

Stewart & Wight PLC

Preliminary results for the year ended 31 March 2009

#### Chairman's Statement

For the second year in succession I have to report a loss due to the fall in value of the Company's property and other investments. On the brighter side, I am pleased to report that our property income for the year to 31 March 2009 increased to an all-time high of £1,061,480.

Our property portfolio was re-valued professionally as at 31 March 2009 at the amount of £15,045,000. The only variation in the portfolio since the previous year was the addition of the property which we purchased in Northallerton in October 2008. On a like-for-like basis the value of the portfolio has decreased by 7.94%.

During the year, property income rose due to two favourable rent reviews and a Lease renewal. Administration expenses were lower at £117,797 compared with £150,438 previously. Due to the fall in Bank Rate, our interest payments to the Company's bank were significantly less at £155,634 compared with £219,239 in 2007/8.

The property market still remains uncertain but there is hope that it will settle down shortly. The main concern for investors and your Company in particular is that tenants will be able to continue to trade and be able to pay the rents due on the properties they are leasing. There is also the risk that when leases expire tenants will not renew and properties become vacant. This can result in landlords becoming liable for all outgoings in respect of such properties. So far, your Company has been fortunate in that rents have been paid and there are no current voids.

In order to fund the purchase of the property in Northallerton, the majority of the Company's traded endowment policies were encashed. This resulted in a book loss based on their market value as at 31 March 2008. In fact, a small profit was made over their original cost. The Company has retained ownership of two traded endowment policies which are valued in the accounts as at their respective surrender values. Your Board considers that these policies are good investments for the future.

Having regard to the increase in the Company's revenue, the Board has decided to recommend a dividend payment of 21 pence per ordinary share (20 pence in 2008). Such dividend, if approved, will be paid on 16 October to shareholders on the register as at 16 September 2009.

Based on the Balance Sheet, the net asset value of each ordinary share was £7.73 compared with £8.37 at the end of the previous year.

The Board still considers that investment in property remains good for the future of your Company. It is hoped that opportunities will arise to acquire further properties to add to the Company's portfolio. Since the end of the year, the lease of our property in Durham has been renewed and a lease of 105 King Street, South Shields has been granted to replace a temporary licence agreement which had been in force.

In conclusion, I would like to thank my co-directors and the Company's advisors for their assistance and support over the past difficult year.

MICHAEL CONN  
Chairman

23 June 2009

Stewart & Wight PLC  
 Consolidated income statement (unaudited)  
 for the year ended 31 March 2009

	Year to 31 March 2009	Year to 31 March 2008
	£	£
Gross rental income	1,061,480	1,017,294
Property operating expenses	51,646	87,058
Net rental income	1,009,834	930,236
Profit on disposal of investment property	-	3,982
Loss on disposal of endowment policies	272,124	-
Valuation gains on investment properties	150,000	35,000
Valuation losses on investment properties	1,400,618	1,340,000
Valuation gains on endowment policies	-	261,972
Valuation losses on endowment policies	29,717	-
Administrative expenses	66,151	63,380
Net operating loss before financing	(608,776)	(172,190)
Financial income	2,168	555
Financial expenses	155,634	219,239
Loss before taxation	(762,242)	(390,874)
Taxation	79,787	313,550
Loss for financial year	(682,455)	(77,324)
Loss per share	(43.62p)	(4.94p)

The Group's activities are all of a continuing nature

Stewart & Wight PLC  
Consolidated balance sheet (unaudited)  
as at 31 March 2009

	31 March 2009	31 March 2008
	£	£
<b>Assets</b>		
Non-current assets		
Investment property	15,045,000	15,420,000
Non-equity investments	397,375	2,088,874
Total non current assets	<u>15,442,375</u>	<u>17,508,874</u>
Current assets		
Trade and other receivables	-	71,602
Cash and cash equivalents	499,509	-
Total current assets	<u>499,509</u>	<u>71,602</u>
Total assets	<u>15,941,884</u>	<u>17,580,476</u>
<b>Liabilities</b>		
Current liabilities		
Bank overdraft		215,002
Interest bearing loan and borrowings	322,790	322,790
Current tax	126,380	94,353
Trade and other payables	327,942	301,962
Total current liabilities	<u>777,112</u>	<u>934,107</u>
Non-current liabilities		
Interest bearing loans and borrowings	2,702,337	2,876,515
Deferred tax	368,286	679,608
Total non-current liabilities	<u>3,070,623</u>	<u>3,556,123</u>
Total liabilities	<u>3,847,735</u>	<u>4,490,230</u>
Net assets	<u>12,094,149</u>	<u>13,090,246</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	1,912,366	3,529,755
Retained earnings	9,578,759	8,957,467
Total equity	<u>12,094,149</u>	<u>13,090,246</u>

Consolidated Statement of Changes in Shareholders' Equity (unaudited)  
from 1 April 2007 to 31 March 2009

	£	£	£	£	£
	Revaluation reserve	Retained earnings	Other reserve	Share capital	Total
At 1 April 2007	4,660,098	8,210,266	513,158	89,866	13,473,388
Loss for the financial period		(77,324)	-	-	(77,324)
Dividends to shareholders		(305,818)	-	-	(305,818)
Valuation gains and losses	1,043,028	(1,043,028)	-	-	-
Gains attributable to assets sold	(87,315)	87,315	-	-	-
As at 31 March 2008 and 1 April 2008	3529,755	8,957,467	513,158	89,866	13,090,246
Loss for the financial period		(682,455)	-	-	(682,455)
Dividends to shareholders		(313,642)	-	-	(313,642)
Valuation gains and losses	(1,280,335)	1,280,335	-	-	-
Gains attributable to assets sold	(337,054)	337,054	-	-	-
As at 31 March 2009	1,912,366	9,578,759	513,158	89,866	12,094,149

Shareholders' funds include non-equity shareholders' funds of £11,630 (2008: £11,630)

Stewart & Wight PLC  
Consolidated cash flow statement (unaudited)  
for the year ended 31 March 2009

	Year to 31 March 2009 £	Year to 31 March 2008 £
Operating activities		
Loss for the year	(682,455)	(77,324)
Adjustments for:		
Net valuation losses on investment property	1,250,618	1,305,000
Profit on disposal of investment property	-	(3,982)
Loss on disposal of other investments	272,124	-
Net losses/(gains) on investments	29,717	(261,972)
Interest expense	153,466	218,684
Tax income	(79,787)	(313,550)
Operating profit before changes in working capital and provisions	943,683	866,856
Change in receivables	61,734	(55,517)
Change in payables	25,980	31,245
Cash generated from operations	1,031,397	842,584
Net interest paid	(153,466)	(218,684)
Tax paid	(189,640)	(247,500)
Cash flow from operating activities	688,291	376,400
Investing activities		
Purchase of other investments	(877,585)	(1,001,287)
Sale of investment property	1,391,625	483,983
Cash (outflow)/inflow from change in debt	(174,178)	88,622
Cash generated from/(used in) investing activities	339,862	(428,682)
Financing activities		
Dividend paid	(313,642)	(305,818)
Cash flow from financing activities	(313,642)	(305,818)
Net increase/(decrease) in cash and cash equivalents	714,511	(358,100)
Cash and cash equivalents at 1 April 2008	(215,002)	143,098
Cash and cash equivalents at 31 March 2009	499,509	(215,002)

Stewart & Wight PLC  
Notes to the accounts

1	Taxation	Year to 31 March 2009 £	Year to 31 March 2008 £
	Current tax	231,380	209,353
	Deferred tax	(311,322)	(522,903)
	Adjustment for prior year	155	-
		<u>(79,787)</u>	<u>(313,550)</u>

- 2 Loss per share  
The calculation of loss per share is based on the loss for the period of £682,455 (2008: £77,324) and on 1,564,720 shares (2008: 1,564,720) which is the weighted average number of shares in issue during the year ended 31 March 2009.

3	Dividend	Year to 31 March 2009 £	Year to 31 March 2008 £
	The following dividends have been paid by the Company		
	Cumulative preference shares paid	698	698
	Ordinary shares - final dividend paid	312,944	305,120
		<u>313,642</u>	<u>305,818</u>

The proposed dividend for the year ended 31 March 2009 is 21 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 £328,591.

4	Investment Property	31 March 2009 £	31 March 2008 £
	Valuation at 1 April 2008	15,420,000	17,205,000
	Additions	875,618	-
	Disposals	-	(480,000)
	Deficit on revaluation	(1,250,618)	(1,305,000)
	As at 31 March 2009	<u>15,045,000</u>	<u>15,420,000</u>

The investment properties were professionally valued at £15,045,000 as at 31 March 2009. This has been reflected in these accounts.

- 5 Final ordinary dividend  
A final ordinary dividend of 21p per share will be paid on 16 October 2009 to shareholders registered at the close of business on 16 September 2009.

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

- 7 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 2009 which are unaudited, but the auditors have indicated that they intend to give an unqualified opinion. The accounts will be posted to all shareholders on or before 25 August 2009 and subsequently filed at Companies House

8 The Annual General Meeting will be held on 16 September 2009

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