

## **STEWART & WIGHT PLC**

### **CHAIRMAN'S STATEMENT**

A satisfactory year. I am pleased to report that the Company made a net profit of £555,723 after tax and expenses for the year ended 31 March 2017. Gross rental income rose to £938,342 compared with £901,717 in the previous year. Administrative expenses were £95,708 as against £98,206 previously. Financial expenses rose to £54,026 (£27,276) due to increased borrowing as mentioned below.

The properties owned by the Company as at 31 March 2017 were valued professionally at £13,605,000. The value of the properties owned throughout the year (excluding those purchased or sold) decreased by 1.45 per cent. During the year the Company sold its two properties in South Shields which in aggregate led to a slight gain over their previous valuation. The property in Woodbridge which the Company purchased in 2015 and let to Joules was sold at a significant gain. During the year the Company purchased three new properties in Truro, Barnstaple and Middlesbrough respectively. The Board considers that they will prove to be valuable additions to the Company's portfolio of properties. All the Company's tenants are up-to-date with their rents and there are no vacancies.

In order to finance the purchase of the properties mentioned above, the Company has taken a further loan of £1 million from Barclays Bank. In addition, the Company has also been taking bridging finance from a related party at an interest rate of 4% per annum. The Board continues to search for property investments to add to the Company's portfolio and will borrow further when, and if, appropriate.

An interim dividend of 10 pence per ordinary share was paid in April 2017 and the Board has decided to recommend a final dividend of 14.5p per share payable on 18 October 2017 to shareholders registered at close of business on 22 September 2017. This represents a total dividend of 24.5p per share compared with 24p last year.

The net asset value of each ordinary share was £7.25 per share as at 31 March 2017 compared with £7.13 at 31 March 2016.

The Board has chosen the same venue as last year for this year's Annual General Meeting which will be held at Stanmore Golf Club, 29 Gordon Avenue, Stanmore on 6 September 2017.

In conclusion, I would like to thank my co-directors and the Company's advisers for their continued help and assistance.

MICHAEL CONN

Chairman

6 June 2017

Stewart & Wight PLC  
Statement of comprehensive income (audited)  
for the year ended 31 March 2017

	Year to 31 March 2017 £	Year to 31 March 2016 £
Gross rental income	938,342	901,717
Property operating expenses	(44,278)	(86,862)
Net rental income	894,064	814,855
Profit/(Loss) on disposal of investment property	60,327	(62,299)
Valuation gains on investment properties	598,052	1,265,053
Valuation losses on investment properties	(697,039)	(170,000)
Administrative expenses	(95,708)	(98,206)
Net operating profit before financing	759,696	1,749,403
Financial expenses	(54,026)	(27,276)
Profit before taxation	705,670	1,722,127
Taxation	149,947	138,788
Profit and total comprehensive income	555,723	1,583,339
Basic earnings per share	35.44p	100.96p

Stewart & Wight PLC  
Balance sheet (audited)  
as at 31 March 2017

	31 March 2017	31 March 2016
	£	£
<b>Assets</b>		
Non-current assets		
Investment property	13,605,000	12,205,000
Total non current assets	<u>13,605,000</u>	<u>12,205,000</u>
Current assets		
Trade and other receivables	14,675	-
Cash and cash equivalents	129,520	418,710
Total current assets	<u>144,195</u>	<u>418,710</u>
Total assets	<u><u>13,749,195</u></u>	<u><u>12,623,710</u></u>
<b>Liabilities</b>		
Current liabilities		
Interest bearing loan and borrowings	117,332	50,000
Current tax	148,866	137,707
Trade and other payables	318,328	326,522
Total current liabilities	<u>584,526</u>	<u>514,229</u>
Non-current liabilities		
Interest bearing loans and borrowings	1,800,835	925,000
Total non-current liabilities	<u>1,868,167</u>	<u>925,000</u>
Total liabilities	<u>2,385,361</u>	<u>1,439,229</u>
Net assets	<u><u>11,363,834</u></u>	<u><u>11,184,481</u></u>
<b>Equity</b>		
Called up share capital	89,866	89,866
Other reserve	25,670	25,670
Share premium reserve	246,000	246,000
Retained earnings	11,002,298	10,822,945
Total equity	<u><u>11,363,834</u></u>	<u><u>11,184,481</u></u>

Stewart & Wight PLC  
Statement of Changes in Shareholders' Equity (audited)  
from 1 April 2015 to 31 March 2017

	Retained earnings	Other reserves	Share capital	Total
	£	£	£	£
At 1 April 2015	9,600,292	271,670	89,866	9,961,828
Total comprehensive income	1,583,339	-	-	1,583,339
Dividends to shareholders	(360,686)	-	-	(360,686)
As at 31 March 2016 and 1 April 2016	10,822,945	271,670	89,866	11,184,481
Total comprehensive income	555,723	-	-	555,723
Dividends to shareholders	(376,370)	-	-	(376,370)
As at 31 March 2017	11,002,298	271,670	89,866	11,363,834

Shareholders' funds include non-equity shareholders' funds of £11,456 (2016: £11,456). These relate to deferred ordinary shares of 328p each and have attached to them the right to a return of capital on winding up; they do not confer any voting, dividend or redemption rights. The company has the right to purchase all of the deferred shares in issue for an aggregate consideration of £1.00.

Stewart & Wight PLC  
Cash flow statement (audited)  
for the year ended 31 March 2017

	Year to 31 March 2017	Year to 31 March 2016
	£	£
Operating activities		
Profit for the period	555,723	1,583,339
Adjustments for:		
Net valuation gains on investment property	98,987	(1,095,053)
(Profit)/loss on disposal of investment property	(60,327)	62,299
Interest expense	54,026	27,276
Taxation	149,947	138,788
Operating profit before changes in working capital and provisions	798,356	716,649
Change in receivables	(14,675)	-
Change in payables	(8,194)	6,086
Cash generated from operations	775,487	722,735
Net interest paid	(54,026)	(27,276)
Tax paid	(138,788)	(32,245)
Cash flow from operating activities	582,673	663,214
Investing activities		
Purchase of investment property	(2,638,987)	(1,664,947)
Sale of investment property	1,200,327	687,701
Sale of investment		
Cash used in investing activities	(1,438,660)	(977,246)
Financing activities		
Cash inflow from loans	1,010,000	2,020,000
Cash outflow from loan repayments	(66,833)	(1,045,000)
Dividend paid	(376,370)	(360,686)
Cash flow from financing activities	566,797	614,314
Net (decrease)/increase in cash and cash equivalents	(289,190)	300,282
Cash and cash equivalents at 1 April 2016	418,710	118,428
Cash and cash equivalents at 31 March 2017	129,520	418,710

Stewart & Wight PLC  
Notes to the accounts

1. This preliminary announcement was approved for issue by a duly appointed and authorised committee of the Board of Directors on 6 June 2017.

2. Basis of preparation

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as endorsed for the use in the European Union, this announcement does not itself contain sufficient information to comply with IFRS.

3 Taxation	Year to 31 March 2017 £	Year to 31 March 2016 £
Current tax	148,866	138,788
Adjustment in respect of previous year	1,081	-
	<u>149,947</u>	<u>138,788</u>

There is a potential deferred tax asset of £520,027 (2016: £487,000) in respect of capital losses and the revaluation of properties. In accordance with the deferred tax accounting policy, the deferred tax asset is not being recognised on the basis that it is not probable that taxable capital gains will be available against which these deductible temporary timing differences can be utilised.

4 Earnings per share

The calculation of profit per share is based on the profit for the period of £555,723 (2016: £1,583,339) and on 1,568,209 shares (2016: 1,568,209) which is the weighted average number of shares in issue during the year ended 31 March 2017.

5 Dividends	Year to 31 March 2017 £	Year to 31 March 2016 £
The following dividends have been paid by the Company		
Ordinary shares – final dividend paid	376,370	360,686
	<u>376,370</u>	<u>360,686</u>

Dividends of 24p per ordinary share were paid in the year. The proposed dividend for the year ended 31 March 2017 is 14.5 pence per ordinary share and is subject to approval by the shareholders at the annual general meeting and has not been included in these financial statements. The total dividend proposed amounts to £227,390. An interim dividend was paid after the year end of 10 pence per ordinary share amounting to £156,821 and has not been included in these accounts.

6	Investment Property	31 March 2017	31 March 2016
		£	£
	Valuation at 1 April 2016	12,205,000	10,195,000
	Additions	2,638,987	1,664,947
	Disposals	(1,140,000)	(750,000)
	(Deficit)/surplus on revaluation	(98,987)	1,095,053
	As at 31 March 2017	<u>13,605,000</u>	<u>12,205,000</u>

Boddy & Edwards, independent chartered surveyors, carried out an independent valuation of the properties at a fair value amounting to £13,605,000 at 31 March 2017. The valuation was made in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors with key basis including location, rental growth and length of lease. This has been reflected in these accounts.

7 Final and interim ordinary dividend

A final ordinary dividend of 14.5 pence per ordinary share will be paid on 18 October 2017 to shareholders registered at the close of business on 22 September 2017. An interim dividend was paid on 4 April 2017 of 10 pence per ordinary share.

8. Share capital

The aggregate issued share capital of the company remained £89,866 being 1,568,209 ordinary shares of 5p each and 3,489 deferred ordinary shares of 328p each.

9 Accounting policies

The accounting policies have been consistently applied and are consistent with the most recently published full accounts.

10 Limitation

The above does not constitute full accounts within the meaning of section 434 of the Companies Act 2006. It is an extract from the full accounts for the year ended 31 March 2017 which are audited. The auditor's report on those financial statements is unqualified and does not contain any statement under section 498(2) or (3) of the Companies Act 2006. The accounts will be posted to all shareholders on or before 6 August 2017 and subsequently filed at Companies House.

11 The Annual General Meeting will be held on 6 September 2017

12 The registered office of the company is at 845 Finchley Road, London NW11 8NA. The incorporation number of the company is 57142