Report & Accounts

2014

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STEWART & WIGHT PLC

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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 10 September 2014 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 2014 together with the Report of the Auditor thereon.

2. To confirm the payment of the fixed dividend for the year ended 31 March 2014 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 2014 of 16 pence per share on the Ordinary Shares of 5p each ranking for this dividend.

4. To approve the Strategic Report.

5. To approve the Directors' Remuneration Report.

6. 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.

7. To re-elect as director, Mr D 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.

8. To re-appoint Chantrey Vellacott DFK LLP as auditor to the Company.

9. To authorise the directors to fix the remuneration of the auditor for the ensuing year.

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

10. To give the directors authority to exercise any power of the Company to allot shares and to grant rights to subscribe for or convert any security into shares of the Company so long as the Company has only one class of shares

11. To redesignate 34,890 issued Cumulative Non-Redeemable Preference shares of £0.333 each in the capital of the Company as 3,489 Ordinary shares of £0.05 each having the rights and restrictions as set out in the new Articles of Association to be adopted by Special Resolution.

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

12. To amend the articles of association of the Company by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are treated as provisions of the Company's articles of association.

13. To approve the regulations contained within the proposed new articles of association of the Company (available for inspection in accordance with Note 3 below) and to approve the adoption of the same as the articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association.

Registered Office:
845 Finchley Road
London NW11 8NA
12 June 2014

By Order of the Board
DAVID M. CRAMER
Secretary

NOTES

1) 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.

2) 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.

3) 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.

4) Nominated persons (a) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. (b) The statement of the rights of shareholders in relation to the appointment of proxies in paragraph (1) above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

5) Total Voting Rights as at 12 June 2014 the issued share capital of the Company consists of 1,564,720 Ordinary Shares of 5 pence each, carrying one vote each and 34,890 6% cumulative preference shares of 33.3p each. Therefore, the total number of voting rights of the Company as at 12 June 2014 is 1,599,610.

6) Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless: to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; the answer has already been given on a website in the form of an answer to a question, or; it is undesirable in the interests of the company or the good order of the meeting to answer the question.

7) A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.stewartandwightplc.co.uk

I am disappointed to have to report yet another loss in the Company's fortunes for the year ended 31 March 2014. Rental income remained at over one million pounds at £1,002,030 compared with £1,160,102 in the previous year. However, the value of the company's properties which remained in its ownership for the whole of the year fell by £840,000 to £9,370,000. Against this fall, there was a gain of £287,220 on the sale of the Company's property in Durham which was reported in our Interim Management Statement on 18 February 2014.

Administrative expenses were £88,576 compared with £82,112 in the previous year. Bank interest was slightly lower at £33,723 (£37,756) but this should fall substantially in the current year as the bank loan has now been repaid mainly out of the proceeds of the Durham sale. 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 payable on 13 October to holders registered at close of business on 19 September 2014.

During the year, the Company also sold one of its properties in Bishop Auckland at approximately its original cost. Another of its properties in the same town has been relet at a low rental to Scope. No new properties were acquired but the Company did purchase a portfolio of traded endowment policies which are due to mature in the current year with a forecast of reasonable returns.

All our tenants are up-to-date with payment of their rents and there is only one vacancy at a property in South Shields. However, other vacancies may occur when tenancies expire. Furthermore, even when tenants renew, it is now usual for them to require rent free periods and lower rentals. Due to these factors and the disposals mentioned above, the Company's rental income will reduce in the future.

The Company's dormant subsidiary company, Contemporary Securities Limited, has now been removed from the Register of Companies House so there will be no further need for results to be consolidated.

The Company's loan from the bank has been repaid but facilities are available if required in the future.

The Board is still seeking further properties to add to the portfolio.

The net asset value of each ordinary share was £6.10 as at 31 March 2014 compared with £6.39 at the end of the previous year.

The Annual General Meeting of the Company will be held at the Hendon Hall Hotel, Ashley Lane, London NW4 1HF on 10 September 2014.

In conclusion, I would like to thank my co-directors and the Company's advisors for their continuing help and support.

MICHAEL CONN
Chairman

12 June 2014

The results of the Group are summarised in the consolidated statement of comprehensive income on page 22. A review of operations is given in the Chairman's Statement.

The principal 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.

The group's key performance indicators relate to gross rents received in any year and total trading costs. Rental income decreased substantially by 13.62% in the year (2013: Increase by 6.43%) and total property and administrative costs excluding interest increased by 15.64% (2013; decreased by 3.99%). Now that the bank loans have been paid off there will be minimal interest charges and thereby there is no exposure to interest rate rises.

The current strategy of the board is to utilise our net asset base to seek out and acquire quality premises. However, the short and medium term focus of the board is to manage the declining rental income that the company will suffer as leases come up for renewal and considerable management time and cost will be spent on securing the best possible deals for the company. We will also be looking at disposing of those assets that no longer fit in to our strategic view for the long term.

The board does not use sophisticated modeling in its management due mainly to the size and nature of the business but will seek to acquire property with reasonable yields in the knowledge that in the not too distant future interest rates are likely to rise. We are also conscious of the reducing terms of many of our leases and will seek to extend leases wherever possible to provide for greater certainty.

The company has no employees other than the directors and the board consists of 4 male directors and 1 female director.

Whilst the board looks at environmental issues it has limited scope and capacity to make substantive impact at this stage but will always seek to address these issue where relevant in its strategy and decision making. No motor expenses or travel are charged to the company and therefore the company's carbon footprint is very low indeed.

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

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.

DAVID M CRAMER
FINANCE DIRECTOR
12 June 2014

The Directors submit their report and the audited accounts of the group for the year ended 31 March 2014.

Principal Activities
The Company is engaged in the activity of property investment.

Fixed Assets
The investment properties of the Group were professionally valued at 31 March 2014 based on a fair valuation of the properties in the sum of £9,370,000. The investment properties were valued professionally at 31 March 2013 based on a fair valuation of the properties in the sum of £12,490,000. This has been duly reflected in the balance sheet and has resulted in a deficit on revaluation in the Group of £840,000. Two properties were disposed of in the year and there were no acquisitions.

Dividends
The Directors propose a final dividend of 16p per ordinary share. An interim dividend was paid on 10 April 2014 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 8. 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

(a) The Directors retiring by rotation are Mr M B Conn and Mr D Conn who being eligible offer themselves for re-election.

(b) None of the Directors had any material interest in contracts entered into by the Company during the financial year.

(c) 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 shares of 33.3p each			*Ordinary shares of 5p each*		
	2014	2013	%	2014	2013	%
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	83,820	83,820	5
R Foux	300	300	1	1,850	1,850	1

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.

On 4 April 2014 D G Conn acquired non-beneficially a further 2,000 shares ordinary 5p shares. There have been no other subsequent changes in the above Director's shareholdings in the period 1 April 2014 to 12 June 2014.

Major Shareholdings

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

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 Corporate UK Governance Code ("The 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 9 board meetings, one audit committee meeting and one remuneration committee meeting during the year and each was attended by all the Directors.

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 2014 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 81 and has been a director of the Company since 1977. He is a non-practising solicitor.

Mrs. Hadassa Conn is aged 75 and has been a director of the Company since 1979.

Mr. Douglas Conn is aged 50 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 51 and has been a director of the Company since 1988. He is a Chartered Accountant in private practice.

Mr. Robert Foux is aged 46 and has been a director of the Company since 2011. He is a Chartered Surveyor in private practice with over 21 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.

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 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, 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.

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 2014 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.

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.

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
12 June 2014

By Order of the Board
DAVID M. CRAMER
Secretary

On behalf of the Board, I am pleased to present our Directors’ Remuneration Report for the year ended 31 March 2014. Shareholders will be invited to approve both our Remuneration Policy (which will be a binding vote) and the Remuneration Report for the year ended 31 March 2014 (which will be a non-binding advisory vote), which together comprise the Directors’ Remuneration Report, at the Company’s AGM on 10 September 2014.

The Directors’ Remuneration Report has been prepared on behalf of the Board by the Remuneration Committee in accordance with the requirements of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

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 2013 and as a result there are no changes in the current year.

The Company’s Remuneration Policy has been and will continue to be uncomplicated and retention focused and it is envisaged that the remuneration components for Executive Directors for the year ending 31 March 2015 will be very similar to those in place for the year ending 31 March 2014.

Directors’ Remuneration

The ‘single figure’ table below represents the Directors’ remuneration during the relevant financial year and relates to the period of each Director’s membership of the Board. Such emoluments are normally paid in the same financial year, except for bonus payments, which relate to the previous financial year.

	2014	2013
	£	£
M B Conn	6,000	6,000
D G Conn	6,000	6,000
D M Cramer	19,000	19,000
R Foux	6,000	6,000
	37,000	**37,000**

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 (2013: £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.

Payments to past directors

No payments were made during the year ended 31 March 2014 to any past director of the Company.

Payments for loss of office

No executive directors left the Company during the year ended 31 March 2014 and therefore no payments in respect of compensation for loss of office were paid to, or receivable by, any director (2013: nil).

Directors' shareholdings

This is part of the report of the directors on page 7

Audited information

Details of the remuneration and Directors' shareholding interests for the financial year ended 31 March 2014 have been audited by the Group's external auditor.

Total Shareholder Return

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.

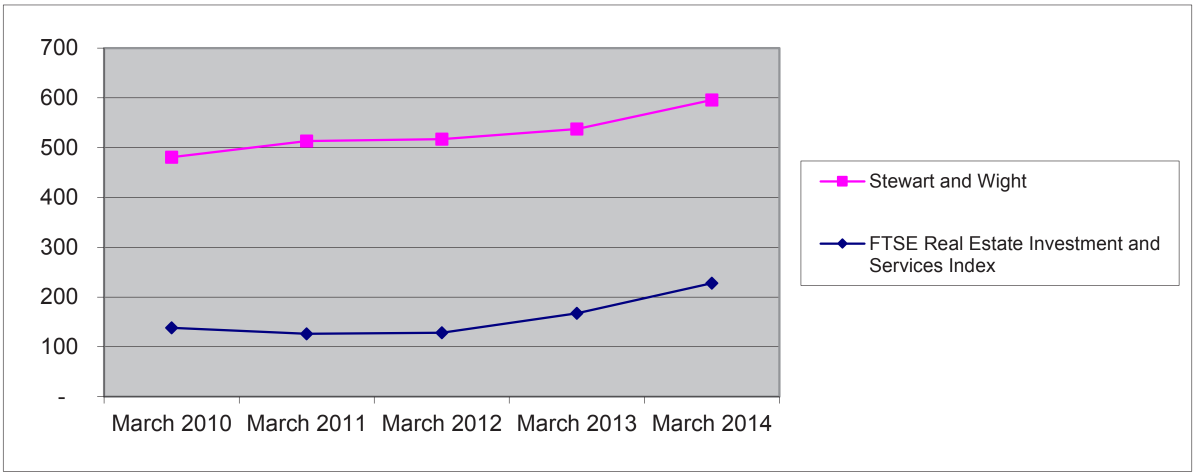

Table of historical data

	2014	2013	2012	2011	2010
	£	£	£	£	£
M B Conn	6,000	6,000	5,000	5,000	5,000
D G Conn	6,000	6,000	5,000	5,000	5,000
D M Cramer	19,000	19,000	18,000	18,000	18,000
R Foux	6,000	6,000	5,000	5,000	2,500
Total	**37,000**	**37,000**	**33,000**	**33,000**	**30,500**

The Company did not have a long-term incentive plan or bonus scheme in place during the five-year period reported on above.

Percentage change in remuneration of Chief Executive Director
There were no change in salary, benefits and annual bonus earned between the year ended 31 March 2013 and the year ended 31 March 2014 for the Chief Executive Officer.

Directors’ Remuneration Policy
The Policy on remuneration of Directors is set out above. A separate Resolution will be put to shareholders at the Company’s AGM on 10 September 2014 to approve the Policy which, if approved will take effect from 10 September 2014 and will apply until shareholders next consider and vote on the Policy.

Main components of Remuneration
The key components of Executive Directors’ remuneration for the period from 10 September 2014 and beyond (the Policy period), as well as for the year ended 31 March 2014, are summarised below:

Component	Purpose and link to strategy	Operation (including maximum levels)	Framework used to assess performance and provisions for recovery of sums paid
Base salary	The provision of the core reward for the role at a sufficient level to attract and retain skilled individuals of the necessary calibre to execute the Company’s strategy.	Base salaries are normally reviewed every two years. Salaries are typically set after considering information from independent sources on salary levels for similar posts, the responsibilities of the role, the individual’s performance and their experience. Pay awards to Executive Directors take account of prevailing market and economic conditions. Salaries may be adjusted and any increase will ordinarily be in line with the wider employee group in percentage terms	The Committee considers individual salaries at the appropriate Committee meeting each year after having due regard to the factors noted in operating the salary policy. No recovery provisions apply to salary.

The Remuneration Committee sets the overall policy on remuneration and other terms of employment of Directors. The Remuneration Committee aims to ensure that the remuneration packages offered are competitive and designed to attract, retain and motivate Directors of the right calibre.

Remuneration for Non-Executive Directors consists of fees for their services in connection with Board and Committee meetings. These fees are to be determined by the Committee without the involvement of the Non-Executive Directors concerned. Non-Executive Directors do not participate in any Group pension or share option schemes.

The Remuneration Committee takes account of remuneration and benefits information in the marketplace when assessing pay and benefits of the Directors within the Group. The Committee also considers general pay, benefits and employment conditions of all employees within the Group when assessing the level of salaries and remuneration packages of Executive Directors and Non-Executive Directors.

When appointing new Executive Directors, they will be eligible for the same remuneration components as current Executive Directors, as set out in the Main Components of Remuneration table above.

When appointing new non-executive directors, they will be eligible for the same remuneration components as the current Non-Executive Directors. The fees paid are intended to reflect the scope of the board’s work and the responsibility related to serving on the board.

Payments for loss of office
Executive Directors of the Company do not have a notice period in excess of 12 months and do not have service contracts. There are no provisions for pre-determined compensation on termination which exceed one year's salary and benefits in kind.

Loss of office payments and their component parts are determined and awarded at the discretion of the Committee.

The Company is entitled in certain circumstances to terminate the services of any Non-Executive Director without any notice period and in that event, the Non-Executive Director is not entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of appointment in question.

Value of the remuneration package for the Chief Executive Officer
The amount receivable by the Company's Executive Directors under the remuneration policy for the year ended 31 March 2014 is expected to be similar to current level.

Consideration of shareholder views
Any views in respect of directors' remuneration expressed to the Company by shareholders are considered at each meeting convened by the Remuneration Committee.

Resolutions
Resolutions to shareholders to approve the Directors' Remuneration Report and Directors' Remuneration Policy will be put forward at the AGM on 10 September 2014.

M B CONN
CHAIRMAN
12 June 2014

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 2014 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 financial review to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material 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 2014 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.

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.

Our assessment of risks of material misstatement
We considered the following areas to be those that required particular focus in the current year. This is not a complete documentation of all areas of risk identified in our audit but summarises the key areas which were highlighted with the Audit Committee in our planning discussions:

- We performed substantive and controls testing relating to revenue recognition as well as analytical procedures;

- We considered the appropriateness of provisions made;

- We reviewed the valuation of the investment properties and the external valuation report; and

- We performed testing of journal entries in order to identify the risk of fraud arising from management override of controls.

Our application of materiality
We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our methodology and professional judgement we determined materiality for the Group financial statements to be £37,000 for the Statement of Comprehensive Income and £112,000 for the Balance Sheet.

An overview of the scope of our audit
We tested and examined information using controls testing, substantive and non substantive techniques to the extent considered necessary to provide us with a reasonable basis to draw conclusions. These procedures gave us the evidence that we need for our opinion on the Group's financial statements as a whole.

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
12 June 2014

Consolidated Balance Sheet as at 31 March 2014

Assets	NOTE	2014	2013
		£	£
Non-current assets			
Investment property	2	9,370,000	12,490,000
Total non-current assets		**9,370,000**	**12,490,000**
Current assets			
Non-equity investment	3	517,013	-
Deferred tax asset	7	-	145,252
Cash and cash equivalents	16	136,523	166,016
Total current assets		**653,536**	**311,268**
Total assets		**10,023,536**	**12,801,268**
Liabilities			
Current liabilities			
Interest bearing loan and borrowings	6	136,725	2,356,942
Current tax	10	15,398	122,360
Trade and other payables	5	322,598	323,720
Total current liabilities		**476,721**	**2,803,022**
Non-current liabilities			
Net assets		**9,546,815**	**9,998,246**
Equity			
Capital and reserves			
Called up share capital	8	89,866	89,866
Other reserve		25,670	25,670
Share premium reserve		246,000	246,000
Capital reserve		-	241,488
Retained earnings		9,185,279	9,395,222
Total equity		**9,546,815**	**9,998,246**

The financial statements were approved by the Board and authorised for issue on 12 June 2014 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 2014

Assets	NOTE	2014 £	2013 £
Non-current assets			
Investment property	2	9,370,000	12,490,000
Equity Investment	4	-	284,872
Total non-current assets		**9,370,000**	**12,774,872**
Current assets			
Non-equity investment	3	517,013	-
Deferred tax asset	7	-	145,252
Cash and cash equivalents	16	136,523	166,016
Total current assets		**653,536**	**311,268**
Total assets		**10,023,536**	**13,086,140**
Liabilities			
Current liabilities			
Interest bearing loan and borrowings	6	138,725	2,356,942
Current tax	10	15,398	122,360
Trade and other payables	5	322,598	608,593
Total current liabilities		**476,721**	**3,087,895**
Non-current liabilities			
Net assets		-	-
		-	-
Equity		**9,546,815**	**9,998,245**
Capital and reserves			
Called up share capital	8	89,866	89,866
Other reserve		25,670	25,670
Share premium reserve		246,000	246,000
Capital reserve		-	-
Retained earnings		9,185,279	9,636,709
Total equity		**9,546,815**	**9,998,245**

The financial statements were approved by the Board and authorised for issue on 12 June 2014 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 2014

	NOTE	2014 £	2013 £
Gross rental income		1,002,030	1,160,102
Property operating expenses		(41,484)	(30,404)
Net rental income		960,546	1,129,698
Profit on disposal of investment property		248,955	-
Valuation gains on investment property		240,000	195,000
Valuation losses on investment property		(1,080,000)	(1,139,142)
Administrative expenses		(88,576)	(82,112)
Net operating profit before financing		**280,925**	**103,444**
Financial income		-	-
Financial expenses		(33,723)	(37,756)
Profit before taxation	**9**	247,202	65,688
Taxation	**10**	338,049	308,572
Total comprehensive expense		**(90,847)**	**(242,884)**
(Loss) per share	**12**	(5.81)p	(15.52)p

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 2012 to 31 March 2014

Consolidated

	Revaluation reserve £	Retained Earnings £	Other Reserves £	Share capital £	Total £
At 1 April 2012	-	9,998,850	513,158	89,866	10,601,874
Total comprehensive income	-	(242,884)	-	-	(242,884)
Dividends to shareholders	-	(360,744)	-	-	(360,744)
As at 31 March 2013 and 1 April 2013	-	9,395,222	513,158	89,866	9,998,246
Total comprehensive income	-	(90,847)	-	-	(90,847)
Dividends to shareholders	-	(360,584)	-	-	(360,584)
Capital Reserve	-	241,488	(241,488)	-	-
As at 31 March 2014	-	**9,185,279**	**271,670**	**89,866**	**9,546,815**

Company

	Revaluation reserve £	Retained Earnings £	Other Reserves £	Share capital £	Total £
At 1 April 2012	-	10,240,337	271,670	89,866	10,601,873
Total comprehensive income	-	(242,884)	-	-	(242,884)
Dividends to shareholders	-	(360,744)	-	-	(360,744)
As at 31 March 2013 and 1 April 2013	-	9,636,709	271,670	89,866	9,998,245
Total comprehensive income	-	(90,847)	-	-	(90,847)
Dividends to shareholders	-	(360,584)	-	-	(360,584)
Subsidiary dissolved	-	1	-	-	1
As at 31 March 2014	**-**	**9,185,279**	**271,670**	**89,866**	**9,546,815**

Shareholders' funds include non-equity shareholders' funds of £11,630 (2013: £11,630)

Consolidated and Company Cash Flow Statement
for the year ended 31 March 2014

	NOTE	2014 £	2013 £
Operating activities			
(Loss) for the year		(90,847)	(242,884)
Adjustments for:			
Net Valuation losses on investment property		840,000	944,142
Profit on disposal of investment property		(248,955)	-
Interest expense		33,723	37,756
Taxation		338,049	308,572
Operating profit before changes in Working capital and provisions		871,970	1,047,586
Change in payables		(1,121)	(38,154)
Cash generated from operations		**870,849**	**1,009,432**
Net interest paid		(33,723)	(37,756)
Tax paid		(299,760)	(237,758)
Cash flow from operating activities		**537,366**	**733,918**
Investing activities			
Purchase of investment property		-	(204,142)
Sale of investment property		2,528,955	-
Purchase of investment		(517,013)	-
Cash outflow from change in debt		(2,218,217)	(143,951)
Cash used in investing activities		**(206,275)**	**(348,093)**
Finance activities			
Dividends paid		(360,584)	(360,744)
Cash flow from finance activities		**(360,584)**	**(360,744)**
Net (decrease)/increase in cash equivalents		(29,493)	25,081
Cash and cash equivalents at 1 April 2013		166,016	140,935
Cash and cash equivalents at 31 March 2014	**16**	**136,523**	**166,016**

The attached notes form part of these 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 October 2009.

New standards and interpretations currently in issue but not effective for accounting periods commencing on 1 April 2012 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 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)

As of 31 March 2014, 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 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)

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.

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 for the provisions of the Act is required in order to give a true and fair view.

e) The trade endowment policies are classified as held-to-maturity financial assets and are measured at amortised cost.

f) Rental income is recognised on an accruals basis.

g) 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.

h) 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.

i) Cash and cash equivalents consist of all the Group's cash and bank accounts including overdrafts but excluding all bank loans.

j) The Company is incorporated in England and is a public limited company. The Group and the Company's tax domicile is the UK.

k) 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	
	2014	2013
Freehold	£	£
Cost or Valuation		
At 1 April 2013	12,490,000	13,230,000
Additions	-	204,142
Disposals	(2,280,000)	-
(Deficit) on revaluation	(840,000)	(944,142)
As at 31 March 2014	**9,370,000**	**12,490,000**

Boddy & Edwards, independent chartered surveyors, carried out an independent valuation of the properties at a fair value amounting to £9,370,000 at 31 March 2014. 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 £11,647,075 (2013: £13,841,538). 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 7. This is not the full potential asset but the anticipated recoverable amount in the foreseeable future.

Five 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 £5,135,850. The Company pays interest at 1% above Barclays base rate.

3. Trade endowments
The trade endowment policies were purchased during the year for £517,013 and are held at amortised cost at the year end, which approximates to the acquisition cost. The policies are due to mature by 31 December 2014.

4. 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.

5. Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amount owed to group undertaking	-	-	-	284,873
Other creditors	35,028	33,468	35,028	33,468
Accruals and deferred income	287,570	290,252	287,570	290,252
	322,598	**323,720**	**322,598**	**608,593**

6. Interest bearing loan and borrowings

	Group and Company	
	2014	2013
	£	£
Non-current liabilities		
Bank loans (secured)	**-**	**-**

Analysis of bank loans	Group and Company	
	£	£
Due within five years	-	-
Within one year	138,725	2,356,942
One to two years	-	-
Two to five years	-	-
	138,725	**2,356,942**

The bank loan has almost been fully paid off and the company retains an overdraft. The bank overdraft and loan are secured on certain of the Company's properties. The intention of the directors is not to renew the loan and utilise the overdraft facility to fund working capital requirements.

7. Deferred tax (asset) /liabilities

	2014	2013
	£	£
At 1 April 2013	(145,252)	(211,465)
Released in the year	145,252	66,213
At 31 March 2014	**-**	**(145,252)**

Total unused capital losses amount to £660,485 (2013: £586,728). No deferred tax asset has been recognised as it is not considered probable that there will be future capital gains in the foreseeable future.

8. Share Capital and Reserves

Authorised	2014 £	2013 £
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
As at 31 March 2014	**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
As at 31 March 2014	**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.

9. Profit/loss) on ordinary activities before taxation is stated after charging/(crediting):

	2014 £	2013 £
Auditor's remuneration for the audit of the company's accounts	17,200	17,200
Directors' remuneration	37,000	37,000
Rents receivable from land and buildings	(1,002,030)	(1,160,102)
Profit on disposal of fixed asset investments	(248,955)	-

10. Taxation

The tax charge comprises	2014 £	2013 £
UK corporation tax	192,797	242,359
Deferred Tax	145,252	66,213
Prior year adjustment	-	-
	338,049	**308,572**

Factors effecting the tax charge for the year	247,202	65,688
Profit on ordinary activities before taxation		
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 23%/24%	56,856	15,765
Chargeable gains in excess of accounting profit	(57,259)	-
Other tax adjustments	-	-
Tax exempt revenues less deferred tax provided		
Prior year adjustment	338,452	292,807
	-	-
Current tax charge	**338,049**	**308,572**

	Group and Company	
	2014 £	2013 £
Corporation tax payable	**15,398**	**122,360**

11. Dividends

Amounts recognised as distributions to shareholders in the year	2014 £	2013 £
Cumulative preference shares	698	698
Ordinary shares	359,886	360,046
	360,584	360,744
Proposed 2014 dividend of 16p per ordinary share (2013:16p 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 7 April 2014 amounting to 7p per ordinary share. This has not been reflected in these financial statements

12. Loss per share

The calculation of loss per share is based on loss for the period of £90,847 (2013:loss - £242,884) and 1,564,720 ordinary shares being the ordinary shares in issue throughout the year (2013: 1,564,720 ordinary shares)

13. Staff costs

The average monthly number of persons employed during the year was 5 (2013:5).The amounts paid in respect of those persons were:

	2014	2013
	£	£
Wages and salaries	37,000	37,000
Social security costs	1,560	1,275
	38,560	**38,275**

This includes remuneration paid to the Directors of the Company of £37,000 (2013: £33,000).

14. 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:

	2014	2013
	£	£
Less than one year	698,450	937,250
Between one and 5 years	1,568,400	1,833,850
More than 5 years	2,321,600	2,454,600
	4,588,450	**5,225,700**

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 2015 and are and will be the subject to new tenancy agreements going forward.

15. 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 for the year dealt with in the accounts of the Company was £90,847 (2013: £242,884).

16. Analysis of cash equivalents and loans

	2014	2013
	£	£
Cash at bank and in hand	136,523	166,016
Bank loans and borrowings	(138,725)	(2,356,942)
	(2,202)	**(2,190,926)**

17. 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 2014 these financial liabilities amounted to £138,725 (2013: £2,356,942).There are no other interest bearing financial liabilities. Each 1% change in base rates affects the finance cost by around £1,400.

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 2013 and 31 March 2014 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 2014 are considered to be materially equivalent to their book values.

18. 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.

19. Business and geographic segment

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