WYNNSTAY PROPERTIES PLC

Registered number: 00022473

ANNUAL REPORT
and
FINANCIAL STATEMENTS
YEAR ENDED 25TH MARCH 2019

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
BDO LLP
150 Aldersgate Street, London EC1A 4AB

SOLICITORS
FIELDFISHER 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 2019

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 Development Land
Midhurst	North Street	1 Retail Unit
Norwich	City Trading Estate	6 Industrial Units
Petersfield	Petersfield Trade Park	6 Industrial Units
Petersfield	Bedford Road	Development Land
St Neots	Huntingdon Road	1 Retail Unit
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 pleased to report on Wynnstay's excellent financial performance in the past year, in which we have made important changes to the portfolio.

Overview of financial performance

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

	Change	2019	2018
• Property income	+1.6%	£2,216,000	£2,182,000
• Profit before movement in fair value of investment properties, property sales and taxation	+4.0%	£1,196,000	£1,150,000
• Earnings per share	-26.8%	71.1p	97.1p
• Dividends per share, paid and proposed	+8.6%	19.0p	17.5p
• Net asset value per share	+7.0%	807p	754p
• Loan to value ratio		35.6%	34.1%
• Gearing ratio		52.7%	43.1%

Portfolio

Wynnstay's portfolio is spread principally within the South and East of England. Following the acquisitions and disposals mentioned later in this statement, we have around 80 tenants occupying over 85 separate properties in 20 locations.

Property rental income rose to just over £2.2 million and was thus at about the same level as last year (2018 - £2.2 million). As you may recall, at this time last year I anticipated that as a result of property disposals already made, together with the loss of our tenant at Lewes, there might be a reduction in our rental income this year although I noted that we were continually on the lookout for good opportunities to add to the portfolio. As previously reported, we were successful in acquiring, at a cost of £4.1 million, an attractive freehold multi-let trade counter estate of six units at Petersfield which is well-let and generates current net rental income of just over £203,500 per annum. The income from this acquisition during the second half of the year, together with the prompt reletting of the Lewes unit and successful rent reviews on some of the smaller properties in the portfolio, has enabled us to maintain the same level of rental income, even after the further disposal in the latter part of the year of five of our industrial units at St Neots.

The level of activity in terms of lease renewals, rent reviews and new leases has been slightly lower than in prior years, providing reassurance of the general stability of our tenant base. As already reported we were successful in reletting the unit vacated by Carpetright in Lewes to a new tenant under a new ten-year lease, with break option and upward only rent review after five years, at a market rent which is similar to that being paid by the previous tenant. We were also able to conclude a new ten-year lease of a large unit at Quarrywood Industrial Estate, Aylesford to an existing tenant setting a new rental level for the Estate which should provide a valuable comparable when undertaking rent reviews or granting new leases on the other 17 units in the future.

Last year, and at the half-year, I reported on our successful planning application for the construction of additional units at Aylesford and to vary the terms to the planning permission in order to be able to carry out the development in stages and our subsequent decision not to proceed with the project for the time being given uncertainties in ground conditions and construction costs which impacted the project's financial viability. I am pleased to report that we carried out the necessary works to establish formal commencement under the permission that was necessary to ensure that the planning permission granted remains in effect permanently, so that we can undertake the project in the future. While doing these necessary works, we were also able to carry out at modest cost certain initial groundworks which would form part of any future development. This has provided additional parking, generating further rental income, from an existing tenant on the Estate.

At Liphook, the progress on the planning approval for two new units has been slow. We were advised to withdraw our original application and submit a new one with a slightly different profile but broadly offering the same accommodation. We expect to submit a new application, after pre-application advice, in the near future. In the meantime, the prospective tenant for the new units has continued to confirm his interest in the units when constructed.

At Basingstoke, we have recently learned that the planning application made by our tenant of two of the units has been approved. The tenant has an option to acquire the entire site of three units on the terms previously reported which were renewed at the beginning of April for a further six months. We await their decision on the exercise of the option.

At Chessington, you will recall that our tenant of all three units decided to transfer their operations to their parent company's site in Crawley and therefore exercised the break clauses under the leases of two of their three units. Following discussions, we mutually agreed with them to extend the date on which the breaks will become effective to June 2019 to allow them time to organise their vacation of the units. The lease of the third unit runs until June 2021. The tenants in fact moved out of all three units at the end of April and we are currently in the course of discussing dilapidations on the two units where the leases will shortly expire. In the meantime, we are actively marketing new leases of the two units vacated, together with the prospect of an assignment or a new lease of the third unit, which remains let for another two years.

At Petersfield, we have spent much of the second part of the year preparing a planning application for the adjacent cleared site next to our trade counter estate which, as previously announced, we acquired with planning consent for three units for £756,000. We decided to make a new application using a slightly different and more up-to-date design and configuration that we consider improves the appearance and maximises the use of the units for tenants. We have keen interest from three national brands, and we are progressing terms in the expectation that we can have agreements for leases in place for at least two units before construction commences.

Profits and Costs

The profit before movement in fair value of investment properties, property sales and taxation for the year was £1,196,000 (2018: £1,150,000) and the net profit of £280,000 from the sale of the five units at St Neots is also reflected in the accounts for the year. We continued to exercise tight control over property and administrative costs during the year.

Portfolio Valuation

As at 25 March 2019, our Independent Valuers, BNP Paribas Real Estate, have undertaken the annual revaluation of the company's portfolio at £35,095,000 representing a revaluation surplus of £771,000. Although this revaluation surplus is lower than last year, thus also resulting in lower earnings per share of 71.1p (2018: 97.1p), it reflects the vacation by the tenant of the Chessington units. The revaluation also includes, for the first time, the acquisitions at Petersfield. The revaluation, which has contributed to a 7.0% increase in net asset value per share, produced surpluses spread across most of the portfolio, with the greatest percentage surplus being achieved on our Quarrywood Industrial Estate at Aylesford.

Following the changes in the portfolio during the year, as at the year-end, the industrial sector within the portfolio accounted for 74% by value, with the retail warehouse and office sectors comprising 6% and 16% respectively and 2% being in our remaining retail properties together with 2% in development land.

Finance, Borrowings and Gearing

At the year-end, we held cash of just under £1.0 million, having increased our borrowings to part finance the purchase of Petersfield and then repaid £1.0million of our borrowings following the completion of the sale of the St Neots properties.

Borrowings at the year-end were £12.5 million (2018 - £10.24 million) and net gearing at the year-end was 52.7% compared to 43.1% last year.

We have an excellent business relationship with our bankers, Handelsbanken with whom we have a facility that can, in principle and without commitment, be increased to a maximum of £15 million. They were very supportive and efficient in dealing with our requirements in relation to the two Petersfield acquisitions.

Dividend

In the light of the excellent financial outcome of the year, the Board is recommending a total dividend for the year of 19.0p per share (2018 – 17.5p), which represents an increase of 8.6%. An interim dividend of 7.0p per share (2018 – 6.5p) was paid in December 2018. Accordingly, subject to approval of Shareholders at the Annual General Meeting, a final dividend of 12.0p per share (2018 – 11.00p) will be paid on 19th July 2019 to Shareholders on the register on 21st June 2019.

The Board is delighted that Wynnstay's excellent financial performance has enabled Shareholders to continue to benefit from rising dividend income coupled with substantial increase in net asset value per share.

Outlook

The uncertainties over the UK's exit from the European Union, coupled with domestic political uncertainties, continue to cloud the economic outlook. However, the latest data about the economy remains broadly positive, with employment continuing to reach record levels.

Wynnstay is a niche, focussed property investment company providing accommodation for small businesses that are the bedrock of the UK economy as well as for some larger tenants. While we are not exposed to the high street or to shopping centres where landlords, including some large property companies, are facing significant challenges, our business will be sensitive to adverse economic conditions that affect small businesses and the imposition of additional costs or burdens on such businesses.

While we have expanded and changed the focus of the business over recent years, we take a cautious, measured approach in developing Wynnstay's portfolio.

Format and Content of Report

Shareholders will notice that this year's Annual Report is rather longer than in prior years. This results from the introduction of a new rule for AIM Companies which requires all companies to adopt a corporate governance code and to produce a corporate governance report as well as providing additional information on the Company's website. Like many AIM companies, we decided to adopt the Quoted Companies Alliance's Corporate Governance Code. We have sought to make our new report as comprehensive and informative as possible about the Company's business and functioning and to link it closely to other parts of the report which have been required by statute for years, so as to avoid unnecessary repetition. We would be pleased to receive feedback from Shareholders.

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 a bonus of £25,000 to Paul Williams and this is reflected in the accounts for the year. We use discretionary bonuses as an additional incentive to align remuneration with shareholders' interests. As in prior years, resolutions in the same terms as those approved at last year's meeting to enable bonuses to be taken in the form of shares will be proposed at the Annual General Meeting.

Colleagues and Advisers

All three non-executive directors, Charles Delevingne, Paul Mather and Caroline Tolhurst have continued to provide valuable advice and challenge in Board discussions, based on their extensive experience in the property field and elsewhere. I would like to thank all the Directors, as well as our advisers, for their contributions over the past year.

Unsolicited approaches to Shareholders

For many years, I have warned shareholders about "share scams", typically unsolicited approaches, usually by telephone, but now increasingly online, from an obviously overseas location and often using a name which appears to carry some substance, about their shareholdings. I note that an increasing number of companies, including many major quoted companies, are now carrying such warnings in their annual reports.

The latest report from the Financial Conduct Authority states that consumers lost nearly £200 million in 2018 from "share scams", with the average loss being £29,000 (see: www.fca.org.uk/news/press-releases/fca-warns-public-investment-scams-over-197-million-reported-losses-2018).

As always, I urge all shareholders to continue to be vigilant. 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), 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).

Annual General Meeting

Our Annual General Meeting will be held on Tuesday 16th July 2019 commencing at 11.30. As last year, it is to be held at the company's registered office, which is at our auditors, BDO LLP, 150 Aldersgate Street, London EC1A 4AB. Coffee will be available from 11.00.

As always, I encourage all Shareholders to take part in 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 43 includes, in addition to routine business, two further resolutions. These resolutions would give the Board authority, limited in both amount (5% of share capital) and time (December 2020 at the latest) to issue shares, including shares held in Treasury, and to do so without first offering them to existing shareholders.

Philip G.H. Collins
Chairman

12th June 2019

WYNNSTAY PROPERTIES PLC

REPORT OF THE DIRECTORS 2019

The Directors present their One Hundred and Thirty-Third Annual Report, together with the audited Financial Statements of the Company for the year ended 25th March 2019.

Following the adoption by the Company of the Quoted Company Alliance Corporate Governance Code (the Code) certain matters required by the Code to be included in the Annual Report are now addressed in this report, the Strategic Report or the Corporate Governance Report with cross-references provided where appropriate. The three reports should be read together with the Chairman's Statement and the additional information required by the Code published on the Company's website.

Business and Future Development

As the Code requires a description of the business, strategy and business model promoting long-term value for shareholders to be included in the Annual Report and similar information is also required by company law to be included in the Strategic Report, these matters are dealt with in the Strategic Report on page 12.

Financial Objectives and Risks

As the Code requires a description of effective risk management systems to be included in the Annual Report and company law requires a description of financial risk management objectives and policies, information on exposure to risks and a description of the principal risks and uncertainties facing a company, these matters are all dealt with in the Strategic Report on page 12 as well as in Note 17 of the financial statements on pages 39- 40.

Profit for the Year

The profit for the year after taxation amounted to £1,928,000 (2018: £2,632,000). Details of movements in reserves are set out in the statement of changes in equity on page 26.

Dividends

The Directors have decided to recommend a final dividend of 12.0 p per share for the year ended 25th March 2019 payable on 19th July 2019 to those shareholders on the register on 21st June 2019. This dividend, together with the interim dividend of 7.0 p paid on 23rd December 2018, represents a total for the year of 19.0 p (2018: 17.5 p).

Statement of Directors' Responsibilities

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

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

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

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

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

Directors

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 2019 and 25th March 2018 are shown below:

Ordinary Shares of 25p		**25.3.19**	**25.3.18**
P.G.H. Collins	Non-Executive Chairman	**850,836**	850,836
C.P. Williams	Managing Director	**10,212**	10,212
C.H. Delevingne	Non-Executive Director	**5,000**	5,000
T.J.C. Parker	Finance Director and Secretary	***28,250**	*25,250

* of which: (i) 10,000 ordinary shares are held under the terms of a discretionary trust of which T.J.C. Parker is both a trustee and a beneficiary (whilst T.J.C. Parker has a beneficial interest in these shares he only has a potential or contingent entitlement dependent on the exercise of the Trustees of their discretions in his favour and the figure for 2018 has accordingly been restated for consistency); and (ii) 18,250 ordinary shares are held in two SIPPs on behalf of T.J.C. Parker.

The interests shown above in respect of Mr. P.G.H. Collins include non-beneficial interests of 229,596 shares at 25th March 2019 and 2018.

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 T.J.C. Parker and Mr P. Mather retire by rotation and, being eligible, offer themselves for re- election.

Brief biographies of each of the Directors appear on page 48.

Directors' Emoluments

Directors' emoluments for the year ended 25th March 2019 are set out below:-

	Salaries	Fees	Pension	Benefits	**Total 2019**	Total 2018
P.G.H. Collins	–	41,500	–	–	41,500	40,000
C.P. Williams	151,000	15,500	12,600	4,627	183,727	172,685
C.H. Delevingne	–	15,500	–	–	15,500	15,000
T.J.C.Parker	–	15,500		–	15,500	19,000
P. Mather	–	15,500	–	–	15,500	15,000
C.M. Tolhurst	–	15,500	–	–	15,500	15,000

Total 2019	**£151,000**	**£119,000**	**£12,600**	**£4,627**	**£287,227**	
Total 2018	£142,000	£120,000	£16,200	£3,485		£281,685

The above figures include discretionary bonus payments determined by the Board to reflect performance during the year of £25,000 (2018: £20,000) to Mr C.P. Williams and £nil (2018: £4,000) Mr T.J.C. Parker.

A company owned and controlled by Mr T.J.C. Parker, was paid a fee of £46,000 (2018: £45,000) for services rendered during the year (see note 19).

Directors' and Officers' Liability Insurance

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

Interests in the Company's Shares

As at 12th June 2019, the Directors have been notified or are aware of the following interests (including spouses, associates and non-beneficial interests, where applicable, for both financial years), which are in excess of three per cent of the issued ordinary share capital of the Company, excluding shares held in treasury:

	No. of Ordinary Shares of 25p	**Percentage of Share Capital 2019**	**Percentage of Share Capital 2018** Restated
P.G.H. Collins	850,836	31.38%	31.38%
G. J. Gibson	272,192	10.04%	10.31%
D. N. Gibson	121,378	4.47%	4.19%
Dr. G.L.A. Bird	112,000	4.13%	4.13%
J.V. Bird	111,750	4.12%	4.12%

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.

Auditor

On 1st February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the Directors have appointed BDO LLP as auditor in their place. BDO LLP has indicated its willingness to continue in office and a resolution will be proposed at the Annual General Meeting to reappoint BDO LLP as auditor for the next financial year.

Annual General Meeting

The Notice of the Annual General Meeting, to be held on Tuesday 16th July 2019, is set out on page 45.

By Order of the Board,
T.J.C. Parker
Secretary.
12th June 2019

WYNNSTAY PROPERTIES PLC

STRATEGIC REPORT 2019

The Directors present their Strategic Report for the year ended 25th March 2019.

Following the adoption by the Company of the Quoted Company Alliance Corporate Governance Code (the Code) certain matters required by the Code to be included in the Annual Report are now addressed in this report, the Directors' Report or the Corporate Governance Report with cross-references provided where appropriate. The three reports should be read together with the Chairman's Statement and the additional information required by the Code published on the Company's website.

Business, Business Model, Strategy and Future Development
Wynnstay is a long-established, successful property investment company focusing on acquiring, managing and developing commercial property primarily, but not exclusively, in the south and south-east of England.

Through careful property selection, active direct property management and promoting constructive business relationships with tenants, Wynnstay continues to grow and develop a diversified property portfolio.

Wynnstay's strategy is to secure growth in net rental income and net asset value to provide shareholders with long-term value including a progressive dividend policy, consistent with an appropriate level of dividend cover.

Key challenges in the execution of this strategy are identifying and securing changes to the portfolio, whether by acquisition or disposal, and managing the risks of the commercial property market.

A review of the Company's business, its development and performance for the year, its position at the end of the year and its future prospects is included in the Chairman's Statement on pages 4 to 7. The financial statements and notes are set out on pages 24 to 43.

Financial Objectives and Performance Indicators
The key financial objectives for the Company are to grow the rental income and the capital value of the property portfolio and thus the net asset value per share. The pursuit of these objectives has delivered the following results:

- Increase in rental income: 1.6% (2018: increase of 7.6%).
- Increase in net asset value per share: 7.0% (2018: increase of 11.9%).

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.

Risks, Uncertainties and Effective Risk Management
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 contributing more than 2% of total rental income 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 including interest rate risk.

The Company's financial risk management policies can be found at Note 17 of the financial statements.

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

T.J.C. Parker

Director 12th June 2019

WYNNSTAY PROPERTIES PLC

Chairman's Corporate Governance Statement

In my role as Chairman of Wynnstay, I am responsible for ensuring sound corporate governance arrangements and Board and individual Director effectiveness while the Board as a whole is to ensure that Wynnstay is well managed for the long-term benefit of all shareholders. Good governance ensures effective and efficient decision-making and risk management. Our corporate governance structure has evolved over many years since we became one of the first companies admitted to AIM in 1995 and for some time now our Annual Report has described our structure. We have adopted and adapted practices and procedures to promote good governance that are considered appropriate for a company of Wynnstay's complexity, nature, size and structure. We have strived, as the business has grown and changed, for continual improvement making changes in recent years, for instance, in management information flows and risk management reviews.

Since September 2018, the Company has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (the Code) following the London Stock Exchange's recent changes to AIM Rule 26 which came into effect at that time. The changes require AIM-listed companies to give details on their websites of a recognised code that a board has decided to apply. The Code is constructed around ten broad principles, accompanied by explanations of their application and a set of disclosures. A company is required to explain how each principle is applied, to the extent that a board judges these to be appropriate in the company's circumstances, and then provide an adequate explanation for the approach taken. Where a company departs from a principle or its application a well-reasoned explanation for doing so should be provided. This information has to be reviewed annually and websites should include the date on which the information was last reviewed.

We prepared and placed our first Statement of Compliance on our website on 28th September 2018. This is our first Annual Report required to contain a Corporate Governance Statement and a Corporate Governance Report. Our Statement of Compliance has been updated concurrently with the Annual Report and will be placed on the website together with the index to signpost the location of disclosures required by the Code.

At Wynnstay, we apply the principles of the QCA Code to the extent reasonable and practicable for a company of our size and nature and recognising the flexibility that lies within the Code so that it is neither a bureaucratic, box-ticking exercise nor results in unnecessary, inappropriate or burdensome processes and procedures. So, for instance, we do not see the need, in a company of this size with just two Executive Directors, for separate remuneration and audit committees, where the functions undertaken typically by those committees can be fully and properly carried out by the Non-Executive Directors as a group. This year we have reviewed, revised and formalised the work of these groups. Nor have we undertaken formal Board and individual performance reviews, relying instead on less formal methods of individual and group self-examination and self-assessment, which we consider can be suitably effective, although we will keep this under review.

The Board acknowledges that a corporate culture based on sound ethical values and behaviours is an asset and provides competitive advantages in the commercial property market where competition is intense and prospective and existing tenants are seeking good quality premises that are suited to their needs from a considerate, reliable landlord. Wynnstay aims to conduct its business with a high degree of professionalism, to operate within appropriate professional standards and legal and regulatory requirements and to act with honesty and integrity in a manner that gives confidence to those with whom it deals.

I consider that Wynnstay's governance structures and processes are in line with its corporate culture, and are appropriate to its size, nature, structure and complexity and its capacity, appetite and tolerance for risk and thus I consider them to be "fit-for-purpose". They have evolved over time in parallel with its objectives, strategy and business model and are suitable for the Company's growth plans in the short to medium term and I, with my colleagues on the Board, continue to keep them under review and to make changes where required.

Philip G H Collins
Chairman
12th June 2019

WYNNSTAY PROPERTIES PLC
Corporate Governance, Remuneration and Audit Reports

Introduction

This report is presented by reference to each of the ten principles contained in the Quoted Companies Alliance (QCA) Corporate Governance Code (the Code) under a concise heading for each principle. Where the QCA recommends that a principle should be addressed in the Annual Report, we do so in this report, the Directors' Report or the Strategic Report with cross-references provided where appropriate. The three reports should be read together with the Chairman's Statement and the additional information required by the Code published on the Company's website, including the Statement of Compliance. Where the Code recommends that a principle should be addressed on the Company's website, this report refers to the principle only and signposts to the website, including to the Statement of Compliance. The index required by the Code to signpost where the disclosures required by the Code are located forms part of the Statement of Compliance. For reasons explained below this report covers audit and remuneration matters as well as corporate governance.

Principle 1: Strategy and Business Model Promoting Long-term Value for Shareholders
A description of the application of Principle 1 is recommended by the Code to be included in the Annual Report and by company law is required to be included in the Strategic Report. We therefore deal with Principle 1 in that report: see page 12.

Principle 2: Understanding and Meeting Shareholder Needs and Expectations
A description of the application of Principle 2 is recommended by the Code to be included on a company's website. We therefore deal with Principle 2 in the Statement of Compliance on the Company's website.

Principle 3: Wider Stakeholder and Social Responsibilities and Implications for Long-term Success
A description of the application of Principle 3 is recommended by the Code to be included on the Company's website. We therefore deal with Principle 3 in the Statement of Compliance on the Company's website.

Principle 4: Effective Risk Management
A description of the application of Principle 4 is recommended by the Code to be included in the Annual Report. Under company law, the Directors' Report must include a description of financial risk management objectives and policies and information on exposure to price risk, credit risk, liquidity risk and cash flow risk and the Strategic Report must include a description of the principal risks and uncertainties facing a company. We therefore deal with Principle 4 in these reports: see pages 8 to 11.

Principle 5: Well-functioning Board and Balanced Team led by the Chair
A description of the application of Principle 5 is recommended by the Code to be included in the Annual Report and is thus given below, which should be read together with the additional information required by the Code to be given under Principles 6, 7, 8 and 9 provided in this report, elsewhere in the Annual Report and in the Statement of Compliance on the Company's website, as recommended by the Code.

The Code requires the identification of those directors who are considered to be independent and a description of the time commitment required from directors including the number of meetings of the Board, and of any committees, during the year, together with the attendance record of each Director.

The Board comprises two Executive and four Non-Executive Directors, including the Chairman. The Board considers that all the Non-Executive Directors are independent. The biographies of the all the Directors are given on page 46.

Philip Collins, the Non-Executive Chairman, has been a Director for 30 years and Chairman for 20 years. He has become a significant shareholder, having decided to invest over this period, to demonstrate his confidence in Wynnstay's long-term prospects. He has always placed the interests of all shareholders, and Wynnstay's long-term success, at the centre of his chairmanship, as evidenced by his actions and reports to shareholders. His knowledge of the business and of shareholders, and his experience in both the private and public sectors, are all valuable to the Board's deliberations. There is no evidence that his tenure or his shareholding has had any adverse impact on his independent judgement.

Charles Delevingne has served as a Non-Executive Director since June 2002. Notwithstanding the length of his service, Mr Delevingne continues to demonstrate his commitment to fulfilling his role as a Non-Executive Director, providing direction on business strategy and advice on business operations using his skills and experience in commercial property. He is not involved in the daily management of the Company, nor in any relationships or circumstances that might giver rise to a conflict of interest or interfere with his exercise of independent judgment. In addition, he continues to demonstrate the attributes of an independent non-executive director and there is no evidence that his tenure has had any adverse impact on his independent judgment.

Paul Mather and Caroline Tolhurst were appointed to the Board in March 2017 and were deemed independent on appointment and remain so. They are both Chartered Surveyors and have many years of experience in commercial property and property investment management as well as, in the case of Caroline Tolhurst, in corporate governance through her qualification and experience as a Chartered Secretary.

The Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties. Overall the Non-Executive Directors, other than the Chairman, are expected to spend a minimum of 10 working days a year on the Company's business. In practice, after taking account of 8-9 Board meetings a year, preparation time, site visits and other requirements, 12-15 days per annum would be typical. The Chairman typically spends the equivalent of 25-30 working days per annum on the Company's business. The following table shows directors' attendance at scheduled Board meetings in the past financial year ended 25th March 2019.

Director	Board meetings
Philip Collins	8/8
Paul Williams	8/8
Toby Parker	8/8
Charles Delevingne	8/8
Paul Mather	5/8 *
Caroline Tolhurst	8/8

*In September 2019, Mr Mather suffered a serious accident resulting in major back and leg injuries. He was unable to attend the September Board meeting. He was able to contribute to the November and December meetings by reviewing the papers and submitting comments in writing. He has now recovered from his injuries.

In view of the Company's size and nature, the Board does not consider that the establishment of Board committees, such as a Remuneration Committee, a Nominations Committee or an Audit Committee, is appropriate. Reports of the Non-Executive Directors consideration of Remuneration and Audit matters are covered under Principle 10 below, as recommended by the Code.

In relation to nominations, the practice has been for a group of the Non-Executive Directors to be appointed to deal with new appointments as and when required, as occurred in 2016/7 with the appointment of new Non-Executive Directors.

Principle 6: Directors with Necessary Up-to-date Experience, Skills and Capabilities

The application of Principle 6 is recommended by the code to be included in the annual report and is therefore included in this report, as well as elsewhere in this Annual Report, which should be read together with the information provided under Principles 5, 7, 8 and 9 in this report and on the Company's website.

The Code requires disclosure of the identity of each Director; the relevant experience, skills, personal qualities that each brings to the Board; how the Board as a whole contains the necessary mix of experience, skills and qualities (including gender balance) and capabilities to deliver the strategy over the medium to long-term; how each director keeps his/her skill-set up-to-date; where external advisers have been engaged, their role and where external advice on significant matters has been obtained; and any internal advisory roles.

The names of the Directors and their experience, skills and capabilities is set out on the Company's website and on page 46. Reference is also made to the information on each of the Non-Executive Directors given under Principle 5 above.

Each of the Executive Directors, Paul Williams and Toby Parker, have many years of practical experience in their respective fields, namely property investment and management and accounting, financial and company secretarial matters.

The Board considers that the experience and knowledge of each of the Directors is appropriate for the Company's current operations and strategy and gives them the ability to constructively challenge strategy, scrutinise performance and assess risk and to deliver the Company's strategy over the medium- to long-term.

Directors keep their skill-set up-to-date with a combination of attendance at industry events, individual reading and study and experience gained from other board roles. The Company Secretary is responsible for ensuring the Board is aware of any applicable regulatory changes and updates the Board as and when relevant. Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

The Company calls on the services of specialist external advisers in the usual way for its day-to-day business needs.

The Chairman, Senior Independent Director and Company Secretary, working in their respective roles and together, advise and support the Board as a whole, drawing on specialist external advisers where necessary.

Principle 7: Evaluating Board Performance Based on Clear and Relevant Objectives, Seeking Continuous Improvement

The application of Principle 7 is recommended by the Code to be included in part in the annual report and in part on a company's website. The Company considers that it is convenient to deal with most of these matters in one place in this report.

Historically there has been no requirement under the AIM Rules for a formal performance evaluation of the Board and accordingly none has been undertaken. Given the size and nature of the Company's business, the Board currently does not consider it would be an appropriate use of cash resources to engage an external firm to undertake a formal evaluation as the costs are likely to be disproportionate to any benefits. The Board will consider the merits of developing further the internal self-evaluation and assessment of its performance.

After the end of each financial year, the Chairman holds a meeting with the Non-Executive Directors individually and as a group without the Executive Directors being present. The Non-Executive Directors also meet annually without the Chairman to appraise the Chairman's performance. These meetings are intended to provide an opportunity for open dialogue on individual and collective performance and on any necessary changes required.

The approach to succession planning and appointments is addressed, as recommended by the Code, under Principle 7 in the Statement of Compliance on the Company's website.

Principle 8: Corporate Culture Based on Ethical Values and Behaviours

The application of Principle 8 is recommended by the Code to be, and has thus been, addressed in the Corporate Governance Statement: see page 14. Ensuring the means to determine that values and behaviours are recognised and respected is addressed, as recommended by the code, under Principle 8 in the Statement of Compliance on the Company's website.

Principle 9: Governance Structures and Processes Fit-for-purpose, Supporting Good Decision-making

A high-level explanation of the application of Principle 9 is recommended by the code to be provided in the Corporate Governance Statement and accordingly it has been provided in that statement: see page 14.

The Code recommends that supplementary detail required by the Code (role and responsibilities of Directors, role of committees, matters reserved for the Board and plans for evolution of the governance framework) is addressed on the website and it is so addressed under Principle 9 in the Statement of Compliance on the Company's website.

Principle 10: Dialogue on Governance and Performance with Shareholders and other Relevant Stakeholders
The application of Principle 10 of the Code concerning dialogue on governance and performance with shareholders and other relevant stakeholders is recommended by the Code to be included in part in the annual report and in part on the website. The Company follows these recommendations and addresses the work of committees, including in relation to audit and remuneration and the identification and reasons for any non-publication of disclosures under the principles set out in the Code in this report.

The other matters, being the outcome of all general meeting votes, intended actions on, and reasons for, significant votes cast against resolutions will be included on the Company's website, including under Principle 10 of the Statement of Compliance; and historical annual reports, notices and general meetings and other governance-related material are included on the Company's website.

Communication and dialogue with shareholders and other relevant stakeholders has already been addressed above in this report. The performance of the business during the last financial year is reviewed in detail in the Chairman's Statement, the Directors' Report and the Strategic Report and elsewhere in the Annual Report.

The Board considers that the existing communication and reporting structures allow open dialogue between shareholders and the Board and provide shareholders with a good understanding of the business.

The Code recommends the annual report to describe the work of committees and recommends inclusion in the annual report. As already mentioned above, the Board does not have formally constituted committees, with the Non-Executive Directors acting as a group in relation to audit and remuneration.

The following paragraphs report on the work of the Non-Executive Directors in relation to audit and remuneration matters in the year.

Audit Report
The Non-Executive Directors discussed the audit with the external auditor on two occasions; first, at the outset of the audit, in order to review the audit plan and the issues to be addressed; and then, at the completion of the audit, in order to review the outcome. The first discussion took place without the Finance Director being present; the second discussion was divided into two parts, and the Finance Director was present for the second part of that discussion.

The whole Board also met with the external auditor to discuss the Financial Statements, its Report to the Audit Committee and its Independent Audit Report to Members prior to the approval of the Financial Statements.

The discussions enabled the auditors to explain their proposed work and its outcome and the Non-Executive Directors to raise any issues. It is considered that the process worked well and the audit did not raise any material issues and the auditors were able to issue their audit report in the usual form.

Remuneration Report
The Directors currently determine remuneration, with the Non-Executive Directors determining the remuneration of the Executive Directors and the Non-Executive Directors (other than the Chairman) determining the Chairman's remuneration. Directors' Fees are determined by the whole Board. Details of the Directors' remuneration are set out in the Directors' Report on page 9.

It is the Company's policy that the remuneration of Directors should be commensurate with the services provided by them to the Company and should take account of published data on reasonable market comparables, where available.

The Non-Executive Directors met twice after the end of the financial year to review the performance of the Executive Directors and determine the level of any increases in remuneration and of any bonus. Increases in remuneration were determined by reference to a mixture of publicly available remuneration studies relating to the relevant specialism and role, other AIM companies and a few private property companies. Levels of bonus were determined by reference to the assessment of individual performance in the roles and the delivery of good outcomes for shareholders, and taking account of a number of relevant factors relevant to the performance of the role. This process is necessarily subjective, but is considered to deliver a reasonable result for the individual, the Company and its shareholders.

Directors' Fees are determined primarily by reference to the fees payable in other AIM quoted companies, with the level being set towards the lower end of the range.

The Chairman's remuneration is set by the other Directors having regard to the commitment required to carry out the function and its responsibilities and having regard to the level of Directors' Fees and, to some extent, comparables among other AIM companies.

Approved by the Board on 12th June 2019

Philip G H Collins
Chairman

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 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the 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 at 25 March 2019 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 as applied to listed entities, and we have fulfilled our other 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 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 over 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.

Key audit matter	How we addressed the Key Audit Matter in the Audit
Valuation of investment properties The Company holds investment properties (Note 9) which comprise properties owned by the Company held for rental income. Investment properties, held at fair value, are valued by independent external valuers whose details are disclosed in Note 15 with input from the Directors. The valuation of investment properties requires significant judgement as each valuation requires consideration of the individual nature of the property, its location, its cash flows and comparable market transactions. The valuation of the Company's investment properties requires significant judgements to be made by the external valuers in relation to the appropriate market capitalisation yields and estimated rental values and appropriate input information to be provided by management in relation to the passing rents and lease particulars. Any input inaccuracies or unreasonable valuation judgements could result in a material misstatement of the statement of comprehensive income and statement of financial position. The accounting policies are disclosed on pages 28 - 31.	In this area our audit procedures included: • The inputs to the valuation model were checked against market indices and other inputs such as rents and lease terms.. and any significant variances investigated. • We held a discussion with the external valuer to challenge the key assumptions based on our analysis of market indices and value of similar properties, gain a better understanding of their independence and quality control procedures and their approach to valuation. • The instructions provided to the valuer were reviewed for completeness and to check that there was no evidence of management bias.

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 consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take into account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole

We determined the materiality for the financial statements as a whole to be £362,000 (2018 - £310,000), calculated with reference to a benchmark of the Company's 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 £44,000 (2018 - £44,000) for revenue items calculated at 2% of turnover.

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.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The Company's performance materiality was set at £271,000 (2018 - £232,500) which represents 75% (2018 – 70%), based on our assessment of the Company's risk profile, of the above materiality levels.

We reported to the Audit Committee all potential adjustments in excess of £18,000 (2018 - £15,500) being 5% of the materiality for the financial statements as a whole.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of the valuation of investment properties which have a high level of estimation uncertainty involved.

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 gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the AIM rules, the principles of the QCA Corporate Governance Code and industry practice represented by IFRS (EU).

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.

We have nothing to report in respect of the following matters in relation to which 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. 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 BDO LLP
Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

12 June 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WYNNSTAY PROPERTIES PLC

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 25TH MARCH 2019

	Notes	2019	2018
		£'000	£'000
Property Income		2,216	2,182
Property Costs	2	(81)	(148)
Administrative Costs	3	(544)	(520)
		1,591	1,514
Movement in Fair Value of: Investment Properties	9	771	1,631
Profit on Sale of Investment Property		280	210
Operating Income		2,642	3,355
Investment Income	5	3	1
Finance Costs	5	(399)	(365)
Income before Taxation		2,246	2,991
Taxation	6	(318)	(359)
Income after Taxation		1,928	2,632
Basic and diluted earnings per share	8	71.1p	97.1p

The company has no items of other comprehensive income.

WYNNSTAY PROPERTIES PLC

STATEMENT OF FINANCIAL POSITION 25TH MARCH 2019

	Notes	2019 £'000	2018 £'000
Non-Current Assets			
Investment Properties	9	33,695	28,770
Investments	11	3	3
		33,698	28,773
Current Assets			
Accounts Receivable	12	157	808
Cash and Cash Equivalents		959	1,434
		1,117	2,242
Non-current assets held for Sale	9	1,400	1,300
		2,517	3,542
Current Liabilities			
Accounts Payable	13	(1,178)	(1,075)
Income Taxes Payable		(232)	(211)
		(1,411)	(1,286)
Net Current Assets		1,106	2,256
Total Assets Less Current Liabilities		34,805	31,029
Non-Current Liabilities			
Bank Loans Payable	14	(12,500)	(10,240)
Deferred Tax Payable	15	(421)	(346)
		(12,921)	(10,586)
Net Assets		21,883	20,443
Capital and Reserves			
Share Capital	16	789	789
Capital Redemption Reserve		205	205
Share Premium Account		1,135	1,135
Treasury Shares		(1,570)	(1,570)
Retained Earnings		21,324	19,884
		21,883	20,443

Approved by the Board and authorised for issue on 12th June 2019

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 2019

	2019	2018
	£'000	£'000
Cashflow from operating activities		
Income before taxation	2,247	2,991
Adjusted for:		
Increase in fair value of investment properties	(771)	(1,631)
Interest income	(3)	(1)
Interest expense	398	365
Profit on disposal of investment properties	(280)	(210)
Changes in:		
Trade and other receivables	651	(353)
Trade and other payables	102	36
Cash generated from operations	2,344	1,196
Income taxes paid	(222)	(294)
Interest paid	(398)	(365)
Net cash from operating activities	1,724	537
Cashflow from investing activities		
Interest and other income received	3	1
Purchase of investment properties	(4,924)	(98)
Sale of investment properties	950	1,386
Net cash from investing activities	(3,971)	1,289
Cashflow from financing activities		
Dividends paid	(488)	(454)
Drawdown on bank loans	3,260	-
Repayment of bank loans	(1,000)	(1,100)
Net cash from financing activities	1,772	(1,554)
Net (decrease)/increase in cash and cash equivalents	(475)	359
Cash and cash equivalents at beginning of period	1,434	1,075
Cash and cash equivalents at end of period	959	1,434

WYNNSTAY PROPERTIES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 25TH MARCH 2019

YEAR ENDED 25TH MARCH 2019

	Share Capital	Capital Redemption Reserve	Share Premium Account	Treasury Shares	Retained Earnings	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Balance at 26th March 2018	789	205	1,135	(1,570)	19,884	20,443
Total comprehensive income for the year	–	–	–	–	1,928	1,928
Dividends – note 7	–	–	–	–	(488)	(488)
Balance at 25th March 2019	789	205	1,135	(1,570)	21,324	21,883

YEAR ENDED 25TH MARCH 2018

	Share Capital	Capital Redemption Reserve	Share Premium Account	Treasury Shares	Retained Earnings	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
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	789	205	1,135	(1,570)	19,884	20,443

FUNDS AVAILABLE FOR DISTRIBUTION

	2019	2018
	£ 000	£ 000
Retained earnings	21,324	19,884
Less: Cumulative unrealised fair value movement	(7,606)	(7,415)
Distributable reserves	13,718	12,469

Explanation of Capital and Reserves:

- Share Capital: This represents the subscription, at par value, of the Ordinary shares of the company.
- Capital Redemption Reserve: This represents money that the company must retain when it has bought back shares, and which it cannot pay to shareholders as dividends: The capital redemption reserve is a non-distributable reserve and represents paid up share capital.
- Share Premium Account: This represents the subscription monies paid for Ordinary shares in excess of their par value.
- Treasury shares: This represents the total consideration and costs paid by the company when purchasing the 443,650 shares as referred to in Note 16 in March 2010.
- Retained earnings: This represents the after tax profits that can be used to pay dividends. Dividends however, can only be paid from Distributable reserves as detailed in the preceding table.

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 and rounded to the nearest thousand. 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. These financial statements are prepared on a going concern basis as the directors have reviewed the next two years projected cash flows and consider that the company is able to pay its debts as and when they fall due

(a) New Interpretations and Revised Standards Effective for the year ended 25th March 2019

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 2018. The adoption of these interpretations and revised standards had the following impact on the disclosures and presentation of the financial statements:

IFRS 9: Financial Instruments

The standard makes substantial changes to the measurement of financial assets and financial liabilities and derecognition of financial assets. There are only 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 has re-determined the classification of its financial assets based on the business model for each category of financial asset. This has not given 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 are 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 continue to be carried at amortised cost, however, some financial liabilities are required to be measured at fair value through profit or loss, for example derivative financial instruments which the company does not have, with changes in the liabilities' credit risk recognised in other comprehensive income.

The standard was 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 has 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

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

All income is rental income and it not in the scope of IFRS 15. Therefore, the company has no income that falls under the scope of IFRS 15. Service charges invoices raised for a property are not included as property income and are matched to costs incurred on that property with any balance owing to the tenants being shown as a liability in the accounts. There is no contingent property income.

(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.

The adoption of these revised standards and interpretations has no material impact on the figures included in the financial statements in the period of initial application. The following standards may have a minor impact:

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, are 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 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 has no material effect as the only lease the company has entered into has less than 18 months to expiry with a total liability of not more than £30,000.

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. The independent valuers take into consideration the residual lease term as a factor in determining the value along with the yield.

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

Assets held for sale

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 fair value less cost to sell.

Depreciation

In accordance with IAS 40, freehold investment properties are included in the Statement of Financial Position at fair value and are not depreciated.
The company has no other plant and equipment.

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 and the company reflects any rent free period as and when it has been taken at the outset of the lease rather than accounting for the lease incentives over the term of the lease. Lease deposits are held in a separate designated deposit account. 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.

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 expected credit losses. 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 directors having taken advice from the Company's independent external valuers as well as the judgement taken by the directors as to whether a property is being held for sale. The key judgements required when valuing investment properties are discussed in more detail in note 9

The directors have considered the impact of Brexit on the business and do not consider that this will have a material effect in the short to medium term on the company or on any of the current tenants of the portfolio and therefore the income projections in the cash flow are reasonable.

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

2. PROPERTY COSTS

	2019	2018
	£'000	£'000
Empty rates	4	4
Property management	40	114
	48	118
Legal fees	27	22
Agents fees	6	8
	81	148

3. ADMINISTRATIVE COSTS

	2019	2018
	£'000	£'000
Rents payable – operating lease rentals	26	26
General administration, including staff costs	479	455
Auditors' remuneration: Audit fees	35	35
Tax services	4	4
	544	520

4. STAFF COSTS

	2019	2018
	£'000	£'000

Staff costs, including Directors' fees, during the year were as follows:

	2019	2018
Wages and salaries	274	266
Social security costs	28	31
Other pension costs	13	16
	315	313

Further details of Directors' emoluments, totalling £287,227 (2018: £281,685), are shown in the Directors' Report on page 9. There are no other key management personnel.

	2019	2018
	No.	No.
The average number of employees, including Non-Executive Directors, engaged wholly in management and administration was:	6	6
The number of Directors for whom the Company paid pension benefits during the year was:	1	2

5. FINANCE COSTS (NET)

	2019	2018
	£'000	£'000
Interest payable on bank loans	399	365
Less: Bank interest receivable	(3)	(1)
	396	364

6. TAXATION

	2019	2018
	£'000	£'000
(a) Analysis of the tax charge for the year:		
UK Corporation tax at 19% (2018: 19%)	236	222
Under provision in previous year	7	-
Total current tax charge	243	222
Deferred tax – temporary differences	75	137
Tax charge for the year	318	359
(b) Factors affecting the tax charge for the year:		
Net Income before taxation	2,247	2,991
Current Year:		
Corporation tax thereon at 19% (2018 - 19%)	427	569
Expenses not deductible for tax purposes	9	3
Excess of capital allowances over depreciation	–	-
Investment gain on fair value not taxable	(147)	(310)
Investment profit on disposal	(53)	(40)
Current tax charge	236	222

7. DIVIDENDS

	2019	2018
	£'000	£'000
Final dividend paid in year of 11.0 p per share (2018: 10.25p per share)	298	278
Interim dividend paid in year of 7.0p per share (2018: 6.5p per share)	190	176
	488	454

The Board recommends the payment of a final dividend of 12.0 p per share, which will be recorded in the Financial Statements for the year ending 25th March 2020.

8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing Income after Taxation attributable to Ordinary Shareholders of £1,956,000 (2018: £2,632,000) by the weighted average number of 2,711,617 (2018: 2,711,617) ordinary shares in issue during the period excluding shares held as treasury. There are no options in issue and no instruments in issue that would have the effect of diluting earnings per share.

9. PROPERTIES

	2019	2018
	£'000	£'000
Properties		
Balance at 25th March 2018	30,070	29,515
Additions	4,924	96
Disposals	(670)	(1,172)
Revaluation Surplus	771	1,631
	35,095	30,070
Assets held for Sale	(1,400)	(1,300)
Balance at 25th March 2019	33,695	28,770

The Company's freehold investment properties are carried at fair value as at 25th March 2019. 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 5.12% to 8.03%, with an average yield of 6.38% and an average weighted yield of 6.50% 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% decrease in the yield would result in a corresponding increase of £3.155 million in the fair value movement through profit or loss. A 0.5% increase in the yield would result in a corresponding decrease of £2.073million in the fair value movement through profit or loss.

10. OPERATING LEASES RECEIVABLE

	2019	2018
The following are the future minimum lease payments receivable under non-cancellable operating leases which expire:	£'000	£'000
Not later than one year	2,080	1,870
Between 2 and 5 years	4,102	3,913
Over 5 years	181	123
	6,362	5,906

Rental income under operating leases recognised through profit or loss amounted to £2,216,000 (2018: £2,182,000).

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. The service charge is not included as income in the accounts of the company as any revenue is netted off against the associated costs with any residual balance being shown as a liability.

11. INVESTMENTS

	2019	2018
	£'000	£'000
Quoted investments	3	3

12. ACCOUNTS RECEIVABLE

	2019	2018
	£'000	£'000
Trade receivables	150	802
Other receivables	7	6
	157	808

Trade receivables include an allowance for credit losses of £nil (2018: nil). Trade receivables of £nil (2018: £10,000) are considered past due but not impaired. Trade receivables in the prior year included a one off amount due post completion on the sale of a property prior to the year end.

13. ACCOUNTS PAYABLE

	2019	2018
	£'000	£'000
Trade payables	38	-
Other creditors	148	140
Accruals and deferred income	991	935
	1,178	1,075

14. BANK LOANS PAYABLE

	2019	2018
	£'000	£'000
Non-current loan	12,500	10,240
	12,500	10,240

In December 2016, a five-year facility comprising both a Fixed Rate Facility and a Revolving Credit Facility was entered into providing a total credit facility of £13.5 million. Interest was charged at 3.35% per annum for the Fixed Rate Facility of £10 million and 2.49% over three-month LIBOR for the Revolving Credit Facility of £2.5 million (2018: £0.24 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.

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 £35,095,000 (2018: £30,070,000). The undrawn element of the borrowing facility available at 25th March 2019 was £1,000,000 (2018: £1,000,000).

15. DEFERRED TAX

A deferred tax liability of £421,000 has been recognised in respect of the investment properties (2018: £346,000).

	2019	2018
Deferred Tax brought forward	**£'000**	**£'000**
	346	209
Charge for the year	**75**	137
Deferred Tax carried forward	**421**	346

16. SHARE CAPITAL

	2019	2018
	£'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	**789**	789

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. As a result, the total number of shares with voting rights is 2,711,617.

17. 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 2019 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 reviewed the current portfolio of tenants and does not anticipate any potential future credit losses.

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 2019 and 2018, 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 2019 was £959,000 (2018: £1,434,000).

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 interest rate risk that could affect cash flow 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.

17. 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	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Impact on interest payable - gain/(loss)	13	1	(13)	(1)
Impact on interest receivable - (loss)/gain	(5)	(7)	5	7
Total impact on pre-tax profit and equity	8	(6)	(8)	6

The calculation of the net exposure to interest rate fluctuations was based on following as at 25 March:

	2019	2018
	£'000	£'000
Floating rate borrowings (bank loans)	(2,500)	(240)
Less: cash and cash equivalents	962	1,434
	(1,538)	1,194

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.

	2019 Book Value £'000	2019 Fair Value £'000	2018 Book Value £'000	2018 Fair Value £'000
Interest bearing borrowings (note 15)	(12,500)	(12,500)	(10,240)	(10,240)
Total	(12,500)	(12,500)	(10,240)	(10,240)

17. FINANCIAL INSTRUMENTS (Continued)

Categories of Financial Instruments

	2019 £'000	2018 £'000
Financial assets:		
Quoted investments measured at fair value	3	3
Loans and receivables measured at amortised cost	157	808
Cash and cash equivalents measured at amortised cost	959	1,434
Total financial assets	1,119	2,246
Non-financial assets	35,095	30,070
Total assets	36,214	32,316
Financial liabilities at amortised cost	14,331	11,509
Total liabilities	14,331	11,873
Shareholders' equity	21,883	20,443
Total shareholders' equity and liabilities	36,214	32,316

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 13 hierarchy as they are based on quoted prices in active markets.

	2019 £'000
The maturity of the financial liabilities is as follows:	
Within one year	2,181
Between 1 to 2 years	350
Between 2 to 5 years	12,763
Total	15,294

The above includes estimated annual interest payments of £350,000

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 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%.

	2019 £'000	2018 £'000
Net borrowings and overdraft	12,500	10,240

Cash and cash equivalents	**(959)**	(1,434)
Net borrowings	**11,541**	8,806
Shareholders' equity	**21,883**	20,443
Investment properties	**35,095**	30,070
Loan to value ratio	**35.6%**	34.1%
Net borrowings to value ratio	**32.9%**	29.3%
Gearing ratio	**52.7%**	43.1%

18. COMMITMENTS UNDER OPERATING LEASES

Future rental commitments at 25th March 2019 under non-cancellable operating leases are as follows:-

	2019	2018
	£'000	**£'000**
Within one year	**25**	25
Between two to five years	**5**	29
	30	54

19. 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 £46,000 (2018: £45,000). 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 9.

20. SEGMENTAL REPORTING

	Industrial		Retail		Office		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rental Income	**1,671**	1,618	**127**	162	**418**	402	**2,216**	2,182
Profit on investment property at fair value	**681**	1,153	**120**	20	**(30)**	458	**771**	1,631
Total income and gain	**2,352**	2,771	**247**	182	**388**	860	**2,987**	3,813
Property expenses	**(81)**	(148)	–	–	–	–	**(81)**	(148)
Segment profit/(loss)	**2,271**	2,573	**247**	182	**388**	860	**2,906**	3,665
Unallocated corporate expenses							**(544)**	(521)
Profit on sale of investment property	**280**	–	-	–	–	–	**280**	210
Operating income							**2,642**	3,354
Interest expense (all relating to property loans)							**(398)**	(365)
Interest income and other income							**3**	1
Income before taxation							**2,247**	2,991

Other information	Industrial		Retail		Office		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Segment assets	**24,670**	19,735	**4,880**	4,760	**5,545**	5,575	**35,095**	30,070
Segment assets held as security	**24,670**	19,735	**4,880**	4,760	**5,545**	5,575	**35,095**	30,070

WYNNSTAY PROPERTIES PLC

FIVE YEAR FINANCIAL REVIEW

			IFRS		
Years Ended 25th March:	**2019**	**2018**	**2017**	**2016**	**2015**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
STATEMENT OF COMPREHENSIVE INCOME					
Property Income	**2,216**	2,182	2,028	1,778	1,663
Profit before movement in fair value of investment properties and taxation	**1,196**	1,150	999	878	899
Income before Taxation	**2,247**	2,991	3,198	1,951	2,429
Income after Taxation	**1,928**	2,632	2,797	1,796	2,219
STATEMENT OF FINANCIAL POSITION					
Investment Properties	**35,095**	30,070	29,515	25,230	21,780
Equity Shareholders' Funds	**21,883**	20,443	18,265	15,839	14,390
PER SHARE					
Basic earnings	**71.1p**	97.1p	103.1p	66.2p	81.8p
Dividends paid and proposed	**19.0p**	17.5p	15.75p	13.2p	12.3p
Net Asset Value	**807p**	754p	674p	584p	531p

WYNNSTAY PROPERTIES PLC

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and thirty third ANNUAL GENERAL MEETING of the Members of Wynnstay Properties PLC will be held at BDO LLP, 150, Aldersgate Street, London EC1A 4AB on Tuesday, 16th July 2019, 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 2019.

2 To declare a final dividend for the year ended 25th March 2019 of 12.0 pence per ordinary share.

3 To fix the remuneration of the Directors.

4 To reappoint BDO 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 Toby Parker as a Director of the Company, who retires and offers himself for re-election.

6 To re-elect Paul Mather 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 2020 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2020. 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.

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 2020 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2020. 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
12th June 2019

WYNNSTAY PROPERTIES PLC

NOTICE OF 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, voting and speaking 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. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.
5. 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 15th July 2019 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 15th July 2019 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. 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 71, 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 61 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 69. 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 64, 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 64 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 57, 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.