

**STEWART & WIGHT PLC**

**CHAIRMAN'S STATEMENT**

The valuation of the Company's portfolio as at 31 March 2012 was £13,230,000 compared with £15,380,000 a year earlier. The fall in values is larger than anticipated in my previous statements due to significant changes in pricing in the retail property market in the last few months. The property market still remains in a state of flux especially in relation to high street retail properties which are the major element of our portfolio.

Whilst valuations have fallen, I am pleased to report that rental income has remained fairly constant. Property income for the year to 31 March 2012 was £1,089,970 compared with £1,142,878 in the previous year. The slight fall was due mainly to the short-term reduction in the rent on our Doncaster property in exchange for an additional five-year term. In September 2011, we completed the purchase of a further retail property in Northallerton which should serve to increase our rental income during the current year. We did sell a small freehold property in Worksop where the rental was relatively low.

Administrative expenses were slightly higher than last year and financial expenses were marginally less. An interim dividend of 7 pence per ordinary share was paid in April of this year and the board has decided to recommend a final dividend of 16 pence per share (similar to last year) payable on 12 October 2012 to holders of ordinary shares registered at close of business on 14 September 2012.

We are concerned that when leases of properties in the portfolio expire, it is likely that the tenants will require incentives and lower rents in order to remain. However, we hope that the economy will improve and with it the rental values in the high street. We are continuing to seek further suitable properties to add to the portfolio.

Based on the Balance Sheet, the net asset value of each ordinary share was £6.95 as at 31 March 2012 compared with £7.98 at the end of the previous year.

Finally, I would like to thank my co-directors and the Company's advisors for their support during a difficult year.

MICHAEL CONN

Chairman

7 June 2012

Stewart & Wight PLC  
Statement of comprehensive income (unaudited)  
for the year ended 31 March 2012

	Year to 31 March 2012	Year to 31 March 2011
	£	£
Gross rental income	1,089,970	1,142,878
Property operating expenses	(41,176)	(33,570)
Net rental income	1,048,794	1,109,308
Profit on disposal of investment property	(1,249)	106,864
Valuation gains on investment properties	30,000	167,925
Valuation losses on investment properties	(2,606,632)	(905,000)
Administrative expenses	(76,019)	(74,058)
Net operating (loss)/profit before financing	(1,605,106)	405,039
Financial income	90	3
Financial expenses	(39,507)	(41,143)
(Loss)/profit before taxation	(1,644,523)	363,899
Taxation	(399,058)	4,188
Total comprehensive income	(1,245,465)	359,711
(Loss)/earnings per share	(79.60)p	22.99p

Stewart & Wight PLC  
Consolidated balance sheet (unaudited)  
as at 31 March 2012

	31 March 2012	31 March 2011
	£	£
<b>Assets</b>		
Non-current assets		
Investment property	13,230,000	15,380,000
Non-equity investments	-	-
Total non current assets	13,230,000	15,380,000
Current assets		
Trade and other receivables	496,391	-
Cash and cash equivalents	140,935	362,409
Total current assets	637,326	362,409
Total assets	13,867,326	15,742,409
<b>Liabilities</b>		
Current liabilities		
Interest bearing loan and borrowings	180,564	180,564
Current tax	117,759	140,026
Trade and other payables	361,874	321,345
Total current liabilities	660,197	641,935
Non-current liabilities		
Interest bearing loans and borrowings	2,320,329	2,461,386
Deferred tax	-	146,400
Total non-current liabilities	2,320,329	2,607,786
Total liabilities	2,980,526	3,249,721
Net assets	10,886,800	12,492,688
<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	-	1,084,196
Retained earnings	10,283,776	10,805,468
Total equity	10,886,800	12,492,688

Stewart & Wight PLC  
Consolidated Statement of Changes in Shareholders' Equity (unaudited)  
from 1 April 2010 to 31 March 2012

	Revaluation reserve	Retained earnings	Other reserves	Share capital	Total
	£	£	£	£	£
At 1 April 2010	1,854,536	10,020,454	513,158	89,866	12,478,014
Total comprehensive income	-	359,711	-	-	359,711
Dividends to shareholders	-	(345,037)	-	-	(345,037)
Valuation gains and losses	(737,075)	737,075	-	-	-
Gains attributable to assets sold	(33,265)	33,265	-	-	-
As at 31 March 2011 and 1 April 2011	1,084,196	10,805,468	513,158	89,866	12,492,688
Total comprehensive income	-	(1,245,465)	-	-	(1,245,465)
Dividends to shareholders	-	(360,423)	-	-	(360,423)
Valuation gains and losses	(1,025,101)	1,025,101	-	-	-
Gains attributable to assets sold	(59,095)	59,095	-	-	-
As at 31 March 2012	-	10,284,474	513,158	89,866	10,886,800

Shareholders' funds include non-equity shareholders' funds of £11,630 (2011: £11,630)

Stewart & Wight PLC  
Consolidated cash flow statement (unaudited)  
for the year ended 31 March 2012

	Year to 31 March 2012	Year to 31 March 2011
	£	£
Operating activities		
(Loss)/profit for the period	(1,245,465)	359,711
Adjustments for:		
Net valuation losses on investment property	2,576,632	737,075
(Loss)/profit on disposal of investment property	1,249	(106,864)
Interest expense	39,417	41,140
Taxation	(399,058)	4,188
Operating profit before changes in working capital and provisions	972,775	1,035,250
Change in receivables	-	224,366
Change in payables	40,529	46,738
Cash generated from operations	1,013,304	1,306,354
Net interest paid	(39,417)	(41,140)
Tax paid	(266,000)	(277,500)
Cash flow from operating activities	707,887	987,714
Investing activities		
Purchase of investment property	(586,632)	(992,075)
Purchase of other investments	-	-
Sale of investment property	158,751	771,864
Sale of other investments	-	-
Cash outflow from change in debt	(141,057)	(139,692)
Cash used in investing activities	138,949	(359,903)
Financing activities		
Dividend paid	(360,423)	(345,037)
Cash flow from financing activities	(360,423)	(345,037)
Net (decrease)/increase in cash and cash equivalents	(221,474)	282,774
Cash and cash equivalents at 1 April 2011	362,409	79,635
Cash and cash equivalents at 31 March 2012	140,935	362,409

Stewart & Wight PLC

Notes to the accounts

1	Taxation	Year to 31 March 2012 £	Year to 31 March 2011 £
	Current tax	242,759	278,351
	Deferred tax	(642,791)	(274,163)
	Prior year adjustment	974	-
		<u>(399,058)</u>	<u>4,188</u>

- 2 (Loss)/earnings per share  
The calculation of (loss)/earnings per share is based on the loss for the period of £1,245,465 (2011: profit - £359,711) and on 1,564,720 shares (2011: 1,564,720) which is the weighted average number of shares in issue during the year ended 31 March 2012.

3	Dividends	Year to 31 March 2012 £	Year to 31 March 2011 £
	The following dividends have been paid by the Company		
	Cumulative preference shares paid	698	698
	Ordinary shares – final dividend paid	<u>359,725</u>	<u>344,339</u>
		<u>360,423</u>	<u>345,037</u>

The proposed dividend for the year ended 31 March 2012 is 16 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 £250,355. An interim dividend was paid after the year end of 7 pence per ordinary share amounting to £109,530 and has not been included in these accounts.

4	Investment Property	31 March 2012 £	31 March 2011 £
	Valuation at 1 April 2011	15,380,000	15,790,000
	Additions	586,632	992,075
	Disposals	(160,000)	(665,000)
	(Deficit) on revaluation	<u>(2,576,632)</u>	<u>(737,075)</u>
	As at 31 March 2012	<u>13,230,000</u>	<u>15,380,000</u>

Boddy & Edwards, independent chartered surveyors, carried out an independent valuation of the properties at a fair value amounting to £15,380,000 at 31 March 2012. The valuation was made in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors. This has been reflected in these accounts.

- 5 Final ordinary dividend  
A final ordinary dividend of 16 pence per ordinary share will be paid on 12 October 2012 to shareholders registered at the close of business on 14 September 2012.

- 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 2012 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 12 August 2012 and subsequently filed at Companies House.

- 8 The Annual General Meeting will be held on 12 September 2012
  
- 9 The registered office of the company is at 845 Finchley Road, London NW11 8NA