

WYNNSTAY PROPERTIES PLC

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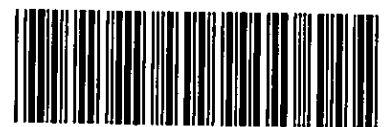
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CHAIRMAN'S STATEMENT  
REPORT OF THE DIRECTORS  
and  
FINANCIAL STATEMENTS  
YEAR ENDED 25TH MARCH 2012

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THURSDAY



A14 \*A1CIAS3V\* 05/07/2012 #378  
COMPANIES HOUSE

**WYNNSTAY PROPERTIES PLC**  
(Company incorporated in the United Kingdom)

**DIRECTORS**

**P G H COLLINS, LL B , B C L**  
*(Non-Executive Chairman)*

**C P WILLIAMS, B Sc , M B A , M R I C S**  
*(Managing Director)*

**C H DELEVINGNE**  
*(Non-Executive Director)*

**T J NAGLE, B Th , F R I C S**  
*(Non-Executive Director)*

**T J C PARKER A C A**  
*(Finance Director & Secretary)*

**REGISTERED OFFICE**

150 Aldersgate Street, London EC1A 4AB

**AUDITORS**

**MOORE STEPHENS LLP**  
150 Aldersgate Street, London EC1A 4AB

**SOLICITORS**

**FIELD FISHER WATERHOUSE LLP**  
35 Vine Street, London EC3N 2AA

**NOMINATED ADVISER & BROKER**  
**CHARLES STANLEY SECURITIES**  
25 Luke Street, London EC2A 4AR

**VALUERS**

**SANDERSON WEATHERALL**  
Eisley Court, 20/22 Great Titchfield Street, London W1W 8BE

**REGISTRARS**

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

**BANKERS**

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

**SVENSKA HANDELSBANKEN AB (Publ)**  
13 Charles II Street, London SW1Y 4QU

**WYNNSTAY PROPERTIES PLC**  
**SUMMARY OF PROPERTY PORTFOLIO**  
**AT 25TH MARCH 2012**

Aldershot	Eastern Road	Industrial Unit
Alton	Newman Lane	Industrial Unit
Aylesford	Quarry Wood Industrial Estate	18 Industrial Units
Basingstoke	Crockford Lane	3 Industrial Units
Chessington	Oakcroft Business Park	3 Industrial Units/Offices
Colchester	Short Wyre Street	4 Retail Units
Cosham	High Street	Offices
Gosport	High Street	Retail Unit
Heathfield	Station Road	5 Industrial Units
Hertford	Hertingfordbury Road	2 Industrial Units
Lewes	Brooks Road	2 Retail Warehouse Units
Midhurst	North Street	Retail Unit
Norwich	City Trading Estate	6 Industrial Units
St Neots	Huntingdon Road	6 Industrial Units
Shirley	High Street	Retail Unit
Twickenham	Third Cross Road	Development Site
Uckfield	Bell Lane	4 Industrial Units

All the above properties are Freehold

# WYNNSTAY PROPERTIES PLC

## CHAIRMAN'S STATEMENT

Since I wrote to you at this time last year, despite the unsettled macro-economic environment prevailing throughout 2011 and 2012 which has undoubtedly adversely affected the commercial property market, your company has been very active in its core business of property asset management. Where lease expiries are approaching, we have generally been able to retain existing tenants who might otherwise have been tempted to move, thereby keeping vacancies and associated non-recoverable costs together with bad debts to a minimum, we have relet vacant space to new tenants, we have disposed of properties that are non-core to our long term portfolio and where future rental and capital growth are limited in prospect, and we have acquired new properties for the portfolio which meet our investment criteria within our preferred geographic area of operation. As a result, the Board is confident that its management and investment strategy place your company in a stronger position to continue to prosper for your benefit.

### Overview of financial performance

Against this background, the financial performance for the year may be summarised as follows

	Change	2012	2011
• Profit before movement in fair value of investment properties and taxation	+31%	£1,158,000	£886,000
• Earnings per share	-74%	4.3p	16.6p
• Dividends per share, paid and proposed	-	10.5p	10.5p
• Net asset value per share	-1.3%	456p	462p
• Gearing	-4.2%	50.3%	52.5%

Profit before the movement in fair value of investment properties for the year was significantly higher than last year, principally as a result of the sale of investment properties at above net book value and reduced financing costs, both discussed further below. Earnings per share were however substantially reduced compared to the previous year due to the impact of the reduction in the valuation of the property portfolio, which is required to be reflected in the statement of comprehensive income (thus affecting earnings), as well as in the statement of financial position (thus affecting net asset value per share), as shown above. It will be noted from this table that whilst modest changes in the value of the portfolio from year to year can have a dramatic impact on earnings, the impact on net asset value is far less pronounced.

### Property Management and Portfolio

As anticipated in my interim statement, property income was somewhat lower than the previous year at £1.50 million (2011 - £1.69 million), principally as a result of the loss of rental income from vacant properties and from properties formerly in the portfolio that had been sold in the previous year.

Shareholders will recall that, following the grant of planning consent for the change of use of the upper floors of our office building in Colchester, and with little prospect of future rental and capital growth, we marketed the freehold of the property for sale and accepted an offer. Unfortunately the sale process became very protracted and did not eventually proceed to completion. However, we were successful in achieving a sale at an improved price, to another purchaser with completion on 23rd March 2012.

Towards the end of the year, we also began negotiations to sell our development site at Twickenham and our industrial unit at Alton and I am pleased to report that terms have been agreed and that since the year end the sale of Twickenham has been completed.

The proposals for our site at Twickenham had become rather drawn out. Shareholders will recall that we obtained planning consent in 2008 for the redevelopment of the site, which then comprised four industrial units. After considering various options, we obtained vacant possession of the units, which had been let on a short-term basis. To preserve our planning permission we commenced the development by demolishing the units last

## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S STATEMENT (continued)

Autumn whilst we continued to explore various alternatives for the development of the site. There was interest in the site from a number of developers and we have recently completed the sale at a price of £1.62m. Whilst this is very slightly below the year end net book value, it is worth noting that prior to preparing our plans for its redevelopment the book value of the property with the industrial units was £900,000. As a result, even though we have incurred some property costs, we consider that the outcome is an excellent one for Shareholders. The sale contract also provides that, should the purchaser obtain an improved planning consent in the next five years, then a further payment will be due to Wynnstay.

In relation to the industrial unit at Alton, our tenants vacated the property some time ago, leaving a sub-tenant in occupation of part of the premises. Whilst continuing to pay rent until the end of their lease and accepting responsibility for dilapidations, our tenants indicated that they would not renew the lease. However, the sub-tenants expressed an interest in purchasing the premises and terms have been agreed for them to purchase the freehold. I hope to have further news at the time of the Annual General Meeting.

Shortly before the end of the year, as I reported in my interim statement, we completed the purchase of two retail warehouse units on an estate just outside Lewes in Sussex. The units are let to two well-known national chains, with significant unexpired terms on the leases, and are on an established out-of-town retailing location, with other well-known retail outlets located nearby. The consideration of £1.26 million was funded from our existing facility and the net initial yield is 7.8%.

Since the year end, we have also completed the purchase of a freehold office property opposite the railway station in Surbiton, Surrey. The building is let to part of the YMCA network which has taken a new 10 year lease from December 2011 without breaks. The consideration of £1.6 million was also funded from our existing facility and the net initial yield is 7.8%. We continue to actively seek other investment opportunities which will add shareholder value to the portfolio.

In a busy year on the management side we have been successful in reletting or renewing 10 leases across the estate.

As has always been the case, we believe that strong proactive relationships with our tenants are important and we continue to work closely with them to understand their current and future needs and thus to reduce the incidence of tenant defaults and vacant premises arising in the portfolio, with their attendant costs and loss of income. As a result of this attention to detail our vacancy rate remains low at only 2% on a rental basis and we suffered no bad debts during the year under review.

#### **Portfolio Valuation**

As at 25 March 2012, our independent Valuers Sanderson Weatherall and Chesterton Humberts, have undertaken the annual valuation of the company's portfolio at £19,325,000, representing as mentioned above, a modest fall, on a like-for-like basis of 4%, over the valuation at the end of the prior year. This valuation is before adjusting for estimated costs to sell of £36,400 for those properties classified as non current assets held for sale at the year end and is a satisfactory outcome given the conditions in the commercial property market and the economy as a whole.

Following the revaluation at the year-end, the industrial sector within the portfolio accounted for 68% by value, with the office and retail elements comprising 12% and 20% respectively.

#### **Borrowings and Gearing**

Total borrowings at the year-end were £7.19 million (2011 - £7.45 million) and net gearing at the year-end was 50.3% compared to 52.5% last year.

As I have previously observed, the Company benefits from the historically very low levels of interest payable under our borrowing facility where the rate of interest is variable and is linked to Libor. At present, there seems to be limited prospect of an increase in interest rates in the immediate future, but the Board continues to keep the position under close review. The Board has commenced outline discussions with its bankers as regards the refinancing of the loans that fall due in December 2013. The Board considers that the properties recently added to the portfolio and the new leases recently completed will assist in negotiating satisfactory terms.

## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S STATEMENT (continued)

#### Costs

As last year, our property costs this year have been significantly impacted by a number of one off costs relating to the Twickenham site. Administrative costs were held at about the same level as in the previous year.

#### Dividend

The Directors are recommending a total dividend for the year at the same level as last year, namely 10.5p per share. An interim dividend of 2.9p per share was paid in December 2011 and, subject to approval of Shareholders at the Annual General Meeting, a final dividend of 7.6p per share will be paid on 23rd July 2012 to Shareholders on the register on 29th June 2012.

The Directors have decided to maintain their fees, together with salary and consultancy fees in the current year, at the same level as last year. This commitment, together with the holding of the dividend, demonstrates the alignment of the Directors' interests with those of the Shareholders.

#### Outlook

It is difficult to give a clear view given that the prospects for the United Kingdom economy are uncertain, even in the medium to long-term. Nevertheless, your Company has performed well in the difficult conditions over the past few years and it remains in robust health. The changes that we have made to the portfolio should add to the quality of our earnings and the value of our assets, delivering an improved income stream and net asset value for Shareholders in the longer term.

#### Unsolicited approaches to shareholders


Shareholders are reminded that unsolicited approaches regarding their shares may be from fraudsters. Your attention is drawn to the letter enclosed.

#### Annual General Meeting

Our Annual General Meeting will be held at the Royal Automobile Club on Thursday 19th July 2012. As always, I would encourage as many Shareholders as possible to attend so that they can both take part in the formal business and meet the Board and other Shareholders informally before and after the meeting and discuss the Company's activities.

#### Colleagues and Advisers

I opened this statement with reference to the amount of activity that has taken place this year. Wynnstay relies on the commitment, expertise and enthusiasm of our two executive directors – Paul Williams, our Managing Director, and Toby Parker, our Finance Director – to manage the company's affairs effectively and efficiently subject to the Board's oversight with the modest resources made available to them. The two executive directors and I, as your Chairman, benefit from the experience and wisdom of our two non-executive directors – Charles Delevingne and Terence Nagle, both of whom have spent their entire careers in commercial property. I would like to thank all of them as well as our advisers for their professionalism, wise counsel and support throughout the past year.



Philip G H Collins  
Chairman

18th June 2012

## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2012

The Directors present their One Hundred and Twenty-sixth Annual Report, together with the audited Financial Statements of the Company for the year ended 25th March 2012

#### **Principal Activity**

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

#### **Income for the Year**

The income for the year after taxation amounted to £117,000 (2011 £449,000) Details of movements in reserves are set out in the statement of changes in equity on page 16

#### **Business Review, Performance Indicators and Risks**

A review of the business for the year and of the future prospects of the Company is included in the Chairman's Statement on pages 4 to 6 The financial statements and notes are set out on pages 13 to 31

The key performance indicators for the Company are those relating to the underlying movement in both rental income and in the value of its property investments as set out below

- The reduction in rental income is 11.1% (2011 reduction of 12.5%)
- The reduction in value of the investment portfolio is 4.1% (2011 reduction of 5.5%)

The principal risks and uncertainties are those associated with the commercial property market, which is cyclical by its nature and include changes in the supply and demand for space as well as the inherent risk of tenant failure In the latter case, the Company seeks to reduce this risk by requiring the payment of rent deposits when considered appropriate Other risk factors include changes in legislation in respect of taxation and the obtaining of planning consents, etc as well as those associated with financing and treasury management

#### **Events since the end of the year**

On 27th April, the Company completed on the purchase of a freehold office building in Surbiton for £1,600,000 which is let on a long lease to the YMCA On 11th June, the Company completed on the sale of the freehold property in Twickenham for £1,620,000

#### **Dividends**

The Directors have decided to recommend a final dividend of 7.6 pence per share for the year ended 25th March 2012 payable on 23rd July 2012 to those shareholders on the register on 29th June 2012 This dividend, together with the interim dividend of 2.9 pence paid on 10th December 2011, represents a total for the year of 10.5 pence (2011 – 10.5 pence)

#### **Investment properties**

The investment properties have been valued by Sanderson Weatherall and Chesterton Humberts on the basis of Market Value at 25th March 2012 The movement in investment properties is set out in Note 9 on page 22

## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2012 (continued)

#### Directors

The Directors holding office during the financial year under review and their beneficial and non-beneficial interests in the ordinary share capital of the Company at 25th March 2012 and 25th March 2011 are shown below

		<b>Ordinary Shares of 25p</b>	
		<b>25 3 12</b>	<b>25.3.11</b>
P G H Collins	Non-Executive Chairman	<b>850,836</b>	850,836
C P Williams	Managing Director	-	-
C H Delevingne	Non-Executive Director	<b>5,000</b>	5,000
T J Nagle	Non-Executive Director	<b>13,000</b>	13,000
T J C Parker	Finance Director and Secretary	-	-

The interests shown above in respect of Mr P G H Collins include non-beneficial interests of 229,596 shares at 25th March 2012 and 2011

Mr C P Williams and Mr T J C Parker each have a service agreement with the Company Under the respective terms thereof, their employment is subject to six months' notice of termination by either party

In accordance with the Company's Articles of Association Mr P G H Collins retires by rotation and, being eligible, offers himself for re-election

Brief biographies of each of the Directors appear on page 34

#### Directors' Emoluments

Directors' emoluments for the year ended 25th March 2012 are set out below -

	<u>Salaries</u>	<u>Fees</u>	<u>Pension</u>	<u>Benefits</u>	<u>Total 2012</u>	<u>Total 2011</u>
P G H Collins	-	29,525	-	-	29,525	29,525
C P Williams	96,750	10,562	9,675	2,281	119,268	113,778
C H Delevingne	-	10,562	-	-	10,562	10,562
T J Nagle	-	10,562	-	-	10,562	10,562
T J C Parker	-	10,562	-	-	10,562	10,562
<b>Total 2012</b>	<u><b>£96,750</b></u>	<u><b>£71,773</b></u>	<u><b>£9,675</b></u>	<u><b>£2,281</b></u>	<u><b>£180,479</b></u>	
Total 2011	<u>£92,000</u>	<u>£71,773</u>	<u>£9,200</u>	<u>£2,016</u>		<u>£174,989</u>

I F M Consultants Limited, a company owned and controlled by Mr T J C Parker, was paid a fee of £36,648 (2011 £33,825) for services rendered during the year (see note 22)



# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2012 (continued)

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with IFRS as adopted by the European Union and applicable law. The financial statements must, in accordance with IFRS as adopted by the European Union, present fairly the financial position and performance of the company, such references in the UK Companies Act 2006 to such financial statements giving a true and fair view are references to their achieving a fair presentation. Under company law directors must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

### Directors' and Officers' Liability Insurance

The Company has maintained Directors' and Officers' insurance as permitted by the Companies Act 2006.

### Substantial Interests

As at 18 June 2012, 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 2012	Percentage of Issued Share Capital 2011
Mr P G H Collins	850,836	31.38%	31.38%
Mr D Gibson	281,118	10.37%	6.8%

## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2012 (continued)

#### Payment Policy for Creditors

It is the Company's policy to agree payment terms with suppliers when negotiating business transactions and pay suppliers in accordance with contractual or other legal obligations. At 25 March 2012, the average credit payment period was 2 days (2011: 2 days) of actual purchases.

#### Corporate Governance

The Board of Directors is accountable to Shareholders for the good corporate governance of the Company under the AIM rules for companies. The Company is not required to comply with the UK Corporate Governance Code which has been in force since 29 June 2010. However, the Board is aware of the best practice defined by the Code and has adopted procedures to the extent considered appropriate.

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

#### Remuneration Committee

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

#### Going Concern

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

#### Financial Risk Management Objectives

The company's financial risk management objectives can be found in note 19 of the financial statements.

## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2012 (continued)

#### Internal Control

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

#### Statement as to disclosure of information to auditors

Each of the persons who are Directors at the time when this report is approved has confirmed that

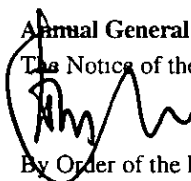
- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each Director has taken all the steps that ought to have been taken as a Director, including making appropriate enquiries of fellow Directors and the Company's auditors for that purpose, in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

#### Donations

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

#### Annual General Meeting

The Notice of the Annual General Meeting, to be held on Thursday 19th July 2012, is set out on page 33.



By Order of the Board,  
T J C Parker  
*Secretary*

18th June 2012

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC

We have audited the financial statements of Wynnstay Properties Plc for the year ended 25 March 2012 which are set out on pages 13 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

#### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 25th March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Julian Wilkinson, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor



150 Aldersgate Street  
London EC1A 4AB

18th June 2012

**WYNNSTAY PROPERTIES PLC**

**STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 25TH MARCH 2012**

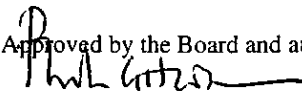
	Notes	2012	2011
		£'000	£'000
<b>Property Income</b>	1	1,503	1,691
Property Costs	2	(182)	(136)
Administrative Costs	3	(389)	(389)
		<u>932</u>	<u>1 166</u>
Movement in Fair Value of Investment Properties	9	(866)	(225)
Profit/(Loss) on Sale of Investment Property		346	(39)
<b>Operating Income</b>		<u>412</u>	<u>902</u>
Investment Income	5	3	6
Finance Costs	5	(123)	(247)
<b>Income before Taxation</b>		<u>292</u>	<u>661</u>
Taxation	6	(175)	(212)
<b>Income after Taxation</b>		<u><u>117</u></u>	<u><u>449</u></u>
<b>Basic and diluted earnings per share</b>	8	4.3p	16 6p

The company has no other items of comprehensive income

**WYNNSTAY PROPERTIES PLC**  
**STATEMENT OF FINANCIAL POSITION 25TH MARCH 2012**

	Notes	2012 £'000	2011 £'000
<b>Non Current Assets</b>			
Investment Properties	9	16,965	18,825
Other Property, Plant and Equipment	10	-	6
Investments	12	3	3
		<u>16,968</u>	<u>18,834</u>
<b>Current Assets</b>			
Accounts Receivable	14	319	26
Cash and Cash Equivalents		966	881
		<u>1,285</u>	<u>907</u>
Non Current Assets held for Sale	13	2,324	1,295
<b>Current Liabilities</b>			
Accounts Payable	15	(808)	(757)
Income Taxes Payable		(217)	(240)
		<u>(1,025)</u>	<u>(997)</u>
<b>Net Current Assets</b>		<u>2,584</u>	<u>1,205</u>
<b>Total Assets Less Current Liabilities</b>		<u>19,552</u>	<u>20,039</u>
<b>Non-Current Liabilities</b>			
Bank Loans Payable	16	(7,187)	(7,455)
Deferred Taxation	17	(6)	(56)
<b>Net Assets</b>		<u>12,359</u>	<u>12,528</u>
<b>Capital and Reserves</b>			
Share Capital	18	789	789
Treasury shares		(1,570)	(1,570)
Share Premium Account		1,135	1,135
Capital Redemption Reserve		205	205
Retained Earnings		11,800	11,969
		<u>12,359</u>	<u>12,528</u>

Approved by the Board and authorised for issue on 15th June 2012

  
P G H Collins  
Chairman

  
T J C Parker  
Finance Director

**WYNNSTAY PROPERTIES PLC**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 25TH MARCH 2012**

	2012 £'000	2011 £'000
<b>Cashflow from operating activities</b>		
Income before taxation	292	661
Adjusted for		
Depreciation	6	2
Decrease in fair value of investment properties	866	225
Interest income	(3)	(6)
Interest expense	123	312
Profit on financial liabilities at fair value	-	(65)
(Profit)/loss on disposal of investment properties	(346)	39
Changes in		
Trade and other receivables	(293)	77
Trade and other payables	51	(120)
Income taxes paid	(248)	(266)
Interest paid	(123)	(312)
Net cash from operating activities	<u>325</u>	<u>547</u>
<b>Cashflow from investing activities</b>		
Interest and other income received	3	6
Purchase of investment properties	(1,330)	-
Sale of investment properties	1,641	906
Net cash from investing activities	<u>314</u>	<u>912</u>
<b>Cashflow from financing activities</b>		
Dividends paid	(286)	(286)
Repayments on bank loans	(1,605)	(1,045)
Drawdown on bank loans	1,337	-
Net cash from financing activities	<u>(554)</u>	<u>(1,331)</u>
<b>Net increase in cash and cash equivalents</b>	<b>85</b>	<b>128</b>
Cash and cash equivalents at beginning of period	881	753
Cash and cash equivalents at end of period	<u>966</u>	<u>881</u>

**WYNNSTAY PROPERTIES PLC**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 25th MARCH 2012**

**YEAR ENDED 25 MARCH 2012**

	<b>Share Capital £ 000</b>	<b>Capital Redemption Reserve £ 000</b>	<b>Share Premium Account £ 000</b>	<b>Treasury Shares £ 000</b>	<b>Retained Earnings £ 000</b>	<b>Total £ 000</b>
Balance at 26 March 2011	789	205	1,135	(1,570)	11,969	12,528
Total comprehensive income for the year	-	-	-	-	117	117
Dividends – note 7	-	-	-	-	(286)	(286)
Balance at 25 March 2012	<u>789</u>	<u>205</u>	<u>1,135</u>	<u>(1,570)</u>	<u>11,800</u>	<u>12,359</u>

**YEAR ENDED 25 MARCH 2011**

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



## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

#### 1. ACCOUNTING POLICIES

Wynnstay Properties PLC is a public limited company incorporated and domiciled in England & Wales. The principal activity of the company is property investment, development and management. The Company's ordinary shares are traded on the Alternative Investment Market. The Company's registered number is 00022473.

##### **Basis of Preparation**

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

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

##### **(a) New interpretations and revised standards effective for the year ended 25 March 2012**

The directors have adopted all new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to the operations and effective for periods beginning on or before 26 March 2011.

##### **(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 revisions to a number of existing standards and new interpretations with an effective date of implementation after the date of these financial statements.

It is not anticipated that the adoption of these revised standards and interpretations will have a material impact on the figures included in the financial statements in the period of initial application other than the following revisions to existing standards:

**IFRS 9 Financial Instruments** – The standard makes substantial changes to the recognition and measurement of financial assets and financial liabilities and de-recognition of financial assets. In the future there will only be two categories of financial assets, those at fair value through profit and loss and those measured at amortised cost.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit and loss, for example derivative financial instruments, with changes in the liabilities' credit risk recognised in other comprehensive income.

The standard is effective for accounting periods beginning on or after 1 January 2015.

**IFRS 13 Fair Value Measurement** – The standard outlines a single framework for measuring fair value and the required disclosure thereof when required or permitted by other International Financial Reporting Standards. The standard is unlikely to impact the fair value measurement of assets and liabilities that are currently recognised at fair value, however there will be greater disclosure given.

The standard is effective for accounting periods beginning on or after 1 January 2013.

##### **Key Sources of Estimation Uncertainty**

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

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

#### 1 ACCOUNTING POLICIES (Continued)

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are those relating to the fair value of investment properties.

##### **Investment Properties**

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

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

##### **Depreciation**

In accordance with IAS 40, freehold investment properties are included in the statement of financial position at fair value, and are not depreciated.

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

##### **Disposal of Investments**

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

##### **Property Income**

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

##### **Taxation**

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

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences (including unrealised gains on revaluation of investment properties) and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

#### 1 ACCOUNTING POLICIES (Continued)

The Company provides for deferred tax on investment properties by reference to the tax that would be due on the sale of 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 in the statement of comprehensive income, including deferred tax on the revaluation of investment property.

#### **Trade and other accounts receivable**

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

#### **Cash and cash equivalents**

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

#### **Trade and other accounts payable**

Trade and other payables are initially measured at fair value. All trade and other accounts payable are non-interest bearing.

#### **Pensions**

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

#### **Financial Instruments**

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

**WYNNSTAY PROPERTIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012**

<b>2 PROPERTY COSTS</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Rents payable	5	5
Empty rates	44	46
Twickenham costs	66	–
Property management	<u>18</u>	<u>29</u>
	<b>133</b>	<b>80</b>
Legal fees	39	37
Agents fees	10	12
Bad debts	–	7
	<u><u>182</u></u>	<u><u>136</u></u>

<b>3 ADMINISTRATIVE COSTS</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Rents payable – operating lease rentals	17	20
General administration, including staff costs	329	330
Auditors' remuneration    Audit fees	32	32
Tax services	5	5
Depreciation and amortisation	<u>6</u>	<u>2</u>
	<u><u>389</u></u>	<u><u>389</u></u>

Included within General administration costs above are pension payments made to a former Director of £nil (2011 £5,724)

<b>4. STAFF COSTS</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs, including Directors, during the year were as follows		
Wages and salaries	167	166
Social security costs	18	18
Other pension costs	<u>10</u>	<u>15</u>
	<u><u>195</u></u>	<u><u>199</u></u>

Details of Directors' emoluments, totalling £180,479 (2011 £174,989), are shown in the Report of the Directors on page 8

	<b>No.</b>	<b>No.</b>
The average number of employees, including Directors, engaged wholly in management and administration was	<u>5</u>	<u>5</u>
The number of Directors for whom the Company paid pension benefits during the year was	<u>1</u>	<u>1</u>

**WYNNSTAY PROPERTIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012**

<b>5 FINANCE COSTS (NET)</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable on bank loans	123	312
Profit on financial liabilities at fair value through profit or loss (note 19)	-	(65)
	<u>123</u>	<u>247</u>
Less Bank interest receivable	<u>(3)</u>	<u>(6)</u>
	<u><u>120</u></u>	<u><u>241</u></u>
<b>6. TAXATION</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
(a) Analysis of the tax charge for the year		
UK Corporation tax at 26% (2011 28%)	225	237
Deferred tax – temporary differences	<u>(50)</u>	<u>(25)</u>
Current tax charge for the year	<u><u>175</u></u>	<u><u>212</u></u>
(b) Factors affecting the tax charge for the year		
Net Income before taxation	<u><u>292</u></u>	<u><u>661</u></u>
Current Year		
Corporation tax thereon at 26% (2011 - 28%)	76	185
Expenses not deductible for tax purposes	14	8
Excess of capital allowances over depreciation	-	(7)
Investment loss on fair value not taxable	225	63
Investment gain not taxable	(90)	-
Marginal rate relief	<u>-</u>	<u>(12)</u>
	<u><u>225</u></u>	<u><u>237</u></u>
<b>7 DIVIDENDS</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Final dividend paid in year of 7 6p per share (2011 7 6p per share)	206	206
Interim dividend paid in year of 2 9p per share (2011 2 9p per share)	<u>80</u>	<u>80</u>
	<u><u>286</u></u>	<u><u>286</u></u>

The Board recommends the payment of a final dividend of 7 6p per share, which will be recorded in the Financial Statements for the year ending 25th March 2013

**WYNNSTAY PROPERTIES PLC**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

**8 EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing Income after Taxation attributable to Ordinary Shareholders of £117,000 (2011 £449,000) by the weighted average number of 2,711,617 (2011 2,711,617) ordinary shares in issue during the period. There are no instruments in issue that would have the effect of diluting earnings per share.

<b>9. INVESTMENT PROPERTIES</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>Investment Properties</b>		
Balance at 25th March 2011	<b>18,825</b>	21,290
Additions	<b>1,330</b>	–
Disposals	–	(945)
Revaluation deficit	<b>(866)</b>	(225)
	<u><b>19,289</b></u>	<u>20,120</u>
Less		
<b>Assets held for sale (note 13)</b>		
Balance at 25th March 2011	<b>1,295</b>	–
Additions	<b>2,324</b>	1,295
Disposals	<b>(1,295)</b>	–
Balance at 25th March 2012	<u><b>2,324</b></u>	<u>1,295</u>
Investment properties at 25th March 2012	<u><b>16,965</b></u>	<u>18,825</u>

The Company's freehold investment properties were valued at £19,325,000 by Independent Valuers, Sanderson Weatherall and Chesterton Humberts, Chartered Surveyors, as at 25th March 2012, in accordance with the RICS Appraisal and Valuation Standards, on the basis of Market Value, defined as

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

Assets held for sale of £2,324,000 included an adjustment to exclude the estimated costs to sell of £36,400 from the valuation.

Freehold investment properties, including assets held for sale (Note 13), would have been shown at an historical cost of £15,187,400 (2011 £16,613,000) if revaluations had not been undertaken.

**WYNNSTAY PROPERTIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012**

**10 OTHER PROPERTY, PLANT AND EQUIPMENT**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
Balance at 25th March 2011 and 25th March 2012	<u>47</u>	<u>47</u>
<b>Depreciation</b>		
Balance at 25th March 2011	41	39
Charge for the Year	<u>6</u>	<u>2</u>
Balance at 25th March 2012	<u>47</u>	<u>41</u>
 <b>Net Book Values at 25th March 2012</b>	 <u>–</u>	 <u>6</u>

**11. OPERATING LEASES RECEIVABLE**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
The future minimum lease payments receivable under non-cancellable operating leases which expire		
Not later than one year	1,361	1,389
Between 2 and 5 years	2,646	2,439
Over 5 years	<u>144</u>	<u>197</u>
	<u>4,151</u>	<u>4,025</u>

Rental Income recognised in the statement of comprehensive income amounted to £1,503,000 (2011 £1,691 000)

Typically, the properties were let for a term of between 5 and 15 years at a market rent with rent reviews every 5 years. The above analysis reflects future minimum lease payments receivable to the next break clause in the operating lease. The properties are leased on terms where the tenant has the responsibility for repairs and running costs for each individual unit with a service charge payable to cover common services provided by the landlord on certain properties.

**WYNNSTAY PROPERTIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012**

<b>12. INVESTMENTS</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Quoted investments	<u>3</u>	<u>3</u>
<b>13 NON CURRENT ASSETS HELD FOR SALE</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Investment properties held for sale	<u>2,324</u>	<u>1,295</u>
<p>The Company anticipates that it will sell two commercial properties within the current financial year and, as a result, these properties have been re-classified as held for sale. Since the year end, the Company has completed on the sale of a development site at Twickenham</p>		
<b>14 ACCOUNTS RECEIVABLE</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Other receivables	<u>319</u>	<u>26</u>
	<u>319</u>	<u>26</u>
<b>15 ACCOUNTS PAYABLE</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Other creditors	184	153
Accruals and deferred income	<u>624</u>	<u>604</u>
	<u>808</u>	<u>757</u>
<b>16. BANK LOANS PAYABLE</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Bank Loan Repayable on 17 December 2013	<u>7,187</u>	<u>7,455</u>

Interest is being charged at 1.25% per annum over LIBOR on the loan until 17 December 2013

The loan facility is secured by fixed charges over a number of freehold land and buildings owned by the Company, which at the year end had a combined value of £13,443,800 (2011 £11,590,000). The undrawn element of the loan facility available at 25th March 2012 was £1.3million (2011 £1.05million). The loan is additionally secured by a memorandum of security over cash deposits of £m (2011 £300,000).



## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

#### 17. DEFERRED TAX

The movement in the deferred tax liability during the year is as follows

	Deferred Tax on property revaluation £'000
At 26th March 2011	56
Release of provision for the year	(50)
At 25th March 2012	<u>6</u>

#### 18. SHARE CAPITAL

	2012 £'000	2011 £'000
Ordinary Shares of 25p each		
Authorised	<u>2,000</u>	<u>2,000</u>
Allotted, Called Up and Fully Paid	<u>789</u>	<u>789</u>

All shares rank equally in respect of Shareholder rights

In March 2010, the company acquired 443,650 Ordinary shares of Wynnstay Properties plc from Channel Hotels and Properties Ltd at a price of £3.50 per share. These shares, representing in excess of 14% of the total shares in issue, are held in Treasury.

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

**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 25th March 2012 the Company's financial instruments comprised borrowings and cash and cash equivalents, with short term receivables and short term payables excluded from IFRS 7 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 and the fair value of the Company's financial assets and liabilities at 25th March 2012 is not materially different from their book value The Board reviews and agrees policies for managing each of these 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 Funds may be invested and loan transactions contracted only with banks and financial institutions with a high credit rating

The Group 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

Concentration of credit risk exist to the extent that at 25th March 2012 and 2011 current account and short term deposits were held with two financial institutions, Svenska Handelsbanken AB and C Hoare & Co Maximum exposure to credit risk on cash and cash equivalents at 25th March 2012 was £966,000 (2011 £885,000)

**Currency Risk**

As 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 cash flow interest rate risk as it currently borrows at floating interest rates The Company monitors and manages its interest rate exposure on a periodic basis The Company finances its operations through a combination of retained profits and bank borrowings

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

19. FINANCIAL INSTRUMENTS (Continued)

**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	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Impact on net interest payable - gain/(loss)	36	37	(36)	(37)
Impact on net interest receivable - gain/(loss)	(5)	(4)	5	4
<b>Total impact on pre tax profit and equity</b>	<b>31</b>	<b>33</b>	<b>(31)</b>	<b>(33)</b>

The net exposure of the Company to interest rate fluctuations was as follows:

	2012	2011
	£'000	£'000
Floating rate borrowings (bank loans)	(7,187)	(7,455)
Less cash and cash equivalents	966	881
	<u>(6,221)</u>	<u>(6,574)</u>

**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. A comparison of book values and fair values of the Company's financial assets and liabilities is set out below.

	2012	2012	2011	2011
	Book Value	Fair Value	Book Value	Fair Value
	£'000	£'000	£'000	£'000
Interest bearing borrowings (note 16)	(7,187)	(7,037)	(7,455)	(7,213)
<b>Total</b>	<b>(7,187)</b>	<b>(7,037)</b>	<b>(7,455)</b>	<b>(7,213)</b>

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

**19 FINANCIAL INSTRUMENTS (Continued)**

**Categories of financial instruments**

	2012	2011
	£'000	£'000
Financial assets		
Loans and receivables	319	26
Cash and cash equivalents	966	881
Quoted investments	<u>3</u>	<u>3</u>
<b>Total financial assets</b>	<b>1,288</b>	<b>910</b>
Non-financial assets	<u>19,289</u>	<u>20,126</u>
<b>Total assets</b>	<b><u>20,577</u></b>	<b><u>21,036</u></b>
Financial liabilities at amortised cost	8,212	8,452
Non-financial liabilities	<u>6</u>	<u>56</u>
<b>Total liabilities</b>	<b>8,218</b>	<b>8,508</b>
Shareholders' equity	<u>12,359</u>	<u>12,528</u>
<b>Total shareholders' equity and liabilities</b>	<b><u>20,577</u></b>	<b><u>21,036</u></b>

The following table provides an analysis of financial instruments as at 25th March that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
<b>Financial instruments at 25 March 2012</b>				
Quoted investments	3	-	-	3
	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

19. FINANCIAL INSTRUMENTS (Continued)

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial instruments at 25 March 2011</b>				
Derivative instruments at fair value through profit or loss	--	65	--	65
Quoted investments	3	--	--	3
	<u>3</u>	<u>65</u>	<u>--</u>	<u>68</u>

**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 net borrowings 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 comprises total borrowings less cash and cash equivalents.

The Company's policy is that the loan to value ratio should not exceed 60% and that the gearing ratio should not exceed 100%.

	2012 £'000	2011 £'000
Total Borrowings	7,187	7,455
Cash and cash equivalents	(966)	(881)
Net borrowings	<u>6,221</u>	<u>6,574</u>
Shareholders equity	<u>12,359</u>	<u>12,528</u>
Investment properties	<u>19,289</u>	<u>20,120</u>
Loan to value ratio	32.2%	32.7%
Gearing ratio	50.3%	52.5%

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

**20 STATEMENT OF CASH FLOWS**

Analysis of Net Debt	25th March	Cash	26th March
	2012	Movement	2011
	£'000	£'000	£'000
Cash and cash equivalents	(966)	(85)	(881)
Bank loan due after more than one year	7,187	(268)	7,455
Net Debt	<u>6,221</u>	<u>(353)</u>	<u>6,574</u>

**21. COMMITMENTS UNDER OPERATING LEASES**

Future rental commitments at 25th March 2012 under non-cancellable operating leases are as follows -

	2012	2011
	£'000	£'000
Within one year	21	15
Between two to five years	<u>5</u>	<u>7</u>
	<u>26</u>	<u>22</u>

**22 RELATED PARTY TRANSACTIONS**

The Company has entered into an agreement with I F M Consultants Ltd, a company owned and controlled by T J C Parker, a Director of the Company, for that company to provide certain consultancy services During the year to 25th March 2012, I F M Consultants Ltd was paid £36,648 (2011 £33,825) There were no other related party transactions other than with the Directors, which have been disclosed under Directors' Emoluments in the Report of the Directors on page 8

**23. EVENTS AFTER THE END OF THE REPORTING PERIOD**

On 27th April, the Company completed on the purchase of a freehold office building in Surbiton for £1,600,000 which is let on a long lease to the YMCA On 11th June the Company completed on the sale of the freehold property in Twickenham for £1,620,000

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2012

24 SEGMENTAL REPORTING

	Industrial		Retail		Office		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Rental Income</b>	1,020	1,100	214	299	269	292	1,503	1,691
Loss on property investments at fair value	(866)	(105)		(110)		(10)	(866)	(225)
<b>Total income and gain</b>	154	995	214	189	269	282	637	1,466
Property expenses	(182)	(136)	-	-	-	-	(182)	(136)
<b>Segment (loss)/profit</b>	<u>(28)</u>	<u>859</u>	<u>214</u>	<u>189</u>	<u>269</u>	<u>282</u>	<u>455</u>	<u>1,330</u>
Unallocated corporate expenses							(389)	(389)
Profit/(Loss) on sale of investment property							346	(39)
<b>Operating income</b>							<u>412</u>	<u>902</u>
Interest expense (all relating to property loans)							(123)	(247)
Interest income and other income							3	6
<b>Income before taxation</b>							<u>292</u>	<u>661</u>
<b>Other information</b>								
	<b>Industrial</b>	<b>Retail</b>	<b>Office</b>	<b>Total</b>				
	2012	2011	2012	2011	2012	2011	2012	2011
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Segment assets	<u>13,036</u>	<u>14,180</u>	<u>3,960</u>	<u>3,030</u>	<u>2,293</u>	<u>2,910</u>	<u>19,289</u>	<u>20,120</u>
Segment assets held as security	<u>7,191</u>	<u>6,015</u>	<u>3,960</u>	<u>3,030</u>	<u>2,293</u>	<u>2,545</u>	<u>13,444</u>	<u>11,590</u>