

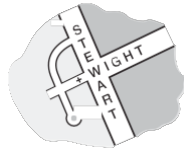


Report & Accounts

2012

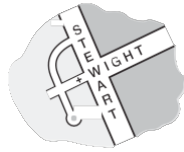


STEWART & WIGHT PLC



Report and Accounts for the year ended 31 March 2012

Contents	Page
Directors and Advisors	2
Notice of Annual General Meeting	3
Chairman's Statement	4
Report of the Directors	5
Directors' Remuneration Report	11
Independent Auditor's Report	12
Consolidated Balance Sheet	14
Company Balance Sheet	15
Consolidated Statement of Comprehensive Income	16
Statements of Changes in Shareholders' Equity	17
Consolidated and Company Cash Flow Statement	18
Notes to the Accounts	19



Directors and Advisors

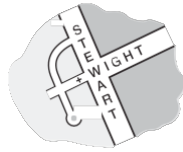
Directors: Michael B. Conn, LL.B, Chairman
Hadassa R. Conn, Non-Executive Director
David M. Cramer, B.A., F.C.A. Finance Director
Douglas G. Conn, B.A. Managing Director
Robert Foux B.Sc. M.R.I.C.S. Independent Non-Executive Director

Secretary: David M. Cramer, B.A., F.C.A.

Statutory auditor: Chantrey Vellacott DFK LLP
Russell Square House
10-12 Russell Square
London WC1B 5LF

Registered office: 845 Finchley Road, London, NW11 8NA
(Registered No. 57142)

Registrars: Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU



**Established 1898
Property Investors**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Stewart & Wight plc will be held on 12 September 2012 at The Hendon Hall Hotel, Ashley Lane, Hendon, London NW4 1HF, commencing at 15.30 for the following purposes:-

As Ordinary Business to consider and, if thought fit, pass the following Resolutions which will be proposed as Ordinary Resolutions:-

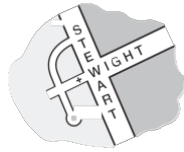
1. To receive and adopt the Report and Accounts of the Company for the year ended 31 March 2012 together with the Report of the Auditor thereon.
2. To confirm the payment of the fixed dividend for the year ended 31 March 2012 on the Cumulative Preference Shares of 33.3p each ranking for this dividend.
3. To authorise the payment of a dividend for the year ended 31 March 2012 of 16 pence per share on the Ordinary Shares of 5p each ranking for this dividend.
4. To approve the Directors' Remuneration Report.
5. To re-elect as director, Mr M Conn who retires by rotation in accordance with Article 100 of the Company's Articles of Association and being eligible offers himself for re-election.
6. To re-elect as director, Mr R Foux who retires by rotation in accordance with Article 100 of the Company's Articles of Association and being eligible offers himself for re-election.
7. To re-appoint Chantrey Vellacott DFK LLP as auditor to the Company.
8. To authorise the directors to fix the remuneration of the auditor for the ensuing year.

By Order of the Board
DAVID M. CRAMER
Secretary

Registered Office:
845 Finchley Road
London NW11 8NA
26 June 2012

NOTES

- i) A Member entitled to attend and vote at the Meeting convened by this Notice is entitled to appoint one or more proxies to attend and, on a poll, to vote in his or her stead. A proxy need not be a Member of the Company. The appointment of a proxy will not preclude a Member from being present at the Meeting and voting in person if he or she should subsequently decide to do so.
- ii) To be valid, forms of proxy must be lodged at the Company's registered office, 845 Finchley Road, London NW11 8NA not later than 48 hours before the time appointed for the holding of the Meeting.
- iii) The following documents will be available for inspection at the Company's registered office during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this Notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for 15 minutes prior to and during the Meeting:-
 - a) the Register of Directors' Interests in the shares of the Company kept in accordance with Section 808 of the Companies Act 2006.
 - b) a copy of the Memorandum and Articles of Association of the Company.
- iv) None of the Directors of the Company has a contract of employment or management contract with the Company or its subsidiary.



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 £6.78 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

26 June 2012



Report of the Directors

The Directors submit their report and the audited accounts of the group for the year ended 31 March 2012.

Principal Activities

The Company is engaged in the activity of property investment.

Review of Business Development

The results of the Group are summarised in the consolidated statement of comprehensive income on page 16. A review of operations is given in the Chairman's Statement.

Summary of Key Performance Indicators

The group's key performance indicators relate to gross rents received in any year and total trading costs. Rental income fell 4.63% in the year (2011: Increase by 2.86%) and total property and administrative costs excluding interest increased by 8.89% (2011; 14.66%).

Subsequent Events and Future Developments

Details of events subsequent to the end of the financial year and future developments are also referred to in the Chairman's Statement.

Fixed Assets

The investment properties of the Group were professionally valued at 31 March 2012 based on a fair valuation of the properties in the sum of £13,230,000. The investment properties were valued professionally at 31 March 2011 based on a fair valuation of the properties in the sum of £15,380,000. This has been duly reflected in the balance sheet and has resulted in a deficit on revaluation in the Group of £2,576,632. One property was purchased in the year for £586,632 and there was one disposal resulting in a loss on disposal amounting to £1,249.

Dividends

The Directors propose a final dividend of 16p per ordinary share. An interim dividend was paid on 1 April 2012 amounting to 7p per ordinary share.

Capital structure

Details of the ordinary and preference shares of the Company, authorised and issued, together with details of the movements during the year are shown in note 7. The company has only one class of ordinary share of 5 pence per ordinary share which carry no right to fixed income. The company has only one class of preference share being 6% cumulative shares of 33.3p each which carry a right to a fixed coupon every 6 months. Holders of both ordinary and preference shares are entitled to receive the company's Annual Report and Accounts, to attend and speak or appoint proxies and to exercise voting rights at the general meetings of the Company. The Company's Articles of Association does not have any specific restrictions on the transfer of shares, restrictions on voting rights nor are there limitations to the holding of such shares. The Directors are not aware of any agreements between the holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Shareholders with significant interests are disclosed in the report of the directors.

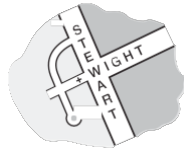
Directors

- The Directors retiring by rotation are Mr M B Conn and Mr R Foux who being eligible offer themselves for re-election.
- None of the Directors had any material interest in contracts entered into by the Company during the financial year.
- The Directors seeking re-election do not have service contracts with the Company.

Directors Shareholdings

The Directors together with their families had interests in the preference and ordinary shares of the Company at the beginning and end of the year as shown below:-

	6% Cumulative preference			Ordinary shares of 5p each		
	2012	2011	%	2012	2011	%
Mr. and Mrs. M.B. Conn	28,740	28,740	82	1,000,220	1,000,220	64
D.M. Cramer	300	300	1	5,100	5,100	1
D.G. Conn	2,857	2,857	8	83,356	83,356	5
R Foux	300	300	1	1,850	850	1



Report of the Directors continued

The above shares are owned beneficially by the Directors or their respective families. Mr. & Mrs. M.B. Conn and D.G. Conn jointly hold 68,400 ordinary 5p shares non-beneficially. D.G. Conn holds a further 9,850 shares non-beneficially.

There have been no changes in the above Director's shareholdings in the period 1 April 2012 to 26 June 2012.

Major Shareholdings

Other than the Directors there were no major interests in the shares of the Company.

Principle risks and uncertainties

The principle risks of the Company remain the loss of value to the portfolio, reduction in rents due to negative rent reviews, loss of tenants and significant increase to interest rates. The Company is generally well positioned to deal with all these uncertainties and risks and reviews these major risks and uncertainties on a constant basis.

The Company reviews its cash flow on a regular basis and manages its cash flow risk as circumstances dictate at the time. At present risk associated to the Company's exposure to price through its rentals and interest rates together with the risk associated with liquidity and cash flow risk remains subdued and under control.

Corporate Governance

The purpose of this statement is to describe the Company's approach to corporate governance and, in particular, to explain how the Company has applied the provisions set out in the UK Corporate Governance Code.

The Board recognises the importance of the principles and provisions and has complied with all the provisions of the UK Corporate Governance Code except for certain specific provisions detailed in the sections below.

The Company's principal business consists of the acquisition and management of investment properties, the majority of which are let on full repairing and insuring leases. These activities are managed and controlled by the present Board which consists of the Executive Chairman, the Managing Director, the Finance Director and two Non-executive Directors. All material decisions are taken by agreement of all Directors who are in regular contact with each other through both formal and informal meetings.

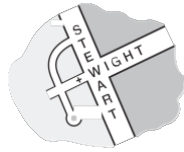
The Board considers one of the Non-executive Directors to be independent. The Code's provisions state that the majority of Non-executive Directors should be independent. The Board is seeking to increase the number of Non-executive Directors.

In accordance with the Company's Articles of Association, one-third of the Board are required to retire by rotation each year. The Code requires that over a three year period all Directors should retire from the Board and face re-election and the Company has complied with this requirement.

The functions of the remuneration, audit and nomination committees referred to in the Code are undertaken by the Board as a whole. When the Board meets as the remuneration committee it is chaired by the independent Non-executive Director. When the Board meets as an audit committee it is chaired by the Financial Director. It discussed all issues raised by the auditor and arising from the audit as well as ensuring the auditor's independence is assured.

The policy of the Board is to ensure that the administration expenses of the Company are kept at an economic level, consistent with good management, for the ultimate benefit of the shareholders. Independent professional advice is, where necessary, sought and obtained in relation to the Company's business activities.

There were 10 board meetings, one audit committee meeting and one remuneration committee meeting during the year and each was attended by all the Directors.



Report of the Directors continued

The Board has not established formal performance evaluation procedures of itself, the Directors or its committees but during the forthcoming year it will consider whether implementation of such procedures is appropriate.

In view of the nature of the Company and its size it is not felt appropriate that:

- The Board should have a formal schedule of matters specifically reserved to it for decision
- There should be an agreed procedure for Directors in furtherance of their duties to take independent professional advice if necessary, at the Company's expense
- Non-executive Directors should be appointed for specific terms

Directors' Remuneration

As stated above, the Board as a whole undertakes the function of the remuneration committee described in the Code. This practice does not conform to the Code, as the remuneration committee does not consist exclusively of Non-executive Directors.

The details of Directors' remuneration for the year ended 31 March 2012 are disclosed in the Directors' Remuneration Report.

Shareholder Relations

The Company does not have meetings with institutional shareholders but encourages all shareholders to participate in the Company's Annual General Meeting.

A member of the Board will be available to answer questions at the forthcoming Annual General Meeting. In addition proxy votes will be counted and the results announced after any vote on a show of hands.

The Board has complied with the recommendation of the UK Corporate Governance Code that the notice of the Annual General Meeting and related papers should be sent to shareholders at least twenty working days before the meeting.

Directors

Mr. Michael Conn is aged 79 and has been a director of the Company since 1977. He is a non-practising solicitor.

Mrs. Hadassa Conn is aged 73 and has been a director of the Company since 1979.

Mr. Douglas Conn is aged 48 and has been a director of the Company since 1988. He is Chief Executive of 1st Policy Company Limited, which is a market maker in traded endowment policies.

Mr. David Cramer is aged 49 and has been a director of the Company since 1988. He is a Chartered Accountant in private practice.

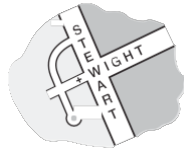
Mr. Robert Foux is aged 44 and has been a director of the Company since 2010. He is a Chartered Surveyor in private practice with over 20 years experience in the property sector.

Going Concern

After making enquiries, the Directors consider that the Company and Group have adequate resources to continue in operational existence for the foreseeable future and are satisfied that the Company is a going concern. The Group maintain a low level of borrowing and have significant interest cover. Rental income has remained strong throughout the year. For this reason, they continue to adopt the going concern basis in preparing the Group's accounts.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.



Report of the Directors continued

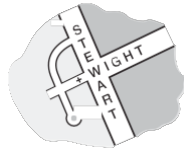
Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRS's) as adopted by the EU and have elected to prepare the parent company financial statements on the same basis.

The group and parent company financial statements are required by law and IFRS's as adopted by the EU to present fairly the financial position of the group and the parent company and the performance of the group for each financial year. Under company law in the United Kingdom the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation. In preparing each of the group and parent company financial statements the directors are required to:

- select suitable accounting policies in accordance with Article 4 of "IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors" and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS's is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance; and
- state that the group has complied with the IFRS's, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Report of the Directors continued

Directors' responsibility statement pursuant to DTR 4

Each of the directors confirm to the best of their knowledge that:

(a) The Group and Company financial statements in this report have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, IFRIC interpretations, Companies Act 2006 applicable to companies reporting under IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation; and (b) the contents of this report include a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

Statement of Disclosure of Information to the Auditor

Each person who was a Director at the date that this report was approved has taken all steps that they ought to have taken as Directors in order to:

- make themselves aware of any relevant audit information (as defined by the Companies Act 2006), and
- ensure that the auditor is aware of all relevant audit information (as defined).

As far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware.

Internal Controls

The Directors are responsible for the system of internal controls and have established a system appropriate to the size of the Company and the number of employees, which is designed to provide effective internal control.

The system is designed to manage but cannot eliminate the risk of failure to achieve the Company's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board has established formal procedures with regard to the matters below:-

- A clearly defined organisational structure and limits of authority.
- The Board approves all acquisitions and disposals.
- The Board meets a number of times during the year to discuss group cash flows and other financial matters.
- The Board discusses all material matters relating to the Group's activities throughout the year.
- Financial reports are presented to the Board concerning budgets, cash flows, properties and the Group's overall financing.

The Company has continuing procedures for the identification, assessment and management of the risks faced by the Company. These procedures were in place throughout the year ended 31 March 2012 and also to the date of approval of the annual report and accounts.

The Directors have undertaken their annual review of the effectiveness of the Company's system of internal control.

In view of the size and nature of the Company, the Directors do not foresee at present the requirement for an internal audit function. The need for an internal audit function is reviewed on a regular basis by the Board.



Report of the Directors continued

Corporate Social Responsibility and Environment

The Company is committed to the well being of its employees, customers and tenants where possible and reviews its policies with the changing business environment. The Company always looks to improve its operations to ensure that we are an environmentally conscious organisation.

Treasury Policies and Objectives

The Company seeks to ensure that our lending is administratively simple and at the best possible interest rate existing within the market place and as such regularly reviews lending terms and conditions to those available at other lenders.

Payments to Suppliers

The Company's policy is to pay suppliers not later than twenty-eight days after the supplier's invoice is received. This policy is made known to the staff that handles payments to suppliers and is made known to all suppliers on request. The Company is unable to present any creditor day statistics because of the nature of its activities. It had no trade creditors at the balance sheet date.

Close Company

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Auditor

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor will be proposed at the forthcoming Annual General Meeting.

845 Finchley Road
London NW11 8NA
26 June 2012

By Order of the Board
DAVID M. CRAMER
Secretary



Directors' Remuneration Report

Due to the size of the Company the remuneration committee meets as the whole Board. Where specific remuneration is discussed the relevant Director is excluded from the meeting.

No outside advice has been taken on the level of remuneration paid. The Company's policy is to offer a proper market rate for a company the size of Stewart & Wight plc and to be transparent.

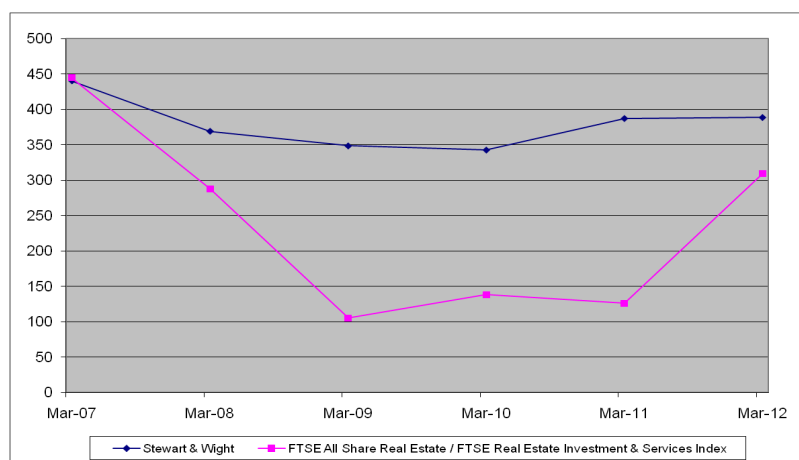
When determining the remuneration policy and arrangements for the Directors, the remuneration committee consider the pay and employment conditions elsewhere in the Group.

The Company's policy on executive directors' remuneration is in accordance with its policy for administrative expenses as a whole as described above. In framing its remuneration policy the Board gives full consideration to the principles and provisions set out in section D of the Code. The Directors have no specific notice or contract periods in view of the Company's overall remuneration policy for Directors.

The Directors do not have contracts and are subject to normal employment legislation.

Directors' remuneration is reviewed every two years having regard to the duties performed, the market place and discussions between the Directors. The last review was on 6 March 2012. As a result some directors received an increase of £1,000 per annum.

The graph below shows the Company's total shareholder value performance compared with the FTSE All Share Real Estate/FTSE Real Estate Investment & Services Index over the last 5 years. The Directors consider this to be the most appropriate index for comparison.



Audited information:

<i>Directors' remuneration</i>	2012 £	2011 £
M B Conn	5,000	5,000
D G Conn	5,000	5,000
D M Cramer	18,000	18,000
R Foux	5,000	5,000
H R Conn	-	-
	33,000	33,000

The above figures include all salaries paid during the financial year. There were no benefits-in-kind, no performance related payments and no payments to any kind of approved or unapproved pension scheme. In the year, all of the Directors waived their fees as prescribed in the Articles of Association, these amount to £2,500 (2011: £2,500). All key management personnel are Directors of the Company and therefore no further disclosures on the compensation of key management personnel are required.

M. B. Conn
Chairman
26 June 2012



Independent Auditor's Report

Independent auditor's report to the shareholders of Stewart & Wight plc

We have audited the financial statements of Stewart & Wight plc for the year ended 31 March 2012 which comprise the consolidated and company balance sheets, the consolidated statement of comprehensive income, the consolidated and company statements of changes in shareholders' equity, the consolidated and company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accountings policies are appropriate to the groups and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2012 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.



Independent Auditor's Report continued

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the report of the directors' for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.
- certain elements of the report to the shareholders by the Board on directors' remuneration

PAUL FENNER

(Senior Statutory Auditor)

for and on behalf of CHANTREY VELLACOTT DFK LLP

Chartered Accountants and Statutory Auditor

LONDON

26 June 2012



Consolidated Balance Sheet as at 31 March 2012

	Note	2012 £	2011 £
Assets			
Non-current assets			
Investment property	2	13,230,000	15,380,000
Total non-current assets		13,230,000	15,380,000
Current assets			
Deferred tax asset	6	211,465	-
Cash and cash equivalents	15	140,935	362,409
Total current assets		352,400	362,409
Total assets		13,582,400	15,742,409
Liabilities			
Current liabilities			
Interest bearing loan and borrowings	5	180,564	180,564
Current tax	9	117,759	140,026
Trade and other payables	4	361,874	321,345
Total current liabilities		660,197	641,935
Non-current liabilities			
Interest bearing loans and borrowings	5	2,320,329	2,461,386
Deferred tax	6	-	146,400
Total non-current liabilities		2,320,329	2,607,786
Total liabilities		2,980,526	3,249,721
Net assets		10,601,874	12,492,688
Equity			
Capital and reserves			
Called up share capital	7	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		9,998,850	10,805,468
Total equity		10,601,874	12,492,688

The financial statements were approved by the Board and authorised for issue on 26 June 2012 and were signed on its behalf by

MICHAEL B. CONN Directors

DAVID M. CRAMER

The attached notes form part of these accounts.

Company registration number - 57142



Company Balance Sheet as at 31 March 2012

	Note	2012 £	2011 £
Assets			
Non-current assets			
Investment property	2	13,230,000	15,380,000
Equity investments	3	284,872	284,872
Total non-current assets		13,514,872	15,664,872
Current assets			
Deferred tax asset	6	211,465	-
Cash and cash equivalents	15	140,935	362,409
Total current assets		352,400	362,409
Total assets		13,867,272	16,027,281
Liabilities			
Current liabilities			
Bank overdraft			
Interest bearing loan and borrowings	5	180,564	180,564
Current tax	9	117,759	140,026
Trade and other payables	4	646,747	606,218
Total current liabilities		945,070	926,808
Non-current liabilities			
Interest bearing loans and borrowings	5	2,320,329	2,461,386
Deferred tax	6	-	146,400
Total non-current liabilities		2,320,329	2,607,786
Total liabilities		3,265,399	3,534,594
Net assets		10,601,873	12,492,687
Equity			
Capital and reserves			
Called up share capital	7	89,866	89,866
Other reserve		25,670	25,670
Share premium reserve		246,000	246,000
Revaluation reserve		-	323,371
Retained earnings		10,240,337	11,807,780
Total equity		10,601,873	12,492,687

The financial statements were approved by the Board and authorised for issue on 26 June 2012 and were signed on its behalf by

MICHAEL B. CONN Directors

DAVID M. CRAMER

The attached notes form part of these accounts.

Company registration number - 57142

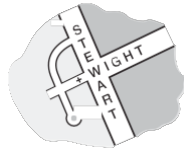


**Consolidated Statement of Comprehensive Income
for the year ended 31 March 2012**

	Note	2012 £	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
(Loss)/Profit on disposal of investment property		(1,249)	106,864
Valuation gains on investment property		30,000	167,925
Valuation losses on investment property		(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	8	(1,644,523)	363,899
Taxation	9	(114,132)	4,188
Total comprehensive income		(1,530,391)	359,711
(Loss)/earnings per share	11	(97.81)p	22.99p

The Group's activities are all of a continuing nature.

The attached notes form part of these accounts.



**Statements of Changes in Shareholders' Equity
from 1 April 2010 to 31 March 2012**

	<i>Consolidated</i>				
	Revaluation reserve £	Retained earnings £	Other reserve £	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	<u>1,084,196</u>	<u>10,805,468</u>	<u>513,158</u>	<u>89,866</u>	<u>12,492,688</u>
Total comprehensive income	-	(1,530,391)	-	-	(1,530,391)
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	<u>-</u>	<u>9,998,850</u>	<u>513,158</u>	<u>89,866</u>	<u>10,601,874</u>
	<i>Company</i>				
At 1 April 2010	1,093,711	11,022,766	271,670	89,866	12,478,013
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	<u>323,371</u>	<u>11,807,780</u>	<u>261,670</u>	<u>89,866</u>	<u>12,492,687</u>
Total comprehensive income	-	(1,530,391)	-	-	(1,530,391)
Dividends to shareholders	-	(360,423)	-	-	(360,423)
Valuation gains and losses	(264,276)	264,276	-	-	-
Gains attributable to assets sold	(59,095)	59,095	-	-	-
As at 31 March 2012	<u>-</u>	<u>10,240,337</u>	<u>271,670</u>	<u>89,866</u>	<u>10,601,873</u>

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



Consolidated and Company Cash Flow Statement

	2012	2011
Note	£	£
Operating activities		
(Loss)/profit for the year	(1,530,391)	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	(114,132)	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)
Sale of investment property	158,751	771,864
Cash outflow from change in debt	(141,057)	(139,692)
Cash used in investing activities	(568,938)	(359,903)
Finance activities		
Dividends paid	(360,423)	(345,037)
Cash flow from finance activities	(360,423)	(345,037)
Net (decrease)/increase in cash and cash equivalents	(221,474)	282,744
Cash and cash equivalents at 1 April 2011	362,409	79,635
Cash and cash equivalents at 31 March 2012	15 140,935	362,409

The attached notes form part of these accounts.



Notes to the Accounts

Compliance with accounting standards

The accounts have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS) and therefore the Group financial statements comply with Article 4 of the EU IAS Regulations. The historical cost basis has been applied except that investment properties are stated at their fair value.

The Directors consider that the Company and Group have adequate resources to continue in operational existence for the foreseeable future and are satisfied that the Company is a going concern. The Group maintain a low level of borrowing and have significant interest cover. Rental income has remained strong throughout the year. For this reason, they continue to adopt the going concern basis in preparing the Group's accounts

The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning 1 April 2011.

New standards and interpretations currently in issue but not effective for accounting periods commencing on 1 April 2011 are:

- IFRS 9 Financial Instruments (effective 1 January 2015)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 19 Employee Benefits (Revised June 2011) (effective 1 January 2013)
- IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)
- Deferred Tax: Recovery of Underlying Assets - Amendments to IAS 12 Income Taxes (effective 1 January 2012)
- Presentation of Items of Other Comprehensive Income - Amendments to IAS 1 (effective 1 July 2012)

As of 31 March 2012, the following standards and interpretations are in issue but not yet adopted by the EU:

- IFRS 9 Financial Instruments (effective 1 January 2015)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 19 Employee Benefits (Revised June 2011) (effective 1 January 2013)
- IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)
- IFRS 7 (amendments), Offsetting Financial assets and Financial Liabilities (effective 1 January 2013)
- IAS 32 (amendments), Offsetting Financial assets and Financial Liabilities (effective 1 January 2014)
- Disclosures - Transfers of Financial Assets - Amendments to IFRS 7 (effective 1 July 2011)
- Deferred Tax: Recovery of Underlying Assets - Amendments to IAS 12 Income Taxes (effective 1 January 2012)
- Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective 1 July 2011)
- Presentation of Items of Other Comprehensive Income - Amendments to IAS 1 (effective 1 July 2012)

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.



Notes to the Accounts continued

1. Accounting policies

The principal accounting policies adopted in the preparation of the accounts are set out below:

- a) The accounts have been prepared under the historical cost convention as modified by the revaluation of investment properties.
- b) The consolidated financial statements consist of the accounts of the parent company and its subsidiary undertaking, both of which are made up to 31 March.
- c) Taxation on the results for the year includes current and deferred tax. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary timing differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither taxable profit nor accounting profit. The deferred tax which would be payable if revalued assets were sold at their revalued amount is provided for.

Deferred tax is calculated using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and that are expected to apply in the period when the liability is settled or the asset is realised.

- d) Investment properties are revalued annually at their fair value. Acquisitions and disposals are recognised on exchange. Any gain or loss arising from a change in fair value is recognised in the consolidated statement of comprehensive income. A revaluation reserve is maintained in the balance sheet representing accumulated unrealised gains by means of transfers with retained earnings.

No depreciation is provided on investment properties, which is a departure from the requirements of the Companies Act 2006. In the opinion of the directors these properties are held primarily for their investment potential and so their current value is of more significance than any measure of consumption. If this departure from the Companies Act 2006 had not been made, the profit for the year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified. The departure from the provisions of the Act is required in order to give a true and fair view.

- e) Rental income is recognised on an accruals basis.
- f) Financial Instruments: Financial assets and liabilities are recognised in the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument.



Notes to the Accounts continued

- g) Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.
- h) Cash and cash equivalents consist of all the Group's cash and bank accounts including overdrafts but excluding all bank loans.
- i) The Company is incorporated in England and is a public limited company. The Group and the Company's tax domicile is the UK.
- j) The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The significant estimates and assumptions are discussed below. Investment property The directors revalue the investment properties annually; advice is taken from experts periodically. The directors have considered the future movements on property portfolio and have estimated the probable recoverable deferred tax.

2. Investment Property Group and Company

	<i>Group and Company</i>	
	2012	2011
	£	£
Freehold		
Cost or valuation		
At 1 April 2011	15,380,000	15,790,000
Additions	586,632	992,075
Disposals	(160,000)	(665,000)
(Deficit) on revaluation	(2,576,632)	(737,075)
At 31 March 2012	13,230,000	15,380,000

Boddy & Edwards, independent chartered surveyors, carried out an independent valuation of the properties at a fair value amounting to £13,230,000 at 31 March 2012. The valuation was made in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors. The historical cost of the properties was £13,637,396 (2011: £13,151,669). The group's properties are all within the UK and are mainly let to retailers.

The reduction in the value of the investment properties has created a deferred tax asset the amount of which is shown in note 6. This is not the full potential asset but the anticipated recoverable amount in the foreseeable future.

Six of the Company's properties have been charged to the Company's bankers as security for Company borrowings. The aggregate value of these properties in the accounts amounts to £6,275,000. The Company pays interest at 1% above Barclays base rate.

3. Equity investment

The company owns 100 per cent of the issued ordinary share capital of Contemporary Securities Limited, an unlisted Company registered in England. The Company is dormant.



Notes to the Accounts continued

4. Trade and other payables

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Amount owed to group undertaking	-	-	284,873	284,873
Other creditors	28,641	30,541	28,641	30,541
Accruals and deferred income	333,233	290,804	333,233	290,804
	361,874	321,345	646,747	606,218

5. Interest bearing loans and borrowings

	<i>Group and Company</i>	
	2012	2011
	£	£
Non-current liabilities		
Bank loans (secured)	2,320,329	2,461,386

Analysis of bank loans

	<i>Group and Company</i>	
	2012	2011
	£	£
Due within five years		
Within one year	180,564	180,564
One to two years	180,564	180,564
Two to five years	541,682	541,682
	902,810	902,810
Due after five years	1,598,083	1,739,140
	2,500,893	2,641,950

The loan is at a rate of 1% over Barclays base rate with flexible annual repayment instalments currently of £180,564. The bank overdraft and loan are secured on certain of the Company's properties.

6. Deferred tax (asset)/liabilities

	2012	2011
	£	£
At 1 April 2011	146,400	420,563
Released in the year	(357,865)	(274,163)
At 31 March 2012	(211,465)	146,400

Total unused capital losses amount to £606,111 (2011: Gain - £146,400). A deferred tax asset has been recognised in respect of £211,465. The remaining £394,646 has not been recognised as it is not considered probable that there will be future capital gains available



Notes to the Accounts continued

7. Share Capital and Reserves

	2012 £	2011 £
Authorised		
45,000 6% cumulative preference shares of 33.3p each	15,000	15,000
1,800,000 ordinary shares of 5p each	90,000	90,000
	105,000	105,000
Allotted called up and fully paid		
34,890 6% cumulative preference shares of 33.3p each	11,630	11,630
1,564,720 ordinary shares of 5p each	78,236	78,236
	89,866	89,866

The preference shares are non-redeemable and have no right to dividends other than the preference dividend. In the event of a winding up they shall be repaid (including any arrears of preference dividend) in priority to the ordinary shares. The preference and ordinary shares carry the same voting rights. The share premium reserve arose on prior years' issue of shares at a premium to nominal value.

The Capital Reserve is capital profits historically arising in the dormant subsidiary Contemporary Securities Limited. The Other Reserve arose many years ago, prior to current management being in place and has not changed during the incumbency of management. At present, the Directors are unsure as to whether this is a capital or revenue reserve and what the current use is and are investigating in to the history of the reserve.

Mr. and Mrs. M.B. Conn jointly control the Company.

8. (Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):

	2012 £	2011 £
Auditor's remuneration for the audit of the company's accounts	16,000	16,000
Directors' remuneration	33,000	33,000
Rents receivable from land and buildings	(1,089,970)	(1,142,878)
Loss/(profit) on disposal of fixed asset investments	1,249	(106,864)
Bank interest receivable	(90)	(3)



Notes to the Accounts continued

9. Taxation

The tax charge comprises	2012 £	2011 £
UK corporation tax	242,759	278,351
Deferred tax	(357,865)	(274,16)
Prior year adjustment	974	3
	(114,132)	4,188

Factors effecting the tax charge for the year

(Loss)/profit on ordinary activities before taxation	(1,644,523)	363,899
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 26%/28%	(427,576)	101,892
Chargeable gains in excess of accounting profit	411	(29,922)
Tax exempt revenues less deferred tax provided	312,059	(67,782)
Prior year adjustment	974	-
Current tax charge	(114,132)	4,188

Group and Company

	2012 £	2011 £
Corporation tax payable	117,759	140,026

10. Dividends

Amounts recognised as distributions to shareholders in the year	2012 £	2011 £
Cumulative preference shares	698	698
Ordinary shares	359,725	344,339
	360,423	345,037
Proposed 2012 dividend of 16p per ordinary share (2011: 16p per ordinary share)	250,355	250,355

The proposed final dividend on ordinary shares is subject to approval by Shareholders at the annual general meeting and has not been accounted for in these financial statements. An interim dividend was paid on 1 April 2012 amounting to 7p per ordinary share. This has not been reflected in these financial statements



Notes to the Accounts continued

11. (Loss)/earnings per share

The calculation of (loss)/earnings per share is based on loss for the period of £1,530,391 (2011: profit - £359,711) and 1,564,720 ordinary shares being the ordinary shares in issue throughout the year (2011: 1,564,720 ordinary shares)

12. Staff costs

The average monthly number of persons employed during the year was 5 (2011:5). The amounts paid in respect of those persons were:

	2012 £	2011 £
Wages and salaries	33,000	33,000
Social security costs	1,508	1,572
	<u>34,508</u>	<u>34,572</u>

This includes remuneration paid to the Directors of the Company of £33,000 (2011: £33,000).

13. Future minimum lease payments receivable

The Group leases out its commercial investment property under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2012 £	2011 £
Less than one year	1,163,225	1,097,225
Between one and five years	2,217,475	2,767,400
More than 5 years	2,790,200	2,634,000
	<u>6,170,900</u>	<u>6,498,625</u>

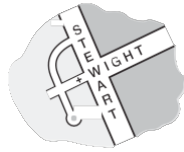
All leases have regular 5 year rent review clauses and are full repairing leases. Five Leases are coming to an end in the year to 31 March 2013 and are and will be the subject to new tenancy agreements going forward.

14. Income statement

No income statement has been produced for the Company as allowed by S.408 of the Companies Act 2006. The amount of the retained (loss)/profit for the year dealt with in the accounts of the Company was (£1,245,465) (2011: £359,711).

15. Analysis of cash equivalents and loans

	2012 £	2011 £
Cash at bank and in hand	140,935	362,409
Long-term loan	(2,500,893)	(2,641,950)
	<u>(2,359,958)</u>	<u>(2,279,541)</u>



Notes to the Accounts continued

16. Financial instruments

The financial instruments used by the Group comprise internal cash resources, bank loans and overdrafts and short-term debtors and creditors arising from normal trading activities.

a) Capital risk management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient structure to manage the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders and issue new shares or buy back existing shares. There were no changes to the Group's approach to capital management during the year.

b) Interest rate risk

The Company's bank borrowings are all subject to floating rates of interest linked to UK base rates. At 31 March 2012 these financial liabilities amounted to £2,500,893 (2011: £2,641,950). There are no other interest bearing financial liabilities. Each 1% change in base rates affects the finance cost by around £25,000.

c) Currency risk

No financial assets or liabilities are denominated in foreign currencies.

d) Liquidity risk

The Group seeks to manage liquidity risk to ensure sufficient liquidity is available to meet the requirements of the business and to invest cash assets safely and profitably. The Board reviews available cash to ensure there are sufficient resources for working capital requirements.

At 31 March 2011 and 31 March 2012 all amounts shown in the consolidated balance sheet under current assets and current liabilities mature for payment within one year.

e) Fair values

The fair values of financial assets and liabilities at 31 March 2012 are considered to be materially equivalent to their book values.

17. Related party transactions

There were no related party transactions in the year other than dividends and salaries paid to the directors which are disclosed elsewhere in the accounts.

18. Business and geographic segment

For management purposes the group is organised into one operating division which operates in one business segment.

