

**Stewart & Wight PLC****Preliminary results for the year ended 31 March 2007**

## Chairman's Statement

The results for the year ended 31 March 2007 were satisfactory with the retained profit being £1,306,384 after all deductions. The income statement now includes all revaluation gains and losses with deferred tax on revaluation gains being taken as a deduction. The Board has decided to recommend a dividend of 19.5 pence per ordinary share (18 pence in 2006). Such dividend, if approved, will be paid on 19 October 2007 to shareholders on the register as at 21 September 2007.

The year proved to be rather unexciting in the history of the Company. Despite a great deal of investigatory work, your Board was unable to find any suitable investment properties to add to the Company's portfolio. Your Board adopted a policy of not investing for the sake of investing and, in particular, not to purchase where the yield was below the cost of borrowing and there were no real reversionary prospects. However, with the general rise in interest rates, it is hoped that property investment opportunities will arise in the future.

Gross rents from the Company's properties were again at their highest level reaching £1,028,415 compared with £1,002,733 in the previous year. The increase was due to additional rent generated from lease renewals and rent reviews.

The Company sold its property in Derby where there appeared to be no prospect of further growth. The remaining properties in the Company's portfolio were professionally revalued as at 31 March 2007 at £17,205,000 and showed a gain of 4.9% over the previous year's valuation by the Directors. I must stress, once again, that property values can fluctuate upwards and downwards depending on market forces. The Company's property in South Shields, which fell vacant in June 2006, is being repaired and, hopefully, will be relet and become income producing in the current year.

During the year to 31 March 2007 the Board increased the Company's investments in traded endowment policies, on the basis that those policies selected were forecast to produce better results than low yielding property investments. A revaluation of the Company's policies at the end of the year endorsed this decision and showed an overall gain of £155,057, which amount has been included in the income statement. The potential tax payable on this gain has been included in the deferred tax liability in the accounts.

Based on the balance sheet, the net asset value of each ordinary share was £8.61 as at 31 March 2007 compared with £7.95 as at the end of the previous year.

Your Board continues to seek both properties and policies suitable to add to the investment portfolio of your Company

I would like to thank my co-directors and the Company's advisors for their continued support and guidance over the past year

MICHAEL CONN  
Chairman

19 June 2007  
Stewart & Wight PLC  
Consolidated income statement  
for the year ended 31 March 2007

	Year to 31 March 2007	Year to 31 March 2006
	£	£
Gross rental income	1,028,415	1,002,733
Property operating expenses	41,039	25,718
Net rental income	987,376	977,015
Profit on disposal of investment property	15,198	182,799

Valuation gains on investment properties	915,000	1,260,000
Valuation losses on investment properties	110,000	92,676
Valuation gains on endowment policies	155,057	-
Administrative expenses	61,518	54,585
Net operating profit before financing	1,901,113	2,272,553
Financial income	5,195	55
Financial expenses	202,377	181,195
Profit before taxation	1,703,931	2,091,413
Taxation	396,849	515,914
Profit for financial year before preference dividend	1,307,082	1,575,499
Preference dividend paid	698	698
Retained profit for financial year	1,306,384	1,574,801
Earnings per share	83.5p	100.6p

Stewart & Wight PLC  
Consolidated balance sheet  
as at 31 March 2007

	31 March 2007	31 March 2006
	£	£
<b>Assets</b>		
<b>Non-current assets</b>		
Investment property	17,205,000	16,710,000
Non-equity investments	1,110,733	246,015
<b>Total non current assets</b>	18,315,733	16,956,015
<b>Current assets</b>		
Trade and other receivables	6,217	317,054
Cash and cash equivalents	143,098	156,439
<b>Total current assets</b>	149,315	473,493
<b>Total assets</b>	18,465,048	17,429,508
<b>Liabilities</b>		
<b>Current liabilities</b>		
Interest bearing loan and borrowings	322,790	322,790
Current tax	122,632	112,011
Trade and other payables	555,834	300,727

<b>Total current liabilities</b>	1,001,256	735,528
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	2,787,893	3,168,305
Deferred tax	1,202,511	1,077,021
<b>Total non-current liabilities</b>	<u>3,990,404</u>	<u>4,245,326</u>
<b>Total liabilities</b>	<u>4,991,660</u>	<u>4,980,854</u>
<b>Net assets</b>	<u>13,473,388</u>	<u>12,448,654</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
Capital reserve	241,488	241,488
Revaluation reserve	4,842,013	3,897,154
Retained earnings	8,028,351	7,948,476
<b>Total equity</b>	<u>13,473,388</u>	<u>12,448,654</u>

Stewart & Wight PLC  
Consolidated cash flow statement  
for the year ended 31 March 2007

	Year to 31 March 2007	Year to 31 March 2006
	£	£
<b>Operating activities</b>		
Profit for the period	1,307,082	1,575,499
Adjustments for:		
Net valuation gains on investment property	805,000	1,167,324
Profit on disposal of investment property	15,198	182,799
Net gains on investments	155,057	-
Interest expense	197,182	181,140
Tax expense	396,849	515,914
Operating profit before changes in working capital and provisions	<u>925,858</u>	<u>922,430</u>
Change in receivables	2,439	(12,073)
Change in payables	(30,010)	100,502

Cash generated from operations	898,287	1,010,859
Net interest paid	197,182	181,140
Tax paid	260,739	255,220
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Cash flow from operating activities	440,366	574,499
Investing activities		
Purchase of investment property	-	2,142,676
Purchase of other investments	424,543	246,015
Sale of investment property	633,596	1,342,818
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Cash generated from/(used in) investing activities	209,053	(1,045,873)
Financing activities		
Dividend paid	282,348	266,351
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Cash flow from financing activities	282,348	266,351
Net increase/(decrease) in cash and cash equivalents	367,071	(737,725)
Cash and cash equivalents at 1 April 2006	(3,334,656)	(2,596,931)
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Cash and cash equivalents at 31 March 2007	(2,967,585)	(3,334,656)

Stewart & Wight PLC  
Notes to the accounts

## 1 Taxation

	Year to 31 March 2007	Year to 31 March 2006
	£	£
Current tax	271,359	257,000
Deferred tax	125,490	258,914
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	396,849	515,914

## 2 Earnings per share

The calculation of earnings per share is based on the profit for the period of £1,306,384 (2006: £1,574,801) and on 1,564,720 shares (2006: 1,564,720) which is the weighted average number of shares in issue during the year ended 31 March 2007.

## 3 Dividend

	Year to 31 March 2007	Year to 31 March 2006
	£	£
The following dividends have been paid by the Company		
Cumulative preference shares paid	698	698
Ordinary shares - final dividend paid	281,650	266,002
	<u>282,348</u>	<u>266,700</u>

The proposed dividend for the year ended 31 March 2007 is 19.5 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 £297,297

#### 4 Investment Property

	31 March 2007	31 March 2006
	£	£
Valuation at 1 April 2006	16,710,000	14,865,000
Additions	-	2,142,676
Disposals	(310,000)	(1,465,000)
Surplus on revaluation	805,000	1,167,324
As at 31 March 2007	<u>17,205,000</u>	<u>16,710,000</u>

The investment properties have been professionally valued at £17,205,000 as at 31 March 2007

#### 5 Final ordinary dividend

A final ordinary dividend of 19.5p per share will be paid on 19 October 2007 to shareholders registered at the close of business on 21 September 2007.

#### 6 Limitation

The above does not constitute full accounts within the meaning of section 240 of the Companies Act 1985. It is an extract from the full accounts for the year ended 31 March 2007 on which the auditor has expressed an unqualified opinion. The accounts will be posted to all shareholders on or before 25 August 2007 and subsequently filed at Companies House

#### 7 The Annual General Meeting will be held on 6 September 2007

#### 8 The registered office of the company is at 845 Finchley Road, London NW11 8NA

