

Stewart & Wight PLC

Interim results for the six months ended 30 September 2013

Chairman's Statement

The gross rental income from the Company's properties rose to £577,325 for the half-year to 30 September 2013 compared with £567,827 for the similar period in 2012. However, there were again net valuation losses on the properties amounting to £320,000. After these losses and all administrative and financial expenses, the Company made a net operating profit of £138,917. Taxation for the period amounts to £114,577.

During the half-year, the Company sold one of its properties in Bishop Auckland at about the original cost but at a loss against the valuation figure of 31 March 2013. Unfortunately, another of the Company's properties in the same town has fallen vacant and efforts so far to relet to a commercial tenant have been unsuccessful.

No new properties were bought during the half-year but the Company was fortunate to be able to purchase a portfolio of traded endowment policies for £517,013 inclusive of costs. These policies are due to mature within the next twelve months with forecasts of reasonable returns.

All our tenants are up-to-date with their rents and there is only one vacancy as mentioned above, but others may occur in the future when tenancies expire. Even when tenants renew their tenancies the relevant market rents may be lower than those currently payable.

The valuation of the Company's properties as at 30 September 2013 was carried out by the Board and is included in the accompanying Balance Sheet. The fall in value of the properties remaining in the Company's portfolio for the whole of the period was 2.63% compared with 31 March 2013.

The net asset value of each of the Company's ordinary shares fell from £6.75 as at 31 March 2013 to £6.34 as at 30 September 2013.

The Board has decided to leave a decision on paying an interim dividend for the current year until early in 2014.

MICHAEL CONN
Chairman

12 November 2013

**Consolidated statement of comprehensive income
(unaudited)
for the six months ended 30 September 2013**

	Six months to 30/09/2013	Six months to 30/09/2012	Year to 31/03/2013
	£	£	£
Gross rental income	577,325	567,827	1,160,102
Property operating expenses	(12,780)	(15,040)	(30,404)
Net rental income	564,545	552,787	1,129,698
Loss on disposal of investment property	(38,265)	-	-
Valuation gains on investment property	215,000	120,000	195,000
Valuation losses on investment property	(535,000)	(409,142)	(1,139,142)
Administrative expenses	(49,766)	(43,997)	(82,112)
Net operating profit before financing	156,514	219,648	103,444
Financial income	-	-	-
Financial expenses	(17,597)	(19,233)	(37,756)
Profit before taxation	138,917	200,415	65,688
Taxation (note 5)	(114,577)	(117,494)	(308,572)
Profit/(loss) for financial period	24,340	82,921	(242,884)
Earnings/(loss) per share (note 6)	1.56p	5.30p	(15.52)p

**Consolidated balance sheet (unaudited)
as at 30 September 2013**

	30 Sept 2013	30 Sept 2012	31 March 2013
	£	£	£
Assets			
Non-current assets			
Investment property (Note 3)	11,850,000	13,145,000	12,490,000
Total non-current assets	11,850,000	13,145,000	12,490,000
Current assets			
Deferred tax asset	145,252	211,465	145,252
Non-equity Investment (note 4)	517,013	-	-
Cash and cash equivalents	90,420	21,708	166,016
Total current assets	752,685	233,173	311,268
Total assets	12,602,685	13,378,173	12,801,268
Liabilities			
Current liabilities			
Interest bearing loan and borrowings	2,284,155	180,564	2,356,942
Current tax	114,537	117,494	122,360
Trade and other payables	291,286	257,100	323,720
Total current liabilities	2,689,978	555,158	2,803,022
Non-current liabilities			
Interest bearing loan and borrowings	-	2,248,618	-
Deferred tax	-	-	-
Total non-current liabilities	-	2,248,618	2,803,022
Total liabilities	2,689,978	2,803,776	2,803,022
Net assets	9,912,707	10,574,397	9,998,246
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	-	-	-
Retained earnings	9,309,683	9,971,373	9,395,222
Total equity	9,912,707	10,574,397	9,998,246

**Consolidated cash flow statement (unaudited)
for the six months ended 30 September 2013**

	Six months to 30/09/2013	Six months to 30/09/2012	Year to 31/03/2013
	£	£	£
Operating activities			
Profit/(loss) for the period	24,340	82,921	(242,884)
Adjustments for:			
Net valuation losses on investment property	320,000	289,142	944,142
Loss on disposal of investment property	38,265	-	-
Interest expense	17,597	19,233	37,756
Tax expense	114,577	117,494	308,572
Operating profit before changes in working capital and provisions	514,779	508,790	1,047,586
Changes in receivables	-	-	-
Changes in payables	(32,434)	(104,776)	(38,154)
Cash generated from operations	482,345	404,014	1,009,432
Net interest paid	(17,597)	(19,233)	(37,756)
Tax paid	(122,400)	(117,757)	(237,758)
Cash flow from operating activities	342,348	267,024	733,918
Investing activities			
Purchase of investment property	-	(204,142)	(204,142)
Sale of investment property	281,735	-	-
Purchase of investment	(517,013)	-	-
Cash outflow from change in debt	(72,787)	(71,711)	(143,951)
Cash used in investing activities	(308,065)	(275,853)	(348,093)
Financing activities			
Dividend paid	(109,879)	(110,398)	(360,744)
Cash flow from finance activities	(109,879)	(110,398)	(360,744)
Net (decrease)/increase in cash and cash equivalents	(75,596)	(119,227)	25,081
Cash and cash equivalents at 1 April 2013	166,016	140,935	140,935
Cash and cash equivalents at 30 September 2013	90,420	21,708	166,016

**Consolidated statement of changes in equity from
1 April 2012 to 30 September 2013 (unaudited)**

	Revaluation reserve	Retained earnings	Other reserves
	£	£	£
i) 1 April 2013 to 30 September 2013			
As at 1 April 2013	-	9,395,222	513,158
Total comprehensive income	-	24,340	-
Dividends to shareholders	-	(109,879)	-
As at 30 September 2013	-	9,309,683	513,158
ii) 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
iii) 1 April 2012 to 31 March 2013			
As at 1 April 2012	-	9,998,850	513,158
Total comprehensive income	-	(242,884)	-
Dividends to shareholders	-	(360,744)	-
As at 31 March 2013	-	9,395,222	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 2013 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 2013 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 2013	12,490,000
Disposals	(320,000)
Revaluation	<u>(320,000)</u>
At 30 September 2013	<u>11,850,000</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 2013. The investment properties were professionally valued at 31 March 2013.

4 **Non-equity investment**

Traded endowments

Cost	£
Additions in period	<u>517,013</u>
As at 30 September 2013	<u>517,013</u>

The traded endowment policies have been valued at cost as at 30 September 2013.

5 **Taxation**

	Six months to 30/09/2013 £	Six months to 30/09/2012 £	Year to 31/03/2013 £
Current tax	114,577	117,494	242,359
Deferred tax	-	-	66,213
Prior year adjustment	-	-	-
	<u>114,577</u>	<u>117,494</u>	<u>308,572</u>

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

6 **Earnings per share**

The calculation of earnings per share is based on the profit for the period of £24,340 (2012: £82,921) and on 1,564,720 shares (2012: 1,564,720) which is the weighted average number of shares in issue during the period ended 30 September 2013 and throughout the period since 1 April 2012.

7 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