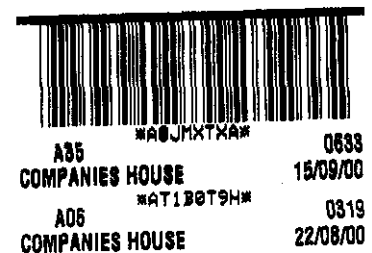


WYNNSTAY PROPERTIES PLC

CHAIRMAN'S STATEMENT
REPORT OF THE DIRECTORS
and
FINANCIAL STATEMENTS
YEAR ENDED 25TH MARCH 2000

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WYNNSTAY PROPERTIES PLC

BIOGRAPHIES OF THE DIRECTORS

Philip G.H. Collins (Non-Executive Chairman) aged 52, is a Solicitor and a Partner in an international firm based in the City. 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. For the last twenty-two years he has specialised in advising multinational corporations in European Community law, with particular emphasis on competition legislation. Appointed a Director of Wynnstay Properties in 1988 and elected Chairman in October 1998.

Michael L. Cheesmer (Managing Director) aged 59, 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.

Anthony R. Harris (Non-Executive) aged 64, is a Chartered Surveyor. After commencing his career with London County Council, he subsequently spent three years with Montagu Evans & Son, specialising in valuation and town planning. He commenced practice on his own account in 1966, acquiring Rogers Chapman in 1978 where, until recently, he was non-executive Chairman. Appointed a Director of Wynnstay Properties in 1994.

Peter R. Kirkland (Finance Director and Company Secretary) aged 53, 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 59, 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 his present firm, Charles Russell, where he specialises in acting for private clients and charities. Appointed a Director of Wynnstay Properties in 1972.

Terence J. Nagle (Non-Executive) aged 57, 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.

Our profits for the year benefited significantly from the lower prevailing interest rates compared with the previous year and by continuing to pay careful attention to containing property and administration costs, which showed only a minimal increase of 1.4% this year compared with 1999. Although interest rates began to rise during the final months of the year, it does not appear that they will reach the 7.5% level last seen in 1998. Indeed, at the time of writing, some commentators are suggesting that rates may be approaching their peak in the current cycle. Longer term, rates will no doubt be influenced by events in Europe and the UK Government's attitude to joining EMU.

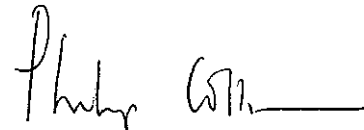
In summary, we have entered the present year in a stronger position and we shall continue to pursue opportunities in order to provide longer term benefits for all shareholders.

Despite my personal efforts to maintain an open dialogue with Panther Securities PLC, shortly after the year end this shareholder requisitioned an Extraordinary General Meeting, appealing to you over the heads of your Directors to support its own agenda including, inter alia, the liquidation of the entire property portfolio and a fundamental change in the nature of your Company. It was especially gratifying that so many shareholders took the time and trouble to register their votes and, as a result, valid proxies were cast for no less than 87% of the shares in issue – and this figure would have been 91.5% but for the fact that further shares, all voted in favour of the Board, were received too late for inclusion.

The results of the poll, as circulated to shareholders, represented an overwhelming rejection of Panther's proposals. My sincere hope for the future is that having been defeated on three occasions, they will heed the wishes of the large majority of shareholders and pursue a more positive and constructive stance towards the Wynnstay Board. One way of doing so would be to support the Special Resolution we have again included in the Notice of Meeting which, if approved, would enable the Company to purchase its own shares. As I explained in my statement last year, this arrangement is one now commonly adopted by many quoted companies, including Panther and others in the property sector, with a view to improving net asset value and earnings per share. I know that Panther's opposition to this resolution last year caused considerable concern amongst a number of shareholders.

I look forward to seeing as many shareholders as possible at the Annual General Meeting to be held on 27th July 2000 but please note that due to refurbishment currently in progress at The Royal Automobile Club they have cancelled all bookings during this period. We have therefore transferred this year's meeting to the Royal Air Force Club, 128 Piccadilly, London W1, the previous venue for our meetings over a number of years. Shareholders might also like to note that next year's meeting will be held on 26th July 2001.

Finally, I would like to pay tribute to our small team of full-time staff. They have worked tremendously hard throughout the year and continue to devote their unstinted effort towards improving and growing the Company for your benefit.



20th June 2000

Philip G.H. Collins
Chairman

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 2000 — (Cont'd.)

Directors' Emoluments

Directors' emoluments for the year ended 25th March 2000 are set out below:-

	<u>Salaries</u>	<u>Fees</u>	<u>Benefits in Kind</u>	<u>Pension Contrib- utions</u>	<u>Total 2000</u>	<u>Total 1999</u>
P.G.H. Collins	—	16,500	—	—	16,500	10,167
M.L. Cheesmer	60,000	6,250	6,766	6,000	79,016	78,475
P.R. Kirkland	51,600	6,250	745	2,580	61,175	57,054
A.R. Harris	—	6,250	—	—	6,250	6,000
I.S. Lockhart	—	6,250	—	—	6,250	6,000
T.J. Nagle	3,000	6,250	—	—	9,250	2,778
B.L. Cann (resigned 8.10.98)	—	—	—	—	—	17,086
Total 2000	<u>£114,600</u>	<u>£47,750</u>	<u>£7,511</u>	<u>£8,580</u>	<u>£178,441</u>	
Total 1999	<u>£123,586</u>	<u>£36,945</u>	<u>£8,779</u>	<u>£8,250</u>		<u>£177,560</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 Company and of the profit or loss of the Company 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.
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company 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 Company has maintained Directors' and Officers' insurance as permitted by Section 310 of the Companies Act 1985.

Special Resolution

Shareholders will be asked at the forthcoming Annual General Meeting to approve a Special Resolution authorising the Company to purchase its own shares in the market. The terms of this resolution are set out under item 9 in the Notice of Meeting on page 22. Such purchases would be made only if, in the opinion of the Directors, these would benefit Shareholders without prejudicing the overall financial position of the Company.

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:

	No. of Ordinary Shares of 25p	Percentage of issued Share Capital
Panther Securities PLC	941,539	29.84%
Mr P.G.H. Collins	260,741	8.26%
Mr H.J.A. Bird	179,000	5.67%

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 2000 — (Cont'd.)

Close Company

The Directors are of the opinion that the Company is not a close company within the terms of the Income and Corporation Taxes Act 1988.

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 appears on page 22.

By Order of the Board,

P.R. KIRKLAND

Secretary

20th June 2000



REPORT OF THE AUDITORS

TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC

We have audited the Financial Statements set out on Pages 10 to 20 which 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 14.

Respective Responsibilities of Directors and Auditors

As described on Page 7 the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with 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 judgements 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.

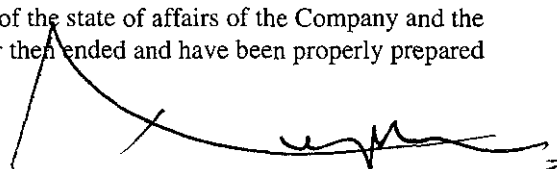
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity 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 2000 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 EC4P 4BN

20th June 2000



Moore Stephens
Chartered Accountants
Registered Auditors

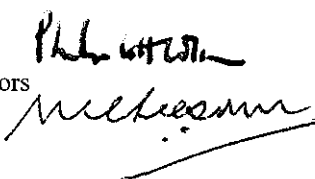
WYNNSTAY PROPERTIES PLC
CONSOLIDATED BALANCE SHEET AT 25TH MARCH 2000

	Notes	2000		1999	
		£	£	£	£
Fixed Assets					
Tangible Assets	9		13,089,548		12,348,279
Investments	11		<u>52,641</u>		<u>51,677</u>
			13,142,189		12,399,956
Current Assets					
Trading Properties at Directors' Valuation		—		570,000	
Debtors	12	351,429		112,735	
Cash at Bank and in Hand		<u>601,863</u>		<u>229,667</u>	
		953,292		912,402	
Creditors: Amounts falling due within one year	13	<u>(731,973)</u>		<u>(558,293)</u>	
Net Current Assets			<u>221,319</u>		<u>354,109</u>
Total Assets Less Current Liabilities			13,363,508		12,754,065
Creditors: Amounts falling due after more than one year	13		<u>(6,481,956)</u>		<u>(6,226,657)</u>
Net Assets			<u>£6,881,552</u>		<u>£6,527,408</u>
Capital and Reserves:					
Share Capital	16		788,817		788,817
Reserves					
Capital Redemption Reserve	17	204,528		204,528	
Share Premium Account		1,135,249		1,135,249	
Capital Reserve		151,400		151,400	
Revaluation Reserve		<u>2,362,641</u>		<u>2,341,682</u>	
Non-Distributable Reserves			3,853,818		3,832,859
Distributable Reserves			<u>2,238,917</u>		<u>1,905,732</u>
Equity Shareholders' Funds	18		<u>£6,881,552</u>		<u>£6,527,408</u>

Approved by the Board on 20th June 2000

P.G.H. Collins

M.L. Cheesmer

} Directors 

WYNNSTAY PROPERTIES PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 25TH MARCH 2000

	Notes	2000		1999	
		£	£	£	£
Cash Flow from Operating Activities	20		1,335,337		1,009,051
Returns on Investment and Servicing of Finance					
Dividends Received		66		56	
Interest Received		18,489		10,497	
Interest Paid		<u>(402,783)</u>		<u>(715,022)</u>	
Net Cash (Outflow) from Returns on Investment and Servicing of Finance			(384,228)		(704,469)
Taxation Paid		(27,963)		(62,624)	
Taxation Refunded		<u>534</u>		<u>31,283</u>	
			(27,429)		(31,341)
Capital Expenditure and Financial Investment					
Purchase of Tangible Fixed Assets		(787,934)		—	
Disposal of Tangible Fixed Assets		163,489		844,093	
Purchase of Sinking Fund Policy Premium		(910)		(910)	
Costs relating to aborted Merger Negotiations		<u>—</u>		<u>(8,194)</u>	
Net Cash (Outflow)/Inflow from Investing Activities			(625,355)		834,989
Equity Dividends Paid			<u>(181,428)</u>		<u>(167,228)</u>
Net Cash Inflow before Financing			116,897		941,002
Financing					
Drawdown of Bank Loan			764,747		—
Repayment of Bank Loan			<u>(509,448)</u>		<u>(632,164)</u>
Increase in Cash in the Period			<u>£372,196</u>		<u>£308,838</u>
Reconciliation of Net Cash Flow to Movement in Net Debt					
Increase in Cash in the Period			372,196		308,838
Cash (Inflow)/Outflow from (Increase)/Decrease in Debt Financing			<u>(255,299)</u>		<u>632,164</u>
Movement in Net Debt in the Period			116,897		941,002
Net Debt at 25th March 1999			<u>(5,996,990)</u>		<u>(6,937,992)</u>
Net Debt at 25th March 2000	20		<u>£(5,880,093)</u>		<u>£(5,996,990)</u>

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2000

4. STAFF COSTS	2000	1999
Staff costs, including Directors, during the year were as follows:		
Wages and Salaries	209,072	205,857
Social Security Costs	21,334	22,016
Other Pension Costs	8,580	8,250
	<u>£238,986</u>	<u>£236,123</u>

Details of Directors' emoluments are shown in the Report of the Directors on page 7.

The average number of employees, including Directors, engaged wholly in management and administration was:	8	8
--	---	---

5. FINANCE COSTS (NET)

Principal repayable within five years:		
Banks and Other	495,273	582,299
Less Investment Income:		
Quoted Shares	(66)	(56)
Sundry Interest	(18,489)	(10,968)
Net Costs of Finance	<u>£476,718</u>	<u>£571,275</u>

6. EXCEPTIONAL ITEMS

(Loss)/Profit on disposal of Investment Properties	(20,611)	49,092
Costs relating to aborted merger negotiations, including fees of £5,038 paid to the Company's Auditors.	—	(8,194)
	<u>£(20,611)</u>	<u>£40,898</u>
Corporation Tax on Exceptional Items	<u>£5,647</u>	<u>£3,590</u>

7. TAXATION

Corporation Tax on profit on ordinary activities	149,866	106,065
Prior year over provision	(2,515)	(1,055)
Utilisation of Advance Corporation		
Tax previously written off	(44,543)	(46,523)
Dividends, Tax Credits	—	11
	<u>£102,808</u>	<u>£58,498</u>

The credit of £44,543 represents Advance Corporation Tax previously written off now utilised in the year or identified as being capable of being utilised over the next two years. As explained in Note 15, there is a further £320,169 of Advance Corporation Tax written off for accounting purposes which is available for utilisation over subsequent years.

8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing Profit after Taxation attributable to Ordinary Shareholders of £397,254 (1999: £341,137) by the weighted average number of ordinary shares in issue during the period, 3,155,267 (1999: 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 adding back the exceptional items after taxation of £26,258 (1999: deducting £37,308), set out in Note 6, from the amount of basic earnings and dividing the resulting figure by the same weighted average number of shares in issue for each year.

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2000

10. INVESTMENT IN SUBSIDIARIES	Company	
	2000	1999
Shares at Cost, 25th March 1999 and 2000	£2,406,510	£2,406,510

11. INVESTMENTS	Group		Company	
	2000	1999	2000	1999
Quoted	650	650	650	650
Unquoted: Sinking Fund Policy	51,991	51,027	—	—
	£52,641	£51,677	£650	£650

The Market Values of Quoted Investments as at 25th March 2000 was Company £1,285 (1999: £1,345) Group £1,285 (1999: £1,345). The Sinking Fund Policy has been maintained at the surrender value at the Balance Sheet Date.

12. DEBTORS	Group		Company	
	2000	1999	2000	1999
Amounts falling due within one year:				
Due from Subsidiary Companies	—	—	798,829	1,184,388
Advance Corporation Tax	71,758	70,026	71,758	70,026
Corporation Tax Recoverable	—	534	—	—
Other Debtors	255,048	11,754	9,772	4,838
Prepayments	24,623	30,421	23,325	29,518
	£351,429	£112,735	£903,684	£1,288,770

13. CREDITORS

Amounts falling due within one year:				
Due to Subsidiary Companies	—	—	2,154,608	2,150,674
Current Corporation Tax	107,055	30,478	86,570	27,634
Other Taxation and Social Security Costs	63,554	60,991	63,438	60,877
Dividend Payable	132,521	124,633	132,521	124,633
Accruals and Deferred Income	428,843	342,191	394,557	310,163
	£731,973	£558,293	£2,831,694	£2,673,981

The Company has a bank overdraft facility, secured by a legal charge over certain of its freehold land and buildings. The amount undrawn and available under this facility at 25th March 2000 was £250,000.

Amounts falling due after more than one year:

Bank Loans	£6,481,956	£6,226,657	£6,481,956	£6,226,657
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Interest is charged at varying rates above LIBOR on the bank loans which fall due for repayment on 31st March 2002.

The bank loans are secured by a legal charge over certain freehold land and buildings owned by the Group and a debenture incorporating a floating charge over the Company's assets and those of certain of its subsidiaries. In addition, a number of subsidiary companies have provided guarantees to the bank. The total undrawn committed borrowing facilities available at 25th March 2000 were £1,856,634.

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2000

17. RESERVES

(i) GROUP

Non-Distributable	Capital Redemption Reserve	Share Premium Account	Capital Reserve	Revaluation Reserve	Total
Balance at 26th March 1999	204,528	1,135,249	151,400	2,341,682	3,832,859
Revaluation during year	—	—	—	146,206	146,206
Transfers to Profit and Loss Account	—	—	—	(125,247)	(125,247)
Balance at 25th March 2000	<u>£204,528</u>	<u>£1,135,249</u>	<u>£151,400</u>	<u>£2,362,641</u>	<u>£3,853,818</u>
				Profit and Loss Account	
Distributable					
Balance as disclosed at 26th March 1999					1,905,732
Retained profit for the year					207,938
Transfers from Revaluation Reserve					125,247
Balance at 25th March 2000					<u>£2,238,917</u>

(ii) COMPANY

Non-Distributable	Capital Redemption Reserve	Share Premium Account	Capital Reserve	Revaluation Reserve	Total
Balance at 26th March 1999	204,528	1,135,249	82,160	1,646,252	3,068,189
Revaluation during year	—	—	—	145,242	145,242
Transfers to Profit and Loss Account	—	—	—	(125,247)	(125,247)
Balance at 25th March 2000	<u>£204,528</u>	<u>£1,135,249</u>	<u>£82,160</u>	<u>£1,666,247</u>	<u>£3,088,184</u>
				Profit and Loss Account	
Distributable					
Balance at 26th March 1999					2,266,232
Retained profit for the year					170,125
Transfers from Revaluation Reserve					125,247
Balance at 25th March 2000					<u>£2,561,604</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.

18. RECONCILIATION OF MOVEMENT OF SHAREHOLDERS' FUNDS

	Group	
	2000	1999
Profit for the Financial Year after Taxation	397,254	341,137
Dividends recommended	(189,316)	(178,272)
Surplus on Revaluation of Investment Properties	146,206	303,043
Net Addition to Shareholders' Funds	<u>354,144</u>	<u>465,908</u>
Opening Shareholders' Funds 26th March 1999	6,527,408	6,061,500
Closing Shareholders' Funds 25th March 2000	<u>£6,881,552</u>	<u>£6,527,408</u>

WYNNSTAY PROPERTIES PLC GROUP

FIVE YEAR FINANCIAL REVIEW

Years Ended 25th March:	2000	1999	1998	1997	1996
	£	£	£	£	£
PROFIT AND LOSS ACCOUNT					
Property Income (Note 1)	2,032,724	1,364,226	1,468,406	1,518,752	1,527,451
Profit before Taxation and Exceptional Items	520,673	358,737	304,238	312,440	255,959
Profit before Taxation	500,062	399,635	438,550	354,842	372,996
Profit after Taxation	397,254	341,137	409,879	274,628	325,793
Dividends	189,316	178,272	165,651	157,762	141,987
CONSOLIDATED BALANCE SHEET					
Investment Properties	13,050,000	12,320,000	12,815,000	13,950,000	13,747,500
Shareholders' Funds (Note 2)	6,881,552	6,527,408	6,061,500	5,650,090	5,521,187
PER SHARE					
Basic Earnings (Note 3)	12.6p	10.8p	13.0p	8.7p	10.3p
Dividends	6.0p	5.65p	5.25p	5.0p	4.5p
Net Asset Value (Note 2)	218p	207p	192p	179p	175p

NOTES

1. Property Income shown for 2000 includes the proceeds from sales of trading properties totalling £590,000.
2. Shareholders' Funds and Net Asset Value shown for 1996 have been re-stated to reflect prior year adjustments.
3. Basic earnings per share have been calculated by dividing Profit on Ordinary Activities after Taxation by the number of shares in issue at the financial year end.

SUMMARY OF PROPERTY PORTFOLIO

Aldershot, Eastern Road	Industrial Unit
Barking, Ripple Road	Retail Unit
Bognor Regis, York Road	Offices and Retail
Cambridge, Mill Road	Retail Unit and Residential
Colchester, North Hill	Offices
Colchester, Short Wyre Street	4 Retail Units
Cosham, High Street	Offices
Diss, Vinces Road	Industrial Unit
Dorking, High Street	4 Retail Units
Epping, High Street	Offices and Retail
Epsom, Depot Road	Offices
Gosport, High Street	Retail Unit
Heathfield, Station Road	5 Industrial Units
Hertford, Hertingfordbury Road	2 Industrial Units
London, SW1, Bury House, St. James's	Art Galleries and Offices
Midhurst, North Street	Retail Unit
Norwich, City Trading Estate	6 Industrial Units
St. Neots, Huntingdon Street	4 Industrial Units
Sheffield, Bradfield Road	Banking Hall and Offices
Shirley, High Street, Hampshire	Retail Unit
Swindon, Faringdon Road	Retail Unit
Twickenham, Third Cross Road	4 Industrial Units
Uckfield, Bell Lane	4 Industrial Units

With the exception of the leasehold property at Bury House, London SW1, all the above properties are owned freehold.