Press Office 020 7355 0220
pressoffice@winkworth.com

11 Berkeley Street
Mayfair
London
W1J 8DS

Audited final results for the year to 31 December 2012 05.06.13

FINANCIAL HEADLINES

- Sales up by 7.8 % to £4.29 million (2011: £3.98 million)
- Profit before taxation £1.07 million (2011: £1.20 million) 10.8 % lower after exceptional items of £277,733
- Basic earnings per ordinary share 5.96p (2011: 7.11p)
- Cash generated from operations of £1.15 million (2010: £1.12 million)
- Final interim dividend of 1.3p bringing the total dividend payable to 4.9p per ordinary share (2011: 4.6p)

BUSINESS HIGHLIGHTS

- Franchised offices sales up 7.2 % on 2011 to £39 million
- 8 new offices opened
- London property sales accounted for 80 % of the group total
- 31 % increase in revenues from country offices
- Lettings and management sales up by 62 % in the country, 8 % in London and 11 % overall

CHAIRMAN'S STATEMENT

First of all, I would like to congratulate the Chief Executive and the franchisor team for their skilful navigation of the business throughout 2012. It is clear that the decisions made in 2011 to invest in the structure of the network and in our franchisees has started to pay dividends, both in terms of the quality of the new franchisees and in terms of our expansion into the provinces. I would also like to congratulate our franchisees for the quality of their work and the support that they continue to give to the brand.

Winkworth has always sought to extend its reach to meet new opportunities and our growing presence in country towns in the South of England follows this theme. This process will gather momentum over the coming year as our country expansion reaches its second phase of development and new franchisees open up to complement existing ones.

Another important decision made by the franchisor team last year was to strengthen our rental and management proposition, thus increasing the weight of rental revenues within our business and of the property management activity conducted by our franchisees. This is an on-going process which, to-date, has shown steady progress and augurs well for the future: in many key offices the value of rental and management fees has grown to 50 % of turnover. Along with the sustained investment in the our transactional business, our franchisees are exceptionally well placed to blend these two offerings, enabling them to give their clients first class advice and be optimally positioned in helping them make judgements between the relative attractions of rentals and sales. We have pinpointed areas in which to invest and we will continue to concentrate on these. The Winkworth formula, whereby we seek to grow the gross turnover of our franchisees and invite new ones to join the brand so that they in turn can grow their turnover, is a simple one. As a franchisor, we are investing in the development of our infrastructure and back-up services in order to provide encouragement and the highest level of support to our franchisees, both existing and new.

Press Office 020 7355 0220
pressoffice@winkworth.com
11 Berkeley Street
Mayfair
London
W1J 8DS

We continue to resist direct ownership of our offices. We consider this to be a diversion from the franchise model and not in the best interests of our shareholders, as to do so would increase both our risk and our permanent staff costs, limiting our flexibility through the economic cycle. It remains our policy to pursue the balance between growth and a progressive dividend policy that we have delivered since flotation.

We welcome our new Indian master franchisor in Chennai and the garden city of Bangalore. Estate agency in India is unregulated and although we are not the first franchise group to open there, by observing others we have clearly defined our goals at the middle to upper end of the housing market. We have selected our master franchisor with the aim of developing our franchise style and system from his existing two offices. As I learnt when I started the Winkworth franchise network in the 1980s, in order to create a successful operation the quality of both the brand and the people are vital. It is essential to ensure that these are in place and well rooted before implementing the systematic expansion which leads to steady growth. Investment will be made by our master franchisor in India and we will provide him with all the necessary support, training and guidance.

Our UK franchisees are very pleased with this extension of the Winkworth brand and many of our offices will find this of benefit to their vendors. Adding the Indian dimension to our existing Chinese desk will offer them a significant advantage, particularly in London.

The current year has started well for Winkworth and we expect it to mark further steps along our planned route to 2015.

CEO'S STATEMENT

The number of UK residential property transactions continued to rise in 2012, with evidence that this accelerated as a result of the launch of the Funding for Lending Scheme in July. This trend gained further momentum following the announcement of the government's NewBuy scheme, set for launch in January 2014. Both of these initiatives are focused on supporting the lower to middle end of the property market, which has been most affected by the credit crisis, and should stimulate activity by encouraging buyers to move up the property ladder, resulting in a healthier overall market. So far, this had led to cheaper mortgages and a good start to 2013.

Winkworth transactions increased by 6.4% in 2012 compared to an annual rise in transactions in England of 5.4% to 0.8 million. This figure compares with a peak level of 1.4 million transactions in 2007.

Against this background, the gross property revenues of our franchises grew by 7.2% to £39 million, made up of sales of £24 million and lettings of £15 million. Sales transactions increased by 12.0% in the country, 4.4% in London and 6.4% in total.

Winkworth's turnover grew to £4.29 million in 2012, an increase of 7.8% on the 2011 level of £3.98 million. At £1.07 million, profits before tax were 10.8% lower than 2011's result of £1.20 million as a result of exceptional charges of £0.27 million. These related to the closing of the French subsidiary and an £80,000 charge on the write-off of the Company's existing website following the introduction of a new site with considerably improved functionality. The exceptional items had no impact on cash flow which rose by 2.7% to £1.15 million (2011: £1.12 million), allowing an increased dividend of 4.9p per share compared to 4.6p in 2011.

Press Office 020 7355 0220
pressoffice@winkworth.com
11 Berkeley Street
Mayfair
London
W1J 8DS

The rental market continued to grow strongly as a shortage of supply and an expanding workforce, particularly in and around London, pushed prices and activity higher. Each month in 2012 marked a new record level of activity for Winkworth and, for the year as a whole, rental and management income grew by 10 % on 2011 to represent 38 % of gross revenues compared to 37 % in 2011. We have strengthened this part of our business by bringing on board an in-house trainer to support offices both on and offsite.

We have also seen that whilst the country market remains depressed, with transactions running at below 50 % of their historic average, this area has represented an area of growth for Winkworth, with expansion outside of London and the uplift from businesses converted to the brand resulting in an increase in revenues from country offices of 31 %.

We met our base case of growth of signing 8 new offices in 2012 in areas which are complementary to our existing network with a view to growing our market share and maximising our potential uplift as and when transactions recover. Early signs are that we will at least meet the base case target for new openings in 2013. As still the most depressed market, we would expect dynamic growth from the country as transactions recover faster than in London. In 2012 our country offices represented 15 % of gross revenues compared to 12 % in 2011.

We are pleased to announce the signing of a master franchise in India, with initially two offices in Bangalore and Chennai and a further office set to open in Delhi within the next 12 months. This provides us with exposure to an exciting new market, with the potential for dramatic growth once the platform is expanded across major cities.

OUTLOOK

In 2013 we believe we will see continued growth in the prime London market following clarification of the tax proposals for non-UK companies holding properties and the light touch the government has adopted in this regard. The continued weakness of sterling has meant that central London property has maintained its appeal to overseas buyers. Elsewhere in London, we see government initiatives feeding through to greater availability of credit, increasing the number of transactions.

To support this and to maintain our market competitiveness, we will this year be launching a national advertising campaign in conjunction with our franchisees and starting the roll-out of a new interiors concept to further enhance our presence on the high street.

- ENDS -

For further information:

M Winkworth PLC
Tel: 020 7355 2866
Susannah Sheppard (Corporate PR)
Dominic Agace (Chief Executive Officer)
Chris Neoh (Chief Financial Officer)

FinnCap **(Nominated Adviser)**
Tel: 020 7600 1658
Matthew Robinson / Rose Herbert (Corporate Finance)
Stephen Norcross / Mia Gardner (Corporate Broking)

Milbourne **(Financial PR)**
Tel: 020 7920 2367
Tim Draper

Press Office 020 7355 0220
pressoffice@winkworth.com

11 Berkeley Street
Mayfair
London
W1J 8DS

About Winkworth

Winkworth is a leading franchisor of residential real estate agencies and is admitted to trading on the AIM Market of the London Stock Exchange.

Established in Mayfair in 1835, Winkworth has a pre-eminent position in the mid to upper segments of the central London residential sales and lettings markets. In total, the company operates from over 90 offices in the UK, France and Portugal, having doubled in size in recent years.

The franchise model allows entrepreneurial real estate professionals to provide the highest standards of service under the banner of a well-respected brand name and to benefit from the support and promotion that Winkworth offers. Franchisees deliver in-depth local knowledge and a highly personalised service to their clients.

For further information please visit: www.winkworthplc.com or winkworth.co.uk

M WINKWORTH PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
CONTINUING OPERATIONS			
Revenue		4,292,019	3,978,662
Cost of sales		(976,348)	(843,095)
GROSS PROFIT		3,315,671	3,135,567
Administrative expenses		(1,982,454)	(1,944,760)
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		1,333,217	1,190,807
Exceptional items	1	(277,733)	-
OPERATING PROFIT AFTER EXCEPTIONAL ITEMS		1,055,484	1,190,807
Finance costs		(6)	-
Finance income		16,500	10,667
PROFIT BEFORE TAXATION		1,071,978	1,201,474
Taxation	2	(316,806)	(325,042)
PROFIT FOR THE YEAR		755,172	876,432
OTHER COMPREHENSIVE INCOME			
Unrealised exchange loss		(6,928)	(6,258)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		748,244	870,174
Profit attributable to:			
Owners of the parent		755,172	878,334
Non-controlling interests		-	(1,902)
		755,172	876,432
Total comprehensive income attributable to:			
Owners of the parent		748,244	872,076
Non-controlling interests		-	(1,902)
		748,244	870,174
Earnings per share expressed in pence per share:	4		
Basic and diluted		5.96	7.11

M WINKWORTH PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2012

	Notes	2012 £	2011 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill		-	203,437
Intangible assets		1,071,502	894,701
Property, plant and equipment		189,589	309,885
Investments		7,200	7,200
Trade and other receivables		301,588	135,574
		1,569,879	1,550,797
CURRENT ASSETS			
Trade and other receivables		780,699	503,535
Cash and cash equivalents		1,597,783	1,878,306
		2,378,482	2,381,841
TOTAL ASSETS		3,948,361	3,932,638
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	6	63,381	63,381
Share premium		1,718,469	1,718,469
Translation reserve		27,239	34,167
Retained earnings		1,490,201	1,394,193
TOTAL EQUITY		3,299,290	3,210,210
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax		10,092	34,347
CURRENT LIABILITIES			
Trade and other payables		486,173	457,614
Bank borrowings		483	77,447
Tax payable		152,323	153,020
		638,979	688,081
TOTAL LIABILITIES		649,071	722,428
TOTAL EQUITY AND LIABILITIES		3,948,361	3,932,638

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Share capital £	Share premium £	Translation reserve £	Retained earnings £	Shareholders' equity £
Balance at 1 January 2011		57,144	777,213	40,425	1,044,720	1,919,502
Issue of share capital		6,237	941,256	-	-	947,493
Dividends paid	3	-	-	-	(528,861)	(528,861)
Total comprehensive income		-	-	(6,258)	878,334	872,076
Balance at 31 December 2011		63,381	1,718,469	34,167	1,394,193	3,210,210
Dividends paid	3	-	-	-	(659,164)	(659,164)
Total comprehensive income		-	-	(6,928)	755,172	748,244
Balance at 31 December 2012		**63,381**	**1,718,469**	**27,239**	**1,490,201**	**3,299,290**

	Notes	Non-controlling interests £	Total equity £
Balance at 1 January 2011		1,920	1,921,404
Issue of share capital		-	947,493
Total comprehensive income		(1,902)	870,174
Dividends paid	3	-	(528,861)
Balance at 31 December 2011		-	3,210,210
Total comprehensive income		-	748,244
Dividends paid	3	-	(659,164)
Balance at 31 December 2012		-	3,299,290

M WINKWORTH PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Cash flows from operating activities			
Cash generated from operations	5	1,154,698	1,118,136
Interest paid		(6)	-
Tax paid		(341,758)	(344,525)
Net cash from operating activities		812,934	773,611
Cash flows from investing activities			
Purchase of intangible assets		(351,418)	(772,744)
Purchase of property, plant & equipment		(22,411)	(137,867)
Interest received		16,500	10,667
Net cash used in investing activities		(357,329)	(899,944)
Cash flows from financing activities			
Share issue		-	947,493
Equity dividends paid		(659,164)	(528,861)
Net cash (used in)/from financing activities		(659,164)	418,632
(Decrease)/increase in cash and cash equivalents		(203,559)	292,299
Cash and cash equivalents at beginning of year		1,800,859	1,508,560
Cash and cash equivalents at end of year		1,597,300	1,800,859

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. EXCEPTIONAL ITEMS

During the year, the following impairments were charged to the income statement:

	£
Goodwill	197,317
Property, plant & equipment	80,416
	277,733

2. TAXATION

Analysis of the tax charge

	2012 £	2011 £
Current tax	341,061	320,395
Deferred tax	(24,255)	4,647
Total tax charge in statement of comprehensive income	316,806	325,042

Factors affecting the tax charge
The tax assessed for the year is higher (2011 – higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2012 £	2011 £
Profit on ordinary activities before taxation	1,071,978	1,201,474
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	262,635	318,391
Effects of:		
Expenses not deductible for tax purposes	59,072	3,027
Adjustment in respect of prior periods	(121)	313
Different tax rates	(2,587)	5,553
Capital allowances in excess of depreciation	22,062	(6,889)
Total current tax	341,061	320,395

3. DIVIDENDS

	2012 £	2011 £
Ordinary shares of 0.5p each		
Interim paid 2012 – 5.3p per share (2011 – 4.3p per share)	659,164	528,861

4. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

There are no dilutive potential shares in issue.

	Earnings £	Weighted average number of shares	Per-share amount pence
2012	755,172	12,676,328	5.96
2011	878,334	12,345,752	7.11

5. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2012 £	2011 £
Profit before taxation	1,071,978	1,201,474
Depreciation, amortisation and impairment	513,829	141,215
Loss on disposal of fixed assets	-	35,600
Exchange rate variance	4	(2,950)
Finance costs	6	-
Finance income	(16,500)	(10,667)
	1,569,317	1,364,672
Increase in trade and other receivables	(443,178)	(140,789)
Increase/(decrease) in trade and other payables	28,559	(105,747)
Cash generated from operations	1,154,698	1,118,136

6. SHARE CAPITAL

Authorised:		2012 £	2011 £
20,000,000	Ordinary shares of 0.5p	100,000	100,000

Issued and fully paid:		2012 £	2011 £
12,676,238 (2011 – 12,676,238)	Ordinary shares of 0.5p	63,381	63,381

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

7. FINANCIAL INFORMATION

The financial information set out in this preliminary announcement, which has been extracted from the audited report and financial statements, does not constitute the company's statutory accounts for the year ended 31 December 2012.

The report of the auditor on the report and financial statements for the year ended 31 December 2012 is not qualified and does not include a statement under s498(2) or s498(3) of the Companies Act 2006.

8. ANNUAL REPORT AND ACCOUNTS

Copies of the annual report and accounts for the year ended 31 December 2012 together with the notice of the Annual General Meeting to be held at the offices of M Winkworth Plc on 28th June 2013, will be posted to shareholders shortly and will be available to view and download from the Company's website at www.winkworthplc.com

The annual report and accounts will be filed at Companies House in due course.