

Stewart & Wight PLC

Interim results for the six months ended 30 September 2012

Chairman's Statement

There was little change in the Company's fortunes in the half-year to 30 September 2012. After allowing for a diminution in value of £289,142 in respect of the Company's property portfolio, the Company made an operating profit of £219,648 before net financial costs of £19,233 for the six-month period. Gross rentals received were £567,827 compared with £553,180 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 purchased a freehold retail investment property in Wellington, Shropshire let to Specsavers at a total cost of £204,142 with a yearly rental income of £16,500. There were no sales to report.

I am pleased to say that all our tenants are up-to-date with their rental payments and there are no vacant properties in the portfolio. However, the Board still 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 2012 and the total is included in the accompanying Balance Sheet. The value of the properties which remained in the portfolio for the whole of the six months fell by 2.15 per cent from 31 March 2012.

The net asset per share of the Company fell slightly to £6.75 per ordinary share from £6.78 as at 31 March 2012.

The Board has decided to leave a decision on paying an interim dividend this current year until early in 2013.

MICHAEL CONN
Chairman

14 November 2012

**Consolidated statement of comprehensive income
(unaudited)
for the six months ended 30 September 2012**

	Six months to 30/09/2012	Six months to 30/09/2011	Year to 31/03/2012
	£	£	£
Gross rental income	567,827	553,180	1,089,970
Property operating expenses	(15,040)	(22,278)	(41,176)
Net rental income	552,787	530,902	1,048,794
Loss on disposal of investment property	-	(1,934)	(1,249)
Valuation gains on investment property	120,000	120,201	30,000
Valuation losses on investment property	(409,142)	(345,000)	(2,606,632)
Administrative expenses	(43,997)	(42,435)	(76,019)
Net operating profit/(loss) before financing	219,648	261,734	(1,605,106)
Financial income	-	83	90
Financial expenses	(19,233)	(20,399)	(39,507)
Profit/(loss) before taxation	200,415	241,418	(1,644,523)
Taxation (note 4)	(117,494)	(22,065)	114,132
Profit/(loss) for financial period	82,921	219,353	(1,530,391)
Earnings/(loss) per share (note 5)	5.30p	14.02p	(97.81)p

**Consolidated balance sheet (unaudited)
as at 30 September 2012**

	30 Sept 2012	30 Sept 2011	31 March 2012
	£	£	£
Assets			
Non-current assets			
Investment property (Note 3)	13,145,000	15,581,833	13,230,000
Total non-current assets	13,145,000	15,581,833	13,230,000
Current assets			
Deferred tax asset	211,465	-	211,465
Cash and cash equivalents	21,708	76,790	140,935
Total current assets	233,173	76,790	352,400
Total assets	13,378,173	15,658,623	13,582,400
Liabilities			
Current liabilities			
Interest bearing loan and borrowings	180,564	180,564	180,564
Current tax	117,494	120,744	117,759
Trade and other payables	257,100	316,904	361,874
Total current liabilities	555,158	618,212	660,197
Non-current liabilities			
Interest bearing loan and borrowings	2,248,618	2,391,503	2,320,329
Deferred tax	-	46,746	-
Total non-current liabilities	2,248,618	2,438,249	2,320,329
Total liabilities	2,803,776	3,056,461	2,980,526
Net assets	10,574,397	12,602,162	10,601,874
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	-
Retained earnings	9,971,373	11,198,836	9,998,850
Total equity	10,574,397	12,602,162	10,601,874

**Consolidated cash flow statement (unaudited)
for the six months ended 30 September 2012**

	Six months to 30/09/2012	Six months to 30/09/2011	Year to 31/03/2012
	£	£	£
Operating activities			
Profit/(loss) for the period	82,921	219,353	(1,530,391)
Adjustments for:			
Net valuation losses on investment property	289,142	224,799	2,576,632
Loss on disposal of investment property	-	1,934	1,249
Interest expense	19,233	20,316	39,417
Tax expense	117,494	22,065	(114,132)
Operating profit before changes in working capital and provisions	508,790	488,467	972,775
Changes in receivables	-	-	-
Changes in payables	(104,776)	(33,240)	40,529
Cash generated from operations	404,014	455,227	1,013,304
Net interest paid	(19,233)	(20,316)	(39,417)
Tax paid	(117,757)	(141,000)	(266,000)
Cash flow from operating activities	267,024	293,911	707,887
Investing activities			
Purchase of investment property	(204,142)	(557,833)	(586,632)
Sale of investment property	-	158,065	158,751
Cash outflow from change in debt	(71,711)	(69,883)	(141,057)
Cash used in investing activities	(275,853)	(469,651)	(568,938)
Financing activities			
Dividend paid	(110,398)	(109,879)	(360,423)
Cash flow from finance activities	(110,398)	(109,879)	(360,423)
Net (decrease) in cash and cash equivalents	(119,227)	(285,619)	(221,474)
Cash and cash equivalents at 1 April 2012	140,935	362,409	362,409
Cash and cash equivalents at 30 September 2012	21,708	76,790	140,935

**Consolidated statement of changes in equity from
1 April 2011 to 30 September 2012 (unaudited)**

	Revaluation reserve	Retained earnings	Other reserves
	£	£	£
i) 1 April 2012 to 30 September 2012			
As at 1 April 2012	-	9,998,850	513,158
Total comprehensive income	-	82,921	-
Dividends to shareholders	-	(110,398)	-
As at 30 September 2012	-	9,971,373	513,158
ii) 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	800,302	11,198,836	513,158
iii) 1 April 2011 to 31 March 2012			
As at 1 April 2011	1,084,196	10,805,468	513,158
Total comprehensive income	-	(1,530,391)	-
Dividends to shareholders	-	(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	-	9,998,850	513,158

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 2012 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 2012 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 2012	13,230,000
Additions	204,142
Revaluation	<u>(289,142)</u>
At 30 September 2012	<u>13,145,000</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 2012. The investment properties were professionally valued at 31 March 2012.

4	Taxation	Six months to 30/09/2012 £	Six months to 30/09/2011 £	Year to 31/03/2012 £
	Current tax	117,494	121,719	242,759
	Deferred tax	-	(99,654)	(357,865)
	Prior year adjustment	-	-	974
		<u>117,494</u>	<u>22,065</u>	<u>(114,132)</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 £82,921 (2011: £219,353) and on 1,564,720 shares (2011: 1,564,720) which is the weighted average number of shares in issue during the period ended 30 September 2012 and throughout the period since 1 April 2011.

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

For enquiries about buying and selling shares in Stewart and Wight Plc please contact Mr Lawrence Marshom, Walker Crips Stockbrokers Limited, Finsbury Tower, 103-105 Bunhill Row, London, EC1Y 8LZ. Telephone: 44 (0)20 3100 8660