



**STEWART & WIGHT PLC**

**INTERIM RESULTS**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008**

## Chairman's Statement

The policy of the Board has been not to have the fixed assets of the Company revalued at the end of each interim period. However in view of the slump during the last six months in the values of financial securities and properties due to the banking crisis, the Board decided that a revaluation was called for on this occasion. The Board had due regard to all market factors and decided that the total value of the properties in the Company's portfolio had reduced to £13,715,000 as at 30 September compared with £15,420,000 as at 31 March 2008. As regards the portfolio of traded endowment policies the Board resolved that in view of the state of the market it would be prudent to value these at surrender values only. Their total came to £1,781,626 compared with a valuation of £2,088,874 in March. These new valuations have been incorporated into the interim accounts which show a loss of £1,282,672 for the period.

The gross income from the Company's properties was £521,404 for the half year compared with £490,272 in the comparable period last year. Administration and financial expenses were lower at £161,261 compared with £193,072 previously. If the revaluation figures had not been included in the accounts there would have been a profit of £361,671 before tax. Based on the interim accounts, the net asset value of each ordinary share was £7.55 compared with £8.37 as at March 2008.

Since September the Company has purchased a retail property investment in Northallerton at a price of £830,000 which should show a return of approximately 6.9% per annum. In order to fund such purchase the Company encashed a number of traded endowment policies.

We are in uncertain times as regards the property market and the economy in general. However the Board still holds a firm belief that property remains a good investment for the future. We are of course dependent on the ability of our tenants to continue to pay their rents. In this respect I am pleased to report that all rents were paid in full in the half year and for the current quarter.

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

20 November 2008

**Consolidated income statement (unaudited)  
for the six months ended 30 September 2008**

	Six months to 30/09/2008 £	Six months to 30/09/2007 £	Year to 31/03/2008 £
Gross rental income	521,404	490,272	1,017,294
Property operating expenses	(23,764)	(51,362)	(87,058)
<b>Net rental income</b>	<b>497,640</b>	<b>438,910</b>	<b>930,236</b>
Profit on disposal of investment property	-	3,109	3,982
Valuation gains on investment property	-	-	35,000
Valuation losses on investment property	(1,705,000)	-	(1,340,000)
Valuation gains on endowment policies	-	-	261,972
Valuation losses on endowment policies	(307,632)	-	-
Administrative expenses	(35,711)	(33,807)	(63,380)
<b>Net operating (loss)/profit before financing</b>	<b>(1,550,703)</b>	<b>408,212</b>	<b>(172,190)</b>
Financial income	1,528	555	555
Financial expenses	(101,786)	(107,903)	(219,239)
<b>(Loss)/profit before taxation</b>	<b>(1,650,961)</b>	<b>300,864</b>	<b>(390,874)</b>
Taxation (note 5)	368,289	64,572	313,550
<b>(Loss)/profit for financial period before preference dividend</b>	<b>(1,282,672)</b>	<b>365,436</b>	<b>(77,324)</b>
Preference dividend	(349)	(349)	(698)
<b>Retained (loss)/profit for financial period</b>	<b>(1,283,021)</b>	<b>365,087</b>	<b>(78,022)</b>
<b>(Loss)/earnings per share (note 6)</b>	<b>(82.00)p</b>	<b>23.3p</b>	<b>(4.99)p</b>

**Consolidated balance sheet (unaudited)  
as at 30 September 2008**

	30 Sept 2008 £	30 Sept 2007 £	31 March 2008 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property (Note 3)	13,715,000	16,725,000	15,420,000
Non-equity investments (Note 4)	1,781,626	1,299,074	2,088,874
<b>Total non-current assets</b>	<b>15,496,626</b>	<b>18,024,074</b>	<b>17,508,874</b>
<b>Current assets</b>			
Trade and other receivables	-	528,834	71,602
Cash and cash equivalents	26,480	-	-
<b>Total current assets</b>	<b>26,480</b>	<b>528,834</b>	<b>71,602</b>
<b>Total assets</b>	<b>15,523,106</b>	<b>18,552,908</b>	<b>17,580,476</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdraft	-	-	215,002
Interest bearing loan and borrowings	322,790	432,825	322,790
Current tax	101,268	94,632	94,353
Trade and other payables	271,733	221,899	301,962
<b>Total current liabilities</b>	<b>695,791</b>	<b>749,356</b>	<b>934,107</b>
<b>Non-current liabilities</b>			
Interest bearing loan and borrowings	2,810,194	2,931,638	2,876,515
Deferred tax	209,896	1,033,439	679,608
<b>Total non-current liabilities</b>	<b>3,020,090</b>	<b>3,965,077</b>	<b>3,556,123</b>
<b>Total liabilities</b>	<b>3,715,881</b>	<b>4,714,433</b>	<b>4,490,230</b>
<b>Net assets</b>	<b>11,807,225</b>	<b>13,838,475</b>	<b>13,090,246</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	241,488	241,488	241,488
Revaluation reserve	1,517,123	4,572,783	3,529,755
Retained earnings	9,687,078	8,662,668	8,957,467
<b>Total equity</b>	<b>11,807,225</b>	<b>13,838,475</b>	<b>13,090,246</b>

**Consolidated cash flow statement (unaudited)  
for the six months ended 30 September 2008**

	Six months to 30/09/2008 £	Six months to 30/09/2007 £	Year to 31/03/2008 £
<b>Operating activities</b>			
(Loss)/profit for the period	(1,282,672)	365,436	(77,324)
Adjustments for:			
Net valuation losses on investment property	1,705,000	-	1,305,000
Profit on disposal of investment property	-	(3,109)	(3,982)
Net losses/(gains) on investments	307,632	-	(261,972)
Interest expense	100,258	107,348	218,684
Tax income	(368,289)	(64,572)	(313,550)
<b>Operating profit before changes in working capital and provisions</b>	<b>461,929</b>	<b>405,103</b>	<b>866,856</b>
Changes in receivables	61,734	(39,508)	(55,517)
Changes in payables	(30,229)	(48,819)	31,245
<b>Cash generated from operations</b>	<b>493,434</b>	<b>316,776</b>	<b>842,584</b>
Net interest paid	(100,258)	(107,348)	(218,684)
Tax paid	(84,640)	(132,500)	(247,500)
<b>Cash flow from operating activities</b>	<b>308,536</b>	<b>76,928</b>	<b>376,400</b>
<b>Investing activities</b>			
Purchase of other investments	(384)	(473,457)	(1,001,287)
Sale of investment property	-	-	483,983
<b>Cash used in investing activities</b>	<b>(384)</b>	<b>(473,457)</b>	<b>(517,304)</b>
<b>Financing activities</b>			
Dividend paid	(349)	(349)	(305,818)
<b>Cash flow from finance activities</b>	<b>(349)</b>	<b>(349)</b>	<b>(305,818)</b>
Net increase/(decrease) in cash and cash equivalents	307,803	(396,878)	(446,722)
Cash and cash equivalents at 1 April 2008	(3,414,307)	(2,967,585)	(2,967,585)
<b>Cash and cash equivalents at 30 September 2008</b>	<b>(3,106,504)</b>	<b>(3,364,463)</b>	<b>(3,414,307)</b>

**Consolidated statement of changes in equity from  
1 April 2007 to 30 September 2008 (unaudited)**

	Revaluation reserve £	Retained earnings £	Other reserves £
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>i) 1 April 2008 to 30 September 2008</b>			
As at 1 April 2008	3,529,755	8,957,467	513,158
Profit for the financial period	-	(1,283,021)	-
Valuation gains and losses	(2,012,632)	2,012,632	-
<b>As at 30 September 2008</b>	<b><u>1,517,123</u></b>	<b><u>9,687,078</u></b>	<b><u>513,158</u></b>
<b>ii) 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>
As at 1 April 2007	4,660,098	8,210,266	513,158
Profit for the financial period	-	(78,022)	-
Dividends to shareholders	-	(305,120)	-
Valuation gains and losses	(1,043,028)	1,043,028	-
Gains attributable to assets sold	(87,315)	87,315	-
<b>As at 31 March 2008</b>	<b><u>3,529,755</u></b>	<b><u>8,957,467</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 2008 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 2008 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

Cost or valuation

At 1 April 2008	15,420,000
Deficit on revaluation	(1,705,000)
<b>At 30 September 2008</b>	<b><u>13,715,000</u></b>

### 4. Non-equity investments Traded endowments

Cost or valuation

At 1 April 2008	2,088,874
Premiums paid	384
Deficit on revaluation	(307,632)
<b>At 30 September 2008</b>	<b><u>1,781,626</u></b>

### 5. Taxation

	Six months to 30/09/2008	Six months to 30/09/2007	Year to 31/03/2008
Current tax	101,423	104,500	209,353
Deferred tax	(469,712)	(169,072)	(522,903)
	<b><u>(368,289)</u></b>	<b><u>(64,572)</u></b>	<b><u>(313,550)</u></b>

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

### 6. (Loss)/earnings per share

The calculation of (loss)/earnings per share is based on the (loss)/profit for the period of (£1,283,021) (2007: £365,087) and on 1,564,720 shares (2007: 1,564,720) which is the weighted average number of shares in issue during the period ended 30 September 2008 and throughout the period since 1 April 2007.

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