or loss.

A 0.5% decrease in the weighted equivalent yield would result in a corresponding increase of £3.67 million in the fair value movement through profit or loss. A 0.5% increase in the same yield would result in a corresponding decrease of £3.09 million in the fair value movement through profit or loss.

11. OPERATING LEASES RECEIVABLE

	2023	2022
The following are the future minimum lease payments receivable under non-cancellable operating leases which expire:	**£'000**	**£'000**
Not later than one year	**324**	354
Between 1 and 5 years	**4,368**	4,753
Over 5 years	**2,752**	622
	7,444	5,729

Rental income under operating leases recognised through profit or loss amounted to £2,304,000 (2022: £2,252,000).

Typically, the properties were let for a term of between 5 and 10 years at a market rent with rent reviews every 5 years. The above maturity analysis reflects future minimum lease payments receivable to the next break clause in the operating lease. The properties are generally 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. The Company manages the services provided for a management fee and the service charges are not recognised as income in the accounts of the Company as any receipts are netted off against the associated expenditures with any residual balance being shown as a liability.

If the tenant does not carry out its responsibility for repairs and the Company receives a dilapidations payment, the resulting cash is recorded in revenue as other property income unless a property has been agreed to be sold where the receipt is treated as part of the proceeds of sale of the property. See Note 2.

12. INVESTMENTS

	2023	2022
	£'000	**£'000**

Quoted investments	**3**	3

13. SUBSIDIARY COMPANY

The Company has the following dormant subsidiary which the Directors consider immaterial to, and thus has not been consolidated into, the financial statements. The subsidiary holds the legal title to an access road to an investment property, the use of which is shared between the Company, its tenants at the property and neighbouring premises.

Scanreach Limited	80% owned	Dormant	Net Assets: £4,447 (2022: £4,447)

14. ACCOUNTS RECEIVABLE

	2023	2022
	£'000	£'000
Trade receivables	**296**	215
Other receivables	**186**	86
	482	301

Trade receivables include an adjustment for credit losses of £8,000 (2022: £nil). Trade receivables of £nil (2022: nil) are considered past due, but not impaired. A provision for impairment of trade receivables is established using an expected loss model.

Trade receivables, which are the only financial assets at amortised cost, are non-interest bearing and generally have a 15 day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value.

Of the trade receivables balance at the end of the year, £180,560 (2022: £188,816) is due from the Company's largest customer. There are two other customers who represent more than 5% of the total balance of trade receivables.

15. ACCOUNTS PAYABLE

	2023	2022
	£'000	£'000
Trade payables	**39**	7
Other creditors	**80**	84
Deferred income	**585**	535
Accruals	**140**	422
	844	1,048

The average credit period taken for trade purchases is 17 days (2022: 4 days). No interest is charged on the outstanding balances. The Directors consider that the carrying amounts of trade and other payables is a reasonable approximation of their fair value.

16. BANK LOANS PAYABLE

	2023	2022
	£'000	£'000
Non-current loan	**9,951**	9,938

In December 2021, a five-year Fixed Rate Facility of £10 million and a Revolving Credit Facility of £5.0 million were entered into providing a total committed credit facility of £15.0 million. Interest on loan amounts drawn down under the Fixed Rate Facility of £10 million (2022: £10 million) is charged at 3.61% per annum (2022: 3.61%) for the year ended 25 March 2023. Loan arrangement fees amortised over the loan period amounted to £13,000 (2022; £3,250). No loan amounts have been drawn down under the Revolving Credit Facility during the year and the balance drawn as at 25 March 2023 is £nil (2022: £nil).

Both facilities are repayable in one instalment on 17 December 2026. The facilities include the following financial covenants which were complied with during the year:

- Rental income shall not be less than 2.25 times the interest costs
- The drawn balance shall at no time exceed 50% of the market value of the properties secured.

The facilities are secured by fixed charges over freehold land and buildings owned by the Company, which at the year-end had a combined value of £35,885,000 (2022: £35,330,000). The undrawn element of the facilities available at 25 March 2023 was £5,000,000 (2022: £5,000,000).

Interest charged under the Revolving Credit Facility is linked to Bank of England Base Rate as the reference rate.

17. DEFERRED TAX

	2023	2022

	£'000	£'000
Deferred Tax brought forward	**1,953**	461
Charge for the year	**81**	1,492
Deferred Tax carried forward	**2,034**	1,953

A deferred tax liability of £2,024,000 (2022: £1,953,000) is recognised in respect of the investment properties and has been calculated at a tax rate of 25% (2021: 25%).

18. SHARE CAPITAL	**2023**	**2022**
	£'000	**£'000**
Authorised		
8,000,000 Ordinary Shares of 25p each:	**2,000**	2,000
Allotted, Called Up and Fully Paid	**-**	
3,155,267 Ordinary shares of 25p each:	**789**	789

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. In September 2022, the Company acquired 15,000 Ordinary Shares of Wynnstay Properties PLC in the market at a price of £7.10 per share, representing less than 0.005 % of the issued share capital, with the aggregate consideration paid for the shares being £106,500. The total cost of establishing the share buyback authority which lasts for five years, together with this purchase in the market was £164,000. The total of 458,650 shares acquired, representing 14.5% of the total shares in issue, are held in treasury. As a result, the total number of shares with voting rights is 2,696,617.

19. FINANCIAL INSTRUMENTS

The objective of the Company's policies is to manage the Company's financial risk, secure cost-effective funding for the Company's operations and minimise the adverse effects of fluctuations in the financial markets on the value of the Company's financial assets and liabilities, on reported profitability and on the cash flows of the Company.

At 25 March 2023 the Company's financial instruments comprised borrowings, cash and cash equivalents, short term receivables and short-term payables. The main purpose of these financial instruments was to raise finance for the Company's operations. Throughout the period under review, the Company has not traded in any other financial instruments. The Board reviews and agrees policies for managing each of the associated risks and they are summarised below:

Credit Risk

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in connection with property leases and the investment of surplus cash.

Tenant rent payments are monitored regularly, and appropriate action is taken to recover monies owed or, if necessary, to terminate the lease. The Company carefully vets prospective new tenants from a credit risk perspective. Bad debts are mitigated by close engagement with tenant businesses within a well-diversified mix of some 83 units across the portfolio and close monitoring of rental income receipts. The Company has regularly reviewed the portfolio, including feedback from engagement with tenants, in order to assess the risk of tenant failures.

The Company has no significant concentration of credit risk associated with trading counterparties (considered to be over 5% of net assets) with exposure spread over a large number of tenancies. In terms of concentration of individual tenant's rents versus total gross annual passing rents the Company has 3 tenants whose rent, on an individual basis, is between 5.1% and 7.6% of total gross annual passing rents.

Funds are invested and loan transactions contracted only with banks and financial institutions with a high credit rating. Concentration of credit risk exists to the extent that as at 25 March 2023 and 2022 current account and short-term deposits were held with two financial institutions, Handelsbanken PLC and C Hoare & Co. The combined exposure to credit risk on cash and cash equivalents at 25 March 2023 was £3,268,000 (2022: £3,491,000).

Currency Risk

As all of the Company's assets and liabilities are denominated in Pounds Sterling, there is no exposure to currency risk.

Interest Rate Risk

The Company is exposed to interest rate risk that could affect cash flow as it currently borrows at both floating and fixed interest rates. The Company monitors and manages its interest rate exposure on a periodic basis but does not take out financial instruments to mitigate the risk. The Company finances its operations through a combination of retained profits and bank borrowings.

Liquidity Risk

The Company seeks to manage liquidity risk to ensure sufficient funds are available to meet the requirements of the business and to invest cash assets safely and profitably. The Board regularly reviews available cash balances and cash forecasts to ensure there are sufficient resources for working capital requirements and to maintain an adequate cash margin.

Interest Rate Sensitivity

Financial instruments affected by interest rate risk include loan borrowings and cash deposits. The analysis below shows the sensitivity of the statement of comprehensive income and equity to a 0.5% change in interest rates:

	0.5% decrease in interest rates		**0.5% increase in interest rates**	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Impact on interest payable - gain/(loss)	-	-	-	-
Impact on interest receivable - (loss)/gain	**(16)**	(17)	**16**	17
Total impact on pre-tax profit and equity	**(16)**	(17)	**16**	17

The calculation of the net exposure to interest rate fluctuations was based on the following as at 25 March:

	2023	**2022**
	£'000	**£'000**
Floating rate borrowings (bank loans)	-	-
Less: cash and cash equivalents	**3,268**	3,491
	3,268	3,491

Fair Value of Financial Instruments

Except as detailed in the following table, management consider the carrying amounts of financial assets and financial liabilities recognised at amortised cost approximate to their fair value.

	2023 Book Value £'000	**2023 Fair Value £'000**	**2022 Book Value £'000**	**2022 Fair Value £'000**
Interest bearing borrowings (note 16)	**(9,951)**	**(9,951)**	(9,938)	(9,938)
Total	**(9,951)**	**(9,951)**	(9,938)	(9,938)

	2023	**2022**
Categories of Financial Instruments	**£'000**	**£'000**
Financial assets:		
Quoted investments measured at fair value	**3**	3
Loans and receivables measured at amortised cost	**307**	215
Cash and cash equivalents measured at amortised cost	**3,268**	3,491
Total financial assets	**3,578**	**3,709**
Financial liabilities at amortised cost	**9,951**	10,451
Total liabilities	**10,795**	10,986

The only financial instruments measured subsequent to initial recognition at fair value as at 25 March are quoted investments. These are included in level 1 in the IFRS 13 fair value hierarchy as they are based on quoted prices in active markets.

Capital Management

The primary objectives of the Company's capital management are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders: and
- to enable the Company to respond quickly to changes in market conditions and to take advantage of opportunities.

Capital comprises shareholders' equity plus net borrowings. The Company monitors capital using loan to value and gearing ratios. The former is calculated by reference to total debt as a percentage of the year end valuation of the investment property portfolio. Gearing ratio is the percentage of net borrowings divided by shareholders' equity. Net borrowings comprise total borrowings less cash and cash equivalents. The Company's policy is that the net loan to value ratio should not exceed 50% and the gearing ratio should not exceed 100%.

	2023 £'000	2022 £'000
Loans and overdraft	**9,951**	9,938
Cash and cash equivalents	**(3,268)**	(3,491)
Net borrowings	**6,683**	6,447
Shareholders' equity	**29,936**	29,547
Investment properties	**39,320**	38,975
Loan to value ratio	**25.3%**	25.5%
Net borrowings to value ratio	**17.0%**	16.5%
Gearing ratio	**22.3%**	21.8%

20. RELATED PARTY TRANSACTIONS

Related Party Transactions with the Directors have been disclosed under Directors' Emoluments in the Directors' Report. There were no other Related Party Transactions during the year (2022: £nil).

21. SEGMENTAL REPORTING

The Chief Operating Decision Maker ('CODM'), who is responsible for the allocation of resources and assessing performance of the operating segments, has been identified as the Board. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Board. The Board have reviewed segmental information and concluded that there are three operating segments.

	Industrial		Retail		Office		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rental Income	**2,095**	1,884	**73**	68	**136**	300	**2,304**	2,252
Other Property Income	**8**	56	**-**	-	**-**	-	**8**	56
Profit /(Loss) on investment property at fair value	**200**	5,872	**(105)**	40	**250**	(25)	**345**	5,887
Total income and gain	**2,303**	7,812	**(32)**	108	**386**	275	**2,657**	8,195
Property expenses	**(95)**	(125)	**-**	-	**-**	-	**(95)**	(125)
Segment profit/(loss)	**2,208**	7,687	**(32)**	108	**386**	275	**2,562**	8,070
Unallocated corporate expenses							**(720)**	(614)
Profit on sale of investment property							**-**	125
Operating income							**1,842**	7,581
Interest expense (all relating to property loans)							**(439)**	(379)
Interest income and other income							**27**	-
Income before taxation							**1,430**	7,202

Other information	Industrial		Retail		Office		Total	
	2023	2022	2023	2022	2023	2022	2023	2022

	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Segment assets	**36,855**	36,655	**905**	1,010	**1,560**	1,310	**39,320**	38,975
Segment assets held as security	**33,420**	33,010	**905**	1,010	**1,560**	1,310	**35,885**	35,330

22. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the financial year, but not recognised as liabilities in the financial statements is: £nil (2022: £nil).

23. SUBSEQUENT EVENTS

On 9 May 2023 the Company acquired Riverdale Industrial Estate, Tonbridge for £2.35m before costs. The Property is freehold and comprises five industrial units arranged as two terraces with a central service yard. The estate is fully let to four tenants with a range of lease expiry dates. The current passing rent totals £140,350 per annum and is subject to three outstanding upward only rent reviews effective from 29 September 2022 and a pending lease expiry on 30 November 2023. The total acquisition cost of approximately £2.5 million, which includes stamp duty and other acquisition costs, was funded entirely from the Company's existing cash resources.

NOTE

The financial information set out in this announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. Accordingly pursuant to section 435(2), this announcement does not include the auditor's report on the statutory accounts.

However, the financial information for the year ended 25 March 2023 contained in the announcement is taken directly from the statutory accounts for that year. The auditors reported on those accounts; their report was unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The statutory accounts for the year ended 25 March 2023 have not yet been delivered to the Registrar of Companies. The 2023 accounts will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The statutory accounts for the year ended 25 March 2022 and for the prior years referred to in this announcement have been delivered to the Registrar of Companies. The auditors reported on those accounts; their reports were unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

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