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Registered No. 22473

WYNNSTAY PROPERTIES PLC

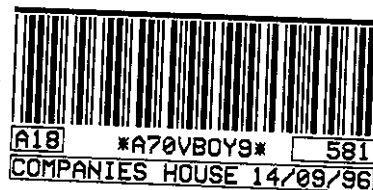
Public Limited Company

REPORT AND ACCOUNTS

FOR

YEAR ENDING

25th MARCH 1996



WYNNSTAY PROPERTIES PLC

CHAIRMAN'S STATEMENT DIRECTORS' REPORT and STATEMENT OF ACCOUNTS 25TH MARCH 1996

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WYNNSTAY PROPERTIES PLC

DIRECTORS

B.L. CANN, F.R.I.C.S.
(Chairman)

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

P.G.H. COLLINS, LL.B., B.C.L.

A.R. HARRIS, F.R.I.C.S

P.J.D. LANGRISHE, M.A.

I.S. LOCKHART, M.A.

SECRETARY

P.R. KIRKLAND, F.C.A.

REGISTERED OFFICE

Cleary Court,
21 St. Swithin's Lane,
London, EC4N 8AD

AUDITORS & REGISTRARS

C.T. MOORE & CO.
Adelaide House,
London Bridge,
London, EC4R 9DQ

SOLICITORS

FIELD FISHER WATERHOUSE
41 Vine Street,
London, EC3N 2AA

BANKERS

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

STOCKBROKERS

TEATHER & GREENWOOD
Salisbury House,
London Wall,
London, EC2M 5TH

NOTICE OF MEETING

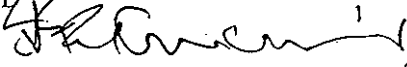
NOTICE IS HEREBY GIVEN that the one hundred and tenth ANNUAL GENERAL MEETING of the Members of Wynnstay Properties PLC will be held at The Royal Automobile Club, 89 Pall Mall, London, SW1Y 5HS on Tuesday, the 16th July 1996, at 12.00 noon to transact the following business:

ORDINARY BUSINESS

1. To adopt the Directors' Report and Statement of Accounts for the year ended 25th March 1996.
2. To declare a Dividend.
3. To re-elect as a Director, Michael Livingstone Cheesmer, who retires by rotation.
4. To re-elect as a Director, Philip Geoffrey Hugh Collins, who retires by rotation.
5. To fix the remuneration of the Directors.
6. To re-appoint C.T. Moore & Co. as Auditors for the ensuing year and authorise the Directors to fix the Auditors' remuneration.
7. To transact any other Ordinary business.

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and on a poll to vote in his/her stead. The proxy need not be a Member of the Company. Proxies must be lodged at least forty-eight hours before the time appointed for the Meeting.

By Order of the Board
P.R. KIRKLAND
Secretary



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

6th June 1996

Subject to the proposed final dividend being confirmed, it will be payable on the 23rd July 1996 to those Shareholders whose names appear on the Register at the close of business on 2nd July 1996.

WYNNSTAY PROPERTIES PLC

CHAIRMAN'S STATEMENT

There has been much whistling in the wind by so-called pundits who, I regret to say, have been proved wrong yet again. The property market remains generally uninspired and although the Institutions are reputed to have returned they appear interested only in prime quality investments, let to blue chip tenants, producing minimal initial yields reflecting anticipated medium to long term growth potential.

Nevertheless, I am pleased to report an encouraging improvement in our results with pre-tax profit amounting to £372,996 (1995: £247,304). This includes Exceptional Items of £117,037 (1995: £6,006) to which I refer below. Profit after tax was £325,793 (1995: £228,222).

Messrs. Chesterton revalued the investment portfolio as at 25th March 1996 and, notwithstanding the marked downturn in values experienced by many other property companies, those properties owned by the Company at 25th March 1995 showed only a slight decrease of 2.34% from a total of £13,570,000 to £13,252,500. The resultant Net Asset Value per Share at the year end was 182p compared with 186p last year.

Gross rental income for the year increased overall by £238,744 (+ 18.85%) to £1,505,278. This included for the first time, income derived for a full year in respect of the investments acquired during 1994/95. A small, modern industrial estate at Twickenham comprising four units, was purchased in March this year and will make a material contribution to income in 1996/97.

Whilst rent arrears have been kept to a minimum and the quarterly collection performance remains very satisfactory in the prevailing economic climate, I have to report that the tenant of the two recently acquired retail units at Eastleigh and Shirley entered into liquidation owing the Company rent in respect of both units. Thanks to prompt management action, however, both shops have now been successfully re-let on a short-term basis and appropriate provision has been made.

In March this year, the Board resolved to take advantage of the sharp increase in the value of its quoted investments which were then sold at a profit of £154,562. This decision was influenced by concern as to the future direction of the Stock Market having regard to economic uncertainties and the forthcoming General Election. The proceeds will reduce interest charges in the short term.

The sale of "Wynnstay House" Cheltenham, completed 9th February 1996, realised £337,475 compared with the value of £375,000 ascribed as at 25th March 1995. The net loss of £37,525 has been set-off against the profit from disposal of the quoted investments referred to above resulting in the figure for Exceptional Items of £117,037 included in the Financial Statements.

The re-furbished office investment at Sheffield and the development site at Colchester have interested purchasers but in the case of the former, such approaches were not sufficiently attractive to encourage detailed negotiation. However, it is probable that an agreement will be entered into relating to the development site conditional on the purchaser obtaining a satisfactory planning consent.

The Company has benefited considerably from lower interest rates which have continued into the current financial year and considerable effort has been made to contain overheads which are lower in absolute terms than last year, despite the Company's larger portfolio and increased management and administrative activity.

The Board, therefore, has every confidence that the Company's fortunes will continue to prosper as we approach the millenium, and has decided in the light of the satisfactory results, and notwithstanding my

previous words of caution, that an increase in dividend can be justified. Accordingly, I am pleased to inform you that the Directors recommend a final dividend of 3.0p, giving a total of 4.5p per share (1995: 4.0p); an increase of 12.5% for the year (1995: 33.3%).

As to future expansion of the portfolio, approximately £3.7 million of the £4.0 million medium term facility made available by The United Bank of Kuwait PLC has now been drawdown. It should be feasible during 1996/97, to acquire a further high-yielding investment with the remaining funds augmented, as necessary, from other available resources.

Having regard to current market conditions and in order to improve profitability further, your Board continues to actively investigate suitable opportunities for acquiring a compatible company which, as well as adding Shareholder value, should improve the marketability of the Company's shares. However, we will only pursue any such prospects on the basis that the inherent interests of all our Shareholders are fully recognised and protected and provided that tangible benefits will result.

It may be of interest, therefore, for Shareholders to learn that considerable management time and effort was expended earlier this year in connection with an unsolicited approach from a publicly-quoted company. However, it subsequently became apparent there was insufficient synergy between our respective portfolios to provide the required benefits to Shareholders and negotiations were mutually terminated.

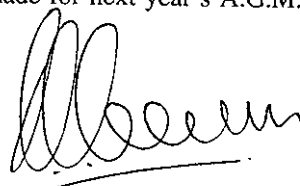
The Company was admitted to the Alternative Investment Market last September and on a domestic note, has now been in occupation of its new offices for just over one year. The considerable additional effort expended by the Managing Director and the Company Secretary beyond the normal call of duty, in successfully achieving these objectives deserves formal recognition, and I am pleased to extend to Michael Cheesmer and Peter Kirkland particularly, and to all members of our small team, grateful thanks for all their endeavours over the past year.

I also wish to pay special tribute to Michael Marshall who, as I informed you in my Interim Statement, owing to continued poor health, offered his resignation last October after 25 years invaluable service as a Director of the Company. Michael was senior partner of Chesterton for many years and was personally instrumental, during a period when suitable investment opportunities were very difficult to identify, in introducing several of the properties which now constitute an integral part of our portfolio. Fortright in expressing his views on property and corporate matters alike, his sound advice will be greatly missed by his former colleagues. I am delighted to report the latest bulletins concerning Michael's well-being are most encouraging and the Board joins me in sending him warmest wishes for his continued recovery.

Should any Shareholder wish to raise specific questions concerning the Accounts it would be very much appreciated if these could please be submitted, in writing, prior to Wednesday 10th July.

As always, I shall look forward to welcoming as many of you as possible to this year's Annual General Meeting to be held at The Royal Automobile Club on Tuesday 16th July 1996. However, should you be unable to attend, may I please request you to spare the time to complete and return the enclosed form of proxy. I would mention that provisional arrangements have been made for next year's A.G.M. to be held at the same venue on Thursday 24th July 1997.

6th June 1996


B. L. CANN
Chairman

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 1996

The Directors present their One Hundred and Tenth Annual Report, together with the Audited Statement of Accounts for the year ended 25th March 1996.

1. Principal Activity

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

2. Results of the Year

A review of the results for the past year is contained within the Chairman's Statement on pages 4 and 5. The Financial Statements are set out on pages 10 to 19.

The Directors have decided to recommend a final dividend of 3.0 pence per share (1995: 2.5 pence), making a total distribution for the year of 4.5 pence (1995: 4.0 pence) representing an overall increase for the year of 12.5%. Subject to Shareholders' approval at the forthcoming Annual General Meeting, the final dividend will be paid on 23rd July 1996 to those Shareholders whose names appear on the Register on 2nd July 1996.

3. Fixed Assets

The investment properties have been valued by Chesterton on the basis of open market value at the 25th March 1996.

The movement in Fixed Assets is set out in Note 8 on Page 16 of the Accounts, from which it will be seen that there is a reduction of £302,037, compared with the corresponding figure in 1995.

4. Financial Results and Dividends

	1996		1995	
	£	£	£	£
Profit after Taxation		325,793		228,222
Profit retained from previous year		<u>349,512</u>		<u>253,507</u>
Available for Distribution		675,305		481,729
Dividends recommended (per share):				
Interim Paid 1.5p 1995: 1.5p		47,329		47,329
Final Proposed 3.0p 1995: 2.5p		<u>94,658</u>		<u>78,882</u>
Total: <u>4.5p</u> <u>4.0p</u>		141,987		126,211
Transfer to General Reserve		<u>117,037</u>		<u>6,006</u>
		<u>259,024</u>		<u>132,217</u>
Profit Retained:				
Company		844,916		809,487
Subsidiaries		<u>(428,635)</u>		<u>(459,975)</u>
		<u>£416,281</u>		<u>£349,512</u>

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 1996 — (Cont'd)

5. Directors' Interests

The Directors holding office during the financial year under review and the beneficial interests of the Directors and their immediate families in the Company's shares were as follows:-

		25.3.96	25.3.95
B.L. Cann	Chairman	10,000	10,000
M.L. Cheesmer	Managing Director	15,250	13,750
P.G.H. Collins	Non-Executive	181,753	162,353
A.R. Harris	Non-Executive	10,000	10,000
P.J.D. Langrishe	Non-Executive	75,830	72,580
I.S. Lockhart	Non-Executive	10,000	10,000
M.L.J. Marshall	Non-Executive		27,595
(resigned 10th October 1995)			

In addition, Mr I.S. Lockhart held a non-beneficial interest in 59,760 shares at both the above dates.

There have been no changes in the above shareholdings since 25th March 1996.

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

No Director has any interests in the Company's 8¼% Convertible Unsecured Loan Stock 1992/97.

Fees of £4,650 were paid during the year to Rogers Chapman PLC, of whom Mr A.R. Harris is a Director, in connection with their introducing and negotiating terms for the acquisition by the Company of a freehold investment property.

Mr M.L. Cheesmer has a three year service agreement with the Company, expiring on 30th September 1999.

In accordance with the Articles of Association, Mr. M.L. Cheesmer and Mr. P.G.H. Collins retire by rotation and, being eligible, offer themselves for re-election.

6. Directors' Responsibilities in respect of the preparation of Financial Accounts

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.

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 1996 — (Cont'd)

7. Directors' and Officers' Liability Insurance

The Company has maintained Directors' and Officers' insurance as permitted by Section 310 of the Companies Act 1985.

8. 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	634,948	20.12%
Mr H.J.A. Bird	217,000	6.88%
Mr P.G.H. Collins	181,753	5.76%
Miss M.E. Dickinson	112,000	3.55%

9. Donations

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

10. Employees

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

11. Close Company

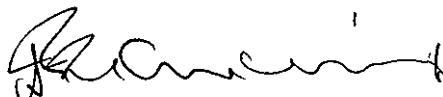
The Directors are of the opinion that the Company is not a close company within the terms of the Income and Corporation Taxes Act 1988.

12. Auditors

The Auditors, Messrs C.T. Moore & Co., are willing to continue in office as Auditors of the Company and a Resolution re-appointing them and authorising the Directors to fix their remuneration will be submitted to the Annual General Meeting.

13. Annual General Meeting

The notice of the Annual General Meeting appears on page 3.



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

6th June 1996

REPORT OF THE AUDITORS

TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC

We have audited the Financial Statements set out on Pages 10 to 19 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.

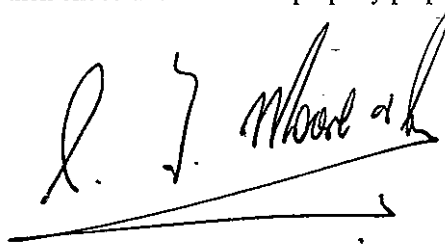
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity 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 the Company's affairs as at 25th March 1996 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Adelaide House,
London Bridge,
London, EC4R 9DQ

6th June 1996



C.T. Moore & Co.

Chartered Accountants
Registered Auditors

WYNNSTAY PROPERTIES PLC
GROUP REVENUE ACCOUNT YEAR ENDED 25TH MARCH 1996

	Notes	1996		1995	
		£	£	£	£
Gross Rental Income			1,505,278		1,266,534
Fees and Commissions			<u>22,173</u>		<u>17,194</u>
			1,527,451		1,283,728
Property Outgoings	2		<u>91,433</u>		<u>100,167</u>
			1,436,018		1,183,561
Administration and Other Costs	3		<u>420,401</u>		<u>419,508</u>
Operating Profit			1,015,617		764,053
Finance Costs (Net)	5		<u>759,658</u>		<u>522,755</u>
			255,959		241,298
Exceptional Items	7		<u>117,037</u>		<u>6,006</u>
Profit on Ordinary Activities before Taxation			372,996		247,304
Taxation on Profit from Ordinary Activities	6		<u>47,203</u>		<u>19,082</u>
Profit after Taxation Attributable to Ordinary Shareholders			325,793		228,222
Profit retained from previous year			<u>349,512</u>		<u>253,507</u>
			675,305		481,729
Appropriations:-					
Dividends per share					
Interim Paid: 1.5p 1995: 1.5p			47,329		47,329
Final Proposed: 3.0p 1995: 2.5p			<u>94,658</u>		<u>78,882</u>
Total: 4.5p 4.0p			141,987		126,211
Transfer to General Reserve			<u>117,037</u>		<u>6,006</u>
			259,024		132,217
Retained at end of Year					
Wynnstay Properties PLC			844,916		809,487
Subsidiary Companies			<u>(428,635)</u>		<u>(459,975)</u>
			<u>£416,281</u>		<u>£349,512</u>
Statement of Total Recognised Gains and Losses					
Profit for the Financial Year after Taxation			325,793		228,222
(Deficit) on revaluation of Investment Properties			<u>(302,037)</u>		<u>(750,326)</u>
Total Recognised Gains and Losses for the Year			<u>£23,756</u>		<u>(£522,104)</u>

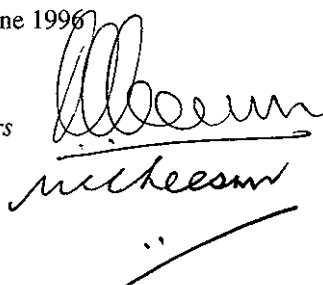
WYNNSTAY PROPERTIES PLC
GROUP BALANCE SHEET AT 25TH MARCH 1996

	Notes	1996		1995	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		13,810,624		13,965,291
Investments	10		45,649		146,574
			<u>13,856,273</u>		<u>14,111,865</u>
Current Assets					
Trading Properties at Directors' Valuation		570,000		570,000	
Debtors	11	685,020		431,747	
Cash at Bank and in Hand		295,197		18,558	
		<u>1,550,217</u>		<u>1,020,305</u>	
Creditors: Amounts falling due within one year	12	<u>(546,165)</u>	1,004,052	<u>(635,128)</u>	385,177
Total Assets Less Current Liabilities			14,860,325		14,497,042
Creditors: Amounts falling due after more than one year	13		<u>(9,034,879)</u>		<u>(8,553,205)</u>
			5,825,446		5,943,837
Provision for Liabilities and Charges					
Deferred Taxation	14		(69,259)		(67,833)
Net Assets			<u><u>£5,756,187</u></u>		<u><u>£5,876,004</u></u>
FINANCED BY:					
Share Capital	15		788,817		788,817
Reserves					
Capital Redemption Reserve	16	204,528		204,528	
Share Premium	17	1,135,249		1,135,249	
Capital Reserve	18	151,400		152,986	
Investment Revaluation Reserve	19	2,414,772		2,716,809	
General Reserve	20	645,140		528,103	
Revenue Account		<u>416,281</u>		<u>349,512</u>	
			4,967,370		5,087,187
Shareholders' Funds			<u><u>£5,756,187</u></u>		<u><u>£5,876,004</u></u>

Approved by the Board on 6th June 1996

B.L. CANN
M.L. CHEESMER

} Directors



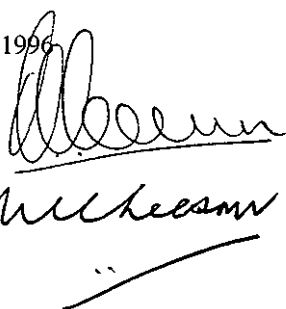
WYNNSTAY PROPERTIES PLC
BALANCE SHEET AT 25TH MARCH 1996

	Notes	1996		1995	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		11,168,124		11,190,291
Investment in Subsidiaries	9		2,406,510		2,406,510
Quoted Investments	10		650		—
			<u>13,575,284</u>		<u>13,596,801</u>
Current Assets					
Debtors	11	1,880,616		1,648,058	
Cash at Bank and in Hand		<u>294,777</u>		<u>1,712</u>	
			<u>2,175,393</u>		<u>1,649,770</u>
Creditors: Amounts falling due within one year	12		<u>(2,469,402)</u>		<u>(2,415,496)</u>
			(294,009)		(765,726)
Total Assets Less Current Liabilities			13,281,275		12,831,075
Creditors: Amounts falling due after more than one year	13		<u>(9,034,879)</u>		<u>(8,553,205)</u>
			4,246,396		4,277,870
Provision for Liabilities and Charges					
Deferred Taxation	14		(68,883)		(67,833)
Net Assets			<u><u>£4,177,513</u></u>		<u><u>£4,210,037</u></u>
FINANCED BY:					
Share Capital	15		788,817		788,817
Reserves					
Capital Redemption Reserve	16	204,528		204,528	
Share Premium Account	17	1,135,249		1,135,249	
Capital Reserve	18	82,160		82,160	
Investment Revaluation Reserve	19	1,003,236		1,174,910	
General Reserve	20	118,607		14,886	
Revenue Account		<u>844,916</u>		<u>809,487</u>	
			3,388,696		3,421,220
			<u><u>£4,177,513</u></u>		<u><u>£4,210,037</u></u>

Approved by the Board on 6th June 1996

B.L. CANN
M.L. CHEESMER

} Directors



WYNNSTAY PROPERTIES PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 25TH MARCH 1996

	1996		1995	
	£	£	£	£
Net Cash Inflow from Operating Activities		756,708		854,775
Returns on Investment and Servicing of Finance				
Interest Received	23,558		23,333	
Interest Paid	(783,216)		(546,088)	
Dividends Paid	<u>(126,211)</u>		<u>(108,667)</u>	
Net Cash (Outflow) from Returns on Investment and Servicing of Finance		(885,869)		(631,422)
Tax Paid		(10,890)		(5,894)
Investing Activities				
Purchase of Tangible Fixed Assets	(536,738)		(3,329,417)	
Disposal of Tangible Fixed Assets	337,475		72,183	
Disposal of Quoted Investments	<u>258,788</u>		<u>27,774</u>	
Net Cash Inflow (Outflow) from Investing Activities		59,525		(3,229,460)
Financing				
Bank Loan Drawdown		<u>481,674</u>		<u>3,231,716</u>
Net Cash Inflow – Representing Increase in Cash and Cash Equivalents		<u>£401,148</u>		<u>£219,715</u>

Notes:

1. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities				
Operating Profit		1,015,617		764,053
Depreciation		13,591		4,504
(Increase) Decrease in Debtors		(253,273)		18,500
(Decrease) Increase in Creditors		<u>(19,227)</u>		<u>67,718</u>
Net Cash Inflow from Operating Activities		<u>£756,708</u>		<u>£854,775</u>
2. Cash and Cash Equivalents as shown in the Balance Sheet		1996	1995	Change in the Year
Cash at Bank and in Hand		295,197	18,558	276,639
Bank Overdraft		—	<u>(124,509)</u>	124,509
		<u>£295,197</u>	<u>(£105,951)</u>	<u>£401,148</u>

WYNNSTAY PROPERTIES PLC

NOTES ON THE ACCOUNTS YEAR ENDED 25TH MARCH 1996

1. ACCOUNTING POLICIES

Events relating to the year ended the 25th March 1996 which occurred before the date of approval of the Accounts by the Board of Directors, have been included in the Accounts to the extent required by Standard Accounting Practice.

Basis of Consolidation

The Group Accounts include the audited Financial Statements of the Company and all Subsidiaries. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and applicable Accounting Standards.

Depreciation

In accordance with Standard Accounting Practice, Group Properties are revalued annually and the aggregate surplus or deficit taken to an Investment Revaluation Reserve. No depreciation or amortisation is provided in respect of Freehold Properties and Leasehold Investment Properties with over 20 years to run. The short Leasehold Properties are being amortised over the periods of the respective leases.

Depreciation of other Fixed Assets is on a straight line basis calculated at annual rates estimated to write off each asset over its useful life.

Gains on Investments

The Gains on disposal of Investment Properties and other investments are shown in the Profit and Loss Account as Exceptional Items before transfer to the General Reserve.

Trading Properties

These are included at the lower of cost or net realisable value. The Directors are of the opinion the net realisable value would be not less than that shown in the Balance Sheet of £570,000.

Repairs and Renewals

Repairs and Renewals are charged to revenue in the year in which the expenditure is incurred.

Deferred Taxation

This represents Taxation deferred calculated by the liability method at current rates of tax in respect of:-

- (a) The Capital Gain which would arise were the Property investments disposed of at the valuation shown.
- (b) The potential balancing charges on Industrial Buildings Allowance where the Directors do not preclude a sale within the exemption time limit.
- (c) Timing Differences.

WYNNSTAY PROPERTIES PLC

NOTES ON THE ACCOUNTS YEAR ENDED 25TH MARCH 1996

2. PROPERTY OUTGOINGS AND PROVISIONS	1996	1995
Ground Rents	1,602	1,602
Repairs, Insurance, Rates, etc	44,042	53,064
Property Management	45,789	45,501
	<u>£91,433</u>	<u>£100,167</u>
3. ADMINISTRATION AND OTHER COSTS		
General Administration	221,671	200,237
Audit Fees	22,413	25,277
Directors' Emoluments	36,325	35,460
Fees		
Executive Salaries	82,987	90,045
Pension scheme contributions	5,375	5,200
Provision for Bad Debts	38,039	58,785
Depreciation and Amortisation	13,591	4,504
	<u>£420,401</u>	<u>£419,508</u>
4. EMOLUMENTS OF THE DIRECTORS OF THE COMPANY (Excluding pension scheme contributions)		
Chairman	£27,000	£26,800
Highest Paid Director	£65,567	£61,571
Number of Other Directors receiving		
£0 – £5,000	1	1
£5,001 – £10,000	3	3
£15,001 – £20,000	1	—
£20,001 – £25,000	—	1
The average number of employees including Directors engaged wholly in management and administration	10	9
5. FINANCE COST (NET)		
	£	£
Principal repayable within five years		
8 1/4% Convertible Unsecured Loan Stock	67,773	67,773
Banks and Other	715,443	478,315
Interest Payable	783,216	546,088
Less Investment Income		
Quoted Shares	(15,614)	(17,824)
Sundry Interest	(7,944)	(5,509)
Net Cost of Finance	<u>£759,658</u>	<u>£522,755</u>
6. TAXATION		
Corporation Tax	47,061	30,263
Provisions no longer required	(4,400)	(2,000)
Dividends, Tax Credits	3,116	3,565
Deferred Taxation	1,426	(12,746)
	<u>£47,203</u>	<u>£19,082</u>
7. EXCEPTIONAL ITEMS		
Loss on disposal of Investment Property	(37,525)	—
Profit on sale of Quoted Investments	154,562	6,006
Transferred to General Reserve	<u>£117,037</u>	<u>£6,006</u>

WYNNSTAY PROPERTIES PLC

NOTES ON THE ACCOUNTS YEAR ENDED 25TH MARCH 1996

8. TANGIBLE FIXED ASSETS	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery Cost	Total
Group				
Valuation, 25th March 1995	13,935,000	10,000	33,562	13,978,562
Additions	481,674	26,607	28,457	536,738
Disposals	(375,000)	—	(5,070)	(380,070)
	<u>£14,041,674</u>	<u>36,607</u>	<u>56,949</u>	<u>14,135,230</u>
Depreciation, 25th March 1995	—	—	13,271	13,271
Charge for Year	—	3,769	10,599	14,368
Disposals	—	—	(5,070)	(5,070)
	<u>£ —</u>	<u>3,769</u>	<u>18,800</u>	<u>22,569</u>
25th March 1996				
Net Book Values	14,041,674	32,838	38,149	14,112,661
(Deficiency) Surplus	(304,174)	2,137	—	(302,037)
Valuation	<u>£13,737,500</u>	<u>34,975</u>	<u>38,149</u>	<u>13,810,624</u>
25th March 1995				
Net Book Values	14,687,420	7,906	20,291	14,715,617
(Deficiency) Surplus	(752,420)	2,094	—	(750,326)
Valuation	<u>£13,935,000</u>	<u>10,000</u>	<u>20,291</u>	<u>13,965,291</u>
Company				
Valuation, 25th March 1995	11,170,000	—	33,562	11,203,562
Additions	481,674	26,607	28,457	536,738
Disposals	(375,000)	—	(5,070)	(380,070)
	<u>£11,276,674</u>	<u>26,607</u>	<u>56,949</u>	<u>11,360,230</u>
Depreciation, 25th March 1995	—	—	13,271	13,271
Charge for Year	—	1,632	10,599	12,231
Disposals	—	—	(5,070)	(5,070)
	<u>£ —</u>	<u>1,632</u>	<u>18,800</u>	<u>20,432</u>
25th March 1996				
Net Book Values	11,276,674	24,975	38,149	11,339,798
(Deficiency)	(171,674)	—	—	(171,674)
Valuation	<u>£11,105,000</u>	<u>24,975</u>	<u>38,149</u>	<u>11,168,124</u>
25th March 1995				
Net Book Values	11,854,420	—	20,291	11,874,711
(Deficiency)	(684,420)	—	—	(684,420)
Valuation	<u>£11,170,000</u>	<u>—</u>	<u>20,291</u>	<u>11,190,291</u>
			Group	
Amortisation, Leasehold Property			1996	1995
Charge as per Revenue Account			1,360	1,360
Increase in surrender value of Sinking Fund				
Assurance in excess of premiums paid			777	734
			<u>£2,137</u>	<u>£2,094</u>
Leasehold Land and Buildings comprise two short leases expiring in October 2001 and November 2011				
Capital Commitments			<u>£ —</u>	<u>£ —</u>

WYNNSTAY PROPERTIES PLC

NOTES ON THE ACCOUNTS YEAR ENDED 25TH MARCH 1996

9. INVESTMENT IN SUBSIDIARIES	Company	
	1996	1995
Shares at Cost, 25th March 1995	2,406,510	2,210,124
Addition at Cost:		
Marfield Estates Limited	—	196,386
	<u>£2,406,510</u>	<u>£2,406,510</u>

10. INVESTMENTS	Group		Company	
	1996	1995	1996	1995
Quoted	650	103,262	650	—
Unquoted: Sinking Fund Policy	44,999	43,312	—	—
	<u>£45,649</u>	<u>£146,574</u>	<u>£650</u>	<u>£ —</u>

The Market Values of Quoted Investments as at 25 March 1996 was Company £650 (1995: £Nil) Group £650 (1995: £233,281). The Sinking Fund Policy has been maintained at the surrender value at the Balance Sheet Date.

11. DEBTORS

Group Balance	—	—	1,198,197	1,210,887
Other Debtors	667,692	375,518	667,692	398,980
Prepayments	17,328	56,229	14,727	38,191
	<u>£685,020</u>	<u>£431,747</u>	<u>£1,880,616</u>	<u>£1,648,058</u>

12. CREDITORS

Amounts falling due within one year:				
Bank Overdraft (Secured)	—	124,509	—	124,509
Group Balance	—	—	2,022,705	1,849,689
Other Creditors	1,290	1,938	1,290	1,290
Current Corporation Tax	47,061	10,890	—	—
Other Taxes and Social Security costs	131,472	68,011	127,286	64,188
Proposed Dividend	94,658	78,882	94,658	78,882
Accruals	271,684	350,898	223,463	296,938
	<u>£546,165</u>	<u>£635,128</u>	<u>£2,469,402</u>	<u>£2,415,496</u>

13. CREDITORS

Amounts falling due after more than one year secured on Freehold Land and Buildings:				
Mortgage Loans				
Repayable: By 1998	4,500,000	4,500,000	4,500,000	4,500,000
By 1999	3,713,390	3,231,716	3,713,390	3,231,716
8 1/4% Convertible Unsecured Loan Stock 1992/1997, convertible into fully paid Ordinary Shares of the Company at £1.75 per share	821,489	821,489	821,489	821,489
	<u>£9,034,879</u>	<u>£8,553,205</u>	<u>£9,034,879</u>	<u>£8,553,205</u>

WYNNSTAY PROPERTIES PLC

NOTES ON THE ACCOUNTS YEAR ENDED 25TH MARCH 1996

14. DEFERRED TAXATION	Group		Company	
	1996	1995	1996	1995
Investment Revaluation Reserve	—	—	—	—
I.B.A. utilised	69,259	67,833	68,883	67,833
Timing Differences	—	—	—	—
	<u>£69,259</u>	<u>£67,833</u>	<u>£68,883</u>	<u>£67,833</u>

15. SHARE CAPITAL

Ordinary Shares of 25p each:				
Authorised	<u>£2,000,000</u>	<u>£2,000,000</u>	<u>£2,000,000</u>	<u>£2,000,000</u>
Allotted	<u>£788,817</u>	<u>£788,817</u>	<u>£788,817</u>	<u>£788,817</u>

During 1995, 88,400 Ordinary Shares of 25p each, fully paid, were allotted as consideration for the acquisition of the whole of the Issued Share Capital of Marfield Estates Limited at a price of 117.5p per share.

16. CAPITAL REDEMPTION RESERVE

Balance 25th March	<u>£204,528</u>	<u>£204,528</u>	<u>£204,528</u>	<u>£204,528</u>
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17. SHARE PREMIUM ACCOUNT

Balance 25th March 1995	1,135,249	1,053,479	1,135,249	1,053,479
Premium on 88,400 Ordinary Shares issued, as in Note 15 above	—	81,770	—	81,770
Balance 25th March 1996	<u>£1,135,249</u>	<u>£1,135,249</u>	<u>£1,135,249</u>	<u>£1,135,249</u>

18. CAPITAL RESERVE

Balance 25th March 1995	152,986	70,664	82,160	—
Marfield Estates Limited balance of Fair Value of Net Assets acquired	(1,586)	82,322	—	82,160
Balance 25th March 1996	<u>£151,400</u>	<u>£152,986</u>	<u>£82,160</u>	<u>£82,160</u>

19. INVESTMENT REVALUATION RESERVE

Balance 25th March 1995	2,716,809	3,467,135	1,174,910	1,859,330
(Deficiency) Note 8	(302,037)	(750,326)	(171,674)	(684,420)
Balance 25th March 1996	<u>£2,414,772</u>	<u>£2,716,809</u>	<u>£1,003,236</u>	<u>£1,174,910</u>

20. GENERAL RESERVE

Balance 25th March 1995	528,103	522,097	14,886	14,886
Transfer from Revenue Account	117,037	6,006	103,721	—
Balance 25th March 1996	<u>£645,140</u>	<u>£528,103</u>	<u>£118,607</u>	<u>£14,886</u>

WYNNSTAY PROPERTIES PLC

NOTES ON THE ACCOUNTS YEAR ENDED 25TH MARCH 1996

21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group	
	1996	1995
Profit for the Financial Year after Taxation	325,793	228,222
Dividends recommended	(141,987)	(126,211)
(Deficiency) on revaluation of Investment Properties	(302,037)	(750,326)
Share Capital issued during the Year	—	22,100
Share Issue Premium	—	81,770
Fair Value of Net Assets acquired over Shares issued at a premium	(1,586)	82,322
Net (Reduction) to Shareholders' Funds	(119,817)	(462,123)
Opening Shareholders' Funds 25th March 1995	5,876,004	6,338,127
Closing Shareholders' Funds 25th March 1996	£5,756,187	£5,876,004

22. SUBSIDIARY COMPANIES

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

WYNNSTAY PROPERTIES PLC GROUP
FIVE YEAR SUMMARY

Years ended 25th March	1996 £	1995 £	1994 £	1993 £	1992 £
REVENUE ACCOUNT					
Property Income	1,527,451	1,283,728	1,074,528	1,024,523	984,006
Profit on Ordinary Activities before Taxation	372,996	247,304	72,467	75,012	71,536
Profit on Ordinary Activities after Taxation	325,793	228,222	64,306	54,232	83,673
Dividends	141,987	126,211	92,007	76,672	169,705
GROUP BALANCE SHEET					
Investment Properties	13,747,500	13,945,000	11,285,000	10,615,000	11,920,000
Shareholders' Funds	5,756,187	5,876,004	6,338,127	5,693,310	6,755,838
PER SHARE					
Earnings (see note)	10.3p	7.2p	2.10p	1.77p	2.73p
Dividends Paid	4.5p	4.0p	3.0p	2.5p	5.0p
Net Asset Value	182p	186p	207p	186p	220p

NOTE

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.