

Company No. 22473

# WYNNSTAY PROPERTIES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 25TH MARCH 2002



# WYNNSTAY PROPERTIES PLC

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## CHAIRMAN'S STATEMENT REPORT OF THE DIRECTORS and FINANCIAL STATEMENTS YEAR ENDED 25TH MARCH 2002

### CONTENTS

2	Directors and Advisers
3	Biographies of the Directors
4	Chairman's Statement
6	Report of the Directors
11	Report of the Auditors
12	Financial Statements
17	Notes to the Financial Statements
24	Five Year Financial Review
25	Notice of Annual General Meeting
27	Summary of Property Portfolio



**WYNNSTAY PROPERTIES PLC**

**DIRECTORS**

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

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

C.H. DELEIVINGNE

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  
Bourne House,  
34 Beckenham Road,  
Beckenham, Kent  
BR3 4TU

**NOMINATED ADVISER & NOMINATED BROKER**

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

**BANKERS**

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

**N.M. ROTHSCHILD & SONS LIMITED**

New Court,  
St. Swithin's Lane,  
London EC4P 4DU

## WYNNSTAY PROPERTIES PLC

### BIOGRAPHIES OF THE DIRECTORS

**Philip G.H. Collins (Non-Executive Chairman)** aged 54, 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 61, 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.

**Charles H. Delevingne (Non-Executive)** aged 52. After spending his early career as a partner with prominent estate agencies, in 1981 he founded Harvey White Properties Limited, a private commercial property investment company with a rental income of approximately £2 million per annum, which he continues to own jointly. Appointed to the Board in June 2002.

**Anthony R. Harris (Non-Executive)** aged 66, 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, he will be retiring from the Board at the conclusion of the 2002 Annual General Meeting.

**Peter R. Kirkland (Finance Director and Company Secretary)** aged 55, 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 61, 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 59, 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 delighted to present another very satisfactory set of results for the year ended 25th March 2002 as summarised below:

		2002	2001 (Restated)
• Profit before property disposals and taxation:	+ 16.7%	£581,000	£498,000
• Profit before taxation:	+ 31.9%	£666,000	£505,000
• Net asset value per share:	+ 6.4%	251p	236p
• Basic earnings per share:	+ 32.5%	15.5p	11.7p
• Recommended total dividend per share:	+ 7.1%	6.75p	6.3p

Subject to approval at the Annual General Meeting, the recommended total dividend of 6.75p per share again represents an increase substantially in excess of the prevailing inflation rate, thereby providing Shareholders with real income growth.

At the heart of this continuing improved performance are a number of factors. Our disposal of some of the smaller, management-intensive properties and the close attention by management to minimising the risk of tenant defaults and consequent voids, has meant that we have reduced property costs including rates, repairs and insurance charges that are incurred on vacant premises as well as avoiding bad debts.

As I reported at the half-year, we have significantly reduced our ongoing borrowing costs by negotiating a £7.5 million five year term loan facility with N.M. Rothschild & Sons Limited. Although there is an inevitable cost associated with concluding such an agreement, the ongoing savings in finance costs to the Company will be very beneficial. We have further protected the position by fixing the interest payable on £4 million of the facility throughout its duration at a very attractive rate, thereby providing certainty over the next four years. This is all the more important when it appears likely that interest rates, now at an historic low, will rise in the foreseeable future. As to the balance of the facility, we are actively managing this by repaying borrowings as we make realisations and generate cash, until this is reinvested. As a result, net finance costs last year fell to £395,000 (2001 - £461,000). Net gearing at 25th March 2002 was 77% (2001 - 83%).

The Company has been required to adopt for the first time the recently introduced accounting standard FRS 19 which requires that deferred tax should be provided in full on all timing differences that are not permanent. Last year's financial statements have been re-stated in accordance with the provisions of FRS 19 resulting in a reduction in net asset value of 2p per share in 2001. The impact this year, when compared to the previous method of accounting for ACT receivable, has been to increase the tax charge by £101,000, equivalent to 3p per share. I would emphasise, however, that FRS 19 has no impact on the actual tax we pay. The new standard has been much criticised by the property sector as being potentially misleading on account of the resulting provision not reflecting a true underlying liability as, in reality, capital allowance clawbacks do not normally arise when properties are sold by property investment companies such as Wynnstay. The notes to the accounts show how the deferred tax provision now made will be written back to the profit and loss account over future years, assuming the assets concerned remain in the Company's ownership.

As commented on in detail previously, the ongoing programme of selective disposals continues towards re-orientation of your Company's property portfolio. We have disposed of three smaller properties in Cambridge and Epping during the first half and in Barking prior to the year end which, together, produced profits of £85,000 for the year. Your Company's property portfolio was valued at £14,550,000 at the year end, compared to a figure of £14,145,000 in 2001.

In determining the value of our properties each year, Messrs. Chesterton are bound by rules laid down by The Royal Institution of Chartered Surveyors which dictate the method to be adopted. It is interesting to note

that recent experience shows that when we have sold properties we have been successful in achieving prices considerably in excess of their corresponding book values. Indeed, there are indications that, in the present buoyant market, this would also be the case with a number of our other properties.

I mentioned in my half-year report that we plan to make other selective disposals to take advantage of the attractive prices currently available, while seeking to reinvest in properties that will further enhance the portfolio. Our major acquisition last year was the property at Crawley, West Sussex on which I reported at the interim stage. This is currently operated as a Parceline sorting depot and is let to a subsidiary of La Poste, the French Post Office. This quality acquisition, coupled with the other industrial units we purchased previously in Aldershot and Alton means that, in value terms, we now have 42% of the portfolio invested in industrial property, 33% in offices and 25% in retail.

Since I wrote to you at this time last year, the FTSE 100 Index has fallen by approximately 16% and the FTSE AIM Index by approximately 32% and it is not surprising, therefore, that property companies have become something of a safe-haven. In current stock market conditions, the diminishing number of quoted property companies of Wynnstay's size and structure can be seen as attractive targets for those with ambitions to acquire them at prices significantly below the real value of their underlying assets. Wynnstay is, perhaps, nowadays a rather unusual quoted company investment. Whilst sentiment should play no part in investment decisions, our Shareholders should be entitled to benefit fully from the Company's true value, especially when many of you, as descendants of the original founders, have held shares for many years. Property, by its nature, is a longer-term investment and the Directors remain committed to increasing the value of your Company's assets and to enhancing its profitability.

Tony Harris, who has been a non-executive Director of Wynnstay for the last eight years and is now 66, has indicated his desire to retire from the Board at the conclusion of this year's Annual General Meeting. Tony has spent all his working life in the property field and successfully developed the firm of Rogers Chapman to the point where it is one of the prominent agencies in the burgeoning Heathrow and West London area. His detailed knowledge of the finer points of property investment and management has been invaluable. We will miss his expertise as well as his incisive and challenging contributions to our debates. He will leave with our best wishes for a long and happy retirement with his wife, Christine, and their family.

In replacing Tony, we have been very fortunate in securing the services of Charles Delevingne who has today been appointed a Director of the Company. Like Tony, Charles who is 52, has spent his whole working life to date in the property field initially with various well-known estate agencies and for the last twenty years in successfully building up a substantial private property company.

The new financial year has commenced satisfactorily with the portfolio fully let and interest rates currently at lower levels than we have seen for many years. There remain considerable opportunities for your Company and your Board will continue to work hard in building on the progress achieved over recent years.

When I wrote to you at the half-year, I urged you all to plan to spend a day in London on Thursday 25th July and to attend our Annual General Meeting at the Royal Automobile Club. It provides an excellent opportunity to meet both other Shareholders and the Board, to ask questions and to hear about recent developments in your Company's affairs.

Finally, I would like to thank both our hardworking and loyal full-time staff and our professional advisers for their contributions in making this another successful year. I would also like to thank you, the Shareholders, for your continuing interest in and support for Wynnstay.



Philip G.H. Collins  
Chairman

18th June 2002

# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2002

The Directors present their One Hundred and Sixteenth Annual Report, together with the Audited Financial Statements of the Company and its subsidiaries for the year ended 25th March 2002.

### 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 12 to 23.

The profit for the year after taxation amounted to £488,000 (2001 – £369,000). Details of movements in reserves are set out in note 17 to the Financial Statements on page 22.

The Directors have decided to recommend a final dividend of 4.75 pence per share for the year ended 25th March 2002 payable on 30th July 2002 to those Shareholders on the Register on 12th July 2002. This dividend, together with the interim dividend of 2.0 pence paid on 17th December 2001, represents a total for the year of 6.75 pence (2001 - 6.3 pence).

### Fixed Assets

The investment properties have been valued by Chesterton on the basis of open market value at 25th March 2002. The movement in Fixed Assets is set out in Note 9 on Page 19.

### 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 2002 and 25th March 2001 are shown below:-

		Ordinary Shares of 25p	
		25.3.02	25.3.01
P.G.H. Collins	Non-Executive Chairman	283,336	260,741
M.L. Cheesmer	Managing Director	16,750	15,250
A.R. Harris	Non-Executive Director	10,000	10,000
P.R. Kirkland	Finance Director	5,800	2,800
I.S. Lockhart	Non-Executive Director	10,000	10,000
T.J. Nagle	Non-Executive Director	13,000	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 2002 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 M.L. Cheesmer and Mr T.J. Nagle who, being eligible, offer themselves for re-election. Mr C.H. Delevingne, who was appointed a Director on 18th June 2002, offers himself for election. He held no interest in the share capital of the Company at the date of this report. Mr A.R. Harris will retire from the Board on the conclusion of the Annual General Meeting.

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

## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2002 continued

#### Directors' Emoluments

Directors' emoluments for the year ended 25th March 2002 are set out below:-

	<u>Salaries</u>	<u>Fees</u>	<u>Benefits in Kind</u>	<u>Total 2002</u>	<u>Total 2001</u>
P.G.H. Collins	-	19,000	-	19,000	18,000
M.L. Cheesmer	64,500	6,800	7,706	79,006	79,556
P.R. Kirkland	57,000	6,800	829	64,629	61,046
A.R. Harris	-	6,800	-	6,800	6,500
I.S. Lockhart	-	6,800	-	6,800	6,500
T.J. Nagle	-	6,800	-	6,800	6,500
Total 2002	<u>£121,500</u>	<u>£53,000</u>	<u>£8,535</u>	<u>£183,035</u>	
Total 2001	<u>£116,250</u>	<u>£50,500</u>	<u>£11,352</u>		<u>£178,102</u>

Pension contributions paid on behalf of Mr M.L. Cheesmer and Mr P.R. Kirkland totalled £12,150 (2001 - £8,937).

#### 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.

#### 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	283,336	8.98%
Mr H.J.A. Bird	179,280	5.68%



## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2002 continued

#### 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 five 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.

## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2002 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.

#### Donations

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

#### 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 is set out on pages 25 and 26. This includes three items of Special Business as follows:

**Resolution 9.** The Directors may only allot shares or grant rights over shares if authorised to do so by Shareholders. Accordingly, Resolution 9 will be proposed as an Ordinary Resolution to grant an authority to allot unissued share capital up to an aggregate nominal value of £197,204, representing one-quarter of the total issued ordinary share capital as at 18th June 2002. If granted, this authority will expire five years from the date of passing the Resolution. The Directors have no present intention of issuing any share capital of the Company pursuant to such authority.

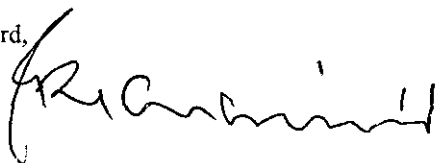
**Resolution 10.** The Directors also require additional authority from Shareholders to allot shares or grant rights over shares where they propose to do so for cash otherwise than to existing Shareholders pro rata to their holdings. Accordingly, Resolution 10 will be proposed as a Special Resolution to grant such authority. The authority will be limited to the issue of shares up to an aggregate nominal value of £39,440 (being five per cent of the issued ordinary share capital as at 18th June 2002). If granted, this authority will expire five years from the date of passing the Resolution.

## WYNNSTAY PROPERTIES PLC

### REPORT OF THE DIRECTORS 2002 continued

**Resolution 11.** Under the Companies Act 1985, a company is permitted to purchase its own shares if it has obtained the requisite authority from its Shareholders. Resolution 11 will be proposed as a Special Resolution to grant the Company authority to make market purchases of up to 315,526 ordinary shares of 25p each, representing ten per cent of the total issued ordinary share capital as at 18th June 2002, at not more than five per cent above the average of the middle market quotations for the ordinary shares of the Company for the five business days before the Company agrees to buy the shares (as derived from the Daily Official List of the London Stock Exchange) and not less than 25p per share. The authority will only be used after careful consideration and with the intention of increasing future earnings per share and promoting shareholder value in general. Any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly. If granted, this authority will expire at the conclusion of the Company's next Annual General Meeting or 12 months from the date of passing the Resolution, if earlier.

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



18th June 2002

## INDEPENDENT AUDITORS REPORT

### TO THE SHAREHOLDERS OF WYNNSTAY PROPERTIES PLC

We have audited the financial statements of Wynnstay Properties PLC for the year ended 25th March 2002 set out on pages 12 to 23. These financial statements 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 17.

#### **Respective Responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report (including the Corporate Governance Statement), the Chairman's Statement and the Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of Audit Opinion**

We conducted our audit in accordance with United Kingdom 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 judgments 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.

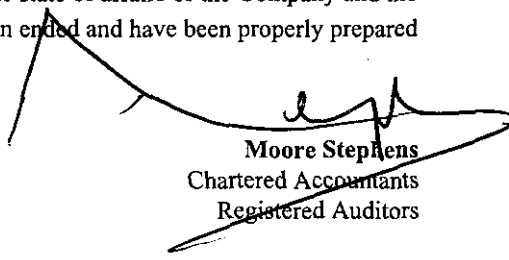
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2002 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

18th June 2002



Moore Stephens  
Chartered Accountants  
Registered Auditors

**WYNNSTAY PROPERTIES PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT YEAR ENDED 25TH MARCH 2002**

	Notes	2002		2001	
		£'000	£'000	£'000	£'000
				Restated	
Gross Rental Income	1		1,435		1,385
Fees and Commissions			<u>19</u>		<u>23</u>
			1,454		1,408
Property Outgoings	2		<u>56</u>		<u>65</u>
			1,398		1,343
Administration and Other Costs	3		<u>422</u>		<u>384</u>
<b>Operating Profit</b>			976		959
Profit on Disposal of Investment Properties	5		<u>85</u>		<u>7</u>
			1,061		966
Finance Costs (Net)	6		<u>395</u>		<u>461</u>
<b>Profit on Ordinary Activities before Taxation</b>			666		505
Taxation on Profit from Ordinary Activities	7		<u>178</u>		<u>136</u>
<b>Profit after Taxation Attributable to Ordinary Shareholders</b>			488		369
Dividends per share:-					
Interim Paid: 2.0p 2001: 1.875p			63		59
Final Payable: 4.75p 2001: 4.425p			<u>150</u>		<u>140</u>
Total: <u>6.75p</u> <u>6.3p</u>			<u>213</u>		<u>199</u>
<b>Retained Profit for the Financial Year</b>					
Wynnstay Properties PLC			253		157
Subsidiary Companies			<u>22</u>		<u>13</u>
			<u>275</u>		<u>170</u>
Basic Earnings per Share	8		15.5p		11.7p
Normalised Earnings per Share	8		13.5p		11.5p

**WYNNSTAY PROPERTIES PLC**  
**CONSOLIDATED BALANCE SHEET AT 25TH MARCH 2002**

	Notes	2002		2001	
		£'000	£'000	£'000	£'000
				Restated	
<b>Fixed Assets</b>					
Tangible Assets	9		14,578		14,178
Investments	11		56		54
			<u>14,634</u>		<u>14,232</u>
<b>Current Assets</b>					
Debtors	12	102		53	
Cash at Bank and in Hand		<u>353</u>		<u>180</u>	
		455		233	
<b>Creditors: Amounts falling due within one year</b>	13	<u>(686)</u>		<u>(602)</u>	
<b>Net Current Liabilities</b>			<u>(231)</u>		<u>(369)</u>
<b>Total Assets Less Current Liabilities</b>			14,403		13,863
<b>Creditors: Amounts falling due after more than one year</b>	13		<u>(6,450)</u>		<u>(6,397)</u>
			7,953		7,466
<b>Provisions for Liabilities and Charges</b>	15		<u>(38)</u>		<u>-</u>
<b>Net Assets</b>			<u>7,915</u>		<u>7,466</u>
<b>Capital and Reserves:</b>					
<b>Share Capital</b>	16		789		789
<b>Reserves</b>	17				
Capital Redemption Reserve		205		205	
Share Premium Account		1,135		1,135	
Capital Reserve		151		151	
Revaluation Reserve		<u>2,836</u>		<u>2,740</u>	
Non-Distributable Reserves			4,327		4,231
Profit and Loss Account			<u>2,799</u>		<u>2,446</u>
<b>Equity Shareholders' Funds</b>			<u>7,915</u>		<u>7,466</u>

Approved by the Board on 18th June 2002

P.G.H. Collins  
M.L. Cheesmer

*Phil Collins*  
} Directors  
*M.L. Cheesmer*

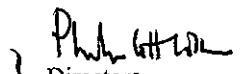

**WYNNSTAY PROPERTIES PLC**  
**BALANCE SHEET AT 25TH MARCH 2002**

	Notes	2002		2001	
		£'000	£'000	£'000	£'000
				Restated	
<b>Fixed Assets</b>					
Tangible Assets	9		14,578		12,913
Investment in Subsidiaries	10		2,406		2,406
Quoted Investments	11		<u>1</u>		<u>1</u>
			16,985		15,320
<b>Current Assets</b>					
Debtors	12	431		609	
Cash at Bank and in Hand		<u>353</u>		<u>180</u>	
		784		789	
<b>Creditors: Amounts falling due within one year</b>	13	<u>(3,849)</u>		<u>(2,716)</u>	
<b>Net Current Liabilities</b>			<u>(3,065)</u>		<u>(1,927)</u>
<b>Total Assets Less Current Liabilities</b>			13,920		13,393
<b>Creditors: Amounts falling due after more than one year</b>	13		<u>(6,450)</u>		<u>(6,397)</u>
			7,470		6,996
<b>Provisions for Liabilities and Charges</b>	15		<u>(38)</u>		<u>-</u>
<b>Net Assets</b>			<u>7,432</u>		<u>6,996</u>
<b>Capital and Reserves:</b>					
<b>Share Capital</b>	16		789		789
<b>Reserves</b>	17				
Capital Redemption Reserve		205		205	
Share Premium Account		1,135		1,135	
Capital Reserve		82		82	
Revaluation Reserve		<u>2,254</u>		<u>2,028</u>	
Non-Distributable Reserves			3,676		3,450
Profit and Loss Account			<u>2,967</u>		<u>2,757</u>
<b>Equity Shareholders' Funds</b>			<u>7,432</u>		<u>6,996</u>

Approved by the Board on 18th June 2002

P.G.H. Collins

M.L. Cheesmer

  
 } Directors  
  
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WYNNSTAY PROPERTIES PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 25TH MARCH 2002

	Notes	2002		2001	
		£'000	£'000	£'000	£'000
<b>Cash Flow from Operating Activities</b>	20		944		1,214
<b>Returns on Investment and Servicing of Finance</b>					
Interest Received		12		23	
Interest Paid		<u>(374)</u>		<u>(578)</u>	
<b>Net Cash (Outflow) from Returns on Investment and Servicing of Finance</b>			(362)		(555)
<b>Taxation Paid</b>			(121)		(143)
<b>Capital Expenditure and Financial Investment</b>					
Purchase of Tangible Fixed Assets		(1,208)		(742)	
Disposal of Tangible Fixed Assets		1,070		82	
Sinking Fund Policy Premium		<u>(1)</u>		<u>(1)</u>	
<b>Net Cash (Outflow) from Investing Activities</b>			(139)		(661)
<b>Equity Dividends Paid</b>			<u>(202)</u>		<u>(192)</u>
<b>Net Cash Inflow/(Outflow) before Financing</b>			120		(337)
<b>Financing</b>					
Drawdown of Bank Loan			6,450		700
Repayment of Bank Loan			<u>(6,397)</u>		<u>(785)</u>
<b>Increase/(Decrease) in Cash in the Period</b>			<u>173</u>		<u>(422)</u>
<b>Reconciliation of Net Cash Flow to Movement in Net Debt</b>					
Increase/(Decrease) in Cash in the Period			173		(422)
Cash (Outflow)/Inflow from Debt Financing			<u>(53)</u>		<u>85</u>
<b>Movement in Net Debt in the Period</b>			120		(337)
<b>Net Debt at 25th March 2001</b>			<u>(6,217)</u>		<u>(5,880)</u>
<b>Net Debt at 25th March 2002</b>	20		<u>(6,097)</u>		<u>(6,217)</u>



**WYNNSTAY PROPERTIES PLC**

**OTHER FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2002**

	2002 £'000	2001 £'000 Restated
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>		
Profit for the Financial Year after Taxation	488	369
Taxation on Realised Revaluation	(11)	-
Unrealised Surplus on Revaluation of Investment Properties	<u>185</u>	<u>428</u>
Total Recognised Gains and Losses for the Year	662	<u>797</u>
Prior year adjustment	<u>(52)</u>	
Total Recognised Gains and Losses since last Annual Report	<u>610</u>	
<b>RECONCILIATION OF MOVEMENT OF SHAREHOLDERS' FUNDS</b>		
Opening Shareholders' Funds as at 26th March 2001	7,466	6,881
Profit for the Financial Year after Taxation	488	369
Dividends	(213)	(199)
Other recognised Gains and Losses – as per Statement of Total Recognised Gains and Losses (as above)	<u>174</u>	<u>428</u>
	7,915	7,479
Prior year adjustment	<u>-</u>	<u>(13)</u>
Closing Shareholders' Funds as at 25th March 2002	<u>7,915</u>	<u>7,466</u>
<b>NOTE OF HISTORICAL COST PROFITS AND LOSSES</b>		
Profit on Ordinary Activities before Taxation	666	505
Realisation of Property Revaluation Gains on Previous Years	<u>89</u>	<u>51</u>
Historical Cost Profit on Ordinary Activities before Taxation	<u>755</u>	<u>556</u>
Historical Cost Profit for the Year Retained after Taxation and Dividends	<u>364</u>	<u>221</u>

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2002

#### 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 the disposal of investment properties and other investments are included in the Profit and Loss Account below Operating Profit.

##### **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**

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date on a non-discounted basis. Deferred taxation assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits against which deferred taxation assets are able to reverse.

#### 2. PROPERTY OUTGOINGS

	2002 £'000	2001 £'000 Restated
Rents Payable	6	7
Repairs, Insurance, Rates, etc	(4)	7
Property Management	<u>54</u>	<u>51</u>
	<u>56</u>	<u>65</u>

#### 3. ADMINISTRATION AND OTHER COSTS

General Administration, including Staff costs	393	345
Auditors' Remuneration: Audit	21	19
Other	7	13
Provision for Bad Debts	(6)	-
Depreciation and Amortisation	<u>7</u>	<u>7</u>
	<u>422</u>	<u>384</u>

Included within General Administration Costs above are pension payments made to a former Director of £4,500 (2001: £4,383).

**WYNNSTAY PROPERTIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2002**

<b>4. STAFF COSTS</b>	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs, including Directors, during the year were as follows:		<b>Restated</b>
Wages and Salaries	225	218
Social Security Costs	21	20
Other Pension Costs	<u>12</u>	<u>9</u>
	<u>258</u>	<u>247</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:	<b>No.</b>	<b>No.</b>
	8	8
<b>5. PROFIT ON DISPOSAL OF INVESTMENT PROPERTIES</b>	<b>£'000</b>	<b>£'000</b>
	<u>85</u>	<u>7</u>
Capital Gains Tax thereon	<u>24</u>	<u>-</u>
<b>6. FINANCE COSTS (NET)</b>		
Principal repayable within five years:		
Banks and Other	407	484
Less Investment Income:		
Sundry Interest	<u>(12)</u>	<u>(23)</u>
	<u>395</u>	<u>461</u>
<b>7. TAXATION</b>		
(a) Analysis of the tax charge for the year:		
Corporation Tax on profit on ordinary activities, including Profit on Disposal of Investment Properties	181	141
Prior year over provision	<u>(3)</u>	<u>(5)</u>
Tax charge for the year	<u>178</u>	<u>136</u>
(b) Factors affecting the tax charge for the year:		
Profit on Ordinary Activities before Taxation	<u>666</u>	<u>505</u>
Corporation tax thereon at 30% (2001 - 30%)	200	152
Expenses not deductible for tax purposes	1	1
Excess of Capital Allowances over depreciation	(1)	(2)
Tax on realised revaluation	(11)	-
Prior year over provision	(3)	(5)
Marginal rate relief	(8)	(10)
Current tax charge for the year	<u>178</u>	<u>136</u>
<b>8. EARNINGS PER SHARE</b>		

Basic earnings per share are calculated by dividing Profit after Taxation attributable to Ordinary Shareholders of £488,000 (2001: £369,000) by the weighted average number of ordinary shares in issue during the period, 3,155,267 (2001: 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 Profit on Disposal of Investment Properties after Taxation of £61,000 (2001: £7,000), set out in Note 5, 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 2002**

<b>9. TANGIBLE FIXED ASSETS</b>	<b>Freehold Land and Buildings £'000</b>	<b>Leasehold Land and Buildings £'000</b>	<b>Plant and Machinery Cost £'000</b>	<b>Total £'000</b>
<b>Group</b>				
Valuation, 25th March 2001	14,145	27	61	14,233
Additions	1,207	-	1	1,208
Disposals	(985)	-	(6)	(991)
	<u>14,367</u>	<u>27</u>	<u>56</u>	<u>14,450</u>
Depreciation, 25th March 2001	-	10	45	55
Charge for Year	-	2	4	6
Disposals	-	-	(6)	(6)
	<u>-</u>	<u>12</u>	<u>43</u>	<u>55</u>
25th March 2002				
Net Book Values	14,367	15	13	14,395
Surplus	183	-	-	183
Valuation	<u>14,550</u>	<u>15</u>	<u>13</u>	<u>14,578</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>
<b>Company</b>				
Valuation, 25th March 2001	12,880	27	61	12,968
Additions	2,187	-	1	2,188
Disposals	(700)	-	(6)	(706)
	<u>14,367</u>	<u>27</u>	<u>56</u>	<u>14,450</u>
Depreciation, 25th March 2001	-	10	45	55
Charge for Year	-	2	4	6
Disposals	-	-	(6)	(6)
	<u>-</u>	<u>12</u>	<u>43</u>	<u>55</u>
25th March 2002				
Net Book Values	14,367	15	13	14,395
Surplus	183	-	-	183
Valuation	<u>14,550</u>	<u>15</u>	<u>13</u>	<u>14,578</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>

The Group's freehold land and buildings were valued, at 25th March 2002, on an open market value basis, by Chesterton, at £14,550,000. Freehold and leasehold land and buildings would have been shown at an historical cost of £12,351,806 and £26,134 respectively (2001: £11,296,914 and £26,134 respectively) if revaluations had not been undertaken.

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
<b>Capital Commitments</b>	<u>-</u>	<u>-</u>

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2002

10. INVESTMENT IN SUBSIDIARIES	Company	
	2002	2001
	£'000	£'000
Shares at Cost, 25th March 2002 and 2001	2,406	2,406

11. INVESTMENTS	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Quoted	1	1	1	1
Unquoted: Sinking Fund Policy	55	53	-	-
	56	54	1	1

The Market Value of Quoted Investments as at 25th March 2002 was Group £1,425 (2001: £1,150) Company £1,425 (2001: £1,150). The Sinking Fund Policy has been maintained at the surrender value at the Balance Sheet date.

12. DEBTORS	Group		Company	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
		Restated		Restated
<b>Amounts falling due within one year:</b>				
Due from Subsidiary Companies	-	-	332	557
Deferred Taxation (Note 15)	-	28	-	28
Other Debtors	8	7	6	7
Prepayments	94	18	93	17
	102	53	431	609

### 13. CREDITORS

<b>Amounts falling due within one year:</b>				
Due to Subsidiary Companies	-	-	3,203	2,167
Current Corporation Tax	76	70	59	47
Other Taxation and Social Security costs	99	67	99	67
Dividend Payable	150	140	150	140
Accruals and deferred income	361	325	338	295
	686	602	3,849	2,716

The Company has a bank overdraft facility, secured by a legal charge over a freehold property. The amount undrawn and available under this facility at 25th March 2002 was £250,000.

#### Amounts falling due after more than one year:

Bank Loan	6,450	6,397	6,450	6,397
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Interest is fixed at 6.422% per annum on £4,000,000 of the bank loan with interest on the remaining balance being charged at 1.25% per annum over LIBOR. The loan falls due for repayment on 5th June 2006.

The bank loan is secured by fixed charges over freehold land and buildings owned by the Company.

The undrawn element of the bank loan available at 25th March 2002 was £1,050,000.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2002

#### 14. FINANCIAL INSTRUMENTS

At 25th March 2002 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 and the fair value of the Group's financial assets and liabilities at 25th March 2002 is as stated in the Consolidated Balance Sheet. 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 fixed and 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 2002 amounted to £353,000. Details of the Company's bank borrowings are set out in note 13.

#### 15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation – Group and Company	Advance Corporation Tax £'000	Industrial Buildings Allowances £'000	Total £'000
At 26th March 2001 – as previously reported	80	–	80
Prior year adjustment	<u>285</u>	<u>(337)</u>	<u>(52)</u>
At 26th March 2001 – as restated	365	(337)	28
ACT utilised against Corporation Tax	<u>(66)</u>	<u>–</u>	<u>(66)</u>
At 25th March 2002	<u>299</u>	<u>(337)</u>	<u>(38)</u>

With the adoption of FRS 19, deferred taxation is now fully provided in the accounts in respect of Advance Corporation Tax ("ACT") recoverable and Industrial Buildings Allowances ("IBAs"). ACT recoverable is provided to the extent that it is foreseeable that it is more likely than not there will be suitable taxable profits against which ACT recognised is able to reverse. This has resulted in a prior year adjustment as set out in Note 18. In each of the years set out below, IBAs will fall away on completion of 25 years ownership by the Company of the properties concerned whereafter credits against the deferred tax provision will be made to the profit and loss account as follows:

Years ending 25th March:

2003 £'000	2007 £'000	2008 £'000	2009 £'000	2012 £'000	Total £'000
<u>23</u>	<u>159</u>	<u>117</u>	<u>26</u>	<u>12</u>	<u>337</u>

16. SHARE CAPITAL	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'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 2002

**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 2001	205	1,135	151	2,740	4,231
Revaluation during year	-	-	-	185	185
Transfers to Profit and Loss Account	-	-	-	(89)	(89)
Balance at 25th March 2002	<u>205</u>	<u>1,135</u>	<u>151</u>	<u>2,836</u>	<u>4,327</u>

Distributable	Profit and Loss Account £'000
Balance at 26th March 2001 – as previously reported	2,498
Prior year adjustment following adoption of FRS 19	(52)
Balance at 26th March 2001 – as restated	<u>2,446</u>
Retained profit for the year	275
Taxation on realised revaluation	(11)
Transfers from Revaluation Reserve	89
	<u>2,799</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 2001	205	1,135	82	2,028	3,450
Revaluation during year	-	-	-	183	183
Transfers from Profit and Loss Account	-	-	-	43	43
Balance at 25th March 2002	<u>205</u>	<u>1,135</u>	<u>82</u>	<u>2,254</u>	<u>3,676</u>

Distributable	Profit and Loss Account £'000
Balance at 26th March 2001 – as previously reported	2,809
Prior year adjustment following adoption of FRS 19	(52)
Balance at 26th March 2001 – as restated	<u>2,757</u>
Retained profit for the year	253
Transfer to Revaluation Reserve	(43)
	<u>2,967</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.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2002

#### 18. PRIOR YEAR ADJUSTMENT

Following the adoption of FRS 19, a prior year adjustment of £52,000 has been reflected in these accounts, of which £39,000 was in respect of 2001 (see also note 15).

#### 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

	2002 £'000	2001 £'000
Operating Profit	976	959
Depreciation and Amortisation	7	7
(Increase)/Decrease in Debtors	(76)	256
Increase/(Decrease) in Creditors	37	(8)
Net Cash Inflow from Operating Activities	<u>944</u>	<u>1,214</u>

##### (ii) Analysis of Net Debt

	26th March 2001 £'000	Cash Movement £'000	25th March 2002 £'000
Cash at Bank and in Hand	180	173	353
Debt due after more than one year	<u>(6,397)</u>	<u>(53)</u>	<u>(6,450)</u>
Net Debt	<u>(6,217)</u>	<u>120</u>	<u>(6,097)</u>

#### 21. COMMITMENTS UNDER OPERATING LEASES

Annual rental commitments at 25th March 2002 on property leases expiring :-

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



## WYNNSTAY PROPERTIES PLC

### FIVE YEAR FINANCIAL REVIEW

Years Ended 25th March:	2002 £'000	2001 £'000 Restated	2000 £'000	1999 £'000	1998 £'000
<b>PROFIT AND LOSS ACCOUNT</b>					
Property Income (Note 1)	1,454	1,408	2,033	1,364	1,468
Profit before Disposal of Investment Properties and Taxation	581	498	420	359	304
Profit before Taxation	666	505	500	400	439
Profit after Taxation	488	369	397	341	410
Dividends	213	199	189	178	166
<b>CONSOLIDATED BALANCE SHEET</b>					
Investment Properties	14,550	14,145	13,050	12,320	12,815
Shareholders' Funds	7,915	7,466	6,881	6,527	6,062
<b>PER SHARE</b>					
Basic Earnings (Note 2)	15.5p	11.7p	12.6p	10.8p	13.0p
Dividends	6.75p	6.3p	6.0p	5.65p	5.25p
Net Asset Value	251p	236p	218p	207p	192p

#### NOTES

1. Property Income shown for the year 2000 includes the proceeds from sales of trading properties totalling £590,000.
2. Basic earnings per share have been calculated by dividing Profit 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 sixteenth 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, 25th July 2002, 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 2002.
2. To declare a Dividend.
3. To re-elect as a Director, Michael Cheesmer, who retires by rotation.
4. To re-elect as a Director, Terence Nagle, who retires by rotation.
5. To elect as a Director, Charles Delevingne, who was appointed since the last Annual General Meeting.
6. To fix the remuneration of the Directors.
7. To re-appoint Moore Stephens as Auditors.
8. To authorise the Directors to determine the remuneration of the Auditors.

#### SPECIAL BUSINESS

9. To consider and, if thought fit, pass the following resolution which will be proposed as an Ordinary Resolution:

THAT the Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 (the "Act") to exercise for a period from the date of the passing of this Resolution until 24th July 2007 all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal value of £197,204 and to make offers or agreements which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority had not expired.

10. To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:

THAT the Directors be and are hereby authorised to make offers and agreements to allot equity securities (within the meaning of Section 94(2) of the Act) pursuant to the authority contained in the Ordinary Resolution above as if Section 89(1) of the Act did not apply to any such allotments and that the Company may at any time prior to the expiry of such authority make an offer or agreement which would or might require equity securities to be allotted after the expiry of such authority and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority had not expired provided that such authority shall expire on 24th July 2007 and be limited to:

- (i) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of Ordinary Shares made in proportion (or as nearly as may be) to their existing holdings of Ordinary Shares subject to the Directors having a right to make such exclusions or other arrangements in connection with such offering as they may deem necessary or expedient:
  - (a) to deal with equity securities representing fractional entitlements; and
  - (b) to deal with legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory; and
- (ii) other allotments (otherwise than pursuant to sub-paragraph (i) above) of equity securities for cash up to an aggregate nominal amount equal to £39,440.

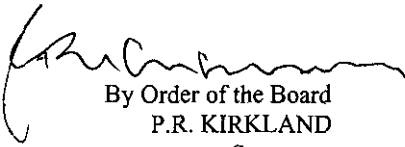
**WYNNSTAY PROPERTIES PLC**  
**NOTICE OF MEETING continued**

11. 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 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 Shares of 25p each provided that:

- (i) the Company does not purchase under this authority more than 315,526 Ordinary Shares, being equal to approximately ten per cent 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 five 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 five business days immediately preceding the date on which the Company agrees to buy the share concerned;
- (iv) this authority shall continue in force until the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution or 24th July 2003, 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.*  
18th June 2002

**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, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU 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 325 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 2002**

Aldershot, Eastern Road	Industrial Unit
Alton, Newman Lane	Industrial Unit
Bognor Regis, York Road	Offices and Retail
Colchester, North Hill	Offices
Colchester, Short Wyre Street	4 Retail Units
Cosham, High Street	Offices
Crawley, Whitworth Road	Industrial Unit
Diss, Vinces Road	Industrial Unit
Dorking, High Street	4 Retail Units
Epsom, Depot Road	Offices
Gosport, High Street	Retail Unit
Heathfield, Station Road	5 Industrial Units
Hertford, Hertingfordbury Road	2 Industrial Units
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.