

# Wellington Market Company plc

("Wellington" or "the Company")

## Financial Statements for the year ended 31<sup>st</sup> December 2007

### Chairman's Statement

As I indicated in my Interim Statement our operating profit before impairment of tangible fixed assets for the year to 31<sup>st</sup> December 2007 has turned out to be broadly comparable to that of the previous year. Consequently we are maintaining our total dividend at 4p per ordinary share by declaring a final dividend of 2.5p to be paid on May 12<sup>th</sup> 2008 to shareholders on the register on April 25<sup>th</sup> 2008.

I had hoped to report better results this year not least because of the inclusion of a full year's contribution from Cornish Market World/Ben's Playworld which traded well up to expectations and is featured on the inside cover of this Annual Report. However a combination of difficult trading conditions for markets generally and some appalling weather, which caused the cancellation of a number of our outside markets, impacted negatively.

On the management front, Chris Barber, as Acting Chief Executive, has done sterling work in stewarding Wellington through this difficult period, tightening controls and improving line management, and I pay tribute to him and all his team. I am pleased to report that the process to recruit a new Chief Executive has been underway for some time and an announcement will be made in due course.

Meanwhile, our asset base remains strong, although a revaluation of our investment properties shows a reduction in value of 11% (£357,000) in line with the national deterioration in property values. Gearing, (borrowings excluding preference shares as a percentage of shareholder's funds) at 68% (2006:66%), remains at a comfortable level.

This year on Friday May 9<sup>th</sup> we are holding our Annual General Meeting at Morley near Leeds. This venue is designed to give shareholders an opportunity to visit our important Morley market, following last year's successful Wellington AGM visit. We hope that as many shareholders as possible will be able to join us. I would also like to draw your attention to our new website [www.wellingtonmarkets.co.uk](http://www.wellingtonmarkets.co.uk).

At the AGM John Davies, a long serving director, is not standing for re-election. John is taking a well-earned retirement and on behalf of his colleagues and the Company I would like to thank him for his significant and well-appreciated contribution over many years. I wish him a long and happy retirement.

Looking to the future, the value and customer experience our markets offer, should ensure that the Company is well placed to weather the current difficult economic climate in the UK.

**Lord Lee of Trafford**  
*Chairman*  
28 March 2008

# Consolidated Profit and Loss Account

for the year ended 31 December 2007

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>Turnover – Continuing operations</b>	7,266	6,260
Cost of sales	(5,745)	(4,760)
	<hr/>	<hr/>
<b>Gross profit</b>	1,521	1,500
Administrative expenses	(851)	(796)
Impairment of tangible fixed assets	-	(680)
	<hr/>	<hr/>
Total administrative expenses	(851)	(1,476)
<b>Operating profit – Continuing operations</b>	670	24
Interest payable	(412)	(355)
	<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>	258	(331)
Tax on ordinary activities	(38)	(60)
	<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities after taxation</b>	220	(391)
Minority interests	31	-
	<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>	251	(391)
	<hr/> <hr/>	<hr/> <hr/>
<b>Basic earnings/ (loss) per ordinary share</b>	3.7p	(6.6p)
	<hr/> <hr/>	<hr/> <hr/>
<b>Diluted earnings/ (loss) per ordinary share</b>	3.7p	(6.6p)
	<hr/> <hr/>	<hr/> <hr/>

# Consolidated Balance Sheet

at 31 December 2007

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>Fixed assets</b>		
Intangible assets		
- positive goodwill and other intangible assets	688	719
- negative goodwill	(400)	(489)
Tangible assets	14,681	15,019
	<hr/>	<hr/>
	14,969	15,249
	<hr/>	<hr/>
<b>Current assets</b>		
Stocks	49	57
Debtors	562	543
Cash at bank and in hand	8	142
	<hr/>	<hr/>
	619	742
<b>Creditors:</b> Amounts falling due within one year	(2,226)	(2,899)
	<hr/>	<hr/>
<b>Net current liabilities</b>	(1,607)	(2,157)
	<hr/>	<hr/>
<b>Total assets less current liabilities</b>	13,362	13,092
<b>Creditors:</b> Amounts falling due after more than one year	(4,947)	(4,400)
<b>Provisions for liabilities and charges</b>	(254)	(249)
	<hr/>	<hr/>
<b>Net assets</b>	8,161	8,443
	<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>		
Called up share capital	3,000	2,968
Share premium account	250	228
Revaluation reserve	4,032	4,399
Share based payment reserve	9	-
Profit and loss account	870	848
	<hr/>	<hr/>
<b>Shareholders' funds</b>	8,161	8,443
	<hr/> <hr/>	<hr/> <hr/>
Attributable to		
Equity minority interest	362	393
Equity shareholders' funds	7,799	8,050
	<hr/> <hr/>	<hr/> <hr/>

## **NOTES**

1. The calculation of earnings per share for the 12 months to 31<sup>st</sup> December 2007 is based on the weighted average number of shares throughout the period of 5,968,843 (2006: 5,894,434)
2. The directors have proposed a final ordinary share dividend of 2.5p per share, which will be paid on 12<sup>th</sup> May 2008 to shareholders on the register on the 11<sup>th</sup> April 2008. A preference share dividend of 1.5875 pence per share was paid on the 30<sup>th</sup> June 2007 and the 31<sup>st</sup> December 2007. The combined cost of the dividend will be £262,000 (2007:£259,000)
3. The financial information set out above does not constitute the Company's statutory accounts for the years ended 31<sup>st</sup> December 2006 and 31<sup>st</sup> December 2007 but is derived from them. The auditors have reported on the statutory accounts for both financial years. Their reports were unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.
4. The annual report to shareholders will be sent to all shareholders week commencing 7<sup>th</sup> April 2008 and will also be available on the Company's website [www.wellingtonmarkets.co.uk](http://www.wellingtonmarkets.co.uk).

The directors of the issuer (Wellington Market Company plc) accept responsibility for this announcement.