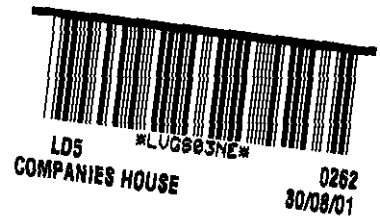


Company No. 22473

Signed Copy

WYNNSTAY PROPERTIES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 25TH MARCH 2001



WYNNSTAY PROPERTIES PLC

CHAIRMAN'S STATEMENT REPORT OF THE DIRECTORS and FINANCIAL STATEMENTS YEAR ENDED 25TH MARCH 2001

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WYNNSTAY PROPERTIES PLC

DIRECTORS

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

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

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

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

I.S. LOCKHART, M.A.

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

REGISTERED OFFICE

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

AUDITORS

MOORE STEPHENS
St. Paul's House,
8/12 Warwick Lane,
London EC4P 4BN

SOLICITORS

FIELD FISHER WATERHOUSE
35 Vine Street,
London EC3N 2AA

REGISTRARS

CAPITA IRG Plc
Balfour House,
390/398 High Road,
Ilford, Essex IG1 1NQ

NOMINATED ADVISER & NOMINATED BROKER

TEATHER & GREENWOOD
15 St. Botolph Street,
London EC3A 7QR

BANKERS

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

THE UNITED BANK OF KUWAIT PLC

7 Baker Street,
London W1M 1AB

WYNNSTAY PROPERTIES PLC

BIOGRAPHIES OF THE DIRECTORS

Philip G.H. Collins (Non-Executive Chairman) aged 53, is a Solicitor and a partner in an international firm based in the City. After practising for some years in the corporate and commercial field, he was seconded for a period to work as Chief Legal Adviser in an industrial group. For the last twenty-three years he has specialised in advising multinational corporations in European Community law, with particular emphasis on competition legislation. Appointed a Director of Wynnstay Properties in 1988 and elected Chairman in October 1998.

Michael L. Cheesmer (Managing Director) aged 60, is a Chartered Surveyor who has spent his entire career in property. Following a period in private practice and as Principal Valuer with Kent County Council, he spent eight years with Blue Circle Industries as Southern Regional Estates Surveyor and four years subsequently with National Bus Company, appointed to head its property division. He joined Wynnstay Properties as Managing Director in July 1986.

Anthony R. Harris (Non-Executive) aged 65, is a Chartered Surveyor. After commencing his career with London County Council, he subsequently spent three years with Montagu Evans & Son, specialising in valuation and town planning. He commenced practice on his own account in 1966, acquiring Rogers Chapman in 1978, becoming non-executive Chairman until 2001 upon his retirement. Appointed a Director of Wynnstay Properties in 1994.

Peter R. Kirkland (Finance Director and Company Secretary) aged 54, is a Chartered Accountant. On qualifying, he worked for a City merchant bank for three years. He has since held directorships with a number of quoted companies, including Clayform Properties (now Development Securities) and following five years with a major construction group, he joined Wynnstay Properties in 1995 and was appointed to the Board the following year.

Ian S. Lockhart (Non-Executive) aged 60, after reading Classics at Cambridge, he was admitted as a Solicitor in 1967. He was senior partner in Peake & Co. prior to its amalgamation in 1989 with Charles Russell, where he was a partner until earlier this year and remains a consultant, specialising in private clients and charities. Appointed a Director of Wynnstay Properties in 1972.

Terence J. Nagle (Non-Executive) aged 58, is a Chartered Surveyor who has spent his entire career in property with companies which include Mobil Oil and Rank Xerox. In 1972 he joined Brixton Estate and was Property Director from 1984 to 1993 and Managing Director from 1993 to 1997. Appointed a Director of Wynnstay Properties in October 1998.

WYNNSTAY PROPERTIES PLC

CHAIRMAN'S STATEMENT

I am pleased to report a year of continuing change and further satisfactory progress for your Company. The headline figures for the year ended 25th March 2001 are:

		2001	2000
• Profit before exceptional items and taxation	- 4.2%	£498,000	£520,000
• Profit before taxation	+ 1.0%	£505,000	£500,000
• Net asset value per share	+ 9.2%	238p	218p
• Basic and diluted earnings per share	+ 2.4%	12.9p	12.6p
• Recommended total dividend per share	+ 5.0%	6.3p	6.0p

It is encouraging to note that profit before taxation marginally exceeded last year's record level, despite lower rental income resulting from the programme of disposals and subsequent reinvestment. This was partially achieved by continuing to pay rigorous attention to cost control, with property and overhead expenditure rising by just 2%. In addition, although interest rates were, on average, appreciably higher than in the previous year, net finance costs actually declined compared with last year, as a result of efficient cash management and reduced borrowings. Net gearing at 25th March 2001 was 83%, compared with 85% last year. The low taxation charge of 19.2% (2000 – 20.6%), reflects the further clawback of ACT previously written off, details of which are provided in the notes accompanying the Financial Statements.

In the light of these results, the Directors have decided to increase the total dividend by 5.0%, to 6.3p per share (2000 – 6.0p).

The substantial increase in net asset value reflects a satisfactory increase in the value of the properties within the portfolio which was valued at £14,145,000 by Chesterton at 25th March 2001, representing a surplus of £428,000 over last year's valuation.

We have continued our strategy of divestment of the smaller, management-intensive properties and reinvestment in industrial properties in central southern England. As I foreshadowed in my statement for the half year, we acquired on 24th January 2001 a modern 11,160 sq.ft. freehold industrial property at Alton, Hampshire for a consideration of £700,000. This is let for 15 years with 5 year reviews and a tenant's option to break after the 10th year. The initial rent of £70,000 p.a. represents a 9.4% return after costs. At the half year, I also reported the sale of our last remaining retail property at Swindon.

In the second half of the year, we have been actively marketing several properties, and I am pleased to report that since the year-end, we have exchanged contracts to sell our retail and office property at Epping and the smaller retail and residential property in Cambridge involving a combined consideration of £910,000, being £75,000 in excess of their ascribed values at 25th March 2001.

The proceeds of these disposals, coupled with our unutilised borrowing facilities and cash deposits, provide us with substantial funds for reinvestment in properties which show opportunities for longer term asset growth. We continue to review a number of proposals, but only a few have met our investment criteria. Over the last two years, however, we have made significant progress in improving the overall quality of the portfolio and increasing the weighting of the industrial element of the investment portfolio which currently accounts for 34% by value with the office and retail elements representing 36% and 30% respectively.

As I announced to Shareholders during last year's Annual General Meeting, Panther Securities PLC informed me on that day of the disposal of its entire shareholding in your Company to a subsidiary of Broadland Properties Limited, a substantial private property company owned by the Guthrie family, which we welcome as a Shareholder. Interestingly, however, we have noted that Mr Andrew Perloff, a major shareholder in Panther who has graced our recent meetings, has himself subsequently purchased shares in Wynnstay.

At the last AGM, Shareholders approved a Special Resolution authorising your Company to purchase its own shares. This resolution has to be renewed annually and is therefore included in the Notice of Meeting for this year. The Board commends this resolution to you as being in the best interests of all Shareholders.

At an Extraordinary General Meeting, held in February, Shareholders approved the Special Resolution which modernised the requirements for use of the Company Seal and provided for a Securities Seal to be maintained for the sealing of share certificates without the requirement of signatures. Following this meeting, permission was granted for the transfer of the Company's shares to be settled electronically through the CREST system and Capita IRG Plc, whose address is shown on page 2, were appointed as the Company's registrars.

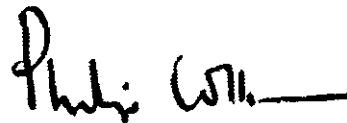
In response to requests from Shareholders, the Company's share price is now listed under the AIM section in *The Daily Telegraph*; the Company's share price is included too within the share price listings on BBC 1 Ceefax and Channel 4 Teletext. More up-to-date information is also available from a number of internet service providers.

For our Annual General Meeting this year, we are returning to the newly refurbished Royal Automobile Club in Pall Mall. The meeting is to be held at noon on Thursday 26th July, when I look forward to seeing as many Shareholders as are able to attend. You might also like to note that next year's meeting will be held at the same venue on 25th July 2002.

We have entered the new financial year in a strong and confident mood. There is more work to do on the property portfolio, and a number of interesting opportunities to explore.

Finally, I would again like to thank our dedicated and hard-working full-time staff and professional advisers in making this another successful year for your Company.

19th June 2001



Philip G.H. Collias
Chairman

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 2001

The Directors present their One Hundred and Fifteenth Annual Report, together with the Audited Financial Statements of the Company and its subsidiaries for the year ended 25th March 2001.

Principal Activity

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

Results and Dividends

A review of the business for the year is included in the Chairman's Statement on pages 4 and 5. The Financial Statements are set out on pages 10 to 20.

The profit for the year after taxation amounted to £408,000 (2000 – £397,000). Details of movements in reserves are set out in note 17 to the Financial Statements on page 19.

The Directors have decided to recommend a final dividend of 4.425 pence per share for the year ended 25th March 2001 payable on 31st July 2001 to those Shareholders on the Register on 13th July 2001. This dividend, together with the interim dividend of 1.875 pence paid on 18th December 2000, represents a total for the year of 6.3 pence (2000 – 6.0 pence).

Fixed Assets

The investment properties have been valued by Chesterton on the basis of open market value at 25th March 2001. The movement in Fixed Assets is set out in Note 9 on Page 16.

Directors

The Directors holding office throughout the financial year under review, together with their beneficial interests in the ordinary share capital of the Company at 25th March 2001 and 25th March 2000 are shown below:-

		Ordinary Shares of 25p	
		25.3.01	25.3.00
P.G.H. Collins	Non-Executive Chairman	260,741	260,741
M.L. Cheesmer	Managing Director	15,250	15,250
A.R. Harris	Non-Executive Director	10,000	10,000
P.R. Kirkland	Finance Director	2,800	2,800
I.S. Lockhart	Non-Executive Director	10,000	10,000
T.J. Nagle	Non-Executive Director	10,000	10,000

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 any of the above shareholdings between 25th March 2001 and the date of this report.

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

In accordance with the Company's Articles of Association, the two Directors retiring by rotation are Mr A.R. Harris and Mr I.S. Lockhart who, being eligible, offer themselves for re-election.

Brief biographies of each of the Directors appear on page 3.

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 2001 — (Cont'd.)

Directors' Emoluments

Directors' emoluments for the year ended 25th March 2001 are set out below:-

	<u>Salaries</u>	<u>Fees</u>	<u>Benefits in Kind</u>	<u>Total 2001</u>	<u>Total 2000</u>
P.G.H. Collins	–	18,000	–	18,000	16,500
M.L. Cheesmer	62,500	6,500	10,556	79,556	73,016
P.R. Kirkland	53,750	6,500	796	61,046	58,595
A.R. Harris	–	6,500	–	6,500	6,250
I.S. Lockhart	–	6,500	–	6,500	6,250
T.J. Nagle	–	6,500	–	6,500	9,250
Total 2001	<u>£116,250</u>	<u>£50,500</u>	<u>£11,352</u>	<u>£178,102</u>	
Total 2000	<u>£114,600</u>	<u>£47,750</u>	<u>£7,511</u>		<u>£169,861</u>

Pension contributions paid on behalf of Mr M.L. Cheesmer and Mr P.R. Kirkland totalled £8,937 (2000 – £8,580).

Directors' Responsibilities in respect of the preparation of Financial Statements

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Directors' and Officers' Liability Insurance

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

Special Resolution

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

Substantial Interests

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

	No. of Ordinary Shares of 25p	Percentage of issued Share Capital
York & District		
Investment Company Limited	946,539	29.99%
Mr P.G.H. Collins	260,741	8.26%
Mr H.J.A. Bird	179,280	5.68%

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 2001 — (Cont'd.)

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 or disability.

Payment to Suppliers

It is the Company's policy to pay suppliers according to agreed terms and conditions, provided that these are met. The Company does not have a standard or code which deals specifically with the payment of suppliers.

Corporate Governance

The Company has considered the principles and provisions of the Combined Code issued by the Committee on Corporate Governance in June 1998 and applied them to the extent considered appropriate by the Board given the size of the Company.

- The Company is headed by an effective Board which leads and controls the Company.
- There is a clear division of responsibilities in running the Board and running the Company's business.
- The Board comprises two executive and four non-executive Directors. The Chairman is a non-executive member of the Board. Due to 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. Cashflow and other financial performance indicators are monitored monthly against budget.
- Directors submit themselves for re-election every three years by rotation in accordance with the Articles of Association.
- The Board welcomes communication from the Company's Shareholders and positively encourages their attendance at the Annual General Meeting.
- In view of the current size of the Company and its Board the establishment of an Audit Committee would be inappropriate. However, the auditors to the Company 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

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

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.

Donations

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

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 2001 — (Cont'd.)

Close Company

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

Auditors

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

Annual General Meeting

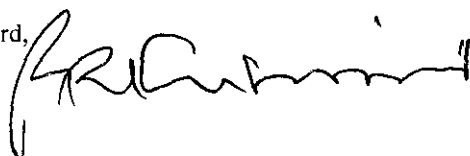
The notice of the Annual General Meeting appears on page 22.

By Order of the Board,

P.R. KIRKLAND

Secretary.

19th June 2001



REPORT OF THE AUDITORS

TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC

We have audited the Financial Statements set out on Pages 10 to 20 which have been prepared under the historical cost convention as modified by the revaluation of certain Fixed Assets and the Accounting Policies set out on Page 14.

Respective Responsibilities of Directors and Auditors

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

Basis of Opinion

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

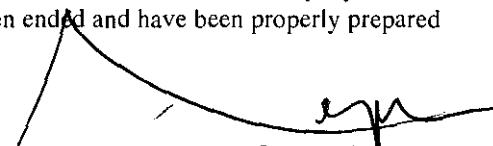
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Company and the Group as at 25th March 2001 and of the Group Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,
8/12 Warwick Lane,
London EC4P 4BN

19th June 2001



Moore Stephens
Chartered Accountants
Registered Auditors

WYNNSTAY PROPERTIES PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT YEAR ENDED 25TH MARCH 2001

	Notes	2001		2000	
		£'000	£'000	£'000	£'000
Gross Rental Income	1		1,385		1,425
Fees and Commissions			23		18
Sales of Trading Properties			—		590
			<u>1,408</u>		<u>2,033</u>
Cost of Sales of Trading Properties			—		595
Property Outgoings	2		<u>65</u>		<u>57</u>
			<u>1,343</u>		<u>1,381</u>
Administration and Other Costs	3		<u>384</u>		<u>384</u>
Operating Profit			959		997
Finance Costs (Net)	5		<u>461</u>		<u>477</u>
Profit on Ordinary Activities before Exceptional Items and Taxation			498		520
Exceptional Items	6		<u>7</u>		<u>(20)</u>
Profit on Ordinary Activities before Taxation			505		500
Taxation on Profit from Ordinary Activities	7		<u>97</u>		<u>103</u>
Profit after Taxation Attributable to Ordinary Shareholders			408		397
Dividends per share					
Interim Paid: 1.875p 2000: 1.8p			59		57
Final Payable: 4.425p 2000: 4.2p			<u>140</u>		<u>132</u>
Total:			<u>199</u>		<u>189</u>
Retained Profit for the Financial Year					
Wynnstay Properties PLC			196		170
Subsidiary Companies			<u>13</u>		<u>38</u>
			<u>209</u>		<u>208</u>
Basic and Diluted Earnings per Share	8		12.9p		12.6p
Normalised Earnings per Share	8		12.7p		13.4p
Statement of Total Recognised Gains and Losses					
Profit for the Financial Year after Taxation			408		397
Unrealised Surplus on Revaluation of Investment Properties			<u>428</u>		<u>146</u>
Total Recognised Gains and Losses for the Year			<u>836</u>		<u>543</u>
Note of Historical Cost Profits and Losses					
Profit on Ordinary Activities before Taxation			505		500
Realisation of Property Revaluation Gains on Previous Years			<u>51</u>		<u>125</u>
Historical Cost Profit on Ordinary Activities before Taxation			<u>556</u>		<u>625</u>
Historical Cost Profit for the Year Retained after Taxation and Dividends			<u>260</u>		<u>333</u>

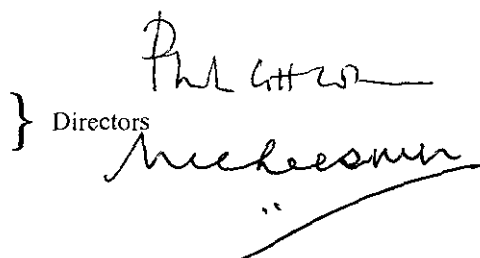
WYNNSTAY PROPERTIES PLC
CONSOLIDATED BALANCE SHEET AT 25TH MARCH 2001

	Notes	2001		2000	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	9		14,178		13,089
Investments	11		<u>54</u> 14,232		<u>53</u> 13,142
Current Assets					
Debtors	12	105		351	
Cash at Bank and in Hand		<u>180</u> 285		<u>602</u> 953	
Creditors: Amounts falling due within one year	13	<u>(602)</u>		<u>(732)</u>	
Net Current (Liabilities)/Assets			<u>(317)</u>		<u>221</u>
Total Assets Less Current Liabilities			13,915		13,363
Creditors: Amounts falling due after more than one year	13		<u>(6,397)</u>		<u>(6,482)</u>
Net Assets			<u>7,518</u>		<u>6,881</u>
Capital and Reserves:					
Share Capital	16		789		789
Reserves					
Capital Redemption Reserve	17	205		205	
Share Premium Account		1,135		1,135	
Capital Reserve		151		151	
Revaluation Reserve		<u>2,740</u>		<u>2,363</u>	
Non-Distributable Reserves			4,231		3,854
Distributable Reserves			<u>2,498</u>		<u>2,238</u>
Equity Shareholders' Funds	18		<u>7,518</u>		<u>6,881</u>

Approved by the Board on 19th June 2001

P.G.H. Collins

M.L. Cheesmer

} Directors


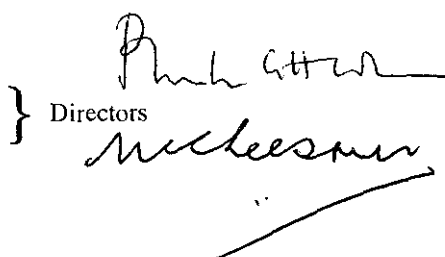
WYNNSTAY PROPERTIES PLC
BALANCE SHEET AT 25TH MARCH 2001

	Notes	2001		2000	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	9		12,913		11,840
Investment in Subsidiaries	10		2,406		2,406
Quoted Investments	11		<u>1</u>		<u>1</u>
			15,320		14,247
Current Assets					
Debtors	12	661		904	
Cash at Bank and in Hand		<u>180</u>		<u>602</u>	
		841		1,506	
Creditors: Amounts falling due within one year	13		<u>(2,716)</u>		<u>(2,832)</u>
Net Current Liabilities			<u>(1,875)</u>		<u>(1,326)</u>
Total Assets Less Current Liabilities			13,445		12,921
Creditors: Amounts falling due after more than one year	13		<u>(6,397)</u>		<u>(6,482)</u>
Net Assets			<u>7,048</u>		<u>6,439</u>
Capital and Reserves:					
Share Capital	16		789		789
Reserves					
Capital Redemption Reserve	17	205		205	
Share Premium Account		1,135		1,135	
Capital Reserve		82		82	
Revaluation Reserve		<u>2,028</u>		<u>1,666</u>	
Non-Distributable Reserves			3,450		3,088
Distributable Reserves			<u>2,809</u>		<u>2,562</u>
Equity Shareholders' Funds			<u>7,048</u>		<u>6,439</u>

Approved by the Board on 19th June 2001

P.G.H. Collins

M.L. Cheesmer

} Directors


WYNNSTAY PROPERTIES PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 25TH MARCH 2001

	Notes	2001		2000	
		£'000	£'000	£'000	£'000
Cash Flow from Operating Activities	20		1,214		1,335
Returns on Investment and Servicing of Finance					
Interest Received		23		19	
Interest Paid		<u>(578)</u>		<u>(403)</u>	
Net Cash (Outflow) from Returns on Investment and Servicing of Finance			(555)		(384)
Taxation Paid		(143)		(28)	
Taxation Refunded		<u>-</u>		<u>1</u>	
			(143)		(27)
Capital Expenditure and Financial Investment					
Purchase of Tangible Fixed Assets		(742)		(788)	
Disposal of Tangible Fixed Assets		82		163	
Purchase of Sinking Fund Policy Premium		<u>(1)</u>		<u>(1)</u>	
Net Cash (Outflow) from Investing Activities			(661)		(626)
Equity Dividends Paid			<u>(192)</u>		<u>(181)</u>
Net Cash (Outflow)/Inflow before Financing			(337)		117
Financing					
Drawdown of Bank Loan			700		764
Repayment of Bank Loan			<u>(785)</u>		<u>(509)</u>
(Decrease)/Increase in Cash in the Period			<u>(422)</u>		<u>372</u>
Reconciliation of Net Cash Flow to Movement in Net Debt					
(Decrease)/Increase in Cash in the Period			(422)		372
Cash Outflow/(Inflow) from Decrease/(Increase) in Debt Financing			<u>85</u>		<u>(255)</u>
Movement in Net Debt in the Period			(337)		117
Net Debt at 25th March 2000			<u>(5,880)</u>		<u>(5,997)</u>
Net Debt at 25th March 2001	20		<u>(6,217)</u>		<u>(5,880)</u>

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2001

1. ACCOUNTING POLICIES

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 SSAP 19, Group properties are revalued annually and the aggregate surplus or deficit taken to an Investment Revaluation Reserve. No depreciation or amortisation is provided in respect of freehold properties and leasehold investment properties having unexpired terms in excess of 20 years. Leasehold improvements are amortised over the period of the underlying lease.

Depreciation of other Fixed Assets is on a straight line basis calculated at annual rates estimated to write off each asset over its useful life of 5 years.

Disposal of Investments

The gains and losses on disposal of investment properties and other investments are included in the Profit and Loss Account as exceptional profits or losses on disposal.

Gross Rental Income

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

Trading Properties

These are included at the lower of cost or net realisable value.

Repairs and Renewals

Repairs and renewals are charged to the Profit and Loss Account in the year in which the expenditure is incurred.

Deferred Taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the Directors consider that a liability to taxation is unlikely to crystallise in the foreseeable future.

Specifically no provision is made for taxation which would become payable under present legislation in the event of future sales of the properties at the amounts at which they are stated in the Financial Statements. However, an estimate of the potential liability is shown in note 15, together with other elements of agreed taxation losses available for carrying forward, potential balancing charges arising from allowances taken on qualifying Industrial Buildings and Advance Corporation Tax recoverable which has been written off for accounting purposes.

2. PROPERTY OUTGOINGS

	2001 £'000	2000 £'000
Ground Rents	2	2
Repairs, Insurance, Rates, etc	12	5
Property Management	<u>51</u>	<u>50</u>
	<u>65</u>	<u>57</u>

3. ADMINISTRATION AND OTHER COSTS

General Administration, including Staff Costs	345	343
Auditors' Remuneration: Audit	19	19
Other	13	17
Provision for Bad Debts	-	(4)
Depreciation and Amortisation	7	13
Profit on Sale of Motor Vehicle	-	(4)
	<u>384</u>	<u>384</u>

Included within General Administration Costs above are pension payments made to a former Director of £4,383 (2000: £4,272).

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2001

4. STAFF COSTS	2001 £'000	2000 £'000
Staff costs, including Directors, during the year were as follows:		
Wages and Salaries	218	209
Social Security Costs	20	21
Other Pension Costs	<u>9</u>	<u>9</u>
	<u>247</u>	<u>239</u>
Details of Directors' emoluments are shown in the Report of the Directors on page 7.		
The average number of employees, including Directors, engaged wholly in management and administration was:	No. 8	No. 8
5. FINANCE COSTS (NET)		
	£'000	£'000
Principal repayable within five years:		
Banks and Other	484	496
Less Investment Income:		
Sundry Interest	<u>(23)</u>	<u>(19)</u>
	<u>461</u>	<u>477</u>
6. EXCEPTIONAL ITEMS		
Profit/(Loss) on disposal of Investment Properties	<u>7</u>	<u>(20)</u>
Capital Gains Tax on Exceptional Items	<u>-</u>	<u>6</u>
7. TAXATION		
Corporation Tax on profit on ordinary activities	141	150
Prior year over provision	(5)	(2)
Utilisation of Advance Corporation Tax previously written off	<u>(39)</u>	<u>(45)</u>
	<u>97</u>	<u>103</u>

The credit of £39,000 represents Advance Corporation Tax previously written off now utilised in the year or identified as being capable of being utilised over the next two years. As explained in Note 15, there is a further £287,722 of Advance Corporation Tax written off for accounting purposes which is available for utilisation over subsequent years.

8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing Profit after Taxation attributable to Ordinary Shareholders of £407,581 (2000: £397,254) by the weighted average number of ordinary shares in issue during the period, 3,155,267 (2000: 3,155,267). There are no instruments in issue that would have the effect of diluting earnings per share.

Normalised earnings per share have been calculated by deducting the exceptional items after taxation of £6,857 (2000: adding £26,258), set out in Note 6, from the amount of basic earnings and dividing the resulting figure by the same weighted average number of shares in issue for each year.

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2001

9. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Plant and Machinery Cost £'000	Total £'000
Group				
Valuation, 25th March 2000	13,050	27	61	13,138
Additions	742	-	-	742
Disposals	(75)	-	-	(75)
	<u>13,717</u>	<u>27</u>	<u>61</u>	<u>13,805</u>
Depreciation, 25th March 2000	-	8	40	48
Charge for Year	-	2	5	7
Disposals	-	-	-	-
	<u>-</u>	<u>10</u>	<u>45</u>	<u>55</u>
25th March 2001				
Net Book Values	13,717	17	16	13,750
Surplus	428	-	-	428
Valuation	<u>14,145</u>	<u>17</u>	<u>16</u>	<u>14,178</u>
25th March 2000				
Net Book Values	12,900	22	21	12,943
Surplus/(Deficiency)	150	(4)	-	146
Valuation	<u>13,050</u>	<u>18</u>	<u>21</u>	<u>13,089</u>
Company				
Valuation, 25th March 2000	11,800	27	61	11,888
Additions	742	-	-	742
Disposals	(75)	-	-	(75)
	<u>12,467</u>	<u>27</u>	<u>61</u>	<u>12,555</u>
Depreciation, 25th March 2000	-	8	40	48
Charge for Year	-	2	5	7
Disposals	-	-	-	-
	<u>-</u>	<u>10</u>	<u>45</u>	<u>55</u>
25th March 2001				
Net Book Values	12,467	17	16	12,500
Surplus	413	-	-	413
Valuation	<u>12,880</u>	<u>17</u>	<u>16</u>	<u>12,913</u>
25th March 2000				
Net Book Values	11,655	19	21	11,695
Surplus	145	-	-	145
Valuation	<u>11,800</u>	<u>19</u>	<u>21</u>	<u>11,840</u>

The Group's freehold land and buildings were valued, at 25th March 2001, on an open market value basis, by Chesterton, at £14,145,000. Freehold and leasehold land and buildings would have been shown at an historical cost of £11,296,914 and £26,134 respectively (2000: £10,579,190 and £26,134 respectively) if revaluations had not been undertaken.

Amortisation, Leasehold Property

	Group	
	2001 £'000	2000 £'000
Charge as per Revenue Account	<u>-</u>	<u>1</u>
Leasehold land and buildings comprise two short leases expiring in October 2001 and in November 2011		
Capital Commitments	<u>-</u>	<u>-</u>

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2001

10. INVESTMENT IN SUBSIDIARIES	Company	
	2001	2000
	£'000	£'000
Shares at Cost, 25th March 2001 and 2000	2,406	2,406

11. INVESTMENTS	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Quoted	1	1	1	1
Unquoted: Sinking Fund Policy	53	52	-	-
	54	53	1	1

The Market Value of Quoted Investments as at 25th March 2001 was Company £1,150 (2000: £1,285) Group £1,150 (2000: £1,285). The Sinking Fund Policy has been maintained at the surrender value at the Balance Sheet date.

12. DEBTORS	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Due from Subsidiary Companies	-	-	557	799
Advance Corporation Tax	80	71	80	72
Other Debtors	7	255	7	10
Prepayments	18	25	17	23
	105	351	661	904

13. CREDITORS

Amounts falling due within one year:				
Due to Subsidiary Companies	-	-	2,167	2,155
Current Corporation Tax	70	107	47	87
Other Taxation and Social Security costs	67	64	67	63
Dividend Payable	140	132	140	132
Accruals and deferred income	325	429	295	395
	602	732	2,716	2,832

The Company has a bank overdraft facility, secured by a legal charge over certain of its freehold land and buildings. The amount undrawn and available under this facility at 25th March 2001 was £250,000.

Amounts falling due after more than one year:

Bank Loans	6,397	6,482	6,397	6,482
------------	-------	-------	-------	-------

Interest is charged at varying rates above LIBOR on the bank loans which fall due for repayment on 31st March 2002.

The bank loans are secured by a legal charge over certain freehold land and buildings owned by the Group and a debenture incorporating a floating charge over the Company's assets and those of certain of its subsidiaries. In addition, a number of subsidiary companies have provided guarantees to the bank. The total undrawn committed borrowing facilities available at 25th March 2001 were £1,941,000.

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2001

14. FINANCIAL INSTRUMENTS

At 25th March 2001 the Group's financial instruments comprised borrowings and cash at bank and in hand, but excluded short term debtors and short term creditors. The main purpose of these financial instruments was to raise finance for the Group's operations. Throughout the period under review, the Group has not traded in any other financial instruments. The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Interest Rate Risk

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

Liquidity Risk

As regards liquidity, the Group has ensured continuity of funding, so that the majority of its borrowings should mature more than one year hence. Short term flexibility is achieved by an overdraft facility. Cash at bank and in hand at 25th March 2001 amounted to £180,000. Details of the Company's bank borrowings are set out in note 13.

15. DEFERRED TAXATION

The Group has the following deferred tax assets and potential tax liabilities as at 25th March 2001:

Deferred Tax Assets:	£'000
Agreed trading losses at 30%	27
Available Advance Corporation Tax written off for accounting purposes	288
Potential capital losses arising on revaluation of freehold property at 30%	11
Potential Tax Liabilities:	
Deferred tax arising from Industrial Buildings Allowances at 30%	371

16. SHARE CAPITAL	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Ordinary Shares of 25p each:				
Authorised	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Allotted, Called Up and Fully Paid	<u>789</u>	<u>789</u>	<u>789</u>	<u>789</u>

All shares rank equally in respect of Shareholder rights.

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2001

17. RESERVES

(i) GROUP

Non-Distributable	Capital Redemption Reserve £'000	Share Premium Account £'000	Capital Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance at 26th March 2000	205	1,135	151	2,363	3,854
Revaluation during year	-	-	-	428	428
Transfers to Profit and Loss Account	-	-	-	(51)	(51)
Balance at 25th March 2001	<u>205</u>	<u>1,135</u>	<u>151</u>	<u>2,740</u>	<u>4,231</u>
				Profit and Loss Account	
Distributable					£'000
Balance as disclosed at 26th March 2000					2,238
Retained profit for the year					209
Transfers from Revaluation Reserve					51
Balance at 25th March 2001					<u>2,498</u>

(ii) COMPANY

Non-Distributable	Capital Redemption Reserve £'000	Share Premium Account £'000	Capital Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance at 26th March 2000	205	1,135	82	1,666	3,088
Revaluation during year	-	-	-	413	413
Transfers to Profit and Loss Account	-	-	-	(51)	(51)
Balance at 25th March 2001	<u>205</u>	<u>1,135</u>	<u>82</u>	<u>2,028</u>	<u>3,450</u>
					Profit and Loss Account
Distributable					£'000
Balance at 26th March 2000					2,562
Retained profit for the year					196
Transfers from Revaluation Reserve					51
Balance at 25th March 2001					<u>2,809</u>

As permitted by Section 230 of the Companies Act 1985, the Profit and Loss Account of the Parent Company has not been separately presented in these Financial Statements.

18. RECONCILIATION OF MOVEMENT OF SHAREHOLDERS' FUNDS

	Group	
	2001 £'000	2000 £'000
Profit for the Financial Year after Taxation	408	397
Dividends recommended	(199)	(189)
Surplus on Revaluation of Investment Properties	428	146
Net Addition to Shareholders' Funds	<u>637</u>	<u>354</u>
Opening Shareholders' Funds 26th March 2000	6,881	6,527
Closing Shareholders' Funds 25th March 2001	<u>7,518</u>	<u>6,881</u>

WYNNSTAY PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2001

19. 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. (Dormant)	Ordinary	100%
Wynnstay Management Services Ltd.	Ordinary	100%
Marfield Estates Ltd. (Dormant)	Ordinary	100%

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

20. CONSOLIDATED CASH FLOW STATEMENT

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

	2001 £'000	2000 £'000
Operating Profit	959	997
Depreciation and Amortisation	7	13
Profit on Disposal of Motor Vehicle	-	(4)
Decrease in Stock of Trading Properties	-	570
Decrease/(Increase) in Debtors	256	(238)
(Decrease) in Creditors	(8)	(3)
Net Cash Inflow from Operating Activities	<u>1,214</u>	<u>1,335</u>

(ii) Analysis of Net Debt

	26th March 2000 £'000	Cash Movement £'000	25th March 2001 £'000
Cash at Bank and in Hand	602	(422)	180
Debt due after more than one year	<u>(6,482)</u>	<u>85</u>	<u>(6,397)</u>
Net Debt	<u>(5,880)</u>	<u>(337)</u>	<u>(6,217)</u>

21. COMMITMENTS UNDER OPERATING LEASES

Annual rental commitments at 25th March 2001 on property leases expiring :-

	Group £'000	Company £'000
Less than five years hence	1	-
More than five years hence	<u>41</u>	<u>36</u>
	<u>42</u>	<u>36</u>

WYNNSTAY PROPERTIES PLC

FIVE YEAR FINANCIAL REVIEW

Years Ended 25th March:	2001 £'000	2000 £'000	1999 £'000	1998 £'000	1997 £'000
PROFIT AND LOSS ACCOUNT					
Property Income (Note 1)	1,408	2,033	1,364	1,468	1,519
Profit before Taxation and Exceptional Items	498	520	359	304	312
Profit before Taxation	505	500	400	439	355
Profit after Taxation	408	397	341	410	275
Dividends	199	189	178	166	158
CONSOLIDATED BALANCE SHEET					
Investment Properties	14,145	13,050	12,320	12,815	13,950
Shareholders' Funds	7,518	6,881	6,527	6,062	5,650
PER SHARE					
Basic Earnings (Note 2)	12.9p	12.6p	10.8p	13.0p	8.7p
Dividends	6.3p	6.0p	5.65p	5.25p	5.0p
Net Asset Value	238p	218p	207p	192p	179p

NOTES

1. Property Income shown for 2000 includes the proceeds from sales of trading properties totalling £590,000.
2. Basic earnings per share have been calculated by dividing Profit on Ordinary Activities after Taxation by the number of shares in issue at the financial year end.

WYNNSTAY PROPERTIES PLC

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and fifteenth ANNUAL GENERAL MEETING of the Members of Wynnstay Properties PLC will be held at The Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS on Thursday, 26th July 2001, at 12.00 noon to transact the following business:

ORDINARY BUSINESS

1. To adopt the Report of the Directors and the Financial Statements for the year ended 25th March 2001.
2. To declare a Dividend.
3. To re-elect as a Director, Anthony Robert Harris, who retires by rotation.
4. To re-elect as a Director, Ian Stuart Lockhart, who retires by rotation.
5. To fix the remuneration of the Directors.
6. To re-appoint Moore Stephens as Auditors.
7. To authorise the Directors to determine the remuneration of the Auditors.
8. To transact any other Ordinary business.

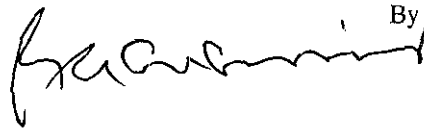
SPECIAL BUSINESS

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

THAT the Company be and is hereby generally and unconditionally authorised, in accordance with Article 5 of its Articles of Association and pursuant to section 166 of the Companies Act 1985 ("the Act"), to make market purchases (as defined in section 163 of the Act) on the Alternative Investment Market of the London Stock Exchange of its ordinary 25p shares provided that:

- (i) the Company does not purchase under this authority more than 315,526 ordinary shares, being equal to approximately 10% of the number of ordinary shares presently in issue;
- (ii) the Company does not pay less than 25p for such a share;
- (iii) the Company does not pay more for such a share than 5 per cent over the average of the middle market quotations for the ordinary shares according to the Daily Official List of the London Stock Exchange for the ten business days immediately preceding the date on which the Company agrees to buy the share concerned;
- (iv) this authority shall continue in force until 30th September 2002 or until the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution, whichever is the earlier; and
- (v) the Company may agree before the authority terminates under (iv) above to purchase ordinary shares where the purchase will or may be executed after the authority terminates (either wholly or in part). The Company may complete such a purchase even though the authority has terminated.

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



By Order of the Board
P.R. KIRKLAND
Secretary.
29th June 2001

Notes:

1. A Member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and on a poll to vote in his stead. The proxy need not be a Member of the Company. Proxies must be lodged at the office of the Company's Registrars, Capita IRG Plc, Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ at least 48 hours before the time appointed for the Meeting.
2. Copies of the following documents will be available for inspection at the Company's registered office during normal business hours on any weekday from the date of this Notice until the date of the Annual General Meeting and for 15 minutes prior to and during the meeting:
 - (i) the register of Directors' interests in shares of the Company kept in accordance with Section 235 of the Companies Act 1985; and
 - (ii) copies of the service agreements under which Directors of the Company are employed by the Company.

WYNNSTAY PROPERTIES PLC
SUMMARY OF PROPERTY PORTFOLIO
AT 25TH MARCH 2001

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

All the above properties are freehold except for the leasehold property at Bury House, London SW1.