

Stewart & Wight PLC

Preliminary results for the year ended 31 March 2010

Chairman's Statement

I am delighted that after two dismal years I am now able to report positive results both in property income and values. Property income for the year ended 31 March 2010 rose to £1,111,110 and a revaluation of the property portfolio by the directors amounted to £15,790,000. On a like for like basis, the value of the portfolio increased by 1.1%.

Administrative expenses were less during the year as was the interest paid on our bank borrowings. As a result of the increase in both the value of the property portfolio and the rental income, the net profits of the Company were £713,154 after provision for corporation tax. An interim dividend of 20 pence per ordinary share was paid in April of this year and the Board has decided to recommend a final dividend for the year of 2 pence per ordinary share payable on 15 October 2010 to holders of ordinary shares registered at close of business on 24 September 2010. The total dividend for the year to 31 March 2010 is, therefore, 22p per share compared with 21p per share in the previous year.

During the year, we sold a small property investment in Morrision where there were little prospects of growth and bought a larger property in Falmouth which we believe has a long-term future. In order to part-fund the difference in price, we disposed of our remaining two traded endowment policies at a book loss of £73,459, although the actual loss over the original purchase price of the policies was approximately £24,000.

The Board remains of the opinion that there is a long-term future in property investment. They continue to monitor the market and investigate prospective acquisitions. They also continually review the existing property portfolio to decide whether properties should be sold or held or lease terms revised. As mentioned in last year's Statement, there is always the risk that leases expire and tenants do not renew with the result that there is a liability for all outgoings in respect of the properties. Tenants are also requesting incentives in order to renew or extend their tenancies.

Based on the Balance Sheet, the net asset value of each ordinary share was £7.97 at 31 March 2010 compared with £7.73 at the end of the previous year.

Since the end of the year the Company has sold by auction a retail property in Baxtergate Doncaster for £790,000 which price exceeded the expectations of the joint auctioneers and the Board. Negotiations are now advanced for the reinvestment of the proceeds of sale in the purchase of another investment property

It is with great sadness that I have to inform you that Walter Millsom passed away in May 2010. Wally was a member of our Board for thirteen years and his guidance and contribution to the affairs of the Company were greatly valued. We extend our sincere condolences to his family.

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

MICHAEL CONN  
Chairman

16 June 2010

Stewart & Wight PLC  
Consolidated income statement (unaudited)  
for the year ended 31 March 2010

	Year to 31 March 2010	Year to 31 March 2009
	£	£
Gross rental income	1,111,110	1,061,480
Property operating expenses	(26,349)	(51,646)
Net rental income	1,084,761	1,009,834
Profit on disposal of investment property	13,631	-
Loss on disposal of endowment policies	(73,459)	(272,124)
Valuation gains on investment properties	445,000	150,000
Valuation losses on investment properties	(320,166)	(1,400,618)
Valuation losses on endowment policies	-	(29,717)
Administrative expenses	(67,518)	(66,151)
Net operating profit/(loss) before financing	1,082,249	(608,776)
Financial income	166	2,168
Financial expenses	(43,748)	(155,634)
Profit /(loss) before taxation	1,038,667	(762,242)
Taxation	325,513	(79,787)
Profit/(loss) for financial year	713,154	(682,455)
Earnings/(loss) per share	45.58p	(43.62p)

Stewart & Wight PLC  
Consolidated balance sheet (unaudited)  
as at 31 March 2010

	31 March 2010	31 March 2009
	£	£
<b>Assets</b>		
Non-current assets		
Investment property	15,790,000	15,045,000
Non-equity investments	-	397,375
Total non current assets	15,790,000	15,442,375
Current assets		
Trade and other receivables	224,366	-
Cash and cash equivalents	79,635	499,509
Total current assets	304,001	499,509
Total assets	16,094,001	15,941,884
<b>Liabilities</b>		
Current liabilities		
Interest bearing loan and borrowings	180,564	322,790
Current tax	139,175	126,380
Trade and other payables	274,607	327,942
Total current liabilities	594,346	777,112
Non-current liabilities		
Interest bearing loans and borrowings	2,601,078	2,702,337
Deferred tax	420,563	368,286
Total non-current liabilities	3,021,641	3,070,623
Total liabilities	3,615,987	3,847,735
Net assets	12,478,014	12,094,149
<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	1,854,536	1,912,366
Retained earnings	10,020,454	9,578,759
Total equity	12,478,014	12,094,149

Stewart & Wight PLC  
Consolidated Statement of Changes in Shareholders' Equity (unaudited)  
from 1 April 2008 to 31 March 2010

	Revaluation reserve	Retained earnings	Other reserves	Share capital	Total
	£	£	£	£	£
At 1 April 2008	3,529,755	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 and 1 April 2009	1,912,366	9,578,759	513,158	89,866	12,094,149
Profit for the financial period	-	713,154	-	-	713,154
Dividends to shareholders	-	(329,289)	-	-	(329,289)
Valuation gains and losses	124,834	(124,834)	-	-	-
Gains attributable to assets sold	(182,664)	182,664	-	-	-
As at 31 March 2010	1,854,536	10,020,454	513,158	89,866	12,478,014

Shareholders' funds include non-equity shareholders' funds of £11,630 (2009: £11,630)

Stewart & Wight PLC  
Consolidated cash flow statement (unaudited)  
for the year ended 31 March 2010

	Year to 31 March 2010 £	Year to 31 March 2009 £
Operating activities		
Profit/(loss) for the period	713,154	(682,455)
Adjustments for:		
Profit on disposal of investment property	(13,631)	-
Loss on disposal of other investments	73,459	272,124
Net valuation (gains)/losses on investment property	(124,834)	1,250,618
Net valuation losses on other investments	-	29,717
Interest expense	43,582	153,466
Tax expense/(income)	325,513	(79,787)
Operating profit before changes in working capital and provisions	1,017,243	943,683
Change in receivables	(224,366)	61,734
Change in payables	(53,335)	25,980
Cash generated from operations	739,542	1,031,397
Net interest paid	(43,582)	(153,466)
Tax paid	(260,441)	(189,640)
Cash flow from operating activities	435,519	688,291
Investing activities		
Purchase of investment property	(845,166)	(875,618)
Purchase of other investments	(360)	(1,967)
Sale of investment property	238,631	-
Sale of other investments	324,276	1,391,625
Cash outflow from change in debt	(243,485)	(174,178)
Cash (used in)/generated from investing activities	(526,104)	339,862
Financing activities		
Dividend paid	(329,289)	(313,642)
Cash flow from financing activities	(329,289)	(313,642)
Net (decrease)/increase in cash and cash equivalents	(419,874)	714,511
Cash and cash equivalents at 1 April 2009	499,509	(215,002)
Cash and cash equivalents at 31 March 2010	79,635	499,509

Stewart & Wight PLC  
Notes to the accounts

1	Taxation	Year to 31 March 2010 £	Year to 31 March 2009 £
	Current tax	273,236	231,380
	Deferred tax	52,277	(311,322)
	Adjustment for prior year	-	155
		<u>325,513</u>	<u>(79,787)</u>

- 2 Earnings/(loss) per share  
The calculation of earnings/(loss) per share is based on the (profit)/loss for the period of £713,154(2009: loss, £682,455) and on 1,564,720 shares (2009: 1,564,720) which is the weighted average number of shares in issue during the year ended 31 March 2010.

3	Dividends	Year to 31 March 2010 £	Year to 31 March 2009 £
	The following dividends have been paid by the Company		
	Cumulative preference shares paid	698	698
	Ordinary shares – final dividend paid	328,591	312,944
		<u>329,289</u>	<u>313,642</u>

The proposed dividend for the year ended 31 March 2010 is 2 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 £31,294. An interim dividend was paid after the year end of 20 pence per ordinary share amounting to £312,944 and has not been included in these accounts.

4	Investment Property	31 March 2010 £	31 March 2009 £
	Valuation at 1 April 2009	15,045,000	15,420,000
	Additions	845,166	875,618
	Disposals	(225,000)	-
	Surplus/(deficit) on revaluation	124,834	(1,250,618)
	As at 31 March 2010	<u>15,790,000</u>	<u>15,045,000</u>

The investment properties were valued by the directors at £15,790,000 as at 31 March 2010. This has been reflected in these accounts.

- 5 Final ordinary dividend  
A final ordinary dividend of 2 pence per ordinary share will be paid on 15 October 2010 to shareholders registered at the close of business on 24 September 2010.

- 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 435 of the Companies Act 2006. It is an extract from the full accounts for the year ended 31 March 2010 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 21 August 2010 and subsequently filed at Companies House.

8 The Annual General Meeting will be held on 21 September 2010

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