

**WYNNSTAY PROPERTIES PLC**

**INTERIM REPORT**

**SIX MONTHS ENDED  
29TH SEPTEMBER 2005**

# Wynnstay Properties PLC

## Interim Results for the six months ended 29th September 2005

### Chairman's Statement

The results for the half-year show reduced levels of profit and earnings per share compared with last year relating to non-recurring costs to which I refer below. Net assets per share reflect the property valuation conducted in March 2005 and are thus substantially above the figure I reported to you a year ago.

The results may be summarised as follows:-

		2005	2004
• Profit on Ordinary Activities before taxation:	- 18.2%	£260,000	£318,000
• Earnings per share:	- 18.3%	5.8p	7.1p
• Interim dividend per share:	-	2.3p	2.3p
• Net asset value per share:	+ 11.5%	377p	338p (restated)

As anticipated, rental income declined marginally in the first half, reflecting the profitable sale of the Bognor Regis properties in February 2005. This decline was largely offset by the income received from the Basingstoke property which we acquired last Autumn, together with increases from rent reviews and lease renewals.

The largest of our industrial units at St. Neots, Cambridgeshire, remained vacant throughout the period, but I am pleased to report that we have recently made significant progress as regards its re-letting. Despite this, property outgoings were less than half of those last year, when significant repair costs were incurred.

As referred to in my statement to Shareholders in June, our office property in Epsom, which hitherto produced an annual rental of £148,500, became vacant on expiry of the lease on 29th September. Whilst this will inevitably impact on our income, a property of this nature presents an opportunity for the Company to consider alternative strategies and these are being actively pursued. I will report to you further in this connection when announcing our results for the full year.

The increase recorded under "administration and other costs" resulted principally from the Board's decision to make an additional single net contribution of £56,750 in order to improve the pension provisions of our Managing Director, Michael Cheesmer, who has decided to retire next year, just prior to reaching his 65th birthday. Michael's enormous contribution to the Company's progress over a period of almost 20 years cannot be overestimated and I will be recording a full tribute to his achievements in my annual statement. Meanwhile, I am sure Shareholders will wish to join the Directors in wishing Michael and his wife, Hazel, a long and happy retirement. We expect to be in a position to announce his successor shortly, which will be a key appointment in taking the Company forward.

The Board is of the view that there is no purpose in making investment acquisitions unless these will enhance Shareholder value in the medium to longer term and whilst we continue to evaluate numerous opportunities, no property acquisitions took place during the period. Competition in the market remains fierce, driving prices up and yields down and this situation appears likely to continue for some time, especially if interest rates remain at their current levels. There can be no doubt that the value of your Company's properties is being strongly sustained by these conditions. It is, perhaps, worth noting that a number of other quoted property companies have opted to remain out of the market and indeed some have made sizeable disposals.

Our existing £8 million term loan facility is due to expire in June 2006 and I am pleased to report that we are at an advanced stage in agreeing improved terms with our bankers for a renewal of this facility.

Whilst this year's results are unlikely to be exciting in terms of headline profit, our finances remain sound, with net gearing currently below 50%, coupled with the fact that we have established a much improved portfolio over recent years. We are well positioned to take advantage of any opportunities that may occur.

In the light of these results, the Directors have decided to declare an unchanged interim dividend of 2.3p per share. This will be paid on 15th December 2005 to those Shareholders on the register on 2nd December 2005. We will, of course, decide on the appropriate amount to recommend as a final dividend having regard to the results for the full year.

The financial statements included in this report have been prepared in accordance with accounting standard FRS 21 which requires that dividends declared after the balance sheet date are not recognised as a liability. Accordingly, it has been necessary to restate last year's corresponding interim results as well as those for the year ended 25th March 2005. The impact is set out in note 2 on the final page of this report.

I am pleased to confirm that our Annual General Meeting next year will again be held at the Royal Automobile Club, 89 Pall Mall, London SW1 on Thursday 27th July 2006. I received very positive feedback after this year's meeting and I hope that as many Shareholders as possible will be able to attend.

Finally, on behalf of the Board, I wish all Wynnstay's Shareholders a peaceful and restful Christmas and extend our best wishes for 2006.

22nd November 2005

Philip G.H. Collins  
*Chairman*

**Wynnstay Properties PLC**  
**Unaudited Consolidated Profit & Loss Account**  
**Six Months ended 29th September 2005**

	<b>Six Months ended 29th September 2005</b>	<b>2004 Restated (Unaudited) £'000</b>	<b>Year ended 25th March 2005 Restated (Audited) £'000</b>
<b>Turnover</b>			
Gross Rental Income	812	828	1,676
Fees and Commissions	<u>8</u>	<u>9</u>	<u>17</u>
	<b>820</b>	<b>837</b>	<b>1,693</b>
Property Outgoings	<u>(24)</u>	<u>(51)</u>	<u>(88)</u>
	<b>796</b>	<b>786</b>	<b>1,605</b>
Administration and Other Costs	<u>(341)</u>	<u>(261)</u>	<u>(523)</u>
<b>Operating Profit</b>	<b>455</b>	<b>525</b>	<b>1,082</b>
Profit on Disposal of Investment Properties	<u>-</u>	<u>-</u>	<u>443</u>
	<b>455</b>	<b>525</b>	<b>1,525</b>
Finance Costs (Net)	<u>(195)</u>	<u>(207)</u>	<u>(432)</u>
<b>Profit on Ordinary Activities before Taxation</b>	<b>260</b>	<b>318</b>	<b>1,093</b>
Taxation	<u>(78)</u>	<u>(95)</u>	<u>(243)</u>
<b>Profit on Ordinary Activities after Taxation</b>	<b>182</b>	<b>223</b>	<b>850</b>
Dividends Declared (see note 3)	<u>(180)</u>	<u>(171)</u>	<u>(243)</u>
<b>Profit Retained</b>	<b><u>2</u></b>	<b><u>52</u></b>	<b><u>607</u></b>
Basic Earnings per share (see note 1)	<b>5.8p</b>	<b>7.1p</b>	<b>26.9p</b>

**Wynnstay Properties PLC**  
**Unaudited Consolidated Balance Sheet**  
**at 29th September 2005**

	29th September 2005 (Unaudited) £'000	29th September 2004 Restated (Unaudited) £'000	25th March 2005 Restated (Audited) £'000
<b>Fixed Assets</b>			
Tangible Assets	18,750	19,037	18,751
Investments	<u>1</u>	<u>1</u>	<u>1</u>
	18,751	19,038	18,752
<b>Current Assets</b>			
Debtors	85	81	84
Cash at Bank and in Hand	<u>369</u>	<u>217</u>	<u>272</u>
	454	298	356
<b>Creditors:</b> Amounts falling due Within one year	<u>(799)</u>	<u>(713)</u>	<u>(704)</u>
<b>Net Current Liabilities</b>	<u>(345)</u>	<u>(415)</u>	<u>(348)</u>
<b>Total Assets Less Current Liabilities</b>	18,406	18,623	18,404
<b>Creditors:</b> Amounts falling due after more than one year (see note 2)	<u>(6,200)</u>	<u>(7,792)</u>	<u>(6,200)</u>
	12,206	10,831	12,204
<b>Provision for Liabilities and Charges</b>	<u>(304)</u>	<u>(160)</u>	<u>(304)</u>
<b>Net Assets</b>	<u>11,902</u>	<u>10,671</u>	<u>11,900</u>
<b>Capital and Reserves</b>			
Share Capital	789	789	789
Capital Redemption Reserve	205	205	205
Share Premium Account	1,135	1,135	1,135
Capital Reserve	151	151	151
Revaluation Reserve	4,672	4,505	4,672
Distributable Reserves	<u>4,950</u>	<u>3,886</u>	<u>4,948</u>
<b>Equity Shareholders' Funds</b>	<u>11,902</u>	<u>10,671</u>	<u>11,900</u>

**Wynnstay Properties PLC**  
**Unaudited Consolidated Cash Flow Statement**  
**Six Months ended 29th September 2005**

	<b>Six Months ended 29th September 2005</b>		<b>Year ended 25th March 2005</b>
	<b>(Unaudited)</b>		<b>(Audited)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cash Flow from Operating Activities (Note A)</b>	<b><u>521</u></b>	<b><u>507</u></b>	<b><u>1,163</u></b>
<b>Returns on Investment and Servicing of Finance</b>			
Interest Received	<b>6</b>	<b>6</b>	<b>10</b>
Interest Paid	<b><u>(195)</u></b>	<b><u>(209)</u></b>	<b><u>(506)</u></b>
<b>Net Cash (Outflow) from Returns on Investment and Servicing of Finance</b>	<b><u>(189)</u></b>	<b><u>(203)</u></b>	<b><u>(496)</u></b>
<b>Taxation Paid</b>	<b><u>(55)</u></b>	<b><u>(54)</u></b>	<b><u>(164)</u></b>
<b>Capital Expenditure and Financial Investment</b>			
Purchase of Tangible Fixed Assets	<b>(1)</b>	<b>(1,570)</b>	<b>(1,571)</b>
Disposal of Tangible Fixed Assets	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>1,468</u></b>
<b>Net Cash (Outflow) from Investing Activities</b>	<b><u>-</u></b>	<b><u>(1,570)</u></b>	<b><u>(103)</u></b>
<b>Equity Dividends Paid</b>	<b><u>(180)</u></b>	<b><u>(170)</u></b>	<b><u>(243)</u></b>
<b>Net Cash Inflow/(Outflow) before Financing</b>	<b>97</b>	<b>(1,490)</b>	<b>157</b>
<b>Financing</b>			
Drawdown of Bank Loan	<b>-</b>	<b>1,192</b>	<b>1,342</b>
Repayment of Bank Loan	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(1,742)</u></b>
<b>Increase/(Decrease) in Cash in the Period</b>	<b><u>97</u></b>	<b><u>(298)</u></b>	<b><u>(243)</u></b>
<b>Reconciliation of Net Cash Flow to Movement in Net Debt</b>			
Increase/(Decrease) in Cash in the Period	<b>97</b>	<b>(298)</b>	<b>(243)</b>
Cash Inflow/(Outflow) from Debt Financing	<b><u>-</u></b>	<b><u>(1,192)</u></b>	<b><u>400</u></b>
<b>Movement in Net Debt in the Period</b>	<b>97</b>	<b>(1,490)</b>	<b>157</b>
<b>Net Debt at 25th March 2005</b>	<b><u>(5,928)</u></b>	<b><u>(6,085)</u></b>	<b><u>(6,085)</u></b>
<b>Net Debt at 29th September 2005 (Note B)</b>	<b><u>(5,831)</u></b>	<b><u>(7,575)</u></b>	<b><u>(5,928)</u></b>

## Notes To Cash Flow Statement

### A. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	Six Months ended 29th September		Year ended 25th March
	2005	2004	2005
	£'000	£'000	£'000
Operating Profit	455	525	1,082
Depreciation and Amortisation	1	3	4
(Increase)/Decrease in Debtors	(1)	(22)	(24)
Increase/(Decrease) in Creditors	<u>66</u>	<u>1</u>	<u>101</u>
Net Cash Inflow from Operating Activities	<u>521</u>	<u>507</u>	<u>1,163</u>

### B. Analysis of Net Debt

	29th September 2005	Cash Movement	25th March 2005
	£'000	£'000	£'000
Cash at Bank and in Hand	369	97	272
Debt due after more than one year	<u>(6,200)</u>	<u>-</u>	<u>(6,200)</u>
Net Debt	<u>(5,831)</u>	<u>97</u>	<u>(5,928)</u>

#### Notes

1. Basic earnings per share have been calculated on profits after taxation attributable to ordinary shareholders of £182,000 (2004: £223,000) and on 3,155,267 ordinary shares, being the weighted average number in issue during both periods.
2. Shown as a creditor falling due after more than one year in the unaudited consolidated balance sheet at 29th September 2005 is an amount of £6,200,000, representing a bank loan repayable on 5th June 2006. Having resolved that the facility concerned be renewed for a further term, the Directors consider that any re-classification of this item at the balance sheet date would be inappropriate.
3. Prior year adjustment

In accordance with accounting standard FRS 21, "Events after the Balance Sheet Date", dividends which have been declared after the balance sheet date are not recognised as a liability. Accordingly, adjustments have been made for the following dividends:

	Unaudited Six Months Ended 29th September 2004	Audited Year ended 25th March 2005
	£'000	£'000
Dividend previously provided	<u>73</u>	<u>180</u>

The prior year adjustment arising as a result is analysed as follows:

	£'000
Shareholders' Funds at 25th March 2005 as previously stated	11,720
Liability for 2005 final dividend not declared at 25th March 2005	<u>180</u>
Shareholders' Funds at 25th March 2005 as restated	<u>11,900</u>
Shareholders' Funds at 26th March 2004 as previously stated	10,449
Liability for 2004 final dividend not declared at 25th March 2004	<u>171</u>
Shareholders' Funds at 25th March 2005 as restated	<u>10,620</u>

4. The figures in these statements do not constitute statutory accounts; those for the year ended 25th March 2005 are extracted from the Group Accounts which have been filed with the Registrar of Companies and which received an unqualified report from the Auditors and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985 as amended.
5. The interim dividend of 2.3p per share will be paid on 15th December 2005 to those shareholders on the register at 2nd December 2005.
6. This interim report is being posted to all shareholders and will be available on application to the Company's registered office at Cleary Court, 21 St. Swithin's Lane, London EC4N 8AD.

