Central Wool Growers Ltd – AGM Thursday 20th November 2025

Report of the Board –

The business continues to be totally focussed on its properties. We continue our good relationship with Mole Valley, our key tenant, who maintain 6 depots with us.

Priory Vets and Optima Self Storage continue on our Stamford site along with Easternrose Ltd and Kyoto Ltd. Priory Vets have expressed a wish to extend their lease also for a further 10 years and the legals for this will shortly be completed.

The leases with our tenants MVF were due for renewal as at June 2025 on 5 of the properties with Stamford due in 2026. I am delighted to report that terms have been agreed and new leases have been signed for a further 10 years.

We are looking for a replacement tenant at Unit 3 Stamford for the middle of next year, but work on this is already underway and we remain confident of a smooth transition.

You have seen the trading results to June 25, as reported by our auditors, with the years' figures reflecting the rental income from our properties together with associated costs. We achieved an operating profit, before financial interest and profit on disposals, of £410k against a budget of £375k. This was up from £285k the previous year.

All of our properties are now fully let with several at improved rents which is reflected in our budget for the current year, for which we have forecast an operating profit of £454k. The projected profit reflects our trading position only and is before any exceptional FRS 17 allocated pension costs and tax and as of today we remain on track.

We continue to remain vigilant towards our key ongoing challenges and we continue to meet our principle goals.

In terms of organisation, Julie Gregg, our company Secretary, runs the day to day administration, alongside the Board of Nick Kidd and myself, both taking more of a hands-on approach where required.

Our property interests continue to be managed by Andrew Leech at Richardsons in Stamford, and our day-to-day bookwork and accounts are undertaken by Duncan & Toplis. Our legal work is undertaken by Roythornes.

The Pension Fund as ever remains our biggest challenge and you can see from the accounts that the deficit figure has decreased for the sixth year in a row from £12.3m to £10.5m to £6.4m to £5.039M to £4.425m and now £4.277m at the end of June 25.

It is heartening to see this continued move downward but we don’t get complacent, knowing that the figure is affected by a number of different external factors outside of our control which could just as easily increase the deficit next year.

Nonetheless, it is extremely encouraging to report a further improvement in the balance sheet which shows an increased positive net worth of £3.411m. It was only in 2017 that our balance sheet was showing an adverse figure of more than £6m and the Board is very proud of the work that we have put in to get to where we are today. But in the meantime, the job is not finished due to the continuing deficit in the Pension Fund but we continue to work very closely with the Trustees to deliver our agreed Recovery Plan and we have planned our payments to ensure that the Scheme is fully funded by 2034 in line with the plan. This is reflected in the most recent triennial review of the scheme which took place as at 31st Dec 2023. The payments under the Recovery Plan are reviewed as part of the 'triennial review' which has been signed off by the Pension Trustees and the Pensions Regulator.

The Board continues to recognise that our key ongoing challenge is to deal with the Pension Fund liability which, out of necessity, remains our key focus and we want to be able to show benefit for our members once this challenge has been finally and successfully addressed.

Finally, I would like to record once again my thanks for the hard work of both Nick Kidd, my vice chairman, and Julie Gregg, our much valued Company Secretary. Their support continues to be invaluable.

Thank you

Steve Fleming (Non Exec Chairman).