

---

# Wynnstay Properties PLC

---

*Annual Report and Financial Statements  
for the year ended 25 March 2024*

# WYNNSTAY PROPERTIES PLC

---

---

## ANNUAL REPORT and FINANCIAL STATEMENTS YEAR ENDED 25 MARCH 2024

### CONTENTS

2	Registrar's Customer Support Centre and Scam Warning
3	Directors and Advisers
4	Summary of Property Portfolio
5	Introduction to Wynnstay
10	Chairman's Statement
15	Managing Director's Review
17	Strategic Report
20	Chairman's Corporate Governance Statement
21	Corporate Governance, Audit and Remuneration Reports
26	Directors' Report
29	Independent Auditor's Report
34	Statement of Comprehensive Income
35	Statement of Financial Position
36	Statement of Cash Flows
37	Statement of Changes in Equity
39	Notes to the Financial Statements
53	Five Year Financial Review
54	Notice of Annual General Meeting
58	Biographies of the Directors

## WYNNSTAY PROPERTIES PLC

### REGISTRAR'S CUSTOMER SUPPORT CENTRE

Shareholders can contact our Registrars, Link Group, through their Customer Support Centre which is available to answer any queries in relation to individual shareholdings:

**By phone:** UK – 0371 664 0300

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

**By email:** [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk)

**By post:** Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

### WARNING: UNSOLICITED APPROACHES FOR SHARES BOILER ROOM SCAMS

According to reports, these scams continue to increase in number, sophistication of approach and apparent credibility.

“Boiler Room Scams” involve unsolicited phone calls, emails or correspondence, commonly concerning investments and often mentioning the names of individual companies like Wynnstay. Typically, the scammers will claim to be “brokers”, “investment banks” or “law firms” representing a party with a holding that wishes to make a takeover offer and to buy shares at prices much higher than market prices.

If the recipient engages, this usually leads to a request for shareholders to provide personal financial information, including bank details, or to pay money for documents or worthless securities. These approaches generally come from organisations based overseas or using false UK addresses or phone numbers routed from abroad. Even if a caller or communication may sound or appear credible, the purpose is usually fraudulent: to obtain either personal information or money, or both. Approaches can be persistent and persuasive unless they are immediately declined.

Shareholders should continue to be vigilant about any such approaches. There is nothing that Wynnstay can do to deter or stop them, or the use by callers of our name or details of shareholdings. On Wynnstay's website ([www.wynnstayproperties.co.uk](http://www.wynnstayproperties.co.uk)), shareholders will also find a warning and a link to other information about unsolicited approaches regarding shares on the Financial Conduct Authority's website (<https://www.fca.org.uk/scamsmart>).

**WYNNSTAY PROPERTIES PLC**

Company incorporated in England and Wales

Registered number: 00022473

**DIRECTORS**

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

C.G. BETTS M.R.I.C.S.  
*(Managing Director)*

H. M. FORD  
*(Non-Executive Director)*

R. P. OWEN F.R.I.C.S.  
*(Non-Executive Director)*

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

C. M. TOLHURST M.R.I.C.S., C.G.P.  
*(Non-Executive Director and Senior Independent Director)*

**REGISTERED OFFICE**

Hamilton House, Mabledon Place, London WC1H 9BB

**AUDITORS**

CLA EVELYN PARTNERS LIMITED  
Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG

**SOLICITORS**

FIELDFISHER LLP  
Riverbank House, 2 Swan Lane, London EC4R 3TT

**NOMINATED ADVISER & BROKER**

W H IRELAND LIMITED  
24 Martin Lane, London EC4R 0DR

**VALUERS**

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

**REGISTRARS**

LINK GROUP  
65 Gresham Street, London EC2V 7NQ

**BANKERS**

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

HANDELSBANKEN PLC  
5 Welbeck Street, London W1G 9YQ

**WYNNSTAY PROPERTIES PLC**  
**SUMMARY OF PROPERTY PORTFOLIO**  
**AT 25 MARCH 2024**

Aldershot	Eastern Road	1 Industrial Unit
Aylesford	Quarry Wood Industrial Estate	19 Industrial Units
Banbury	Wildmere Industrial Estate	2 Industrial Units
Cosham	High Street	Offices
Hailsham	Crown Close Industrial Estate	7 Industrial Units
Heathfield	Station Road	5 Industrial Units
Ipswich	Trinity Street	5 Industrial Units
Lewes	Brooks Road	2 Industrial Units
Lichfield	1-4 Prospect Drive	4 Industrial Units
Liphook	Beaver Industrial Estate	17 Industrial Units
Liphook	Beaver Industrial Estate	Development Land
Midhurst	North Street	1 Retail Unit
Norwich	City Trading Estate	6 Industrial Units
Petersfield	Petersfield Business Park	6 Industrial Units
Petersfield	Petersfield Trade Park	3 Industrial Units
Stevenage	The iO Centre	1 Industrial Unit
Tonbridge	Riverdale Industrial Estate	5 Industrial Units
Uckfield	Bell Lane	4 Industrial Units
Weston-super-Mare	Phillips Road	1 Retail Warehouse Unit

Industrial Units include Trade Counters.  
All properties are Freehold, except Stevenage which is long leasehold.

## WYNNSTAY PROPERTIES PLC

### INTRODUCTION TO WYNNSTAY

#### **A distinctive approach to commercial property investment primarily for private investors**

Wynnstay is an AIM listed property investment and development business. Its principal shareholders are private investors wishing to invest in a portfolio of good quality secondary commercial properties for medium to long-term capital and income growth. The portfolio is currently focused on industrial, including trade counter, units.

#### **Strategy**

Wynnstay aims to achieve capital appreciation and generate rising dividend income for shareholders from a diversified and resilient commercial property portfolio in Central and Southern England, with diversity and resilience being reflected in the location, number and nature of the properties, and the mix of lease terms, tenants and uses.

For location, the focus is on areas where there is strong occupational demand and often limited supply. Modest rents generally provide opportunity for further rental growth over time as rent reviews and new lettings are concluded and high levels of occupancy can be maintained. While many tenants have been in occupation for a considerable time, voids can be managed and re-lettings achieved successfully. The relatively small lot sizes of our assets also appeal, when marketed for sale, to a wide range of investors.

The majority of properties are multi-let, resulting in a number of individual tenancies in most locations, reducing exposure to any single tenant and risk of loss of rental income in the case of defaults and voids.

Leases are mainly for terms of five years or more with short-term agreements of two years or less typically avoided, and usually with upward only rent reviews based on market rates. Flexibility in addressing tenant needs and requirements generally mean that the terms agreed result in a mutually beneficial outcome for both parties.

Tenants comprise a broad spread of occupiers, also reducing risk exposure: national and local government, international businesses, national trading chains and regional and local businesses. Uses include manufacturing and services; storage and distribution; and trade counter and out-of-town retail.

Active direct management and close engagement and constructive business relationships with tenants, together with refurbishment and selective development over time, underpin capital value and increase income.

#### **Managed for shareholders**

The portfolio is directly, rather than externally, managed. Finance is largely outsourced to an external provider to meet specific needs. All report to the Board, the majority of whom are non-executive directors.

Management remuneration comprises salary and, where appropriate, a cash bonus. Wynnstay does not offer incentive schemes, such as share plans, share options or share bonuses.

As a result, both management and the Board are focused on Wynnstay's performance for the benefit of shareholders, operational costs are closely controlled, and dilution of shareholders' investment and potential conflicts of interest are minimised.

#### **Incremental growth**

The portfolio has been built incrementally, with opportunities being taken to dispose of assets as and when the time is appropriate and to reinvest in assets that offer better long-term returns.

This is achieved gradually over time, without the need for deal-driven activity in pursuit of corporate or portfolio expansion.

#### **Funding**

Wynnstay adopts a prudent, pragmatic approach to funding. Investments are funded in part by retained profits and recycling capital receipts from disposals and in part from borrowings, the majority at a fixed rate and held at a modest loan-to-value level, from an experienced and supportive property lender. This provides security at times of uncertainty in debt markets.

## WYNNSTAY PROPERTIES PLC

### INTRODUCTION TO WYNNSTAY (continued)

#### Valuation

Properties are valued on a cautious basis, based upon professional advice from expert external valuers, recognising that commercial property is a cyclical market that can exhibit significant upward and downward movements and that steadiness and progression over the medium and long-term are most likely to be in shareholders' interests.

#### Wynnstay on AIM

Wynnstay's shares were quoted on its AIM introduction in 1995 at a mid-market price of 150p. On the day prior to the approval of this report, the mid-market price was 675p, an increase of 450%. The dividend paid in 1995 was 4p per share. The dividend paid and proposed for the current year will be 25.5p per share, an increase of nearly 540%.

#### Performance

Wynnstay's distinctive approach has delivered on its strategy over both the medium and long term. Shareholders have benefitted from substantial increases in net asset value per share and dividends as the portfolio and its management have delivered strong results.

#### Corporate Performance over five years

Year Ended 25 March		2020	2021	2022	2023	2024
		pence	pence	pence	pence	pence
<b>Net Asset Value per share: Annual</b>		792p	911p	1,090p	1,110p	1,136p
<b>Five Year Net Asset Value: Cumulative Growth</b>	40.8%					
<b>Dividends per share, paid and proposed: Annual</b>		15.0p	21.0p	22.5p	24.0p	25.5p
<b>Five Year Dividend: Cumulative Growth</b>	70.0%*					
		%	%	%	%	%
<b>Total Accounting Return†: Annual</b>		0.5%	16.9%	22.0%	3.9%	4.5%
<b>Five Year Total Accounting Return†: Cumulative Growth</b>	54.2%					
<b>Loan-to-value ratio</b>		36.5%	29.4%	25.5%	25.3%	24.7%
<b>Operating Costs/Portfolio Value</b>		2.0%	2.5%	1.9%	1.6% ▶	1.5% ▶
<b>Operating Costs/Income</b>		30.3%	34.8%	32.0%	27.7% ▶	24.8% ▶
* No final dividend was paid in 2020 due to the uncertainties arising from the Covid-19 pandemic. Two interim dividends of 7.5p each were paid for the year. † Total accounting return is calculated by combining movements in net asset value and dividends for the period expressed as a percentage of the opening net asset value per share. ▶ Operating costs for 2024 have been adjusted for £27,000 of non-recurring costs relating to new board appointments (2023: £81,000).						

We recognise the importance of a rising income stream for many shareholders and we seek to develop our portfolio so that it can deliver a growing income that can underpin progressive dividend payments to shareholders. We also know that, in addition to rising dividends, shareholders expect appreciation in the capital value of their investment.

Our objective is to achieve a reasonable balance between progressive dividend payments and capital appreciation.

Dividends over the past five years have increased by 70%, albeit from a base affected by the impact of the Covid pandemic. Net asset value per share increased by 41%.

## WYNNSTAY PROPERTIES PLC

### INTRODUCTION TO WYNNSTAY (continued)

Total accounting return per share combines the movements in dividends and net asset value, and demonstrates to shareholders the overall corporate performance. This measure is reviewed both on an annual basis and cumulatively over a rolling five-year period.

Over the last five years the Company has benefitted from a cumulative total accounting return of 54.2%, reflecting an average annual rate of return of 10.8% per annum over this period.

Another key measure of performance for shareholders in investment businesses is our ability to manage our cost base relative to the value of the portfolio under management and the income generated, both of which support dividend payments to shareholders.

Operating costs relative to portfolio value have been at or below 2% for four of the past five years and this year have been further reduced to a new low of 1.5%. In three of the past five years, operating costs relative to property income have been within the range of 30-35%. Over the last two years, as a result of the increase in rental income and tight cost control, this figure has reduced to around 25%.

Loan-to-value ratio is an important measure for shareholders in businesses that rely on debt for funding, such as property companies. It demonstrates the ability to balance expansion of the portfolio and the returns that come from using debt to do so with the need to manage risk through prudent external financing. Wynnstay's facilities allow borrowing up to 50% of the value of the assets secured. It is prudent, given the nature of the commercial property market, to adopt an approach that gives us a good margin between our actual borrowing and this facility limit with a range of circa 35-40% being considered appropriate. Wynnstay's loan-to-value ratio has generally been well within this range.

#### Portfolio Performance over five years

Year Ended 25 March		2020	2021	2022	2023	2024
		pence	pence	pence	pence	pence
<b>Property Income</b>		2,271	2,438	2,308	2,312*	2,599*
<b>Rental Income</b>		2,271	2,140	2,252	2,304	2,541
<b>Underlying† Five Year Rental Income: Cumulative Growth</b>	18.9%	1,906				2,267
<b>Portfolio Value</b>		34,260	34,005	38,975	39,320	43,915
<b>Underlying† Five Year Portfolio Value: Cumulative Growth</b>	27.8%	28,180				36,015
		%	%	%	%	%
<b>Occupancy at year-end</b>		94%	99%	100%	100%	99%
<b>Rent Collection for year</b>		100%	99%▶	100%	100%♦	100%
<b>Passing Rent to Estimated Rental Value</b>		87.8%	92.5%	88.1%	92.4%	90.2%
		years	years	years	years	years
<b>Weighted average unexpired lease term:</b>						
<b>- to lease break</b>		3.6	2.8	3.0	3.1	2.9
<b>- to lease expiry</b>		4.8	4.5	4.4	4.4	4.1

\* Includes for 2024 £58,000 of Other Property Income (2023: £8,000). See note 2 of the Financial Statements.  
† Underlying Rental Income and Portfolio Value are for properties that have been held in the portfolio throughout the five year period.  
▶ Excludes rent concessions of £29,000 granted to tenants as a result of the Covid-19 pandemic.  
♦ After rounding for £8,000 bad debt (0.3%).



## WYNNSTAY PROPERTIES PLC

### INTRODUCTION TO WYNNSTAY (continued)

In assessing the performance of the portfolio, several key measures are used.

In addition to the overall property income and portfolio value, underlying growth in both property income and value from those properties held in the portfolio throughout the previous five years are assessed.

Like-for-like underlying rental income and portfolio value growth demonstrate the ability to acquire and retain properties that are attractive to existing and new tenants, to manage them well and to grow average rents over time thus increasing income and capital value.

On this analysis, the core portfolio has performed very well over five years, delivering rental income growth of 18.9% and portfolio value growth of 27.8%.

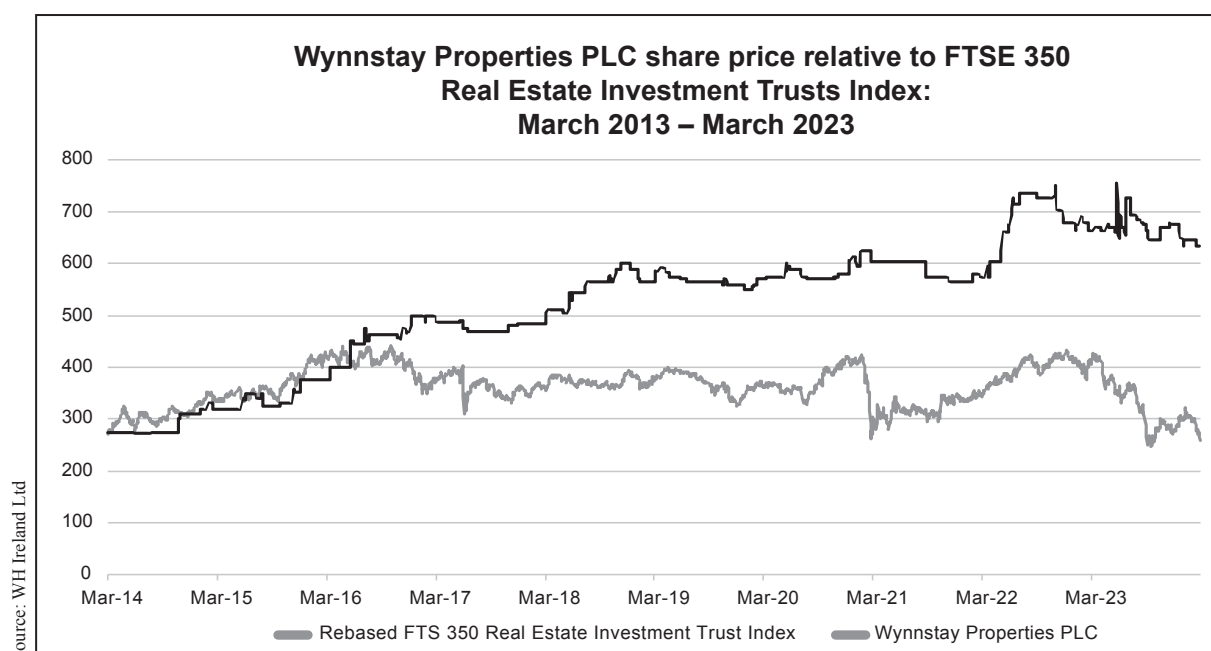
Occupancy and rent collections are also key performance measures for the portfolio. Occupancy demonstrates the ability to retain tenants at renewal and to let vacant premises when tenants do not renew which, in turn, underpin rental income and shareholders' dividends as well as capital value. Ensuring that rents are collected is essential to ensure that the portfolio delivers the best results for shareholders and shareholders' dividends are protected. Wynnstay's excellent record of rental collections and occupancy has been maintained at or very close to 100% over the past five years.

The weighted average unexpired lease term of the portfolio as a whole provides guidance on the anticipated continuity of rental income in future years. Most leases are for five years and some (but not all) longer leases, such as for ten years, may contain a break clause after five years. Typically, over the past five years, our weighted average unexpired lease term has been between 2.8 and 3.6 years to lease-break and between 4.1 and 4.8 years to lease expiry.

Our passing (i.e. current) rental income relative to the estimated rental value for the portfolio used by our valuers in the annual valuation gives an indication of the potential additional income that may be realisable, depending on market conditions, when rent reviews fall due or when properties become vacant and are offered for reletting. Over the past five years, this has typically demonstrated a % reversionary income potential in the range of 8% to 12%.

#### Share Price Performance

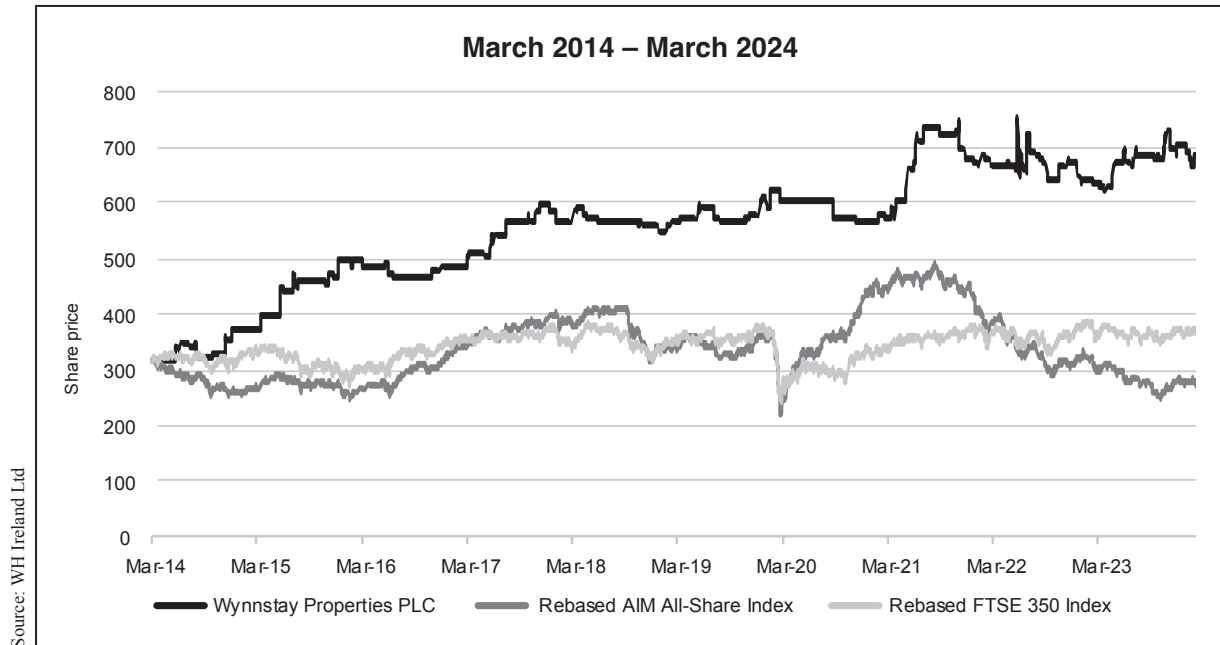
Wynnstay is quoted on AIM, and therefore is not a constituent of the FTSE 350 Real Estate Investment Trusts Index, which contains a good cross-section of quoted property companies of various forms, all much larger than Wynnstay. Wynnstay's share price relative to the FTSE 350 Real Estate Investment Trusts Index is shown in the chart below. Wynnstay's share price has substantially outperformed the index over the ten-year period.



## WYNNSTAY PROPERTIES PLC

### INTRODUCTION TO WYNNSTAY (continued)

Wynnstay's share price has also substantially outperformed the market indices for the leading AIM companies and for other much larger companies within the main market in the FTSE-350 index as shown in the chart below.



## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S STATEMENT

I am pleased to report to shareholders on another active year at Wynnstay during which we have made significant changes in the portfolio, with three acquisitions and one disposal, and have completed our Board succession plans by welcoming our new Managing Director, Chris Betts, and our two new non-executive directors, Hugh Ford and Ross Owen.

This has been a successful year for Wynnstay's financial performance and thus for you as shareholders who have seen further increases in net asset value and in dividends and thus in total accounting return.

Wynnstay's overall financial performance in the financial year, compared to the prior year, is summarised in the following overview table. The table should be read in conjunction with the following commentary and the financial statements.

#### Review of Financial Performance: 2024 vs. 2023

	% Change	2024	2023
• Rental Income			
Annual*	10.3%	£2,541,000	£2,304,000
Underlying*	3.0%	£2,340,000	£2,272,000
• Net Property Income (adjusted)†	15.2%	£1,817,000	£1,578,000
• Operating Income			
<i>Before fair value adjustment</i>	38.4%	£2,072,000	£1,497,000
<i>After fair value adjustment</i>	12.3%	£2,069,000	£1,842,000
• Earnings per share (weighted average)	19.2%	50.3p	42.2p
• Dividends per share, paid and proposed	6.3%	25.5p	24.0p
• Net asset value per share	2.3%	1,136p	1,110p
• Loan to value ratio		24.7%	25.3%
• Total Accounting Return for the year▶		4.5%	3.9%
<p>* Annual Rental Income is shown in note 2 of the Financial Statements and Underlying Rental Income is the like-for-like income from properties held in the portfolio throughout both years.</p> <p>† Excludes £27,000 of non-recurring costs incurred in 2024 (2023: £81,000) relating to new Board appointments.</p> <p>▶ Total accounting return is calculated by combining movements in net asset value and dividends for the period expressed as a percentage of the opening net asset value per share.</p>			

#### Commentary on Financial Performance in 2024

Rental income for the financial year increased by 10.3% compared to the previous year to £2,541,000 (2023: £2,304,000). This increase reflects the acquisition early in the year of Riverdale Industrial Estate, Tonbridge and, towards the end of the year, of units at Wildmere Industrial Estate in Banbury and at the IO Centre in Stevenage, as well as the outcome of several successful rent reviews and new lettings within the existing portfolio.

Other property income of £58,000 (2023: £8,000) comprised a dilapidations settlement with the outgoing tenant at our Hertford property, which we sold during the year, and service charge related management fees.

Net property income rose to £1,790,000 (2023: £1,497,000) reflecting the higher property income noted above and the overall property costs of £138,000 (2023: £96,000) and administrative costs of £671,000 (2023: £719,000) in the financial year compared to the prior year in which significant management succession costs were incurred.

Operating income benefitted from the sale of the Hertford property which realised a net profit after costs of £282,000 (2023: nil) and after the fair value adjustment arising from the annual revaluation, was £2,069,000 (2023: £1,842,000).

## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S STATEMENT (continued)

Earnings per share rose by 19.2% to 50.3p per share.

As a result of the fair value adjustment arising from the valuation, to which I refer below, the profit on disposal of Hertford and the positive income generation in the business, the net asset value per share rose by 2.3% to 1,136p per share (2023: 1,110p).

The Board considers the outcome of the financial year to be very satisfactory.

#### **Managing Director's Review**

Our Managing Director, Chris Betts, has prepared a separate review which follows this statement. This provides detail on the transactions mentioned above, management activity in the portfolio over the year, succession and operational changes introduced in the management of the business.

#### **Valuation**

Our Independent Valuers, BNP Paribas Real Estate, undertook the annual revaluation as at 25 March 2024 valuing the Company's portfolio at £43,915,000 (2023: £39,320,000). This represents a 11.7% increase of £4,595,000 on the valuation as at 25 March 2023 and primarily reflects the transactions in the year already mentioned above as well as the benefits of the active management of the portfolio reported in the Managing Director's Review.

The annual valuation is undertaken under accounting standards for use in our financial statements in accordance with RICS Global Standards and values each property as a separate asset on the basis of a sale of that property in the open market. Therefore, the valuation does not take account of any additional value that might be realised if the portfolio were to be offered on the open market or any other special factors that may be relevant in the case of individual potential purchasers, such as sales to other property investors, existing tenants or adjoining owners.

#### **Finance, Borrowings and Gearing**

Wynnstay remains in a strong financial position, with a low loan-to-value ratio under our secured facilities of 24.7% (2023: 25.3%).

At the year-end, we held cash of £0.4 million (2023: £3.3 million) and our borrowings were £10.843 million (2023: £9.951 million). The reduction in cash held and the increase in our borrowing compared to the prior year resulted from the acquisitions mentioned above. We drew down £950,000 under our revolving credit facility to fund in the short-term part of the acquisition costs.

The interest rate under our fixed term facility is fixed at 3.61% until December 2026. In addition to our available cash balance and positive cash flow from our property activities, just over £4 million of our £5m revolving credit facility remained undrawn at the year-end.

#### **Dividend**

Over recent years we have sought to pursue a progressive dividend policy that aims to provide shareholders with a rising income commensurate with Wynnstay's underlying growth and finances.

In the light of the satisfactory results for the year, the Board recommends a final dividend of 16.0p per share (2023: 15.0p). An interim dividend of 9.5p per share (2023: 9.0p) was paid in December 2023. Hence, the total dividend for this year of 25.5p per share (2023: 24.0p) represents an increase of 6.3% on the prior year.

Over the past five years, dividends have increased by 70.0% from 15.0p to 25.5p, although it should be noted that the level of dividend paid in 2020 was affected by the uncertainty resulting from the outbreak of the Covid-19 pandemic.

Subject to shareholder approval, the final dividend will be paid on 26 July 2024 to shareholders on the register at the close of business on 21 June 2024.

#### **Wynnstay's Financial Performance in the longer-term**

In the Annual Report two years ago, we introduced a new section, entitled Introduction to Wynnstay. This describes Wynnstay's distinctive approach to commercial property investment primarily for private shareholders and provides information both on the Company's performance and its share price performance over time.

The section has been retained and further updated in this report to provide additional information on the Company's performance. It highlights Wynnstay's continued strength over time across a range of measures. It has

# WYNNSTAY PROPERTIES PLC

## CHAIRMAN'S STATEMENT (continued)

also been expanded to explain the principal measures that we use in assessing the performance of the Company and the portfolio.

I encourage all shareholders to read this explanation of Wynnstay's rationale and performance on pages 5 to 9 of this report.

Key points to which I would draw shareholders attention are illustrated on page 6 of this report. Wynnstay has delivered cumulative growth over five years in total accounting return (net asset value and dividends) of 54.2% and Wynnstay's share price has substantially outperformed established market indices. In managing the portfolio, we have achieved substantial underlying growth in rental income and portfolio value and maintained a consistent record of full occupancy and rent collections.

### **The Board**

I am pleased to report that our two new Non-executive Directors, Hugh Ford and Ross Owen, have settled in well and have made valuable contributions to our Board discussions.

We were delighted to welcome Chris Betts to the Board in September. He established himself quickly and actively in his new role on which he reports in his Managing Director's Review.

### **Shareholder Matters**

I have reported in recent years on the liquidity and marketability of Wynnstay shares.

Wynnstay has a small, and rather unusual, share register on which there are under 250 accounts, a significant number of which are connected through family relationships, with private investors rather than funds or institutions as shareholders. In the main, they are long-term investors with some holdings having passed from generation to generation since the company was founded in 1886. These long-term investors provide stability and continuity within the shareholder base.

As a result of this relatively small shareholder base the volume and proportion of Wynnstay shares traded in the market is less than for many quoted companies with larger share registers and more dispersed holdings. Fewer Wynnstay shares tend to be available to trade and then only usually in modest quantities and with a sizeable "spread" between the bid and offer price. Shares are typically traded at a significant discount to the net asset value per share. However, both these features are also seen in other, much larger, quoted property companies. As already noted above, Wynnstay's share price has continued substantially to outperform the comparative real estate sector.

At the Annual General Meeting in 2022, shareholders gave Wynnstay authority to purchase its own shares so that the Company can act as a purchaser in the market where it is appropriate, and in the interests of shareholders generally, to do so. Other quoted property and investment companies, as well as other quoted companies, use share buybacks on a routine basis to enhance earnings and net asset value per share. Where shares are bought back dividends cease to be payable, thus conserving cash in the business and benefitting continuing shareholders and with the present intention being to hold any shares bought back in treasury so that they are available for reissue where there is market demand for shares or to facilitate individual property acquisitions.

The volume of shares traded in the past two years has been relatively small and the market has generally been able to absorb most of the shares offered. The authority has so far been used once, to acquire 15,000 Ordinary Shares at 710p in September 2022. The Board keeps the position under review and may exercise the authority when shares are available in the market and it is in the interests of shareholders generally to do so.

We also consider that Wynnstay's future development would be assisted if authority continued to be granted by shareholders, as has been the case for many years, to issue a limited number of shares without first offering them to existing shareholders. This gives Wynnstay flexibility, for instance, to issue shares for small fundraisings which might support a larger acquisition and allow the issue of shares as part consideration on individual property acquisitions to vendors, where the vendors wish to retain an interest in a broader portfolio of assets in a quoted company. Bringing in new investors with an interest in commercial property and in Wynnstay's distinctive approach to the share register would broaden the shareholder base and support its future development.

### **Outlook**

At this time last year, I noted that the UK had entered a further period of uncertainty as a result of external international events, changes in government administration, inflation levels not seen for forty years and rapid successive increases in interest rates.

## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S STATEMENT (continued)

This uncertainty continued throughout the past year with recent events in the Middle East and the continued war in Ukraine affecting trade and the economic climate in many countries and, in the UK as well as other countries, forthcoming elections taking place in 2024. However, inflation in the UK has fallen from the very high levels seen in mid 2023, real earnings are increasing and the employment data remains strong. While forecasts show little growth in the economy and continuing concerns about the level of public debt and the impacts of high taxation, the prospects of serious recession appear to have receded. Over recent months interest rates which, at one point, were forecast to reach 7% are now forecast to fall gradually over the next year to eighteen months.

Despite these uncertainties, Wynnstay's business has prospered. We are confident that our focused, stable and well-let portfolio can continue to deliver growth of capital and income for shareholders in the medium and long-term. The main risks to continued growth are economic and political, such as significant disruption caused by events beyond our control or the UK economy suffering a significant downturn, whether resulting from our own circumstances or international events, or domestic political upheaval any of which can affect the ability or willingness of businesses to invest or of consumers to spend.

The commercial property market is very sensitive to changes in the economic outlook and, in particular, to interest rates. This can result in strong, sometimes extreme, swings in both optimism and pessimism, which can affect asset values and market sentiment towards quoted property investments. Wynnstay has always adopted a cautious and realistic approach in managing and developing our portfolio and in valuing our assets. This has served shareholders well over a long period of time.

Despite the uncertainties in the UK and elsewhere, the Board remains optimistic about the future of Wynnstay's business.

#### **Colleagues and Advisers**

Our Managing Director, Chris Betts, and our finance and company secretarial colleagues have continued to work effectively to deliver for shareholders. I would like to thank them, as well as my colleagues on the Board and our professional advisers, for their support over the year.

#### **Shareholding Enquiries**

From time to time we receive enquiries from shareholders with questions about their shareholdings or about buying or selling Wynnstay shares or transferring them, typically to relatives.

All enquiries about shareholdings, including changes of address and bank details and about such transfers of shares, should be directed to our Registrars, Link Group, whose details are on page 2.

As regards buying or selling shares, this can be carried out by registering the holding online with our Registrars, Link Group, via their secure share portal [www.signalshares.com](http://www.signalshares.com), which also enables shareholdings to be managed quickly and easily. Shares can, of course, also be bought and sold in the usual way through a stockbroker or an online platform.

#### **Annual General Meeting**

The AGM provides an important and valued opportunity for the Board to engage with shareholders.

Our AGM this year will be held at **2.30pm on Tuesday 16 July 2024 at the Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS**. The Notice of Meeting is to be found at the end of this Annual Report.

**I urge all shareholders to complete and return their proxy forms so that their votes on the resolutions being put to the meeting can be counted.**

Shareholders who have registered for Link services online can also benefit from the ability to cast their proxy votes electronically, rather than by post. Shareholders not already registered for Link services online will need their investor code, which can be found on their share certificate or dividend tax voucher, in order to register.

To maximise shareholder engagement, shareholders who are unable to attend the AGM are encouraged to submit in writing those questions that they might have wished to ask in person at the meeting. Questions should be emailed to [company.secretary@wynnstayproperties.co.uk](mailto:company.secretary@wynnstayproperties.co.uk) at least 48 hours in advance of the AGM. You will receive a written response and, if there are common themes raised by a number of shareholders, we aim to provide a summary for all shareholders, grouping themes and topics together where appropriate, on the Company's website following the AGM.

**WYNNSTAY PROPERTIES PLC**

**CHAIRMAN'S STATEMENT (continued)**

Finally, on behalf of the Board, I would like to thank all shareholders, whether they have held shares for many years or have recently acquired shares, for their interest in and support for Wynnstay.

Philip Collins  
*Chairman*  
11 June 2024

# WYNNSTAY PROPERTIES PLC

## MANAGING DIRECTOR'S REVIEW

I am pleased to make my first annual report to shareholders as Managing Director on Wynnstay's operational activity. The past year has seen changes both to the composition of the Company's portfolio and Board but the underlying approach and focus on the delivery of attractive shareholder returns remains.

### **Portfolio Composition**

In addition to the previously reported purchase of Riverdale Industrial Estate, Tonbridge for £2.35 million in May 2023, two further properties were purchased in January 2024 as a package at a combined price of £2.525 million.

The larger property comprises a pair of trade-counter warehouse units totaling 13,140 sq ft on the Wildmere Industrial Estate in Banbury. These are let to a national and a regional trade counter business and currently produce a total annual rent of £103,425. The net initial yield from the investment is 6%, which on current market rental evidence is anticipated to rise to around 7% after a lease renewal or reletting in 2025 and a rent review in 2026.

The second property is located on the iO Centre, off Gunnels Wood Road in Stevenage. It is a 999-year leasehold interest in a mid-terrace trade-counter warehouse unit of 5,750 sq ft that is let to a national trade counter business. The current rent of £57,530 per annum provides a net initial yield of 6%, which is anticipated to rise to 7.2% on lease renewal or reletting in 2026.

Both properties are in well-established and highly accessible industrial warehouse locations. They are the same sort of relatively small and flexible units that comprise most Wynnstay properties and which are attractive to a wide range of businesses. In many locations in central and southern England, the overall stock of such property is not rising in line with demand and in many cases is being diminished, which increases the scope for rental growth. These acquisitions complement the geographic spread of the portfolio.

As reported in our Interim Statement, the Hertford property was sold with vacant possession in October 2023 for £910,000 generating a profit after tax and costs over the investment value as at March 2023 of £282,000. The buyer is a regional motor trade business, and their offer reflected the scarcity of opportunities for owner-occupiers. This opportunistic sale represents the culmination of the gradual divestment from a once-larger historic Wynnstay holding of older, less flexible buildings which have more limited market appeal. In this case, we were also able to secure a substantial dilapidations settlement from the former tenant.

As a result of these transactions, the portfolio now comprises 84 leasing units in 17 geographic locations.

### **Portfolio Activity**

The number of lease events over the year is only a little down on that of the previous 12 months. There have been four completed rent reviews including three outstanding from 2022 to the same tenant at Tonbridge that were concluded at a rate confirming the market rental anticipated on acquisition.

Three leases were renewed with current tenants. The most notable was a large unit at Aylesford, where the rent increased by a third and was significantly ahead of the market rent assumed in the March 2023 valuation. The other two renewals were at Heathfield. At Aylesford, we were also able to take advantage of a previous tenant's desire to assign their lease to secure a more valuable longer-term new letting.

We have achieved four other new lettings to replace tenants who have vacated. All were at rents noticeably in excess of the estimated rental value used by the valuers in the March 2023 valuation.

Following the retirement of a tenant at Uckfield, we were able to quickly agree terms for a new open market letting which completed in August 2023. The lease of a unit in Hailsham was forfeited in May 2023 in the face of mounting rent arrears, which we have subsequently recovered in full. Remarketing brought several expressions of interest, and a new lease was completed in December. Securing the letting required expenditure on an updated planning permission for use of the premises and repair and redecoration of the roof and elevations.

At Liphook a tenant opted not to renew their lease in December and a new letting was completed in March 2024 with additional rental income from the mezzanine floor installed by a former tenant. Two tenants at Aylesford exercised break clauses during the year. In one case it was possible to complete a new letting immediately after the break date so that a void did not occur. The other unit remained vacant at year-end although an acceptable offer had been received and the letting has since been completed.



## WYNNSTAY PROPERTIES PLC

### MANAGING DIRECTOR'S REVIEW

Consequently, the vacancy rate across the portfolio at year-end was extremely low representing approximately 0.75% both by floor area and market rent.

In a similar vein, rental collection has been very strong with only three instances in the year of rent remaining outstanding 30 days after the due date. In all cases the arrears have been received with the result that there were no bad debts.

#### **Property Valuation**

Over most of the year the commercial property market reflected caution and some trading difficulties for many businesses alongside continued high interest rates that have impacted negatively on valuations. The final quarter saw some market stabilisation and improved optimism, especially regarding the interest rate environment. Nonetheless, a weaker investment market overall has resulted in a softening of valuation yields compared to last year of approximately 25bp across the portfolio.

However, the impact of this yield shift on the valuation was more than offset by rental growth in our portfolio and our active asset management. Wynnstay's like-for-like rental income increased by 3.0% and the current estimated rental value used by our valuers increased by 5.5% over the year. This reflects the strength of the industrial sector as a whole and the benefit of Wynnstay's diverse and well-let portfolio in that sector. As a result, on a like-for-like basis, the portfolio value rose by 0.5% to £38,915,000 and, with the three properties acquired during the year, the total value of the portfolio rose to £43,915,000 (2023: £39,320,000).

#### **Management**

As described in my Interim Report, an eight-week handover period with Paul Williams last summer enabled a smooth succession as I was able to familiarise myself with the portfolio, historical background, current issues and management processes. There was ample opportunity for him to pass on his intimate knowledge acquired over a long period of time. The result was confidence that Wynnstay would maintain business as usual following my appointment in September.

One particular theme that I have been able to follow up is the implementation of a property management system to complement the new accounting software introduced at the beginning of 2023. This was set-up with the software supplier over the winter and went live at the start of the new financial year. The system integrates with the accounting software and operates in real time, enabling efficient monitoring and availability of data regarding invoicing, rent collection and lease events. Risk is mitigated both in terms of mistakes, but also business continuity.

We have also purchased valuation software that will enable direct prospective performance analysis of the portfolio and its constituent properties and testing of different scenarios for changed tenancies, capital expenditure, sales and purchases and so on. The package will also enable direct valuation and analysis of prospective purchases alongside advice that may be received from professional advisors.

#### **Future**

Last year's Report outlined the impact of the Minimum Energy Efficiency Standards legislation. Whilst there is currently some uncertainty over the timetable for minimum EPC ratings for properties, there is no doubt that improvements will continue to be required. We are continually monitoring the opportunities to carry these out, ideally in conjunction with our tenants. Often these can be changes to heating and lighting equipment that are of modest cost. However, increasingly, we may need to look at the insulation of the building fabric alongside energy generators such as PV panels.

Such considerations run parallel to assessment of the need to maintain, refurbish and upgrade our buildings generally, especially where this will result in increased rental income and enhance capital value. This forms part of our renewed focus on assessing the performance potential of the portfolio following my appointment. My initial review of the portfolio has been favourable for the reasons outlined elsewhere in this report, but further disposals may be identified as we consider whether capital may be better employed in alternative investments, improving existing assets or pursuing development opportunities within the portfolio.

Chris Betts  
*Managing Director*  
11 June 2024

# WYNNSTAY PROPERTIES PLC

## STRATEGIC REPORT 2024

The Directors present their Strategic Report for Wynnstay Properties PLC for the year ended 25 March 2024.

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 Introduction to Wynnstay, the Chairman's Statement, the Managing Director's Review 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 and development company. Its business, business model, strategy and future development are described in the Introduction to Wynnstay, the Chairman's Statement and the Managing Director's Review on pages 5 to 16.

### **Financial Objectives and Performance Indicators**

The key financial objectives for the Company are to achieve capital appreciation and generate rising dividend income for shareholders from a diversified and resilient commercial property portfolio as described in the Introduction to Wynnstay, the Chairman's Statement and the Managing Director's Review which also contain details of performance against selected indicators.

The Directors consider the Company's performance against the indicators to be creditable. As a result of the active management of, and the additions made to, the portfolio in this financial year, annual rental income and like-for-like rental income have risen enabling increased dividends to be paid to shareholders and have contributed to the increase in the portfolio valuation and thus in net asset value per share.

### **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 and investor demand for commercial property assets 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 or provision of guarantees when considered appropriate and monitoring the income exposure to any tenant contributing more than 2% of total rental income on a quarterly 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 Notes 1.3 and 19 of the financial statements.

In common with all other business activities, the Company is exposed to many of the usual risks and uncertainties arising from commercial, economic and political circumstances and events, as well as to unpredictable external shocks, recent examples being the pandemic, the invasion of Ukraine by Russia, and the Israeli-Palestinian conflict. Among these risks and uncertainties are:

- Significant potential income reduction and bad debts as tenants have difficulty in maintaining rent payments and potential voids within the portfolio arising from tenant failures, resulting in additional costs;
- Significant potential impacts on the economy and market sentiment generally capable of adversely affecting the commercial property market and commercial property values;
- Significant potential disruption to the businesses of letting agents, property professionals and the general services on which the business relies;
- Significant potential impacts of inflation on costs, of supply chain constraints for raw materials and construction products and of labour market constraints on any developments or works it may undertake;
- Significant changes in legislation affecting the ownership, construction, development or letting of commercial properties including, for example, their energy efficiency.

## WYNNSTAY PROPERTIES PLC

### STRATEGIC REPORT 2024 (continued)

The Company carefully vets prospective new tenants from a credit risk perspective. Bad debts are mitigated by close engagement with businesses within a diversified mix of tenants across the portfolio.

The Board monitors carefully its rental income receipts. The Company received all the rental income due for the financial year ended 25 March 2024 and with the exception of one small unit, the portfolio was fully let as at 25 March 2024.

The Board regularly reviews the portfolio, including feedback from engagement with tenants, in order to assess the risk of tenant failures.

Key financial indicators are considered to be annual and cumulative growth over time in net asset value, rental income and dividends; loan-to-value ratio; and operating costs relative to portfolio value and to rental income.

#### **Directors' duty to promote the success of the Company under Section 172 Companies Act 2006**

The Strategic Report is required to include a statement that describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duty under section 172. Some of the matters identified in Section 172(1) are already covered by similar provisions in the QCA Corporate Governance Code and have thus been reported by the Company in the Corporate Governance Statement, the Corporate Governance Report and the QCA Statement of Compliance on our website. In order to avoid unnecessary duplication, the relevant parts of those documents are identified below and are to be treated as expressly incorporated by reference into this Strategic Report.

Under section 172 (1) of the Companies Act 2006, each individual Director must act in the way he considers, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (among other matters) to six matters detailed in the section.

In discharging their duties, the Directors seek to promote the success of Wynnstay for the benefit of members as a whole and have regard to all the matters set out in Section 172(1), where applicable and relevant to the business, taking account of its size and structure and the nature and scale of its activities in the commercial property market. The following paragraphs address each of the six matters in Section 172(1) (a) to (f).

**(a) *The likely consequences of any decision in the long term:*** The commercial property market is cyclical by nature. Investing in commercial property is a long-term business. The decisions that we take must have regard to long term consequences in terms of success or failure and managing risks and uncertainties. We cannot expect that every decision we take will prove, with the benefit of hindsight, to be the best one: external factors may affect the market and thus change conditions in the future, after a decision has been taken. However, we consider that our record of decisions on acquisitions, disposals and active management of the portfolio is very strong. This is reflected in the long-term performance of Wynnstay over the years in terms of net asset value and dividends paid to shareholders.

**(b) *The interests of the Company's employees:*** We have only one full time employee, who is the Managing Director. He sits on the Board with the Non-Executive Directors. We also have one part time employee.

**(c) *The need to foster the Company's business relationships with suppliers, customers and others:*** We have regularly reported in our annual reports on the constructive relationships that Wynnstay seeks to build with its tenants and the mutual benefits that this brings to both parties; and we have extended this reporting in recent years following Principle 3 of the QCA Code to include suppliers and others. This is therefore addressed under Principle 3 in the QCA Compliance Statement.

## WYNNSTAY PROPERTIES PLC

### STRATEGIC REPORT 2024 (continued)

**(d) The impact of the Company's operations on the community and the environment:** This is also addressed under Principle 3 of the QCA Code in the QCA Compliance Statement. Due to its size and structure and the nature and scale of its activities, the Board considers that the impact of Wynnstay's operations as a landlord on the community and the environment is low. Wynnstay's assets are used by its tenants for their own operations rather than by Wynnstay itself. In the past year, Wynnstay has not been made aware of any tenant operations that have had a significant impact on the community or the environment. In relation to planned developments, Wynnstay seeks to ensure that designs and construction comply with all relevant environmental standards and with local planning requirements and building regulations so as not to adversely affect the community or the environment.

**(e) The desirability of the Company maintaining a reputation for high standards of business conduct:** This is addressed under Principle 8 of the QCA Code in the Corporate Government Statement and in the QCA Compliance Statement. The Board considers that maintaining Wynnstay's reputation for high standards of business conduct is not just desirable: it is a valuable asset in the competitive commercial property market.

**(f) The need to act fairly as between members of the Company:** Wynnstay has only one class of shares. Thus, all shareholders have equal rights and, regardless of the size of their holding, every shareholder is, and always has been, treated equally and fairly. Relations with shareholders are further addressed under Principles 2, 3 and 10 of the QCA Code in the Corporate Governance Report and the QCA Compliance Statement. We continue to review how we communicate with shareholders and we encourage shareholders to adopt electronic communications and proxy voting in place of paper documents where this suits them as well as to raise questions in writing if they are unable to attend annual general meetings..

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

Philip Collins  
Director  
11 June 2024

## WYNNSTAY PROPERTIES PLC

### CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT

As Chairman, it is my responsibility, working with my fellow Board colleagues, to ensure that good corporate governance arrangements and standards apply within the Company.

Our corporate governance structure has evolved over many years since we became one of the first companies admitted to AIM in 1995. We have adopted and adapted practices and procedures to promote good governance that are considered appropriate for a company of Wynnstay's size and structure and the nature and scale of its activities. 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.

In September 2018, the Company adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (the Code). The Code is constructed around ten broad principles, which are set out in the Corporate Governance Report. The Code has recently been revised with the new text coming into effect for accounting periods beginning on or after 1 April 2024.

At Wynnstay, we apply the principles of the Code to the extent reasonable and practicable for a company of our size and structure and the nature and scale of our activities, 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 one full-time employee, the Managing Director, 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 working formally as a group to consider remuneration and the audit plan, process and outcome. We have used individual and group review and self-assessment suited to our small size and structure, rather than formal external Board and individual performance reviews. During the financial year the Board conducted a further evaluation of its performance through a self-assessment process. The results are described under Principle 7 of the Code in the Corporate Governance Report. The evaluation has provided further useful insight into the work of the Board over the past year and focus for the next year.

Our Statement of Compliance has been reviewed and updated concurrently with the preparation of this Annual Report and will be placed on the website together with the index to signpost the location of disclosures required by the Code.

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 and structure, the nature and scale of its activities 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 Collins  
*Chairman*  
11 June 2024

# 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. 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.

In November 2023, the QCA published an updated version of the Code which will apply to financial years beginning on or after 1 April 2024 with first disclosures under it being made in 2025. It will apply to Wynnstay for the 2026 annual report, but with the option to apply some of its changes earlier. Reporting against the revised Code will continue to be on a 'comply or explain' basis and the Board will give careful consideration as to how and when to apply the new provisions and report against them.

### **Principle 1: Establish a strategy and business model which promote 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 on page 18.

### **Principle 2: Seek to understand and meet 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: Take into account 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: Embed effective risk management, considering both opportunities and threats, throughout the organisation**

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 on pages 18 to 19.

### **Principle 5: Maintain the board as a well-functioning, 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. The information given below 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 this 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 comprised one executive, the Managing Director, and five Non-Executive Directors, including the Chairman during the year. The Board considers that all the Non-Executive Directors are independent. The biographies of all the Directors who served in the year are available on the Company's website and on page 58.

Philip Collins, the Non-Executive Chairman, has been a Director since 1988 and became Chairman in 1998. 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

## WYNNSTAY PROPERTIES PLC

### CORPORATE GOVERNANCE, REMUNERATION AND AUDIT REPORTS (CONTINUED)

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.

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 Company Secretary.

The Board completed two separate recruitment processes for Board appointments during 2023, one for Non-Executive Directors and the other to recruit a new Managing Director to replace Paul Williams on his subsequent retirement. Both processes involved specialist external recruitment firms. The Company announced that Ross Owen and Hugh Ford had been appointed to the Board and would take up their appointments at the beginning of the current financial year on 26 March 2023. Both are considered by the Board to be independent. In early June 2023, the Company announced the appointment of Christopher Betts as the Managing Director designate. He was appointed to the Board on 8 September 2023.

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 around 6 or 7 scheduled Board meetings a year, preparation time, site visits and other requirements mentioned below, 12-18 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 Board meetings, including ad hoc meetings, in the financial year ended 25 March 2024.

<b>Director</b>	<b>Board meetings</b>
Philip Collins	10/10
Christopher Betts	5/5
Hugh Ford	10/10
Ross Owen	10/10
Paul Mather	9/10
Caroline Tolhurst	10/10
Paul Williams	4/5

In addition to these meetings, all the Directors took part in three strategy discussions except for Paul Williams who attended one strategy discussion and Christopher Betts who attended two; four non-executive Directors met with the Auditor to review its Audit Report and the Annual Report and Accounts and approve various audit-related matters and documents; and two Directors also took part in Board sub-committee meetings authorised to approve the final texts of documents or transactions on behalf of the Board.

In view of the Company's size and nature, the Board does not consider that the establishment of formal Board committees, such as a Remuneration Committee, a Nomination 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, these are managed by the Non-Executive Directors, or delegated to an ad hoc committee of them, who report with recommendations to the Board. 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 6: Ensure that between them directors have the 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 and personal qualities that each brings to the Board; how the Board as a whole contains the necessary mix of experience, skills and qualities and capabilities to deliver the strategy over the medium to long-term; how each director keeps his/

## WYNNSTAY PROPERTIES PLC

### CORPORATE GOVERNANCE, REMUNERATION AND AUDIT REPORTS (CONTINUED)

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 are set out on the Company's website.

Reference is also made to the information on each of the Non-Executive Directors given under Principle 5 above and on page 58.

The Managing Director, Christopher Betts, has many years of practical experience in property investment and management. The Board has engaged experienced professionals to manage accounting, financial and company secretarial matters.

Alan Palmer, the Director of Finance, although not a Board Director, attends all Board meetings and advises the Board on accounting and financial matters. He has extensive experience of the commercial property sector, with former senior roles in finance, treasury and corporate finance in quoted property companies. His services are provided through The CFO Centre Limited, a specialist provider of part-time Finance Director services to small and medium sized enterprises (SME's).

Susan Wallace, FCIS, Company Secretary, is a Chartered Secretary and was a founding partner of Bruce Wallace Associates Limited, a specialist provider of company secretarial and compliance services to SME businesses and quoted companies. Bruce Wallace Associates merged its business with that of Shakespeare Martineau LLP in April 2023. In her role, she is supported by other professionals in Shakespeare Martineau LLP which now provides company secretarial services to Wynnstay.

The Board considers that the experience and knowledge of each of the Directors and the experienced professionals 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 sets up to date with a combination of attendance at industry events, individual reading and study, briefings by the Company's professional advisers, 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, Company Secretary and Director of Finance, 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.

After the end of each financial year, the Chairman usually holds a meeting with the Non-Executive Directors individually and as a group without the Managing Director. 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 Board carried out an internal board evaluation in the same format as in the previous years and on a similar set of questions based on those typically used by smaller companies for this purpose. The average scores for each question and all the comments submitted were reviewed by the Board.

This review concluded that progress had been made in three areas identified for improvement in the previous year's evaluation which were integration and streamlining of management information; review of the risk management framework, with individual consideration of specific top risks; and increased time devoted to strategic issues for the portfolio and the Company while maintaining appropriate challenge and oversight over operational matters.



## WYNNSTAY PROPERTIES PLC

### CORPORATE GOVERNANCE, REMUNERATION AND AUDIT REPORTS (CONTINUED)

The content and presentation of property and finance reports had been reviewed and revised and would be further enhanced with the adoption of the portfolio management system which would be fully integrated in the current year with the Xero accounting software adopted in the previous year. This would allow greater automation of information to the Board.

The risk management framework had been reviewed and while it was considered that the appropriate risks had been identified in the existing framework, their presentation could be restructured to assist review. This process was commenced during the second half of the year and completed after the year-end. The Board also selected two specific risks for individual consideration, namely asset obsolescence and tenant counter-party risk, in addition to the regular bi-annual reviews of the overall risk register.

While progress had been made in the balance of the Board's time spent on strategic relative to operational issues, this had been constrained by Board changes, and would be kept under review.

From the latest self-evaluation, three areas were identified for action in the current year: further streamlining of Board processes, including the timing and presentation of papers; review of the investment strategy for the portfolio in the longer-term, including its geographic and sectoral focus; and the effectiveness of communications with shareholders and potential investors, being an item identified in earlier years when Covid-19 restrictions had limited interaction with shareholders.

The Board will carry out a similar evaluation exercise towards the end of the current financial year, which will include the effectiveness of the changes implemented. 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 although it will keep this under review.

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: Promote a corporate culture based on ethical values and behaviours**

The application of Principle 8 is recommended by the Code to be addressed in the Chairman's Corporate Governance Statement. 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: Maintain governance structures and processes that are fit-for-purpose, and support good decision making**

A high-level explanation of the application of Principle 9 is recommended by the Code to be provided in the Chairman's Corporate Governance Statement.

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: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The application of Principle 10 of the Code 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 and intended actions on and reasons for significant votes cast against resolutions, are shown on the Company's website, together with the Statement of Compliance, historical annual reports, notices of general meetings and other governance-related material.

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 Managing Director's Review, the Directors' Report and the Strategic Report and elsewhere in the Annual Report.

## WYNNSTAY PROPERTIES PLC

### CORPORATE GOVERNANCE, REMUNERATION AND AUDIT REPORTS (CONTINUED)

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 that the annual report describes the work of committees. 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 Senior Independent Director and the Director of Finance met and discussed the audit with the auditor before the year-end and a draft Audit Planning Report prepared by the auditor was reviewed subsequently by the Board.

At the completion of the audit, the auditor presented its Audit Completion Report to the Non-Executive Directors before the Financial Statements were presented for Board approval. The discussions enabled the auditor to explain the work undertaken and its outcome and the Non-Executive Directors to raise any issues. It is considered that the process worked well. The audit did not raise any material issues and the auditor was able to issue the audit report as scheduled and in the usual form.

#### **Remuneration Report**

The Directors currently determine remuneration, with the Non-Executive Directors determining the remuneration of the Executive Director 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.

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 and relevant to our situation.

The Non-Executive Directors met after the end of the financial year to review the performance of the Managing Director and determine the level of his remuneration and any bonus. Remuneration has been determined historically 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. However, such information has become less readily available in recent years and may not in any event be applicable to our particular circumstances. This further advice was taken from the specialist recruitment firm involved in the market rate of remuneration for the position. Levels of bonus are determined by reference to the assessment of performance against objectives for the business. This process is necessarily subjective, but is considered to deliver a reasonable result for the individual, the Company and its shareholders. For the year ended 25 March 2024 it was agreed that a bonus be awarded for the year. Details of remuneration are disclosed in the Directors' Report.

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 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.

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

Philip Collins

*Director*

11 June 2024

# WYNNSTAY PROPERTIES PLC

## DIRECTORS' REPORT 2024

The Directors present their One Hundred and Thirty-Eighth Annual Report, together with the audited Financial Statements of the Company for the year ended 25 March 2024.

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, the Managing Director's Review 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 pages 18 to 19.

### **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 as well as in Notes 1.3 and 19 of the financial statements.

### **Income (Profit) for the Year**

Income after Taxation and Total Comprehensive Income for the year after taxation amounted to £1,356,000 (2023: £1,142,000). Details of movements in reserves are set out in the Statement of Changes in Equity.

### **Dividends**

The Directors have decided to recommend a final dividend of 16p per share for the year ended 25 March 2024 payable on 26 July 2024 to those shareholders on the register at the close of business on 21 June 2024. This dividend, together with the interim dividend of 9.5p paid on 15 December 2023, represents a total for the year of 25.5p (2023: 24.0p).

### **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 Company's financial statements in accordance with UK-adopted International Accounting Standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether international accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- 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 also responsible for ensuring that they meet their responsibilities under the AIM Rules.

## WYNNSTAY PROPERTIES PLC

### DIRECTORS' REPORT 2024 (continued)

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 financial statements may differ from legislation in other jurisdictions.

#### Directors and their interests

The Directors holding office during the financial year under review and up to the date of signing the financial statements, and their interests (including spouses, other related parties and non-beneficial interests, where applicable) in the ordinary share capital of the Company at 25 March 2024 and 25 March 2023 are shown below:

		Ordinary Shares of 25p	
		2024	2023
P.G.H. Collins	Non-Executive Chairman	<b>850,836</b>	850,836
C.G. Betts [appointed 8 September 2023]	Managing Director	–	–
C.P. Williams [resigned 8 September 2023]	Managing Director	<b>11,612</b>	11,612
C.H. Delevingne [resigned 25 March 2023]	Non-Executive Director	–	5,000
H.M. Ford [appointed 26 March 2023]	Non-Executive Director	–	–
P. Mather	Non-Executive Director	–	–
R.P. Owen [appointed 26 March 2023]	Non-Executive Director	<b>1,500</b>	–
C.M. Tolhurst	Non-Executive Director	–	–

The interests shown above in respect of Mr. P.G.H. Collins include non-beneficial interests of 229,596 shares at 25 March 2024 and 2023.

Mr. C.G. Betts has a service agreement with the Company under which his employment is subject to three months' notice of termination by either party.

In accordance with the Company's Articles of Association, Mr. C.G. Betts offers himself for election at the 2024 Annual General Meeting. In addition, Mr. P. Mather retires by rotation and, being eligible, offers himself for re-election at the Annual General Meeting.

Biographies of each of the Directors are available on the Company's website and on page 58.

#### Directors' Emoluments

Directors' emoluments for the year ended 25 March 2024 are set out below:

	<u>Salaries</u>	<u>Fees</u>	<u>Pension</u>	<u>Benefits</u>	<u>Total</u> <u>2024</u>	<u>Total</u> <u>2023</u>
P.G.H. Collins	–	47,500	–	–	<b>47,500</b>	45,000
C.P. Williams	59,867	8,400	36,245	5,695	<b>110,207</b>	210,334
C.G. Betts	94,932	–	8,000	1,589	<b>104,521</b>	–
C.H. Delevingne	–	–	–	–	–	16,800
H.M. Ford	–	18,500	–	–	<b>18,500</b>	–
P. Mather	–	18,500	–	–	<b>18,500</b>	16,800
R.P. Owen	–	18,500	–	–	<b>18,500</b>	–
C.M. Tolhurst	–	23,500	–	–	<b>23,500</b>	30,100
Total 2024	<b><u>£154,799</u></b>	<b><u>£134,900</u></b>	<b><u>£44,245</u></b>	<b><u>£7,284</u></b>	<b><u>£341,228</u></b>	
Total 2023	<u>£136,500</u>	<u>£125,500</u>	<u>£48,650</u>	<u>£8,384</u>		<u>£319,034</u>

The above figures for 2024 include a discretionary bonus of £30,000 (2023: £35,000) awarded to Mr. Williams which, at his request, was paid into his pension scheme. The above figures for 2024 also include a discretionary bonus of £10,000 (2023: £nil) awarded to Mr. Betts.

The Directors' Emoluments set out above form part of the Financial Statements.

# WYNNSTAY PROPERTIES PLC

## DIRECTORS' REPORT 2024 (continued)

### 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 11 June 2024, the Directors have been notified or are aware of the following interests (including spouses, other related parties 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 2024	Percentage of Share Capital 2023
P.G.H. Collins	850,836	31.55%	31.55%
G. J. Gibson	298,795	11.08%	10.18%
D. N. Gibson	146,431	5.43%	4.86%
Dr. G.L.A. Bird	112,000	4.15%	4.15%
J.V. Bird	111,750	4.14%	4.14%

### Share Buy-back

On 19 July 2022, shareholders approved a special resolution authorising the Company to purchase in the market up to 406,742 Ordinary Shares of 25p each in the capital of the Company.

No shares were purchased during the current period. Any such shares to be purchased will be held by the Company in treasury together with the current 458,650 Ordinary Shares of 25p each purchased by the Company since March 2010. The 458,650 Ordinary Shares of 25p each currently held in treasury represent 14.5% of the Company's issued share capital.

### Going Concern

The Directors consider, as at the date of approving the financial statements, that there is reasonable expectation that the Company has adequate financial resources to continue to operate, and to meet its liabilities as they fall due for payment, for at least twelve months following the approval of 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 that Director was aware there was no relevant audit information of which the Company's auditor was unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor was aware of that information

### Annual General Meeting

The Notice of the Annual General Meeting, to be held on 16 July 2024, is set out at the end of the Annual Report.

By Order of the Board

*Susan Wallace*

Secretary

11 June 2024

## 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 2024 which comprise 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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.

#### Key audit matters

We identified the key audit matters described below as those that were of most significance in the audit of the financial statements of the current period. Key audit matters include the most significant assessed risks of material misstatement, including those risks that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team.

In addressing these matters, we have performed the procedures below which were designed to address the matters in the context of the financial statements as a whole, and in forming our opinion thereon. Consequently, we do not provide a separate opinion on these individual matters.

Key audit matter	Description of risk	How the matter was addressed in the audit
Valuation of investment properties	<p>The Company holds a portfolio of investment properties which are owned by the Company and held for rental income. The directors measure each property in the portfolio at fair value at the year end date on the basis of a valuation by an external independent valuer whose details can be found in note 10 of the accounts. The Company's accounting policy for investment properties is included within note 1.2.</p> <p>The valuation of investment properties requires significant judgement in determining the appropriate inputs to be used in the model and there is therefore a risk that the properties are incorrectly valued.</p>	<p>As part of our procedures, we:</p> <ul style="list-style-type: none"> <li>• Reviewed the valuation reports for all the properties and confirmed that the valuation approach for each was in accordance with RICS standards and suitable for use in determining the carrying value for the purpose of the financial statements.</li> <li>• Compared the yields used within the valuation to market averages based on sector and location. Variances were evaluated through gaining an understanding of the rationale underlying the discrepancy, and assessing whether this supports the valuation overall. We further performed a sensitivity analysis on the value of the portfolio against market averages.</li> <li>• Tested the accuracy of inputs to the valuation, including rental income and lease terms.</li> <li>• Assessed the Valuer's qualifications, expertise and independence, and read their terms of engagement with the Company to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC**

Key audit matter	Description of risk	How the matter was addressed in the audit
Revenue recognition	Revenue for the Company consists primarily of rental income. Rental income is based on tenancy agreements where there is a standard process in place for recording revenue as set out in the agreements. There are however certain transactions within revenue that warrant additional audit focus because of an increased inherent risk of error due either through fraud or their non-standard nature, such as lease incentives.	As part of our procedures, we: <ul style="list-style-type: none"> <li>• Selected a sample of properties from the investment property register, formed an expectation of the rent to be recognised from the lease agreement and compared this to the actual rent recognised. We investigated variances exceeding an acceptable threshold.</li> <li>• For a sample, reviewed the accounting for lease incentives, and ensured this was in line with accounting standards.</li> </ul>

**Our application of materiality**

The materiality for the company financial statements as a whole (“FS materiality”) was set at £447,000. This has been determined with reference to the benchmark of the company’s total assets, which we consider to be one of the principal considerations for members of the company in assessing the company’s performance. FS materiality represents 1% of the company’s total assets as presented on the face of the Statement of Financial Position.

Rental Income and Income before Taxation are key performance indicators of the company which are driven by Income Statement items and we therefore applied a lower specific materiality of £51,900, based on 2% of company revenue. This lower specific materiality was applied to the components of the company’s Statement of Comprehensive Income, excluding investment property valuation movements.

Performance materiality for the company financial statements was set at £357,600, being 80% of FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds FS materiality. We judged this level to be appropriate based on our understanding of the company and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits.

It was set at 80% based on our overall expectation of the level of audit differences, and the number and significance of areas of judgement in the financial statements.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors’ assessment of the company’s ability to continue to adopt the going concern basis of accounting included:

- Discussion with management over the basis and appropriateness of key assumptions including corroboration where relevant;
- Reviewing bank statements to monitor the cash position of the company post year end, and obtaining an understanding of significant expected cash outflows (such as capital expenditure) in the forthcoming 12-month period;
- Reviewing disclosures around going concern in the financial statements to ensure they are consistent with the work performed.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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, 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 26, 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.



## **INDEPENDENT AUDITOR'S REPORT**

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

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies, and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with the framework through:

- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary.
- Outsourcing accounts preparation and tax compliance to external experts;
- The Managing Director's close involvement in the day to day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company: :

- The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of financial statements via fraudulent journal entries or error affecting cut off around the year end, particularly as the size of the company means that there is limited opportunity for segregation of duties.
- The manipulation of the financial statements via the valuation of investment properties as this requires estimates and judgements to be made by management.
- The manipulation of Property Income recognised for the year through the recognition of revenue components such as lease incentives.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the judgements and assumptions used in the estimates as set out in the key audit matters above.
- Substantive work on material areas affecting Income for the year.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those around the year end

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

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF WYNNSTAY PROPERTIES PLC**

**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.

Julie Mutton  
Senior Statutory Auditor, for and on behalf of  
**CLA Evelyn Partners Limited**  
Statutory Auditor  
Chartered Accountants

4th Floor Cumberland House  
15-17 Cumberland Place  
Southampton  
Hampshire  
SO15 2BG

Date: 11 June 2024

**WYNNSTAY PROPERTIES PLC**

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 25 MARCH 2024

	Notes	2024	2023
		£'000	£'000
<b>Property Income</b>	2	<b>2,599</b>	2,312
Property Costs	3	<b>(138)</b>	(96)
Administrative Costs	4	<b>(671)</b>	(719)
<b>Net Property Income</b>		<b>1,790</b>	1,497
Movement in Fair Value of Investment Properties	10	<b>(3)</b>	345
Profit on Sale of Investment Property		<b>282</b>	–
<b>Operating Income</b>		<b>2,069</b>	1,842
Investment Income	6	<b>29</b>	27
Finance Costs	6	<b>(455)</b>	(439)
<b>Income before Taxation</b>		<b>1,643</b>	1,430
Taxation	7	<b>(287)</b>	(288)
<b>Income after Taxation and Total Comprehensive Income</b>		<b>1,356</b>	1,142
<b>Basic and diluted earnings per share</b>	9	<b>50.3p</b>	42.2p

The company has no items of other comprehensive income.

**WYNNSTAY PROPERTIES PLC**  
STATEMENT OF FINANCIAL POSITION 25 MARCH 2024

	Notes	2024 £'000	2023 £'000
<b>Non Current Assets</b>			
Investment Properties	10	43,915	39,320
Investments	12	<u>3</u>	<u>3</u>
		<u>43,918</u>	<u>39,323</u>
<b>Current Assets</b>			
Trade and other receivables	14	413	482
Cash and Cash Equivalents		<u>397</u>	<u>3,268</u>
		<u>810</u>	<u>3,750</u>
<b>Current Liabilities</b>			
Trade and other payables	15	(828)	(843)
Income Taxes Payable		<u>(347)</u>	<u>(307)</u>
		<u>(1,175)</u>	<u>(1,150)</u>
<b>Net Current (Liabilities) / Assets</b>		<u>(365)</u>	<u>2,600</u>
<b>Total Assets Less Current Liabilities</b>		43,553	41,923
<b>Non-Current Liabilities</b>			
Bank Loans Payable	16	(10,843)	(9,951)
Deferred Tax Payable	17	<u>(2,083)</u>	<u>(2,034)</u>
		<u>(12,926)</u>	<u>(11,985)</u>
<b>Net Assets</b>		<u>30,627</u>	<u>29,938</u>
<b>Capital and Reserves</b>			
Share Capital	18	789	789
Capital Redemption Reserve		205	205
Share Premium Account		1,135	1,135
Treasury Shares		(1,732)	(1,732)
Retained Earnings		30,230	29,541
		<u>30,627</u>	<u>29,938</u>
Net Asset Value pence per share		<u>1,136p</u>	<u>1,110p</u>

Approved by the Board and authorised for issue on 11 June 2024

P.G.H. Collins  
*Director*

C.G. Betts  
*Director*

Registered number: 00022473

**WYNNSTAY PROPERTIES PLC**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 25 MARCH 2024**

	2024	2023
	£'000	£'000
<b>Cash flows from operating activities</b>		
Income before taxation	1,643	1,430
Adjusted for:		
Decrease/(increase) in fair value of investment properties	3	(345)
Interest receivable	(29)	(27)
Interest and finance costs payable	455	439
Profit on sale of investment property	(282)	–
Amortised loan fees	15	13
Revaluation movement	–	33
Changes in:		
Decrease/(increase) in trade and other receivables	69	(181)
Increase/(decrease) in trade and other payables	25	(181)
Cash generated from operations	1,899	1,181
Income taxes paid	(238)	(206)
Net cash generated from operating activities	<u>1,661</u>	<u>975</u>
<b>Cash flows from investing activities</b>		
Interest and other income received	29	27
Purchase of investment properties	(5,213)	–
Sale of investment properties	891	–
Net cash generated from investing activities	<u>(4,293)</u>	<u>27</u>
<b>Cash flows from financing activities</b>		
Interest paid	(457)	(439)
Dividends paid	(661)	(622)
Repurchase of shares into treasury	–	(164)
Drawdown of bank loans net of fees	879	–
Net cash used in financing activities	<u>(239)</u>	<u>(1,225)</u>
<b>(Decrease) in cash and cash equivalents</b>	<b>(2,871)</b>	<b>(223)</b>
Cash and cash equivalents at beginning of period	<u>3,268</u>	<u>3,491</u>
Cash and cash equivalents at end of period	<u>397</u>	<u>3,268</u>

**WYNNSTAY PROPERTIES PLC**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 25 MARCH 2024

**YEAR ENDED 25 MARCH 2024**

	Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Account £'000	Treasury Shares £'000	Retained Earnings £'000	Total £'000
Balance at 26 March 2023	789	205	1,135	(1,732)	28,988	29,547
Total comprehensive income for the year	–	–	–	–	1,356	1,356
Revaluation movement	–	–	–	–	(6)	(6)
Dividends – note 8		–	–	–	(661)	(661)
Balance at 25 March 2024	<b>789</b>	<b>205</b>	<b>1,135</b>	<b>(1,732)</b>	<b>30,230</b>	<b>30,627</b>

**YEAR ENDED 25 MARCH 2023**

	Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Account £'000	Treasury Shares £'000	Retained Earnings £'000	Total £'000
Balance at 26 March 2022	789	205	1,135	(1,570)	28,988	29,547
Total comprehensive income for the year	–	–	–	–	1,142	1,142
Treasury Share repurchases	–	–	–	(162)	–	(162)
Revaluation movement	–	–	–	–	33	33
Dividends – note 8	–	–	–	–	(622)	(622)
Balance at 25 March 2023	<b>789</b>	<b>205</b>	<b>1,135</b>	<b>(1,732)</b>	<b>29,541</b>	<b>29,938</b>

**FUNDS AVAILABLE FOR DISTRIBUTION**

	2024 £'000	2023 £'000
Retained Earnings	30,230	29,541
Less: Cumulative Unrealised Fair Value Adjustment of Property Investments net of tax	(12,917)	(13,376)
Treasury Shares	<u>(1,732)</u>	<u>(1,732)</u>
Distributable Reserves	<u><b>15,581</b></u>	<u><b>14,433</b></u>

## WYNNSTAY PROPERTIES PLC

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 25 MARCH 2024

---

#### **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: It is a non-distributable reserve and represents paid up share capital.
- **Share Premium Account:** This represents the subscription monies paid for Ordinary Shares of the Company in excess of their par value.
- **Treasury Shares:** This represents the total consideration and costs paid by the Company when purchasing the 458,650 shares as referred to in Note 18.
- **Retained Earnings:** This represents the profits after tax that can be used to pay dividends. However, dividends can only be paid from Distributable Reserves as detailed in the preceding table.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

---

#### 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 AIM, part of The London Stock Exchange. The Company's registered number is 00022473 and registered address is Hamilton House, Mabledon Place, London WC1H 9BB. The material accounting policies are summarised below.

##### 1.1 Basis of Preparation

The financial statements have been prepared in accordance with UK adopted International Accounting Standards ("IAS"). 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 Operating Income. .

##### (a) New Interpretations and Revised Standards Effective for the year ended 25 March 2024

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 applicable law that are relevant to the operations and effective for accounting periods beginning on or after 26 March 2023:

- IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction
- IAS 12 Income taxes: temporary recognition exception to accounting for deferred taxes arising from the implementation of the international tax reform (Pillar Two Model Rules)
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates
- IAS 1 Presentation of Financial Statements: Disclosure initiative – accounting policies

The adoption of these interpretations and revised standards had no material impact on the disclosures and presentation of the financial statements.

##### (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 the below revisions to existing standards or new interpretations or new standards with an effective date of implementation after the period of these financial statements.

The following new amendments applicable in future periods have been adopted early:

- IAS 1 Presentation of Financial Statements: Classification of Liabilities
- IAS 1 Presentation of Financial Statements: Non-current liabilities with Covenants

The Company has early adopted amendments to IAS 1, "Presentation of Financial Statement," issued by the International Accounting Standards Board (IASB) in 2020. These amendments, effective for annual periods beginning on or after 1 January 2024, clarify the classification of certain liabilities as current and non-current.

While not yet mandatory for our current financial statements, early adoption allows us to improve the disclosure of our financial liabilities underlying terms. This early adoption has changed the classification of the Company's Revolving Credit Facilities based on revised criteria for deferral rights. The Revolving Credit Facility is secured on property assets and is committed until 16 December 2026. The quantified impact of the new classification of the financial statements, particularly the current and non-current liabilities breakdown has been disclosed in Note 16.

The following new amendments applicable in future periods have not been adopted early as they are not expected to have a significant impact on the financial statements of the Company:

- IFRS 16 Leases: Lease liability in a sale and leaseback
- IFRS 18 Presentation and disclosure in financial statements
- IFRS 19 Subsidiaries without public accountability



## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

---

#### **(c) Going concern**

The financial statements have been prepared on a going concern basis. This requires the Directors to consider, as at the date of approving the financial statements, that there is reasonable expectation that the Company has adequate financial resources to continue to operate, and to meet its liabilities as they fall due for payment, for at least twelve months following the approval of the financial statements.

The Directors have reviewed cash balances and borrowing facilities to cover at least twelve months of operations, including financing costs and continuation of employment and advisory costs as currently contracted without any reduction for cost saving initiatives. The results of the review show that the Company has cash and borrowing facilities to cover at least twelve months of operations, and that the Company will satisfy the financial covenant ratios in the borrowing facilities as described in Note 16. In addition, the Statement of Financial Position as at 25 March 2024 shows that the Company had a cash balance of £0.4m (2023: £3,268), an undrawn Revolving Credit Facility availability of £4.1m (2023: £5.0m), net assets of £30.6m (2023: £29.9m), and had a gearing ratio of 34% (2023: 22%). The Revolving Credit Facility expires on 16 December 2026. In the light of the foregoing considerations, the Directors consider that the adoption of the going concern basis is reasonable and appropriate.

#### **1.2 ACCOUNTING POLICIES**

##### **Investment Properties**

All the Company's investment properties are independently revalued annually and stated at fair value as at 25 March. The aggregate of any resulting increases or decreases are taken to operating income within the Statement of Comprehensive Income. The basis of independent valuation is described in Note 10.

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

##### **Depreciation**

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

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

The gains and losses on the disposal of investment properties and other investments are included in Operating Income in the year of disposal. Gains and losses are calculated on the net difference between the carrying value of the properties and the net proceeds from their disposal.

##### **Property Income**

Property income is recognised on a straight-line basis over the period of the lease and is measured at the fair value of the consideration receivable. Lease deposits are held in separate designated deposit accounts and are thus not treated as assets of the Company in the financial statements. All income is derived in the United Kingdom. When there are changes to a tenancy agreement it is considered whether any lease incentives were given. Lease incentives are amortised over the lease term.

##### **Deferred Income**

Deferred Income arises from rents received in advance of the period. See note 15.

##### **Taxation**

Current and deferred tax are recognised and measured in accordance with IAS 12. 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.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

---

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

All receivables do not carry any interest and are short term in nature.

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

Cash and cash equivalents comprise cash at bank and on demand deposits.

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

All trade and other accounts payable are non-interest bearing.

#### **Pensions**

Pension contributions are charged to the Statement of Comprehensive Income as incurred. The pension scheme is a defined contribution scheme.

#### **Borrowings**

Borrowings are classified as current liabilities unless the Company has a right to defer settlement of the liability at the end of the reporting period for at least 12 months.

#### **Dilapidations**

Dilapidations receipts are recognised in the Statement of Comprehensive Income when the right to receive them arises. They are recorded in revenue as other property income unless a property has been agreed to be sold whereby the receipt is treated as part of the proceeds of sale of the property. See Note 2.

### **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, on the basis described in Note 10. A key judgement taken by the Directors is as to whether a property is being held for sale.

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

<b>2. PROPERTY INCOME</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Rental income	2,541	2,304
Other property income	58	8
	<u>2,599</u>	<u>2,312</u>

Rental income comprises rents earned and apportioned over the lease period taking into account rent free periods and rents received during the period. Other property income comprises received dilapidations and miscellaneous income arising from the letting of properties.

**WYNNSTAY PROPERTIES PLC**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

<b>3. PROPERTY COSTS</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Empty rates	2	2
Property management	<u>48</u>	<u>33</u>
	50	35
Legal fees	50	40
Agents fees	<u>38</u>	<u>21</u>
	<u><u>138</u></u>	<u><u>96</u></u>
<b>4. ADMINISTRATIVE COSTS</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Rents payable – short term lease	2	6
General administration, including staff costs	584	582
Auditors' remuneration – audit fees CLA Evelyn Partners Limited	45	41
Tax services – Saffrey LLP	13	9
Non-Recurring costs – costs relating to new Board appointments	<u>27</u>	<u>81</u>
	<u><u>671</u></u>	<u><u>719</u></u>
<b>5. STAFF COSTS</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs, including Directors' fees, during the year were as follows:		
Wages and salaries	297	270
Social security costs	28	36
Other pension costs	<u>51</u>	<u>49</u>
	<u><u>376</u></u>	<u><u>355</u></u>

Further details of Directors' emoluments, totalling £341,000 (2023: £319,000), are shown under Directors' Emoluments in the Directors' Report and form part of these Financial Statements. There are no other key management personnel.

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
The average number of employees, including Non-Executive Directors, engaged wholly in management and administration was:	<u>6</u>	<u>5</u>
The number of Directors for whom the Company paid pension benefits during the year was:	2	<u>1</u>

**WYNNSTAY PROPERTIES PLC**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

<b>6. FINANCE COSTS (NET)</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable and finance costs on bank loans	455	439
Less: Bank interest receivable	29	27
	<u>426</u>	<u>412</u>
<b>7. TAXATION</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
(a) Analysis of the tax charge for the year:		
UK Corporation tax at 25% (2023: 19%)		
Total current tax charge	<u>238</u>	<u>206</u>
Deferred tax – temporary differences	49	82
Tax charge for the year	<u>287</u>	<u>288</u>
(b) Factors affecting the tax charge for the year:		
Net Income before taxation	<u>1,643</u>	<u>1,430</u>
Current Year:		
Corporation tax thereon at 25% (2023: 19%)	411	272
Corporation tax adjustment for unrealised property value gains	1	(65)
Capital gains net tax movement on disposals	52	–
Capital allowances net tax movement on acquisitions	(226)	–
Deferred tax net adjustments arising from movement in property values	49	81
Total tax charge for the year	<u>287</u>	<u>288</u>
<b>8. DIVIDENDS</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Final dividend paid in year of 15.0p per share (2023: Final dividend 14.0p per share)	405	378
Interim dividend paid in year of 9.5p per share (2023: Interim dividend 89.0p per share)	256	244
	<u>661</u>	<u>622</u>

On 11 June 2024 the Board resolved to pay a final dividend of 16p per share which will be recorded in the Financial Statements for the year ending 25 March 2025.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

#### 9. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing Income after Taxation and Total Comprehensive Income attributable to Ordinary Shareholders of £1,356,000 (2023: £1,142,000) by 2,696,617 shares which is the weighted average number of 2,696,617 (2023: 2,703,357) ordinary shares in issue during the period excluding shares held as treasury. There are no instruments in issue that would have the effect of diluting earnings per share.

10. INVESTMENT PROPERTIES	2024	2023
	£'000	£'000
<b>Properties</b>		
Balance at beginning of financial year	39,320	38,975
Additions	5,213	–
Disposals	(615)	–
Revaluation (shortfall) / surplus	(3)	345
Balance at end of financial year	43,915	39,320

The Company's freehold and one long-leasehold properties were valued as at 25 March 2024 by BNP Paribas Real Estate Advisory & Property Management UK Limited, Chartered Surveyors, acting in the capacity of external valuers, and adopted by the Directors. The valuations were undertaken in accordance with the requirements of IFRS 13 and the RICS Valuation – Global Standards 2020.

The valuation of each property was on the basis of Fair Value. The valuers reported that the total aggregate Fair Value of the properties held by the Company was £43,915,000.

The valuer's opinions were primarily derived from comparable recent market transactions on arms-length terms.

In the financial year ending 25 March 2024, the total fees earned by the valuer from Wynnstay Properties PLC and connected parties were less than 5% of the valuer's Company turnover.

The valuation complies with International Financial Reporting Standards. The definition adopted by the International Accounting Standards Board (IASB) in IFRS 13 is Fair Value, defined as: 'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'

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 most pertinent market data observed reflected net initial yields which ranged from broadly 5.1% to 6.8% with equivalent yields estimated to range between broadly 5.25% and 7.25% for the core industrial properties. The portfolio as a whole exhibits a net initial yield of 5.89% (2023: 5.73%) and a nominal equivalent yield of 6.31% (2023: 6.02%).

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 weighted equivalent yield would result in a corresponding increase of £4.07 million in the fair value movement through profit or loss. A 0.5% increase in the same yield would result in a corresponding decrease of £3.44 million in the fair value movement through profit or loss.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

#### 11. OPERATING LEASES RECEIVABLE

	2024	2023
	£'000	£'000
The following are the future minimum lease payments receivable under non-cancellable operating leases which expire:		
Not later than one year	271	324
Between 1 and 5 years	8,158	4,368
Over 5 years	2,211	2,752
	<u>10,640</u>	<u>7,444</u>

Rental income under operating leases recognised through profit or loss amounted to £2,541,000 (2023: £2,304,000).

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 Company manages the services provided for a management fee and the service charges are not recognised as income in the accounts of the Company as any receipts are netted off against the associated expenditures with any residual balance being shown as a liability.

If the tenant does not carry out its responsibility for repairs and the Company receives a dilapidations payment, the resulting cash is recorded in revenue as other property income unless a property has been agreed to be sold where the receipt is treated as part of the proceeds of sale of the property. See Note 2.

#### 12. INVESTMENTS

	2024	2023
	£'000	£'000
Quoted investments	<u>3</u>	<u>3</u>

#### 13. SUBSIDIARY COMPANY

The Company has the following dormant subsidiary which the Directors consider immaterial to, and thus has not been consolidated into, the financial statements. The subsidiary holds the legal title to an access road to an investment property, the use of which is shared between the Company, its tenants at the property and neighbouring premises.

Scanreach Limited	80% owned	Dormant	Net Assets: £4,447 (2023: £4,447)
-------------------	-----------	---------	-----------------------------------

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

---

<b>14. ACCOUNTS RECEIVABLE</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Trade receivables	285	296
Other receivables	128	186
	<u>413</u>	<u>482</u>

Trade receivables include an adjustment for credit losses of £nil (2023: £8,000). Any provision for impairment of trade receivables is established using an expected loss model.

Trade receivables, which are the only financial assets at amortised cost, are non-interest bearing and generally have a 15 day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value.

Of the trade receivables balance at the end of the year £39,388 (2023: £180,560) is due from the Company's largest customer. There are seven other customers who represent more than 5% of the total balance of trade receivables.

<b>15. ACCOUNTS PAYABLE</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	33	39
Other creditors	2	80
Deferred income	628	584
Amount due to subsidiary	4	–
Accruals	161	140
	<u>828</u>	<u>843</u>

The average credit period taken for trade purchases is 18 days (2023: 17 days). No interest is charged on the outstanding balances. The Directors consider that the carrying amounts of trade and other payables is a reasonable approximation of their fair value.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

16. BANK LOANS PAYABLE	2024	2023
	£'000	£'000
Non-current loan	10,843	9,951

In December 2021, a five-year Fixed Rate Facility of £10 million and a Revolving Credit Facility of £5.0 million were entered into providing a total committed credit facility of £15.0 million. Interest on loan amounts drawn down under the Fixed Rate Facility of £10 million (2023: £10 million) is charged at 3.61% per annum (2023: 3.61%) for the year ended 25 March 2024. Loan arrangement fees amortised over the loan period amounted to £15,000 (2023: £13,000). Loan amounts drawn down under the Revolving Credit Facility during the year amounted to £950,000. £50,000 of the loan amounts drawn down was repaid in the period and the amortised balance drawn as at 25 March 2024 is £879,000 (2023: £nil). The Company has the right to defer settlement of the liability under the Revolving Credit Facility for at least twelve months after the reporting period.

Both facilities are repayable in one instalment on 17 December 2026. The facilities include 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 drawn balance shall at no time exceed 50% of the market value of the properties secured.

The facilities are secured by fixed charges over freehold land and buildings owned by the Company, which at the year-end had a combined value of £35,790,000 (2023: £35,885,000). The undrawn element of the facilities available at 25 March 2024 was £4,100,000 (2023: £5,000,000).

Interest charged under the Revolving Credit Facility is linked to Bank of England Base Rate as the reference rate.

17. DEFERRED TAX	2024	2023
	£'000	£'000
Deferred Tax brought forward	2,034	1,953
Charge for the year	49	81
Deferred Tax carried forward	2,083	2,034

A deferred tax liability of £2,083,000 (2023: £2,034,000) is recognised in respect of the investment properties and has been calculated at a tax rate of 25% (2023: 25%).

18. SHARE CAPITAL	2024	2023
	£'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. On 19 July 2022, shareholders granted authority to make market purchases of its shares for a period of five years from that date. Pursuant to this share buyback authority, in September 2022, the Company acquired 15,000 Ordinary Shares of Wynnstay Properties PLC at a price of £7.10 per share, representing less than 0.005 % of the issued share capital, with the aggregate consideration paid for the shares being £106,500. The total cost of establishing the share buyback authority, together with this acquisition, was £164,000. The total of 458,650 shares acquired, representing 14.5% of the total shares in issue, are held in treasury. As a result, the total number of shares with voting rights is 2,696,617.



## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

---

#### 19. 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.

As at 25 March 2024 the Company's financial instruments comprised borrowings, cash and cash equivalents, quoted investments, 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 the associated 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. The Company carefully vets prospective new tenants from a credit risk perspective. Bad debts are mitigated by close engagement with tenant businesses within a well-diversified mix of some 84 units across the portfolio and close monitoring of rental income receipts. The Company has regularly reviewed the portfolio, including feedback from engagement with tenants, in order to assess the risk of tenant failures.

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. In terms of concentration of individual tenant's rents versus total gross annual passing rents the Company has 4 tenants whose rent, on an individual basis, is between 5.0% and 7.4% of total gross annual passing rents.

Funds are invested and loan transactions contracted only with banks and financial institutions with a high credit rating. Concentration of credit risk exists to the extent that as at 25 March 2024 and 2023 current account and short-term deposits were held with two financial institutions, Handelsbanken PLC and C Hoare & Co. The combined exposure to credit risk on cash and cash equivalents at 25 March 2024 was £397,000 (2023: £3,268,000).

##### **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 balances and cash forecasts to ensure there are sufficient resources for working capital requirements and to maintain an adequate cash margin.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

#### 19. 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	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Impact on interest payable – gain/(loss)	5	–	(5)	–
Impact on interest receivable – (loss)/gain	(2)	(16)	2	16
<b>Total impact on pre-tax profit and equity</b>	<b>3</b>	<b>(16)</b>	<b>(3)</b>	<b>16</b>

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

	2024	2023
	£'000	£'000
Floating rate borrowings (bank loans)	879	–
Less: cash and cash equivalents	(397)	(3,268)
	<u>482</u>	<u>(3,268)</u>

##### Carrying Amounts of Financial Instruments

Management believes the carrying amounts of most financial assets and financial liabilities on the balance sheet represent a reasonable approximation of their value. The classification and measurement of financial instruments are performed in accordance with IFRS 9 'Financial Instruments'. Exceptions to this approach, if any, are detailed below.

##### Fixed-Rate Borrowings

It's important to note that the carrying amounts of fixed-rate borrowings might not always reflect their fair value due to changes in market interest rates. The company performs regular assessments to determine the recoverability of carrying amounts and the potential need for adjustments in accordance with IFRS 9.

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

#### 19. FINANCIAL INSTRUMENTS (Continued)

<b>Financial assets</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Quoted investments measured at fair value	3	3
Loans and receivables measured at amortised cost	285	296
Cash and cash equivalents measured at amortised cost	397	3,268
Total financial assets	<u>685</u>	<u>3,567</u>
<b>Financial liabilities at amortised cost</b>	<b><u>10,843</u></b>	<b><u>9,951</u></b>
Total liabilities	<u>11,671</u>	<u>10,795</u>

The only financial instruments measured subsequent to initial recognition at fair value as at 25 March are quoted investments. These are included in level 1 in the IFRS 13 fair value hierarchy as they are based on quoted prices in active markets.

#### Capital Management

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

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

Capital comprises shareholders' equity plus net borrowings. The Company monitors capital using loan to value and gearing ratios. The former is calculated by reference to total 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%.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Loans and overdraft	10,843	9,951
Cash and cash equivalents	(397)	(3,268)
Net borrowings	<u>10,446</u>	<u>6,683</u>
Shareholders' equity	<u>30,627</u>	<u>29,936</u>
Investment properties	<u>43,915</u>	<u>39,320</u>
Loan to value ratio	24.7%	25.3%
Net borrowings to value ratio	23.8%	17.0%
Gearing ratio	34.1%	22.3%

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

#### 20. RELATED PARTY TRANSACTIONS

Related Related Party Transactions with the Directors have been disclosed under Directors' Emoluments in the Directors' Report on page 27. On 30 March 2023 Mr. R.P. Owen was paid a fee of £1,600 prior to his appointment as a Director for his assistance in the later stages of the recruitment process for the new Managing Director. There were no other Related Party Transactions during the year (2023: £nil).

#### 21. SEGMENTAL REPORTING

Chief Operating Decision Maker ('CODM'), who is responsible for the allocation of resources and assessing performance of the operating segments, has been identified as the Board. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Board. The Board have reviewed the segmental information and concluded that there are three operating segments.

	Industrial		Retail		Office		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Rental Income</b>	<b>2,332</b>	2,095	<b>73</b>	68	<b>136</b>	300	<b>2,304</b>	2,252
Other Property Income	<b>58</b>	8	–	–	–	–	<b>58</b>	8
Profit /(Loss) on investment property at fair value	<b>232</b>	200	<b>(75)</b>	(105)	<b>(160)</b>	250	<b>(3)</b>	345
<b>Total income and gain</b>	<b>2,622</b>	2,303	<b>(2)</b>	(32)	<b>(24)</b>	386	<b>2,596</b>	2,657
Property expenses	<b>(138)</b>	(95)	–	–	–	–	<b>(138)</b>	(95)
<b>Segment profit/(loss)</b>	<b>2,484</b>	2,208	<b>(2)</b>	(32)	<b>(24)</b>	386	<b>2,458</b>	2,562
Unallocated corporate expenses							<b>(671)</b>	(720)
Profit on sale of investment property							<b>282</b>	–
<b>Operating income</b>							<b>2,069</b>	1,842
Interest expense (all relating to property loans)							<b>(455)</b>	(439)
Interest income and other income							<b>29</b>	27
<b>Income before taxation</b>							<b>1,643</b>	1,430
<b>Other information</b>								
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Segment assets	<b>41,685</b>	36,855	<b>830</b>	905	<b>1,400</b>	1,560	<b>43,915</b>	39,320
Segment assets held as security	<b>33,560</b>	33,420	<b>830</b>	905	<b>1,400</b>	1,560	<b>35,790</b>	35,885

## WYNNSTAY PROPERTIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 25 MARCH 2024

#### 22. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the financial year, but not recognised as liabilities in the financial statements is: £nil (2023: £nil).

#### 23. SUBSEQUENT EVENTS

On the 6 June 2024 the Company completed the sale of its property at North Street, Midhurst for £345,000, representing a gross profit of £15,000 before costs over the net book value of £330,000 as at 25 March 2024.

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

---

Years Ended 25 March:	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
Property Income	<b>2,599</b>	2,312	2,308	2,438	2,271
Net Property Income	<b>1,790</b>	1,497	1,569	1,590	1,583
Operating Income	<b>2,069</b>	1,842	7,591	4,459	686
Income before Taxation	<b>1,643</b>	1,430	7,202	4,048	258
Income after Taxation and Total Comprehensive Income	<b>1,356</b>	1,142	5,418	3,653	123
<b>STATEMENT OF FINANCIAL POSITION</b>					
Investment Properties	<b>43,915</b>	39,320	38,975	34,005	34,260
Equity Shareholders' Funds	<b>30,627</b>	29,938	29,547	24,712	21,478
<b>PER SHARE</b>					
Basic earnings	<b>50.3p</b>	42.2p	199.8p	134.7p	4.5p
Dividends Paid and Proposed	<b>25.5p</b>	24.0p	22.5p	21.0p	15.0p
Net Asset Value	<b>1,136p</b>	1,110p	1,090p	911p	792p

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

---

*We again welcome our shareholders to the AGM this year. All shareholders are encouraged to exercise their voting rights in relation to the resolutions set out in the Notice of Meeting below by appointing either the Chairman of the meeting or another person as their proxy. A form of proxy is enclosed on which there are notes for completion. Shareholders intending to attend the meeting in person should tick the box on the proxy form.*

*Shareholders attending the meeting will be required to comply with the requirements of The Royal Automobile Club for entry, including with its dress code which can be found at:*

*<https://www.royalautomobileclub.co.uk/pall-mall/visiting-pall-mall/pall-mall-dress-code-and-standards/>*

*Shareholders who have registered for Link services online can also benefit from the ability to cast their proxy votes electronically, rather than by post. Shareholders not already registered for Link services online will need their investor code, which can be found on their share certificate or dividend tax voucher, in order to register.*

*If you need help with voting online, please contact our Registrars, Link Group on Tel: 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday (excluding public holidays in England and Wales). You can also contact them by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk)*

NOTICE IS HEREBY GIVEN that the One-Hundred and Thirty-Eighth ANNUAL GENERAL MEETING of the Members of Wynnstay Properties PLC will be held at **2.30pm on Tuesday 16 July 2024 at the Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS**. 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 25 March 2024.
- 2 To declare a final dividend for the year ended 25 March 2024 of 16 pence per ordinary share.
- 3 To fix the remuneration of the Directors.
- 4 To appoint CLA Evelyn Partners Limited 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 elect Mr. C.G. Betts as a Director of the Company.
- 6 To re-elect Mr. P. 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 2025 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2025. The Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if this authorisation had not expired.

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

---

**SPECIAL RESOLUTION**

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

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

and this power shall, unless previously revoked by resolution of the Company, expire on 31 December 2025 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2025. 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:  
Hamilton House  
Mabledon Place  
London WC1H 9BB

By Order of the Board  
Susan Wallace  
*Secretary*  
11 June 2024



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

---

**Notes to the Notice of Annual General Meeting**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the relevant register of securities by close of business on 12 July 2024 or, in the event that the Annual General Meeting is adjourned, in the relevant register of securities 48 hours (disregarding any non-working days) before the time of any adjourned meeting shall be entitled to attend and vote in respect of the number of Ordinary Shares registered in their name at the relevant time. Changes to entries in the relevant register of securities after close of business on 12 July 2024 or, in the event that the Annual General Meeting is adjourned, less than 48 hours (disregarding any days which are non-working days) before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. To appoint a proxy using the proxy form, the form must be completed and signed and returned to the Company's registrars, Link Group, at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received not later than 48 hours before the time appointed for holding the Annual General Meeting.
4. Alternatively, a shareholder may appoint a proxy online by following the instructions for the electronic appointment of a proxy at: [www.signalshares.com](http://www.signalshares.com). To be a valid proxy appointment, the shareholder's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by no later than 48 hours before the time fixed for holding the adjourned meeting.
5. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (CREST proxy appointment instruction) must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & International Limited (Euroclear), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Link Group (ID RA10), as the Company's "issuer's agent", by 2.30 p.m. on 12 July 2024. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of receipt of the message will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions.
7. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to

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

---

ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on “Practical limitations of the system”. In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

8. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
9. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
10. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).
12. Appointment of a proxy does not preclude you from attending the Annual General Meeting and voting in person. If you have appointed a proxy and attend the Annual General Meeting in person, your proxy appointment will automatically be terminated.
13. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
14. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
15. In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the Annual General Meeting so that:
  - 15.1. Where a corporate shareholder has appointed one or more corporate representatives (other than the chairman of the Annual General Meeting) then:
    - 15.1.1 on a vote on a resolution on a show of hands, each such corporate representative has the same voting rights as the corporation would be entitled to; but
    - 15.1.2 in respect of any purported exercise of power other than on a vote on a resolution on a show of hands, where more than one corporate representative purports to exercise such power in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way but if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.
16. As at 10 June 2024 (being the last practicable date prior to the publication of this notice), the Company’s issued share capital consisted of 3,155,267 Ordinary Shares, carrying one vote per share, of which 458,650 shares are held by the Company in treasury. Therefore, the total voting rights in the Company as at 10 June 2024 were 2,696,617.

**WYNNSTAY PROPERTIES PLC**  
**BIOGRAPHIES OF THE DIRECTORS**

---

**Philip Collins** (Non-Executive Chairman) aged 76, 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.

**Christopher Betts** (Managing Director from 8 September 2023) aged 58, has been a Chartered Surveyor for over 30 years. After graduating with an Honours Degree in Estate Management, he joined Cluttons where he spent his first 10 years in professional practice. Subsequently, he worked for various commercial property investment businesses including British Land for 11 years, Frogmore and Romulus. Latterly, he advised on and implemented a consolidation strategy and management programme at Peabody Trust for their corporate portfolio. Appointed a Director of Wynnstay Properties in September 2023.

**Hugh Ford** (Non-Executive Director) aged 57 is a Solicitor with over 25 years' experience working for listed and major private companies, including in the commercial real estate sector. He was the general counsel of intu properties plc from 2003 to 2021, and from 2015 also its group treasurer. Prior to that, he worked for Virgin Atlantic Airways and British Airways, having qualified as a solicitor and practiced for a number of years with the City law firm, Freshfields. He is also a non-executive director of Hertfordshire Catering Ltd and a trustee and director of Beechwood Park School. Appointed a director of Wynnstay Properties in March 2023.

**Paul Mather** (Non-Executive Director) aged 69 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 Greycourt PLC for 17 years. Appointed a director of Wynnstay Properties in March 2017.

**Ross Owen** (Non-Executive Director) aged 59 is a Chartered Surveyor and has worked in investment management for over 25 years. He was previously an equity partner at Cluttons LLP where he was head of investment and fund management and later became Chairman of Lambert Smith Hampton Investment Management, to which he remains a consultant. Ross is principal property investment adviser to University College, Oxford and is a member of the College's investment committee. He is a co-opted member of the investment committee of the Royal Borough of Kensington and Chelsea pension fund and a member of the estate and property committee of John Lyon's Charity. He is also a trustee and director of the Cowes Town Waterfront Trust. Appointed a director of Wynnstay Properties in March 2023.

**Caroline Tolhurst** (Non-Executive and Senior Independent Director) aged 62, is a Chartered Surveyor and a Chartered Governance Professional with more than 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 LocatED Property Limited and until 30 April 2023 was in similar roles at A2Dominion Housing Group Limited. Appointed a director of Wynnstay Properties in March 2017.

**Paul Williams** (Managing Director until 8 September 2023) aged 66 is a Chartered Surveyor and holds a Degree in Land Management as well as an MBA. He spent his entire career in commercial property including a fourteen-year period with MEPC where he held a number of senior positions. Paul also worked for Lloyds TSB, Legal & General, GE Pensions and Credit Suisse Asset Management and joined Wynnstay Properties as Managing Director in February 2006.