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# Wynnstay Properties PLC

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*Annual Report and Financial Statements  
for the year ended 25 March 2018*



# WYNNSTAY PROPERTIES PLC

Registered number: 00022473



## ANNUAL REPORT and FINANCIAL STATEMENTS YEAR ENDED 25TH MARCH 2018

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

**DIRECTORS**

**P.G.H. COLLINS C.B.E.**  
*(Non-Executive Chairman)*

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

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

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

**P. MATHER, B.Sc., F.R.I.C.S.**  
*(Non-Executive Director)*

**C. M. TOLHURST, B.Sc., M.R.I.C.S., A.C.I.S.**  
*(Non-Executive Director)*

**REGISTERED OFFICE**  
150 Aldersgate Street, London EC1A 4AB

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

**SOLICITORS**  
FIELD FISHER LLP  
Riverbank House, 2 Swan Lane, London EC4R 3TT

**NOMINATED ADVISER & BROKER**  
PANMURE GORDON (UK) LIMITED  
One New Change, London EC4M 9AF

**VALUERS**  
BNP PARIBAS REAL ESTATE ADVISORY &  
PROPERTY MANAGEMENT UK LIMITED  
5 Aldermanbury Square, London EC2V 7BP

**REGISTRARS**  
LINK ASSET SERVICES  
65 Gresham Street, London EC2V 7NQ

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

SVENSKA HANDELSBANKEN AB  
5 Welbeck Street, London W1G 9YQ

**WYNNSTAY PROPERTIES PLC**  
**SUMMARY OF PROPERTY PORTFOLIO**  
**AT 25TH MARCH 2018**

Aldershot	Eastern Road	1 Industrial Unit
Aylesford	Quarry Wood Industrial Estate	18 Industrial Units
Basingstoke	Crockford Lane	3 Industrial Units
Chessington	Oakcroft Business Park	3 Industrial Units/Offices
Cosham	High Street	Offices
Hailsham	Crown Close Industrial Estate	7 Industrial Units
Heathfield	Station Road	5 Industrial Units
Hertford	Hertingfordbury Road	1 Industrial Unit
Ipswich	Trinity Street	5 Industrial Units
Lewes	Brooks Road	2 Retail Units
Lichfield	1-4, Prospect Drive	4 Industrial Units
Liphook	Beaver Industrial Estate	17 Industrial Units
Midhurst	North Street	1 Retail Unit
Norwich	City Trading Estate	6 Industrial Units
St. Neots	Huntingdon Road	6 Industrial Units
Surbiton	St James' Street	Offices
Uckfield	Bell Lane	4 Industrial Units
Weston-super-Mare	Phillips Road	1 Retail Unit

All the above properties are Freehold.

# WYNNSTAY PROPERTIES PLC

## CHAIRMAN'S STATEMENT

I am delighted to be writing to you to report on another excellent year for Wynnstay.

### Overview of financial performance

Wynnstay's financial performance for the year may be summarised as follows:

	Change	2018	2017
• Property income	+7.6%	£2,182,000	£2,028,000
• Profit before movement in fair value of investment properties, property sales and taxation	+15.1%	£1,150,000	£999,000
• Earnings per share	-5.8%	97.1p	103.1p
• Dividends per share, paid and proposed	+11.1%	17.50p	15.75p
• Net asset value per share	+11.9%	754p	674p
• Loan to value ratio		34.1%	38.4%
• Gearing ratio		43.1%	56.2%

### Portfolio

Wynnstay's portfolio is spread principally within the South and East of England, with a couple of recent acquisitions located further afield. Following the disposals mentioned later in this statement, we have around 80 tenants occupying 86 separate properties in 18 locations.

With the number of disposals and the successful completion of lease renewals, rent reviews and new leases at some of the smaller units in the portfolio, it has been an extremely busy year. Our management continues to focus on being approachable and flexible to meet tenants' needs, upgrading properties often jointly with existing tenants or to attract new tenants and ensuring that when tenants vacate properties they are relet as quickly as possible.

Property rental income rose to just under £2.2 million and was significantly higher than last year (2017 - £2.0 million). This increase reflects a full contribution from the office premises in Surbiton where, as previously reported, we negotiated a significant rent increase towards the end of the last financial year, together with the benefit of other good rent increases negotiated during the current year, notably on our estates at Aylesford and Liphook where tenant interest and demand remain strong.

At both these estates, we are planning to build additional units. I have previously advised of our successful planning application to expand at Aylesford. After further investigations of the costs and options, we are close to finalising our plans which include seeking a variation of the existing planning permission so that we have the option, if we wish, to carry out the works in phases. At Liphook, as reported in my interim report in November 2017, we have recently acquired a small adjacent vacant site and are in the course of preparing and submitting a planning application for two new units.

As envisaged in my statement last year, we have taken advantage of the present strong demand for smaller commercial investments by disposing of high street retail shops in the portfolio with a view to reinvestment of the proceeds in larger assets that offer better opportunities for growth. I reported on the sales of our high street retail shops at Colchester and Gosport in the interim results in November 2017. Subsequently, in March 2018 we completed the sale of our high street shop at Shirley. These three properties had been in the portfolio for many years. Given the attractive prices being realised for such premises, despite the uncertainties about the future of the

## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S STATEMENT (continued)

high street, and the anticipated lack of rental and capital growth, we considered that we should seek to invest the proceeds elsewhere.

The net profit from the sale of the three high street premises is £210,000 and this is reflected in the accounts for the year.

As previously reported, ownership of our principal tenants at Basingstoke changed hands during the year. The new owner has now decided to adopt a different model for distributing the company's products and to consolidate operations on an existing site to the north of London. We are considering various options for refurbishment and re-letting and/or sale whether as individual units or as a whole.

In my statement last year, I advised you of our plans, together with the adjoining owner, to sell our estate of five industrial units in St Neots, which has been in the portfolio for many years and is located in an area of the town that is now becoming predominantly residential in nature, to a development company subject to that company securing planning permission for redevelopment of both holdings for housing. I am pleased to say that planning permission has now been obtained and the developer is currently concluding formalities. Consequently, we have been informed that their option to purchase is likely to be exercised shortly. As previously advised, we will retain, at least for the time being, one self-contained unit adjacent to the main entrance to the St Neots' estate.

After the end of the financial year, Carpetright plc, one of the two tenants at our Lewes premises, notified us that it had entered into a creditors voluntary arrangement, would be surrendering its lease in September 2018 and, in the meantime, would be paying a reduced rent. Whilst this news was unwelcome, it was not entirely unexpected given the well-publicised difficulties facing certain multiple retail chains. We are already marketing the unit and I hope that there will be further news by the time of our interim results in November.

Our tenants at Chessington recently told us that they intend to transfer their operations to their parent company's site in Crawley and would therefore wish to exercise the break clauses under the leases of two of their three units. Following discussions, we have mutually agreed with the tenants to extend formally the date on which the breaks will become effective to June 2019 to allow them time to organise vacation and reinstatement of the units. The lease of the third unit runs until June 2021. We will begin marketing the units to be vacated early next calendar year.

The disposals we have made, together with the loss of the tenant at Lewes, may result in our rental income being lower in the current year than in the prior year. However, we are continually on the look out for attractive opportunities to add to the portfolio and have explored a significant number of potential purchases over the course of the year in a very competitive commercial property investment market, particularly in the light industrial / trade counter sector.

#### **Profits and costs**

As a result of the continued tight control of property and administrative costs, profit before fair value movement, profits on property sales and taxation for the year rose to just under £1.15m (2017 £1.0m).

Our property costs remained broadly at the same level as last year, although they include a greater proportion of costs on the upgrading of properties that are generally reflected in better lease terms and increased rents. We continue to focus on control of administrative costs, which were lower than in the prior year, partly due to the non-recurring items arising in that year.

# WYNNSTAY PROPERTIES PLC

## CHAIRMAN'S STATEMENT (continued)

### Portfolio Valuation

As at 25 March 2018, our Independent Valuers, BNP Paribas Real Estate, have undertaken the annual revaluation of the company's portfolio at £30,070,000 representing a revaluation surplus of £1,631,000. The revaluation reflects the increased rental income, improved lease profile and enhanced covenants achieved by our active management as well as positive conditions in the commercial property investment market.

As last year, it is pleasing to note that the increase in values, which has contributed to a 11.8% increase in net asset value per share, was spread across most of the portfolio. The greater percentage increases were attributed to our larger assets and to those where significant management activity has taken place.

Following the changes in the portfolio during the year, as at the year-end, the industrial sector within the portfolio accounted for 66% by value, with the retail warehouse and office sectors comprising 12% and 19% respectively and the remaining 3% being in our last remaining high street retail premises.

### Finance, Borrowings and Gearing

At the year-end, we held net cash of £1.43 million. When the sale of St Neots is completed, our cash position will be further strengthened. This will enable us to finance the developments at Aylesford and Liphook described earlier as well as to fund new acquisitions.

Borrowings at the year-end were £10.24 million (2017 - £11.34 million) and net gearing at the year-end was 43.1% compared to 56.2% last year.

As previously reported, we have an excellent business relationship with Handelsbanken and they have indicated that if we need additional borrowing to finance new acquisitions they are willing, in principle and without commitment, to increase our facility to a maximum of £15 million.

### Dividend

In the light of the excellent financial outcome of the year, the Board is recommending a total dividend for the year of 17.5p per share (2017 – 15.75p), which represents an increase of 11.1%. An interim dividend of 6.5p per share (2017 – 5.5p) was paid in December 2017. Accordingly, subject to approval of Shareholders at the Annual General Meeting, a final dividend of 11.00p per share (2017 – 10.25p) will be paid on 20th July 2018 to Shareholders on the register on 22nd June 2018.

The Board is delighted that Wynnstay's financial performance has enabled Shareholders to be rewarded with progressive and substantial dividend increases over the past five years.

### Outlook

The present uncertainties over the terms of the UK's exit from the European Union coupled with domestic political uncertainties have clouded the economic outlook and led to slowing in domestic growth and consumer spending. On the other hand, employment has continued to reach record levels.

After six successive years of capital, income and dividend growth and against a more uncertain political and economic background, we remain confident of Wynnstay's future as a niche property investment company. However, we feel that it is appropriate to be cautious, avoiding over-expansion or over-paying for acquisitions, and to take a measured approach in continuing to develop and build Wynnstay's portfolio.



## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S STATEMENT (continued)

The continued growth of the UK domestic economy with its many successful small businesses is important to the commercial property market. Reform of the present system of business rates and the heavy costs of property transactions arising from recent increases in stamp duty are substantial impediments to the growth of small businesses and need to be addressed.

#### **Our Executive Management**

The day-to-day responsibility for Wynnstay's business rests with our experienced executive directors – Paul Williams, our Managing Director, and Toby Parker, our Finance Director. In the light of the results achieved this year, the non-executive Directors decided to award them each a cash bonus: in the case of Paul, £20,000 and in the case of Toby, £4,000. The bonuses are reflected in the accounts for the last year. We use discretionary bonuses as an additional incentive to align remuneration with shareholders interests. As mentioned in my statement last year, Paul and Toby have expressed a wish to consider taking any future bonuses in the form of Wynnstay shares and resolutions, in the same terms as those approved at last year's meeting, to enable this will be proposed at the Annual General Meeting.

#### **Colleagues and Advisers**

Our three non-executive directors, Charles Delevingne, Paul Mather and Caroline Tolhurst provide the benefit of their long and diverse property and other experience. I would like to thank all the Directors, as well as our advisers, for their contributions over the past year.

#### **Unsolicited approaches to Shareholders**

Every year I warn shareholders about unsolicited approaches, usually by telephone, about their shareholdings. This year I have personally experienced such calls to my family and other shareholders have reported similar calls. A recent Financial Conduct Authority report noted that "Even seasoned investors have been caught out, with the biggest individual loss recorded by the police being £6m."

As always, I would urge all shareholders to continue to be cautious. There is nothing that we can do to deter or stop these approaches, or the use by callers of Wynnstay's name or details of shareholdings. On Wynnstay's website ([www.wynnstayproperties.co.uk](http://www.wynnstayproperties.co.uk)), shareholders will also find a warning and a link to other information about unsolicited approaches regarding shares on the Financial Conduct Authority's website ([www.fca.org.uk/consumers/scams](http://www.fca.org.uk/consumers/scams)).

#### **Annual General Meeting**

Our Annual General Meeting will be held on **Tuesday 10th July 2018 commencing at 11.30**. As last year, it is to be held at the company's registered office which is at our auditors, Moore Stephens LLP, 150 Aldersgate Street, London EC1A 4AB. Coffee will be available from 11.00.

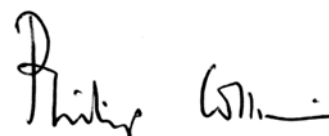
As always, I encourage all Shareholders to take the opportunity to come to London for the meeting so that they can meet the Board and other Shareholders informally to discuss the Company's affairs as well as to take part in the formal business. **Shareholders are asked to indicate by ticking the appropriate box on the enclosed proxy form whether or not they intend to attend the meeting.**

As at last year's meeting and already noted above, the notice of meeting on page 36 includes, in addition to routine business, two additional resolutions. These resolutions would give the Board authority, limited in both amount (5% of share capital) and time (December 2019 at the latest) to issue shares, including shares held in Treasury,

## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S STATEMENT (continued)

and to do so without first offering them to existing shareholders. This authority is commonly sought in public companies as it is a potentially useful additional way of financing part of the costs of an acquisition if this suits the vendor. A specific reason for the authority in our case is that our Managing Director and Finance Director, Paul Williams and Toby Parker, have expressed interest in receiving any future bonuses in shares. Although they could seek to purchase shares in the market, our shares are often not readily available in the market so it is useful for the Board to have the authority to issue shares directly to them. Whilst an acquisition of shares in this way will not provide the tax benefits associated with a share incentive scheme, it is a sign of their confidence in and commitment to the Company that they have expressed this interest in aligning their financial interests with those of the Company and of all other shareholders.



Philip G.H. Collins  
*Chairman*

14 June 2018

# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2018

The Directors present their One Hundred and Thirty Second Annual Report, together with the audited Financial Statements of the Company for the year ended 25th March 2018.

Please refer to the Strategic Report on page 13 for the activities and the likely future developments of the Company and a discussion of the risks and uncertainties. Please refer to note 18 of the financial statements for further disclosure of the financial risks.

### **Profit for the Year**

The profit for the year after taxation amounted to £2,632,000 (2017: £2,797,000). Details of movements in reserves are set out in the statement of changes in equity on page 21.

### **Dividends**

The Directors have decided to recommend a final dividend of 11.0 pence per share for the year ended 25th March 2018 payable on 20th July 2018 to those shareholders on the register on 22nd June 2018. This dividend, together with the interim dividend of 6.5 pence paid on 23rd December 2017, represents a total for the year of 17.5 pence (2017: 15.75 pence).

### **Statement of Directors' Responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2018 (continued)

### Directors

The Directors holding office during the financial year under review and their beneficial and non-beneficial interests in the ordinary share capital of the Company at 25th March 2018 and 25th March 2017 are shown below:

		<b>Ordinary Shares of 25p</b>	
		<b>25.3.18</b>	<b>25.3.17</b>
P.G.H. Collins	Non-Executive Chairman	<b>850,836</b>	850,836
C.P. Williams	Managing Director	<b>10,212</b>	10,212
C.H. Delevingne	Non-Executive Director	<b>5,000</b>	5,000
T.J. Nagle (Retired 13.07.2017)	Non-Executive Director	<b>13,000</b>	13,000
T.J.C. Parker	Finance Director and Secretary	<b>17,583</b>	15,583

The interests shown above in respect of Mr. P.G.H. Collins include non-beneficial interests of 229,596 shares at 25th March 2018 and 2017.

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

In accordance with the Company's Articles of Association, Mr C H Delevigne and Mr C P Williams retire by rotation and, being eligible, offer themselves for re- election.

Brief biographies of each of the Directors appear on page 42.

### Directors' Emoluments

Directors' emoluments for the year ended 25th March 2018 are set out below:-

	<u>Salaries</u>	<u>Fees</u>	<u>Pension</u>	<u>Benefits</u>	<b>Total 2018</b>	Total 2017
P.G.H. Collins	–	40,000	–	–	40,000	40,000
C.P. Williams	142,000	15,000	12,200	3,485	172,685	170,144
C.H. Delevingne	–	15,000	–	–	15,000	15,000
T.J. Nagle	–	5,000	–	–	5,000	15,000
T.J.C.Parker	–	15,000	4,000	–	19,000	20,000
P. Mather	–	15,000	–	–	15,000	–
C.M. Tolhurst	–	15,000	–	–	15,000	–
<b>Total 2018</b>	<b><u>£142,000</u></b>	<b><u>£120,000</u></b>	<b><u>£16,200</u></b>	<b><u>£3,485</u></b>	<b><u>£281,685</u></b>	
Total 2017	<u>£140,360</u>	<u>£100,000</u>	<u>£16,536</u>	<u>£3,248</u>		<u>£260,144</u>

The above figures include discretionary bonus payments determined by the Board to reflect performance during the year of £20,000 (2017: £25,000) to Mr C.P.Williams and £4,000 (2017: £5,000) Mr T.J.C. Parker.

A company owned and controlled by Mr T.J.C. Parker, was paid a fee of £45,000 (2017: £43,697) for services rendered during the year (see note 20).

### Directors' and Officers' Liability Insurance

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

# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2018 (continued)

### Substantial Interests

As at 13th June 2018, 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:

	<b>No. of Ordinary Shares of 25p</b>	<b>Percentage of Issued Share Capital 2018</b>	<b>Percentage of Issued Share Capital 2017</b>
Mr P.G.H. Collins	850,836	31.38%	31.38%
Mr D. Gibson	101,378	3.73%	3.65%
Mr G. Gibson	243,192	8.97%	8.97%

### Corporate Governance

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

- The Company is headed by an effective Board of Directors.
- There is a clear division of responsibilities in running the Board and running the Company's business.
- In the financial year, the Board comprised two executive and four non-executive Directors, including the Chairman.
- The Board receives and reviews on a regular basis financial and operating information appropriate to the Directors being able to discharge their duties. An annual budget is approved by the Board and a revised forecast is prepared at the half year stage. Cash flow and other financial performance indicators are monitored monthly against budget.
- Directors submit themselves for re-election every three years by rotation in accordance with the Articles of Association.
- The Board welcomes communication from the Company's Shareholders and positively encourages their attendance at the Annual General Meeting.
- The Board has appointed Caroline Tolhurst as Senior Independent Director who is available to shareholders if they have concerns which contact through the normal channel of Chairman has failed to resolve or for which such contact is inappropriate.
- In view of the current size of the Company and its Board the establishment of an audit committee or an internal audit department would be inappropriate. However, the auditors have direct access to the non-executive Chairman.

### Remuneration Committee

The Board currently acts as the remuneration committee, with the non-executive Directors determining the remuneration of the executive Directors, and the details of the Directors' emoluments being set out on page 10 of this report. It is the Company's policy that the remuneration of Directors should be commensurate with services provided by them to the Company.

# WYNNSTAY PROPERTIES PLC

## REPORT OF THE DIRECTORS 2018 (continued)

### Going Concern

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

### Internal Control

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

### Statement as to Disclosure of Information to Auditors

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

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

### Annual General Meeting

The Notice of the Annual General Meeting, to be held on Tuesday 10th July 2018, is set out on page 39.

By Order of the Board,

T.J.C. Parker

*Secretary*

14th June 2018

# WYNNSTAY PROPERTIES PLC

## STRATEGIC REPORT 2018

The Directors present their Strategic Report for the year ended 25th March 2018.

### **Principal Activity**

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

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

A review of the business for the year and of the future prospects of the Company is included in the Chairman's Statement on pages 4 to 8. The financial statements and notes are set out on pages 18 to 37.

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

- Increase in rental income: 7.6% (2017: increase of 14.9%).
- Increase in net asset value per share: 11.9% (2017: increase of 15.4%).

The Directors will continue to search for profitable investment opportunities, and make changes to enhance the value of the portfolio as and when such opportunities arise.

The principal risks and uncertainties are those associated with the commercial property market, which is cyclical by its nature and include changes in the supply and demand for space as well as the inherent risk of tenant failure. In the latter case, the Company seeks to reduce this risk by requiring the payment of rent deposits when considered appropriate and monitoring the income exposure to any tenant on a monthly basis. Other risk factors include changes in legislation in respect of taxation and the obtaining of planning consents, as well as those associated with financing and treasury management. The Company's risk management objectives can be found at note 18 of the financial statements.

This Strategic Report was approved by the Board and signed on its behalf by:

T.J.C. Parker  
*Director*

14th June 2018

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC**

#### **Opinion**

We have audited the financial statements of Wynnstay Properties PLC (the "Company") for the year ended 25 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as 25 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Valuation of investment properties*

The Company holds investment properties which comprise properties owned by the Company held for rental income. The Company's investment property portfolio is valued at £30m at the end of the reporting period



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC**

Investment properties are valued by independent external valuers, who were engaged by the directors. The valuers performed their work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards. The valuation of the investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, current tenancy agreements, its location and the expected future rentals for that particular property which are taken into account by the valuers in determining a property's valuation. Additionally, a number of assumptions were made in regard to the state of the property, yields and estimated market rent together with anticipated void periods. The valuation of investment properties requires significant judgement and there is therefore a risk that the properties are incorrectly valued.

In this area our audit procedures were as follows:

- We obtained and reviewed the independent valuation reports and confirmed that the valuation approach was in accordance with RICS standards.
- We compared investment yields and year on year movements in capital value by reference to published benchmarks.
- An assessment of the valuers' qualifications and expertise was performed and we held a discussion with the valuers to gain a better understanding of their independence and quality control procedures and their approach to valuation.

#### *Revenue recognition*

Revenue of the Company amounting to £2m was mainly derived from its principal activity, being the management of its property portfolio. This income includes rental income which is based on tenancy agreements with rentals payable quarterly. There is a risk that revenue is received or earned and not recorded which presents a potential risk in terms of the completeness and accuracy of the revenue being recognised.

In addition, there is a risk that sales have completed prior to the year-end but are not recognised in the accounts and also a further risk in terms of the cut off of this revenue.

Our approach to the audit of revenue was as follows:

- Rental income is based on tenancy agreements with rentals payable quarterly. We reconciled total rental income to the individual tenancy agreements, including considering the effect of all rent reviews during the year and compared the total rental income expected to the rental income recognised.
- We reviewed all completion statements to gain assurance that revenue from sale of properties was recognised in the correct period.

#### **Our application of materiality**

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

We determined the materiality for the financial statements as a whole to be £310,000, calculated with reference to a benchmark of gross assets, which is a typical primary measure for users of the financial statements of investment property companies, of which it represents approximately 1%. In addition, we set a specific materiality level of £58,000 for items within underlying pre-tax profit calculated at 5% of profit before tax adjusted for fair value movement on non-current assets.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC**

This is the threshold above which missing or incorrect information in financial statements is considered to have an impact on the decision making of users.

We reported to the Board all potential adjustments in excess of £16,000 being approximately 5% of the materiality for the financial statements as a whole.

#### **An overview of the scope of our audit**

We considered the risk of the financial statements being misstated or not prepared in accordance with the underlying legislation or standards. We then directed our work toward areas of the financial statements which we assessed as having the highest risk of containing material misstatements.

We tested and examined information using both analytical procedures and tests of detail, to the extent necessary to provide us with a reasonable basis to draw conclusions. These procedures gave us the evidence that we need for our opinion on the financial statements as a whole and, in particular, helped mitigate the risks of material misstatement mentioned above.

We also documented and reviewed the systems, primarily to confirm that they form an adequate basis for the preparation of the financial statements, but also to identify the controls operated to ensure the completeness and accuracy of the data.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Paul Fenner (Senior Statutory Auditor)**

for and on behalf of Moore Stephens LLP  
Statutory Auditor

150 Aldersgate Street  
London  
EC1A 4AB

14 June 2018

# WYNNSTAY PROPERTIES PLC

## STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 25TH MARCH 2018

	Notes	2018	2017
		£'000	£'000
<b>Property Income</b>		<b>2,182</b>	2,028
Property Costs	2	(148)	(131)
Administrative Costs	3	(520)	(528)
		<u>1,514</u>	<u>1,369</u>
Movement in Fair Value of: Investment Properties	9	1,631	2,199
Profit on Sale of Investment Property		210	–
<b>Operating Income</b>		<b>3,355</b>	3,568
Investment Income	5	1	3
Finance Costs	5	(365)	(373)
<b>Income before Taxation</b>		<b>2,991</b>	3,198
Taxation	6	(359)	(401)
<b>Income after Taxation</b>		<b><u>2,632</u></b>	<b><u>2,797</u></b>
 <b>Basic and diluted earnings per share</b>	 8	 <b>97.1p</b>	 103.1p

The company has no items of other comprehensive income.

**WYNNSTAY PROPERTIES PLC**  
**STATEMENT OF FINANCIAL POSITION 25TH MARCH 2018**

		<b>2018</b>	<b>2017</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Non Current Assets</b>			
Investment Properties	9	<b>28,770</b>	29,515
Investments	12	<b>3</b>	3
		<b>28,773</b>	29,518
<b>Current Assets</b>			
Accounts Receivable	13	<b>808</b>	455
Cash and Cash Equivalents		<b>1,434</b>	1,075
		<b>2,242</b>	1,530
<b>Non-current assets held for Sale</b>	9	<b>1,300</b>	–
		<b>3,542</b>	1,530
<b>Current Liabilities</b>			
Accounts Payable	14	<b>(1,075)</b>	(1,039)
Income Taxes Payable		<b>(211)</b>	(195)
		<b>(1,286)</b>	(1,234)
<b>Net Current Assets</b>		<b>2,256</b>	296
<b>Total Assets Less Current Liabilities</b>		<b>31,029</b>	29,814
<b>Non-Current Liabilities</b>			
Bank Loans Payable	15	<b>(10,240)</b>	(11,340)
Deferred Tax Payable	16	<b>(346)</b>	(209)
		<b>(10,586)</b>	(11,549)
<b>Net Assets</b>		<b>20,443</b>	18,265
<b>Capital and Reserves</b>			
Share Capital	17	<b>789</b>	789
Capital Redemption Reserve		<b>205</b>	205
Share Premium Account		<b>1,135</b>	1,135
Treasury Shares		<b>(1,570)</b>	(1,570)
Retained Earnings		<b>19,884</b>	17,706
		<b>20,443</b>	18,265

Approved by the Board and authorised for issue on 14th June 2018

P.G.H. Collins  
Chairman

T.J.C. Parker  
Finance Director

Registered number: 00022473

**WYNNSTAY PROPERTIES PLC**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 25TH MARCH 2018**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cashflow from operating activities</b>		
Income before taxation	<b>2,991</b>	3,198
Adjusted for:		
Amortisation of deferred finance costs	–	28
Increase in fair value of investment properties	<b>(1,631)</b>	(2,199)
Interest income	<b>(1)</b>	(3)
Interest expense	<b>365</b>	373
Profit on disposal of investment properties	<b>(210)</b>	–
Changes in:		
Trade and other receivables	<b>(353)</b>	(136)
Trade and other payables	<b>36</b>	99
Cash generated from operations	<b><u>1,196</u></b>	<b><u>1,360</u></b>
Income taxes paid	<b>(294)</b>	(181)
Interest paid	<b>(365)</b>	(345)
Net cash from operating activities	<b><u>537</u></b>	<b><u>834</u></b>
<b>Cashflow from investing activities</b>		
Interest and other income received	<b>1</b>	3
Purchase of investment properties	<b>(98)</b>	(2,086)
Sale of investment properties	<b>1,386</b>	–
Net cash from investing activities	<b><u>1,289</u></b>	<b><u>(2,083)</u></b>
<b>Cashflow from financing activities</b>		
Dividends paid	<b>(454)</b>	(371)
Drawdown on bank loans	–	1,312
Repayment of bank loans	<b>(1,100)</b>	–
Net cash from financing activities	<b><u>(1,554)</u></b>	<b><u>941</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>359</b>	(308)
Cash and cash equivalents at beginning of period	<b>1,075</b>	1,383
Cash and cash equivalents at end of period	<b><u>1,434</u></b>	<b><u>1,075</u></b>

**WYNNSTAY PROPERTIES PLC**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 25TH MARCH 2018**

**YEAR ENDED 25TH MARCH 2018**

	<b>Share Capital £ 000</b>	<b>Capital Redemption Reserve £ 000</b>	<b>Share Premium Account £ 000</b>	<b>Treasury Shares £ 000</b>	<b>Retained Earnings £ 000</b>	<b>Total £ 000</b>
Balance at 26th March 2017	789	205	1,135	(1,570)	17,706	18,265
Total comprehensive income for the year	–	–	–	–	2,632	2,632
Dividends – note 7	–	–	–	–	(454)	(454)
Balance at 25th March 2018	<b>789</b>	<b>205</b>	<b>1,135</b>	<b>(1,570)</b>	<b>19,884</b>	<b>20,443</b>

**YEAR ENDED 25TH MARCH 2017**

	<b>Share Capital £ 000</b>	<b>Capital Redemption Reserve £ 000</b>	<b>Share Premium Account £ 000</b>	<b>Treasury Shares £ 000</b>	<b>Retained Earnings £ 000</b>	<b>Total £ 000</b>
Balance at 26th March 2016	789	205	1,135	(1,570)	15,280	15,839
Total comprehensive income for the year	–	–	–	–	2,797	2,797
Dividends – note 7	–	–	–	–	(371)	(371)
Balance at 25th March 2017	<b>789</b>	<b>205</b>	<b>1,135</b>	<b>(1,570)</b>	<b>17,706</b>	<b>18,265</b>

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

#### 1. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

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

##### 1.1 Basis of Preparation

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

##### (a) New Interpretations and Revised Standards Effective for the year ended 25th March 2018

The Directors have adopted all new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB and adopted by the EU that are relevant to the operations and effective for accounting periods beginning on or after 26th March 2017. The adoption of these interpretations and revised standards had the following impact on the disclosures and presentation of the financial statements:

##### IAS 40 Investment Property

The amendment to the standard clarifies that judgement is required over whether the acquisition of an investment property is an acquisition of an asset or a business combination that falls within the scope of IFRS 3. The amendment will prospectively impact the accounting treatment for the acquisition of investment property which falls under the scope of business combinations.

The Company has evaluated its investment property acquisitions during the year ended 25th March 2018 and has not identified any transactions which fall within the scope of business combinations. The investment properties acquired during the year are disclosed in note 9.

##### (b) Standards and Interpretations in Issue but not yet Effective

The International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued revisions to a number of existing standards and new interpretations as well as a number of new standards with an effective date of implementation after the date of these financial statements.

It is not anticipated that the adoption of these revised standards and interpretations will have a material impact on the figures included in the financial statements in the period of initial application. The following standards may have a minor impact:



## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

#### ***IFRS 9: Financial Instruments***

The standard makes substantial changes to the measurement of financial assets and financial liabilities and derecognition of financial assets. There will only be three categories of financial assets whereby financial assets are recognised at either fair value through profit and loss, fair value through other comprehensive income or measured at amortised cost. On adoption of the standard, the Company will have to re-determine the classification of its financial assets based on the business model for each category of financial asset. This is not considered likely to give rise to any significant adjustments.

The principal change to the measurement of financial assets measured at amortised cost or fair value through other comprehensive income is that impairments will be recognised on an expected loss basis compared to the current incurred loss approach. As such, where there are expected to be credit losses these are recognised in profit or loss. For financial assets measured at amortised cost the carrying amount of the asset is reduced for the loss allowance. For financial assets measured at fair value through other comprehensive income the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset.

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

The standard is effective for periods beginning on or after 1 January 2018.

An impact assessment of the standard was carried out and it was concluded that it will have no material effect.

#### **IFRS 15 – Revenue from contracts with customers**

The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price
- Recognise revenue when a performance obligation is satisfied

On application of the standard the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

The Company has carried out an assessment of the impact that the standard will have on its financial statements, and concluded the effect is not considered to be material.

The standard is effective for periods beginning on or after 1 January 2018.

An impact assessment of the standard was carried out and it was concluded that it will have no material effect.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

#### **IFRS 16 – Leases**

The standard makes substantial changes to the recognition and measurement of leases by lessees. On adoption of the standard, lessees, with certain exceptions for short term or low value leases, will be required to recognise all leased assets on their Statement of Financial Position as 'right-of-use assets' with a corresponding lease liability. This is likely to significantly increase the asset and liability balances recognised in the Statement of Financial Position.

In addition to the re-measurements required, on application of the standard, the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and variability of lease payments and cash flows, by providing qualitative and quantitative information.

The requirements for lessors are substantially unchanged although the disclosures are also likely to increase.

The Company has not as yet evaluated the full extent of the impact that the standard will have on its financial statements, however the effect is not considered likely to be material.

The standard is effective for periods beginning on or after 1 January 2019.

An impact assessment of the standard was carried out and it was concluded that it will have no material effect.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

#### 1.2 ACCOUNTING POLICIES

##### **Investment Properties**

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

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

Investment properties are recognised as acquisitions or disposals based on the date of contract completion.

##### **Depreciation**

In accordance with IAS 40, freehold investment properties are included in the Statement of Financial Position at fair value, and are not depreciated.

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

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

The gains and losses on the disposal of investment properties and other investments are included in profit or loss in the year of disposal.

##### **Property Income**

Property income is recognised on a straight line basis over the period of the lease. Revenue is measured at the fair value of the consideration receivable. All income is derived in the United Kingdom.

##### **Taxation**

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

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

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

The Company provides for deferred tax on investment properties by reference to the tax that would be due on the sale of the investment properties. Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited to profit or loss, including deferred tax on the revaluation of investment property.

#### **Trade and Other Accounts Receivable**

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

#### **Cash and Cash Equivalents**

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

#### **Trade and Other Accounts Payable**

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

#### **Pensions**

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

#### **Borrowings**

Interest rate borrowings are recognised at fair value, being proceeds received less any directly attributable transaction costs. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### **1.3 Key Sources of Estimation Uncertainty and Judgements**

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

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

There are no other judgemental areas identified by management that could have a material effect on the financial statements at the reporting date.

# WYNNSTAY PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

<b>2. PROPERTY COSTS</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Empty rates	4	1
Property management	114	65
	<u>118</u>	<u>66</u>
Legal fees	22	40
Agents fees	8	25
	<u>148</u>	<u>131</u>
<b>3. ADMINISTRATIVE COSTS</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Rents payable – operating lease rentals	26	25
General administration, including staff costs	458	465
Auditors' remuneration: Audit fees	32	32
Tax services	4	6
	<u>520</u>	<u>528</u>
<b>4. STAFF COSTS</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs, including Directors' fees, during the year were as follows:		
Wages and salaries	266	244
Social security costs	31	23
Other pension costs	16	17
	<u>313</u>	<u>284</u>
Further details of Directors' emoluments, totaling £281,685 (2017: £260,144), are shown in the Directors' Report on page 10. There are no other key management personnel.		
	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
The average number of employees, including Non-Executive Directors, engaged wholly in management and administration was:	<u>6</u>	<u>5</u>
The number of Directors for whom the Company paid pension benefits during the year was:	<u>2</u>	<u>2</u>

# WYNNSTAY PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

<b>5. FINANCE COSTS (NET)</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable on bank loans	365	373
Less: Bank interest receivable	(1)	(3)
	<u>364</u>	<u>370</u>
<b>6. TAXATION</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
(a) Analysis of the tax charge for the year:		
UK Corporation tax at 19% (2017: 20%)	222	195
Overprovision in previous year	–	–
Total current tax charge	<u>222</u>	<u>195</u>
Deferred tax – temporary differences	137	206
Tax charge for the year	<u>359</u>	<u>401</u>
(b) Factors affecting the tax charge for the year:		
Net Income before taxation	<u>2,991</u>	<u>3,198</u>
Current Year:		
Corporation tax thereon at 19% (2017 - 20%)	569	640
Expenses not deductible for tax purposes	3	14
Excess of capital allowances over depreciation	–	(2)
Investment gain on fair value not taxable	(310)	(440)
Investment profit on disposal	(40)	–
Other timing differences	–	(16)
Overprovision in previous year	–	–
Current tax charge	<u>222</u>	<u>195</u>
<b>7. DIVIDENDS</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Final dividend paid in year of 10.25p per share (2017: 8.2p per share)	278	222
Interim dividend paid in year of 6.5p per share (2017: 5.5p per share)	176	149
	<u>454</u>	<u>371</u>

The Board recommends the payment of a final dividend of 11.0 p per share, which will be recorded in the Financial Statements for the year ending 25th March 2019.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

#### 8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing Income after Taxation attributable to Ordinary Shareholders of £2,632,000 (2017: £2,797,000) by the weighted average number of 2,711,617 (2017: 2,711,617) ordinary shares in issue during the period excluding shares held as treasury. There are no instruments in issue that would have the effect of diluting earnings per share.

9. PROPERTIES	2018	2017
	£'000	£'000
<b>Properties</b>		
Balance at 25th March 2017	29,515	25,230
Additions	96	2,086
Disposals	(1,172)	–
Revaluation Surplus	1,631	2,199
	<u>30,070</u>	<u>29,515</u>
Assets held for Sale	(1,300)	–
Balance at 25th March 2018	<u>28,770</u>	<u>29,515</u>

The Company's freehold investment properties are carried at fair value as at 25th March 2018. The fair value of the properties has been calculated by independent valuers, BNP Paribas Real Estate, on the basis of market value, defined as:

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

These recurring fair value measurements for non-financial assets use inputs that are not based on observable market data, and therefore fall within level 3 of the fair value hierarchy.

The significant unobservable market data used is property yields which range from 5.51% to 8.02%, with an average yield of 6.75% and an average weighted yield of 6.79% for the portfolio.

There have been no transfers between levels of the fair value hierarchy. Movements in the fair value are recognised in profit or loss.

A 0.5% increase or decrease in the yield would result in a corresponding decrease or increase of £2.23 million in the fair value movement through profit or loss.

# WYNNSTAY PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

### 10. OTHER PROPERTY, PLANT AND EQUIPMENT

	2018 £'000	2017 £'000
<b>Cost</b>		
Balance at 25th March 2017 and 25th March 2018	<u>–</u>	<u>47</u>
<b>Depreciation</b>		
Balance at 25th March 2017	–	47
Charge for the Year	<u>–</u>	<u>–</u>
Balance at 25th March 2018	<u>–</u>	<u>47</u>
<b>Net Book Values at 25th March 2017 and 25th March 2018</b>	<u>–</u>	<u>–</u>

### 11. OPERATING LEASES RECEIVABLE

	2018 £'000	2017 £'000
The following are the future minimum lease payments receivable under non-cancellable operating leases which expire:		
Not later than one year	1,870	2,026
Between 2 and 5 years	3,913	4,061
Over 5 years	<u>123</u>	<u>245</u>
	<u>5,906</u>	<u>6,332</u>

Rental income under operating leases recognised through profit or loss amounted to £2,182,000 (2017: £2,028,000).

Typically, the properties were let for a term of between 5 and 10 years at a market rent with rent reviews every 5 years. The above maturity analysis reflects future minimum lease payments receivable to the next break clause in the operating lease. The properties are generally leased on terms where the tenant has the responsibility for repairs and running costs for each individual unit with a service charge payable to cover common services provided by the landlord on certain properties.



# WYNNSTAY PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

<b>12. INVESTMENTS</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Quoted investments	<u>3</u>	<u>3</u>

<b>13. ACCOUNTS RECEIVABLE</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Trade receivables	802	451
Other receivables	6	4
	<u>808</u>	<u>455</u>

Trade receivables include an allowance for bad debts of £nil (2017: nil). Trade receivables of £nil (2017: £10,000) are considered past due but not impaired.

<b>14. ACCOUNTS PAYABLE</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	–	7
Other creditors	140	134
Accruals and deferred income	935	898
	<u>1,075</u>	<u>1,039</u>

<b>15. BANK LOANS PAYABLE</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Non-current loan	10,240	11,340
	<u>10,240</u>	<u>11,340</u>

In December 2016, a new five year facility comprising both a Fixed Rate Facility and a Revolving Credit Facility was entered into providing a total credit facility of £11.34 million. Interest was charged at 3.35% per annum for the Fixed Rate Facility of £10 million and 2.49% over 3 month LIBOR for the Revolving Credit Facility of £0.24 million (2017: £1.34 million).

The loan is repayable in one instalment on 18 December 2021. The bank loan includes the following financial covenants which were complied with during the year:

- Rental income shall not be less than 2.25 times the interest costs
- The bank loan shall at no time exceed 50% of the market value of the properties secured.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

#### 15. BANK LOANS PAYABLE (Continued)

The borrowing facility is secured by fixed charges over the freehold land and buildings owned by the Company, which at the year end had a combined value of £30,070,000 (2017: £29,515,000). The undrawn element of the borrowing facility available at 25th March 2018 was £1,100,000 (2017: nil).

#### 16. DEFERRED TAX

A deferred tax liability of £346,000 has been recognised in respect of the investment properties (2017: £209,000).

#### 17. SHARE CAPITAL

	2018	2017
	£'000	£'000
Authorised		
8,000,000 Ordinary Shares of 25p each:	2,000	2,000
Allotted, Called Up and Fully Paid		
3,155,267 Ordinary shares of 25p each	<u>789</u>	<u>789</u>

All shares rank equally in respect of Shareholder rights.

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

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

#### 18. FINANCIAL INSTRUMENTS

The objective of the Company's policies is to manage the Company's financial risk, secure cost effective funding for the Company's operations and minimise the adverse effects of fluctuations in the financial markets on the value of the Company's financial assets and liabilities, on reported profitability and on the cash flows of the Company.

At 25th March 2018 the Company's financial instruments comprised borrowings, cash and cash equivalents, short term receivables and short term payables. The main purpose of these financial instruments was to raise finance for the Company's operations. Throughout the period under review, the Company has not traded in any other financial instruments. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

##### **Credit Risk**

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in connection with property leases and the investment of surplus cash.

Tenant rent payments are monitored regularly and appropriate action is taken to recover monies owed or, if necessary, to terminate the lease. Funds are invested and loan transactions contracted only with banks and financial institutions with a high credit rating.

The Company has no significant concentration of credit risk associated with trading counterparties (considered to be over 5% of net assets) with exposure spread over a large number of tenancies.

Concentration of credit risk exists to the extent that at 25th March 2018 and 2017, current account and short term deposits were held with two financial institutions, Svenska Handelsbanken AB and C Hoare & Co. Maximum exposure to credit risk on cash and cash equivalents at 25th March 2018 was £1,434,000 (2017: £1,075,000).

##### **Currency Risk**

As all of the Company's assets and liabilities are denominated in Pounds Sterling, there is no exposure to currency risk.

##### **Interest Rate Risk**

The Company is exposed to cash flow interest rate risk as it currently borrows at both floating and fixed interest rates. The Company monitors and manages its interest rate exposure on a periodic basis but does not take out financial instruments to mitigate the risk. The Company finances its operations through a combination of retained profits and bank borrowings.

##### **Liquidity Risk**

The Company seeks to manage liquidity risk to ensure sufficient funds are available to meet the requirements of the business and to invest cash assets safely and profitably. The Board regularly reviews available cash to ensure there are sufficient resources for working capital requirements.

# WYNNSTAY PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

### 18. FINANCIAL INSTRUMENTS (Continued)

#### Interest Rate Sensitivity

Financial instruments affected by interest rate risk include loan borrowings and cash deposits. The analysis below shows the sensitivity of the statement of comprehensive income and equity to a 0.5% change in interest rates:

	0.5% decrease in interest rates		0.5% increase in interest rates	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Impact on interest payable - gain/(loss)	1	7	(1)	(7)
Impact on interest receivable - (loss)/gain	(7)	(5)	7	5
<b>Total impact on pre tax profit and equity</b>	<b>(6)</b>	<b>2</b>	<b>6</b>	<b>(2)</b>

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

	2018	2017
	£'000	£'000
Floating rate borrowings (bank loans)	(240)	(1,340)
Less: cash and cash equivalents	1,434	1,075
	<u>1,194</u>	<u>(265)</u>

#### Fair Value of Financial Instruments

Except as detailed in the following table, management consider the carrying amounts of financial assets and financial liabilities recognised at amortised cost approximate to their fair value.

	2018 Book Value £'000	2018 Fair Value £'000	2017 Book Value £'000	2017 Fair Value £'000
Interest bearing borrowings (note 15)	(10,240)	(10,240)	(11,340)	(11,340)
<b>Total</b>	<b>(10,240)</b>	<b>(10,240)</b>	<b>(11,340)</b>	<b>(11,340)</b>

# WYNNSTAY PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

### 18. FINANCIAL INSTRUMENTS (Continued)

#### Categories of Financial Instruments

	2018	2017
	£'000	£'000
Financial assets:		
Quoted investments	3	3
Loans and receivables	808	455
Cash and cash equivalents	1,434	1,075
Total financial assets	2,246	1,533
Non-financial assets	30,070	29,515
<b>Total assets</b>	<b>32,316</b>	<b>31,048</b>
Financial liabilities at amortised cost	11,509	12,574
Total liabilities	11,873	12,783
Shareholders' equity	20,443	18,265
<b>Total shareholders' equity and liabilities</b>	<b>32,316</b>	<b>31,048</b>

The only financial instruments measured subsequent to initial recognition at fair value as at 25th March are quoted investments. These are included in level 1 in the IFRS 7 hierarchy as they are based on quoted prices in active markets.

#### Capital Management

The primary objectives of the Company's capital management are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders; and
- to enable the Company to respond quickly to changes in market conditions and to take advantage of opportunities.

Capital comprises Shareholders' equity plus net borrowings. The Company monitors capital using loan to value and gearing ratios. The former is calculated by reference to total net debt as a percentage of the year end valuation of the investment property portfolio. Gearing ratio is the percentage of net borrowings divided by Shareholders' equity. Net borrowings comprise total borrowings less cash and cash equivalents. The Company's policy is that the net loan to value ratio should not exceed 50% and the gearing ratio should not exceed 100%.

	2018	2017
	£'000	£'000
Net borrowings and overdraft	10,240	11,340
Cash and cash equivalents	(1,434)	(1,075)
Net borrowings	8,806	10,265
Shareholders' equity	20,443	18,265
Investment properties	30,070	29,515
Loan to value ratio	34.1%	38.4%
Net borrowings to value ratio	29.3%	34.7%
Gearing ratio	43.1%	56.2%

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

#### 19. COMMITMENTS UNDER OPERATING LEASES

Future rental commitments at 25th March 2018 under non-cancellable operating leases are as follows:-

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	<b>25</b>	28
Between two to five years	<b>29</b>	28
	<b><u>54</u></b>	<b><u>56</u></b>

#### 20. RELATED PARTY TRANSACTIONS

The Company has entered into an agreement with T.J.C.P. Consultants Ltd, a company owned and controlled by T.J.C. Parker which during the year was paid £45,000 (2017: £43,697). There were no other related party transactions other than with the Directors, which have been disclosed under Directors' Emoluments in the Directors' Report on page 10.

# WYNNSTAY PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25TH MARCH 2018

### 21. SEGMENTAL REPORTING

	Industrial		Retail		Office		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Rental Income</b>	<b>1,618</b>	1,298	<b>162</b>	465	<b>402</b>	265	<b>2,182</b>	2,028
Profit on investment property at fair value	<b>1,153</b>	1,145	<b>20</b>	24	<b>458</b>	1,030	<b>1,631</b>	2,199
Total income and gain	<b>2,771</b>	2,443	<b>182</b>	489	<b>860</b>	1,295	<b>3,813</b>	4,227
Property expenses	<b>(148)</b>	(131)	–	–	–	–	<b>(148)</b>	(131)
<b>Segment profit/(loss)</b>	<b>2,573</b>	2,312	<b>182</b>	489	<b>860</b>	1,295	<b>3,665</b>	4,096
Unallocated corporate expenses							<b>(521)</b>	(528)
Profit on sale of investment property	–	–	<b>210</b>	–	–	–	<b>210</b>	–
<b>Operating income</b>							<b>3,354</b>	3,568
Interest expense (all relating to property loans)							<b>(365)</b>	(373)
Interest income and other income							<b>1</b>	3
<b>Income before taxation</b>							<b>2,991</b>	3,198

Other information	Industrial		Retail		Office		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Segment assets	<b>19,735</b>	18,483	<b>4,760</b>	5,915	<b>5,575</b>	5,118	<b>30,070</b>	29,515
Segment assets held as security	<b>19,735</b>	18,483	<b>4,760</b>	5,915	<b>5,575</b>	5,118	<b>30,070</b>	29,515

**WYNNSTAY PROPERTIES PLC**  
**FIVE YEAR FINANCIAL REVIEW**

	IFRS				
Years Ended 25th March:	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
Property Income	<b>2,182</b>	2,028	1,778	1,663	1,609
Profit before movement in fair value of investment properties and taxation	<b>1,150</b>	999	878	899	1,011
Income before Taxation	<b>2,991</b>	3,198	1,951	2,429	1,181
Income after Taxation	<b>2,632</b>	2,797	1,796	2,219	946
<b>STATEMENT OF FINANCIAL POSITION</b>					
Investment Properties	<b>30,070</b>	29,515	25,230	21,780	18,515
Equity Shareholders' Funds	<b>20,443</b>	18,265	15,839	14,390	12,499
<b>PER SHARE</b>					
Basic earnings	<b>97.1p</b>	103.1p	66.2p	81.8p	34.9p
Dividends paid and proposed	<b>17.5p</b>	15.75p	13.2p	12.3p	11.8p
Net Asset Value	<b>754p</b>	674p	584p	531p	461p



**WYNNSTAY PROPERTIES PLC**  
**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the one hundred and thirty second ANNUAL GENERAL MEETING of the Members of Wynnstay Properties PLC will be held at Moore Stephens LLP, 150, Aldersgate Street, London EC1A 4AB on Tuesday, 10th July 2018, at 11.30 a.m.. The business of the meeting will be to consider and, if thought fit, to pass the following ordinary and special resolutions.

**ORDINARY RESOLUTIONS**

- 1 To receive the Report of the Directors and the Financial Statements for the year ended 25th March 2018.
- 2 To declare a final dividend for the year ended 25th March 2018 of 11.0 pence per ordinary share.
- 3 To fix the remuneration of the Directors.
- 4 To reappoint Moore Stephens LLP as auditors of the Company, to hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting of the Company and to authorise the Directors to determine their remuneration.
- 5 To re-elect Charles Delevingne as a Director of the Company, who retires and offers himself for re-election.
- 6 To re-elect Paul Williams as a Director of the Company, who retires and offers himself for re-election.
- 7 That the Directors of the Company are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”), in substitution for all previous authorisations, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £39,440.75, and this authorisation shall, unless previously revoked by resolution of the Company, expire on 31 December 2019 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2019. The Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if this authorisation had not expired.

**WYNNSTAY PROPERTIES PLC**  
**NOTICE OF ANNUAL GENERAL MEETING**

**SPECIAL RESOLUTION**

8 That the Directors of the Company are empowered (i) pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorisation conferred by Resolution 7 above and (ii) pursuant to section 573 of the Act to allot equity securities (within the meaning of section 560(3) of the Act), in each case as if section 561 of the Act did not apply to the allotment, provided that this power shall be limited to:

- (a) The allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities made (i) to holders of ordinary shares in the Company in proportion (as nearly as many as practicable) to the respective number of ordinary shares held by them on the record date for such offer and (ii) to holders of other equity securities as may be required by the rights attached to those securities or, if the Directors consider it desirable, as may be permitted by such rights, but subject in each case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (b) The allotment (otherwise than pursuant to paragraph (a) above) of further equity securities up to any aggregate nominal amount of £39,440.75,

and this power shall, unless previously revoked by resolution of the Company, expire on 31 December 2019 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2019. The Company may, at any time before the expiry of this power, make offers or enter into agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

Registered Office:  
150 Aldersgate Street  
London EC1A 4AB

By Order of the Board,  
T. J. C. Parker  
Secretary  
14th June 2018

**WYNNSTAY PROPERTIES PLC**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notes:

1. A Member entitled to attend and vote at the Meeting may appoint one or more proxies to attend, speak and vote in their stead. The proxy need not be a Member of the Company. To be effective, completed forms of proxy and the power of attorney or other authority (if any) under which they are signed or a copy of that power or authority certified notarially or in accordance with the Powers of Attorney Act 1971 must be lodged at the office of the Company's registrars, Link Asset Services, 65 Gresham Street, London EC2V 7NQ at least 48 hours before the time appointed for the Meeting. A form of proxy is enclosed.
2. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person should he wish to do so.
3. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.
4. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 11.30 a.m. on 9th July 2018 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the relevant register of securities after 11.30 a.m. on 9th July 2018 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. Copies of the service agreements under which Directors of the Company are employed by the Company 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.

## WYNNSTAY PROPERTIES PLC

### BIOGRAPHIES OF THE DIRECTORS

**Philip G.H. Collins** (Non-Executive Chairman) aged 70, is a Solicitor and was Chairman of the Office of Fair Trading from 2005 to 2014. He was formerly a partner in an international firm based in the City where he specialised in E.U. law, with particular emphasis on competition issues. Previously, 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. Appointed a Director of Wynnstay Properties in 1988 and elected Chairman in October 1998.

**Paul Williams** (Managing Director) aged 60 is a Chartered Surveyor and holds a Degree in Land Management as well as an MBA. He has spent his entire career in commercial property including a fourteen year period with MEPC where he held a number of senior positions. Paul has also worked for Lloyds TSB, Legal & General, GE Pensions and Credit Suisse Asset Management and joined Wynnstay Properties as Managing Director in February 2006.

**Charles H. Delevingne** (Non-Executive) aged 68. After spending his early career as a partner with prominent estate agencies, in 1981 he founded Harvey White Properties Limited, a substantial private commercial property investment company. Appointed a Director of Wynnstay Properties in June 2002.

**Toby J. C. Parker** (Finance Director and Company Secretary) aged 63, is a Chartered Accountant who has worked for a number of small and medium sized companies in a varied number of business sectors both in the UK and abroad. Appointed a Director of Wynnstay Properties in August 2007.

**Paul Mather** (Non-Executive) aged 63 is a Chartered Surveyor who has spent his career focused on active asset management of commercial portfolios and developments in central London. He was a senior director at BNP Paribas Real Estate for 13 years and group portfolio manager for Greycoat PLC for 17 years. Appointed a director of Wynnstay Properties in March 2017.

**Caroline M. Tolhurst** (Non-Executive) aged 56, is a Chartered Surveyor and a Chartered Secretary with 30 years' experience in property and investment sectors. She was Company Secretary at Grosvenor Limited and NewRiver Retail Limited and compliance officer for Knight Frank LLP's regulated businesses. She is also a Board member and Committee Chair at A2Dominion Housing Group Limited and LocatED Property Limited. Appointed a director of Wynnstay Properties in March 2017.

