



**STEWART & WIGHT PLC**

**INTERIM RESULTS**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007**

## Chairman's Statement

The operating profit for the half-year was £408,212 before net financial costs of £107,348. The profit figure of £365,087 shown in the accompanying consolidated income statement is enhanced by the reduction in the deferred tax charge as explained in Note 4 to the accounts. Gross rental income decreased to £490,272 compared with £535,023 in the similar period in 2006. This decrease was due to the sale of properties which the Board did not consider had further reversionary prospects.

The Company sold one of its properties in Bishop Auckland towards the end of the period at a price slightly in excess of the March revaluation figure. The proceeds are shown under debtors in the accounts. The Company did not purchase any further properties, as the Board considered market prices were in general too high to be attractive. However, two traded endowment policies were purchased to add to our portfolio of this type of investment. Although such policies do not provide a yearly income, we consider that the maturity values which are spread over a number of years will eventually provide gains in excess of the costs of carrying the investments.

We had a successful rent review in respect of one of our properties in South Shields. The repairs to our other property in that town have been completed and we are pursuing a claim for dilapidations against the former tenants. A letting of the property was agreed to a national bookmaker subject to planning permission but, unfortunately, such permission was refused. An appeal has been lodged and we are hopeful it will be successful. In the meantime, a six-month occupation licence has been granted to a multiple retail trader.

No revaluation of the Company's properties or policies has been carried out at 30 September 2007 and the March 2007 values have been carried forward into the accompanying consolidated balance sheet. The commercial property market appears to be in a state of flux at present and your Board hopes that it will stabilise within the next few months, so that they can give a considered judgment as to values at 31 March 2008. Your Board continues to seek further suitable properties and policies to add to the investment portfolio of the Company.

It is with regret that I report the death of Mrs Betty Segalov who was a long term shareholder and a regular attender at our Annual General Meetings. The Board expresses their sincere condolences to her family.

In accordance with previous practice, the Board has decided not to pay an interim dividend on the ordinary shares of the Company.

MICHAEL CONN  
Chairman

3 December 2007

**Consolidated income statement (unaudited)  
for the six months ended 30 September 2007**

	Six months to 30/09/2007 £	Six months to 30/09/2006 £	Year to 31/03/2007 £
Gross rental income	490,272	535,023	1,028,415
Property operating expenses	51,362	31,378	41,039
<b>Net operating profit</b>	<b>438,910</b>	<b>503,645</b>	<b>987,376</b>
Profit on disposal of investment property	3,109	-	15,198
Valuation gains on investment properties	-	-	915,000
Valuation losses on investment properties	-	-	110,000
Valuation gains on endowment policies	-	-	155,057
Administrative expenses	33,807	25,438	61,518
<b>Net operating profit before net financing costs</b>	<b>408,212</b>	<b>478,207</b>	<b>1,901,113</b>
Financial income	555	3,056	5,195
Financial expenses	107,903	100,417	202,377
<b>Profit before taxation</b>	<b>300,864</b>	<b>380,846</b>	<b>1,703,931</b>
Taxation (note 4)	(64,572)	118,727	396,849
<b>Profit for financial period before preference dividend</b>	<b>365,436</b>	<b>262,119</b>	<b>1,307,082</b>
Preference dividend paid	349	349	698
<b>Profit for financial period</b>	<b>365,087</b>	<b>261,770</b>	<b>1,306,384</b>
<b>Earnings per share (note 5)</b>	<b>23.3</b>	<b>16.7</b>	<b>83.5</b>

**Consolidated balance sheet (unaudited)  
as at 30 September 2007**

	30 Sept 2007 £	30 Sept 2006 £	31 March 2007 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties (Note 3)	16,725,000	16,710,000	17,205,000
Non-equity investments	1,299,074	531,632	1,110,733
<b>Total non-current assets</b>	<b>18,024,074</b>	<b>17,241,632</b>	<b>18,315,733</b>
<b>Current assets</b>			
Trade and other receivables	528,834	-	6,217
Cash and cash equivalents	-	247,096	143,098
<b>Total current assets</b>	<b>528,834</b>	<b>247,096</b>	<b>149,315</b>
<b>Total assets</b>	<b>18,552,908</b>	<b>17,488,728</b>	<b>18,465,048</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Interest bearing loan and borrowings	432,825	322,790	322,790
Current tax liabilities	94,632	80,738	122,632
Trade and other payables	221,899	190,428	555,834
<b>Total current liabilities</b>	<b>749,356</b>	<b>593,956</b>	<b>1,001,256</b>
<b>Non-current liabilities</b>			
Interest bearing loan and borrowings	2,931,638	3,107,327	2,787,893
Deferred tax liabilities	1,033,439	1,077,021	1,202,511
<b>Total non-current liabilities</b>	<b>3,965,077</b>	<b>4,184,348</b>	<b>3,990,404</b>
<b>Total liabilities</b>	<b>4,714,433</b>	<b>4,778,304</b>	<b>4,991,660</b>
<b>Net assets</b>	<b>13,838,475</b>	<b>12,710,424</b>	<b>13,473,388</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 account	246,000	246,000	246,000
Capital reserve	241,488	241,488	241,488
Revaluation reserve	4,572,783	3,897,154	4,660,098
Retained earnings	8,662,668	8,210,246	8,210,266
<b>Total equity</b>	<b>13,838,475</b>	<b>12,710,424</b>	<b>13,473,388</b>

**Consolidated cash flow statement (unaudited)  
for the six months ended 30 September 2007**

	Six months to 30/09/2007 £	Six months to 30/09/2006 £	Year to 31/03/2007 £
<b>Operating activities</b>			
Profit for the period	365,436	262,119	1,307,082
Adjustments for:			
Net valuation gains on investment property	-	-	805,000
Profit on disposal of investment property	3,109	-	15,198
Net gains on investments	-	-	155,057
Interest expense	107,348	97,361	197,182
Taxation	(64,572)	118,727	396,849
<b>Operating profit before changes in working capital and provisions</b>	<b>405,103</b>	<b>478,207</b>	<b>925,858</b>
(Increase)/decrease in receivables	(39,508)	12,073	2,439
(Decrease) in payables	(48,819)	(110,299)	(30,010)
<b>Cash generated from operations</b>	<b>316,776</b>	<b>379,981</b>	<b>898,287</b>
Net interest paid	107,348	97,361	197,182
Taxation	132,500	150,000	260,739
<b>Cash flow from operating activities</b>	<b>76,928</b>	<b>132,620</b>	<b>440,366</b>
<b>Investing activities</b>			
Purchase of other investments	(473,457)	(285,617)	(424,543)
Sale of investment property	-	304,981	633,596
<b>Cash flow (used in)/from investing activities</b>	<b>(473,457)</b>	<b>19,364</b>	<b>209,053</b>
<b>Financing activities</b>			
Dividend paid	349	349	282,348
<b>Cash flow from financing activities</b>	<b>349</b>	<b>349</b>	<b>282,348</b>
Net increase in cash and cash equivalents	(396,878)	151,635	367,071
Cash and cash equivalents at 1 April 2007	(2,967,585)	(3,334,656)	(3,334,656)
<b>Cash and cash equivalents at 30 September 2007</b>	<b>(3,364,463)</b>	<b>(3,183,021)</b>	<b>(2,967,585)</b>

**Consolidated statement of changes in equity from  
1 April 2006 to 30 September 2007 (unaudited)**

	Revaluation reserve £	Retained earnings £	Other reserves £
	<u>          </u>	<u>          </u>	<u>          </u>
<b>i) 1 April 2007 to 30 September 2007</b>			
As at 1 April 2007	4,660,098	8,210,266	513,158
Profit for the financial period	-	365,087	-
Gains attributable to assets sold	(87,315)	87,315	-
<b>As at 30 September 2007</b>	<b><u>4,572,783</u></b>	<b><u>8,662,668</u></b>	<b><u>513,158</u></b>
<b>ii) 1 April 2006 to 30 September 2006</b>			
As at 1 April 2006	3,897,154	7,948,476	513,158
Profit for the financial period	-	261,770	-
<b>As at 30 September 2006</b>	<b><u>3,897,154</u></b>	<b><u>8,210,246</u></b>	<b><u>513,158</u></b>
<b>iii) 1 April 2006 to 31 March 2007</b>			
As at 1 April 2006	3,897,154	7,948,476	513,158
Profit for the financial period	-	1,306,384	-
Dividends to shareholders	-	(281,650)	-
Valuation gains and losses	960,057	(960,057)	-
Gains attributable to assets sold	(197,113)	197,113	-
<b>As at 31 March 2007</b>	<b><u>4,660,098</u></b>	<b><u>8,210,266</u></b>	<b><u>513,158</u></b>

# Stewart & Wight PLC

## 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 are available at the company's registered office. The results for the six months ended 30 September 2007 are unaudited.

The interim report does not constitute full accounts as defined by the Companies Act 1985 but should be read in conjunction with the most recent financial statements. Full accounts for 31 March 2007 have been delivered to the Registrar of Companies, bearing an unqualified audit opinion.

### 2. Basis of preparation

The financial statements are prepared on the historical cost basis except that investment properties are stated at their fair value.

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

Valuation as at 1 April 2007	17,205,000
Disposal	(480,000)
<b>Valuation as at 30 September 2007</b>	<b>16,725,000</b>

### 4. Taxation

	Six months to 30/09/2007	Six months to 30/09/2006	Year to 31/03/2007
Current tax	104,500	115,000	271,359
Deferred tax	(169,072)	-	125,490
	<b>(64,572)</b>	<b>115,000</b>	<b>396,849</b>

The taxation charge has been based on the estimated effective tax rate for the full year. The deferred tax provision has been affected by the change of corporation tax rate from 30% to 28% effective from 1 April 2008. This has materially changed the provision required and has had a positive impact on the corporation tax charge in the half year. This has no affect on the actual amounts of tax payable.

### 5. Earnings per share

The calculation of earnings per share is based on the profit for the period of £365,087 (2006: £261,770) and on 1,564,720 shares (2006: 1,564,720) which is the weighted average number of shares in issue during the period ended 30 September 2007 and throughout the period since 1 April 2006.

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