

## **Stewart & Wight PLC**

### **Interim results for the six months ended 30 September 2015**

#### **Chairman's Statement**

I am pleased to report that the Company made a net profit of £522,125 after expenses and taxation for the half-year to 30 September 2015 compared with £271,588 for the similar period in 2014. Gross rental income from the Companies profits fell slightly from £456,639 to £421,177. Property operating expenses were down from £29,440 to £12,905. Administrative expenses were also down from £63,322 to £51,931.

During the year, the Company purchased a property in Gloucester, details of which have already been given in our annual report. It was necessary to borrow in order to fund the purchase and this is the reason why interest payments increased from £691 to £11,085.

Towards the end of the year the Company sold its property in Pickering for £605,000 which was slightly over the valuation figure of £600,000 as at 31 March 2015. The remainder of the Company's properties were revalued by the Board at £10,985,000, which figure has been incorporated into the balance sheet at 30 September 2015.

All of the Company's tenants are up-to-date with their rental payments but two of the properties are still let on temporary tenancies. In general, rents in the High Street have still not risen to their previous levels.

The Board would like to add further properties to the Company's portfolio but are finding it difficult to make suitable acquisitions. Negotiations are in hand to purchase a property in Suffolk but they are proving to be difficult to complete.

The net asset value of the Company's shares rose from £6.36 in March 2015 to £6.62 as at 30 September 2015.

The Board has decided to leave a decision as to the payment of an interim dividend until early in 2016.

MICHAEL CONN  
Chairman

12 November 2015

**Consolidated statement of comprehensive income  
(unaudited)  
for the six months ended 30 September 2015**

	Six months to 30/09/2015	Six months to 30/09/2014	Year to 31/03/2015
	£	£	£
Gross rental income	421,177	456,639	942,025
Property operating expenses	(12,905)	(29,440)	(110,724)
Net rental income	408,272	427,199	831,301
(Loss)/profit on disposal of investment property	(5,996)	22,155	22,155
Profit on disposal of non-equity investments	-	47,305	82,985
Valuation gains on investment property	410,000	100,000	559,599
Valuation losses on investment property	(158,084)	(175,000)	(445,000)
Administrative expenses	(51,931)	(63,322)	(104,923)
Net operating profit before financing	602,261	358,337	946,117
Financial income	-	184	-
Financial expenses	(11,085)	(691)	(1,054)
Profit before taxation	591,176	357,830	945,063
Taxation (note 4)	(69,051)	(86,242)	(169,745)
Profit/(loss) for financial period	522,125	271,588	775,318
Earnings per share (note 5)	33.32p	17.36p	49.49p

**Consolidated balance sheet (unaudited)  
as at 30 September 2015**

	30 Sept 2015	30 Sept 2014	31 March 2015
	£	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property (Note 3)	10,985,000	9,235,000	10,195,000
<b>Total non-current assets</b>	<b>10,985,000</b>	<b>9,235,000</b>	<b>10,195,000</b>
<b>Current assets</b>			
Non-equity Investment	-	206,836	-
Cash and cash equivalents	723,030	609,470	118,428
<b>Total current assets</b>	<b>723,030</b>	<b>816,306</b>	<b>118,428</b>
<b>Total assets</b>	<b>11,708,030</b>	<b>10,051,306</b>	<b>10,313,428</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Interest bearing loan and borrowings	50,000	-	-
Current tax	67,971	86,242	31,164
Trade and other payables	265,881	256,610	320,436
<b>Total current liabilities</b>	<b>383,852</b>	<b>342,852</b>	<b>351,600</b>
<b>Non-current liabilities</b>			
Interest bearing loan and borrowings	950,000	-	-
<b>Total non-current liabilities</b>	<b>950,000</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,333,852</b>	<b>342,852</b>	<b>351,600</b>
<b>Net assets</b>	<b>10,374,178</b>	<b>9,708,454</b>	<b>9,961,828</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Called up share capital	89,866	89,866	89,866
Other reserves	25,670	25,670	25,670
Share premium reserve	246,000	246,000	246,000
Capital reserve	-	-	-
Revaluation reserve	-	-	-
Retained earnings	10,012,642	9,346,918	9,600,292
<b>Total equity</b>	<b>10,374,178</b>	<b>9,708,454</b>	<b>9,961,828</b>

**Consolidated cash flow statement (unaudited)  
for the six months ended 30 September 2015**

	Six months to 30/09/2015	Six months to 30/09/2014	Year to 31/03/2015
	£	£	£
<b>Operating activities</b>			
Profit for the period	522,125	271,588	775,318
Adjustments for:			
Net valuation losses on investment property	(251,916)	75,000	(114,599)
Loss/(profit) on disposal of investment property	5,996	(22,155)	(22,155)
Profit on disposal on non-equity investment	-	(47,305)	(82,985)
Interest expense	11,085	507	1,054
Tax expense	69,051	86,242	169,745
Operating profit before changes in working capital and provisions	356,341	363,877	726,378
Changes in receivables	-	-	-
Changes in payables	(54,555)	(65,989)	(2,162)
Cash generated from operations	301,786	297,888	724,216
Net interest paid	(11,085)	(507)	(1,054)
Tax paid	(32,244)	(15,397)	(153,979)
<b>Cash flow from operating activities</b>	<b>258,457</b>	<b>281,984</b>	<b>569,183</b>
<b>Investing activities</b>			
Purchase of investment property	(1,138,084)	-	(770,401)
Sale of investment property	594,004	82,155	82,155
Purchase of investment	-	-	-
Sale of investment	-	357,482	599,998
Cash outflow from change in debt	1,000,000	(138,725)	(138,725)
<b>Cash used in investing activities</b>	<b>455,920</b>	<b>300,912</b>	<b>(226,973)</b>
<b>Financing activities</b>			
Dividend paid	(109,775)	(109,949)	(360,305)
<b>Cash flow from finance activities</b>	<b>(109,775)</b>	<b>(109,949)</b>	<b>(360,305)</b>
Net (decrease)/increase in cash and cash equivalents	604,602	472,947	(18,095)
Cash and cash equivalents at 1 April 2015	118,428	136,523	136,523
<b>Cash and cash equivalents at 30 September 2015</b>	<b>723,030</b>	<b>609,470</b>	<b>118,428</b>

**Consolidated statement of changes in equity from  
1 April 2014 to 30 September 2015 (unaudited)**

	Revaluation reserve	Retained earnings	Other reserves
	£	£	£
i) 1 April 2015 to 30 September 2015			
As at 1 April 2015	-	9,600,292	271,670
Total comprehensive income	-	522,125	-
Dividends to shareholders	-	(109,775)	-
As at 30 September 2015	-	10,012,642	271,670
ii) 1 April 2014 to 30 September 2014			
As at 1 April 2014	-	9,185,279	271,670
Total comprehensive income	-	271,588	-
Dividends to shareholders	-	(109,949)	-
As at 30 September 2014	-	9,346,918	271,670
iii) 1 April 2014 to 31 March 2015			
As at 1 April 2014	-	9,185,279	271,670
Total comprehensive income	-	775,318	-
Dividends to shareholders	-	(360,305)	-
As at 31 March 2015	-	9,600,292	271,670

## Notes to the accounts

### 1 Interim report

This interim report will not appear in any newspaper but copies will be sent to all shareholders and is available at the company's registered office and at the company's web site. The results for the six months ended 30 September 2015 are unaudited.

The interim report does not constitute full accounts as defined by the Companies Act 2006 but should be read in conjunction with the most recent financial statements. Full accounts for 31 March 2015 have been delivered to the Registrar of Companies, bearing an unqualified audit opinion.

### 2 Basis of preparation

The financial statements have been prepared under the historical cost basis as modified by the revaluation of investment properties and non-equity investments.

These accounts have been prepared in accordance with IAS 34.

The accounting policies have been consistently applied and are consistent with those used in the previous year.

### 3 Investment properties

Cost or valuation	£
At 1 April 2015	10,195,000
Additions	1,138,084
Disposals	(600,000)
Revaluation	<u>251,916</u>
At 30 September 2015	<u><u>10,985,000</u></u>

The Directors' have revalued the investment properties at fair value in line with the company accounting policy set out in the notes to the full accounts as at 30 September 2015. The investment properties were professionally valued at 31 March 2015.

4 **Taxation**

	Six months to 30/09/2015 £	Six months to 30/09/2014 £	Year to 31/03/2015 £
Current tax	69,051	86,242	169,745
	<u>69,051</u>	<u>86,242</u>	<u>169,745</u>

The taxation charge has been based on the estimated effective tax rate for the full year.

5 **Earnings per share**

The calculation of earnings per share is based on the profit for the period of £522,125 (2014: £271,588) and on 1,566,783 shares (2014: 1,564,720) which is the weighted average number of shares in issue during the period ended 30 September 2015 and throughout the period since 1 April 2014.

6 The registered office of the company is at 845 Finchley Road, London NW11 8NA. The web site address of the company is [www.stewartandwightplc.co.uk](http://www.stewartandwightplc.co.uk). The company registration number is 57142.