

Stewart & Wight PLC

Interim results for the six months ended 30 September 2011

Chairman's Statement

After allowing for a diminution in value of £224,799 in respect of the Company's property portfolio, the Company made an operating profit of £261,734 before net financial costs of £20,316 for the half-year ended 30 September 2011. Gross rentals received were £553,180 compared with £578,257 in the similar period in the previous year. Interest payments remained low and administrative expenses were at a similar level to previous periods.

During the half-year, the Company sold a small retail property in Ashington at a price equal to the valuation figure in the 2010/11 final accounts. At almost the end of the period the Company purchased a freehold retail investment property in Northallerton newly let to Crew Clothing Co. Limited at a total cost of £586,632 with a yearly rental of £37,000 commencing in April 2012. A Lease extension was agreed at the Company's property let to the Cooperative Bank in Doncaster in exchange for a fifty per cent reduction in rent for one year.

Despite the pressure on the retail market, I am pleased to report that all our tenants are up-to-date with their rental payments and there are no vacant properties in the portfolio. However, the Board remain concerned that tenants may vacate or require lower rents as and when their current Leases expire. Similarly, the values of the properties tend to fall as the reversions get nearer.

The Directors revalued the properties in the portfolio as at 30 September 2011 and the total is included in the accompanying Balance Sheet. The total value of the properties which remained in the portfolio for the whole of the six months fell by 1.54 per cent from 31 March 2011.

The Board has decided to leave a decision on paying an interim dividend this current year until early in 2012.

MICHAEL CONN
Chairman

17 November 2011

**Consolidated statement of comprehensive income (unaudited)
for the six months ended 30 September 2011**

	Six months to 30/09/2011	Six months to 30/09/2010	Year to 31/03/2011
	£	£	£
Gross rental income	553,180	578,257	1,142,878
Property operating expenses	(22,278)	(10,067)	(33,570)
Net rental income	530,902	568,190	1,109,308
(Loss)/profit on disposal of investment property	(1,934)	106,864	106,864
Valuation gains on investment property	120,201	-	167,925
Valuation losses on investment property	(345,000)	-	(905,000)
Administrative expenses	(42,435)	(41,868)	(74,058)
Net operating profit before financing	261,734	633,186	405,039
Financial income	83	3	3
Financial expenses	(20,399)	(20,899)	(41,143)
Profit before taxation	241,418	612,290	363,899
Taxation (note 4)	(22,065)	(18,464)	(4,188)
Profit for financial period	219,353	593,826	359,711
Earnings per share (note 5)	14.02p	37.95p	22.99

**Consolidated balance sheet (unaudited)
as at 30 September 2011**

	30 Sept 2011	30 Sept 2010	31 March 2011
	£	£	£
Assets			
Non-current assets			
Investment property (Note 3)	15,581,833	16,117,075	15,380,000
Total non-current assets	<u>15,581,833</u>	<u>16,117,075</u>	<u>15,380,000</u>
Current assets			
Trade and other receivables	-	-	-
Cash and cash equivalents	76,790	145,922	362,409
Total current assets	<u>76,790</u>	<u>145,922</u>	<u>362,409</u>
Total assets	<u>15,658,623</u>	<u>16,262,997</u>	<u>15,742,409</u>
Liabilities			
Current liabilities			
Interest bearing loan and borrowings	180,564	180,564	180,564
Current tax	120,744	219,693	140,026
Trade and other payables	316,904	275,200	321,345
Total current liabilities	<u>618,212</u>	<u>675,457</u>	<u>641,935</u>
Non-current liabilities			
Interest bearing loan and borrowings	2,391,503	2,531,484	2,461,386
Deferred tax	46,746	297,509	146,400
Total non-current liabilities	<u>2,438,249</u>	<u>2,828,993</u>	<u>2,607,786</u>
Total liabilities	<u>3,056,461</u>	<u>3,504,450</u>	<u>3,249,721</u>
Net assets	<u>12,602,162</u>	<u>12,758,547</u>	<u>12,492,688</u>
Equity			
Capital and reserves			
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	800,302	1,821,271	1,084,196
Retained earnings	11,198,836	10,334,252	10,805,468
Total equity	<u>12,602,162</u>	<u>12,758,547</u>	<u>12,492,688</u>

**Consolidated cash flow statement (unaudited)
for the six months ended 30 September 2011**

	Six months to 30/09/2011	Six months to 30/09/2010	Year to 31/03/2011
	£	£	£
Operating activities			
Profit for the period	219,353	593,826	359,711
Adjustments for:			
Net valuation losses on investment property	224,799	-	737,075
Loss/(profit) on disposal of investment property	1,934	(106,864)	(106,864)
Interest expense	20,316	20,896	41,140
Tax expense	22,065	18,464	4,188
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Operating profit before changes in working capital and provisions	488,467	526,322	1,035,250
Changes in receivables	-	224,366	224,366
Changes in payables	(33,240)	593	46,738
	<hr/>	<hr/>	<hr/>
Cash generated from operations	455,227	751,281	1,306,354
Net interest paid	(20,316)	(20,896)	(41,140)
Tax paid	(141,000)	(61,000)	(277,500)
Cash flow from operating activities	<hr/>	<hr/>	<hr/>
	293,911	669,385	987,714
Investing activities			
Purchase of investment property	(557,833)	(992,075)	(992,075)
Sale of investment property	158,065	771,864	771,864
Cash outflow from change in debt	(69,883)	(69,594)	(139,692)
Cash used in investing activities	<hr/>	<hr/>	<hr/>
	(469,651)	(289,805)	(359,903)
Financing activities			
Dividend paid	(109,879)	(313,293)	(345,037)
Cash flow from finance activities	<hr/>	<hr/>	<hr/>
	(109,879)	(313,293)	(345,037)
Net increase in cash and cash equivalents	(285,619)	66,287	282,774
Cash and cash equivalents at 1 April 2011	362,409	79,635	79,635
Cash and cash equivalents at 30 September 2011	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	76,790	145,922	362,409

**Consolidated statement of changes in equity from
1 April 2010 to 30 September 2011 (unaudited)**

	Revaluation reserve	Retained earnings	Other reserves
i) 1 April 2011 to 30 September 2011	£	£	£
As at 1 April 2011	1,084,196	10,805,468	513,158
Total comprehensive income	-	219,353	-
Dividends to shareholders	-	(109,879)	-
Valuation gains and losses	(224,799)	224,799	-
Gains attributable to assets sold	(59,095)	59,095	-
As at 30 September 2011	<u>800,302</u>	<u>11,198,836</u>	<u>513,158</u>
ii) 1 April 2010 to 30 September 2010			
As at 1 April 2010	1,854,536	10,020,454	513,158
Total comprehensive income	-	593,826	-
Dividends to shareholders	-	313,293	-
Gains attributable to assets sold	(33,265)	33,265	-
As at 30 September 2010	<u>1,821,271</u>	<u>10,334,252</u>	<u>513,158</u>
iii) 1 April 2010 to 31 March 2011			
As at 1 April 2010	1,854,536	10,020,454	513,158
Total comprehensive income	-	359,711	-
Dividends to shareholders	-	(345,037)	-
Valuation gains and losses	(737,075)	737,075	-
Gains attributable to assets sold	(33,265)	33,265	-
As at 31 March 2011	<u>1,084,196</u>	<u>10,805,468</u>	<u>513,158</u>

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 is available at the company's registered office and at the company's web site. The results for the six months ended 30 September 2011 are unaudited.

The interim report does not constitute full accounts as defined by the Companies Act 2006 but should be read in conjunction with the most recent financial statements. Full accounts for 31 March 2011 have been delivered to the Registrar of Companies, bearing an unqualified audit opinion.

2 **Basis of preparation**

The financial statements have been prepared under the historical cost basis as modified by the revaluation of investment properties and non-equity investments.

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 2011	15,380,000
Additions	586,632
Revaluation	(224,799)
Disposals	(160,000)
At 30 September 2011	<u>15,581,833</u>

The Directors' have revalued the investment properties at fair value in line with the company accounting policy set out in the notes to the full accounts as at 30 September 2011. The investment properties were professionally valued at 31 March 2011.

4 **Taxation**

	Six months to 30/09/2011	Six months to 30/09/2010	Year to 31/03/2011
	£	£	£
Current tax	121,719	141,518	278,351
Deferred tax	(99,654)	(123,054)	(274,163)
	<u>22,065</u>	<u>18,464</u>	<u>4,188</u>

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

5 **Earnings per share**

The calculation of earnings per share is based on the profit for the period of £219,353 (2010: £593,826) and on 1,564,720 shares (2010: 1,564,720) which is the weighted average number of shares in issue during the period ended 30 September 2011 and throughout the period since 1 April 2010.

6 The registered office of the company is at 845 Finchley Road, London NW11 8NA. The company's web site address is www.stewartandwightplc.co.uk. The company registration number is 57142