

**JOHN SWAN & SONS PLC**

**INTERIM REPORT**

**For the six months ended 31 October 2009**

Registered in Scotland : No.7893

# JOHN SWAN & SONS PLC

## CHAIRMAN'S STATEMENT

Our results for the first six months of the trading year can be summarised as follows:

	31 October 2009 £	31 October 2008 £
John Swan Limited	54,095	85,232
John Swan & Sons PLC	(94,327)	(96,295)
IAS 19 pension adjustment	(35,000)	-
	<hr/>	<hr/>
(Loss) before taxation	<u>£ (75,232)</u>	<u>£ (11,063)</u>

Shareholders may have read inaccurate and misleading press reports of proceedings at the Annual General Meeting of your company, held on 2 October 2009. It appears that these were based on unattributable comments made by an individual, who may, or may not, have attended the meeting. In any event, the board was required to issue a further statement of clarification to the Stock Exchange, correcting these reports.

For the benefit of those shareholders who were unable to attend the meeting and, for the avoidance of doubt amongst others, there has been no change to the policy agreed some years ago and reiterated many times in the various reports since. Shareholders have been kept informed of our progress in realising assets, as soon as information has come to hand. However, your board will not put into the public domain reports of developments under negotiation and not yet concluded. I feel sure that shareholders will understand the necessity to protect the company's interests in these circumstances.

In this regard, development activity continues, as described below and there is nothing yet to report to shareholders on our progress on various planning fronts. As I indicated last time, we remain constrained by economic uncertainty, especially in the commercial property sector, and your board is adopting a longer-term view of progress, as a result. Meanwhile, we are using this time in preparation for the future, when economic conditions allow us to bring forward our plans, about which we remain positive and committed. As always, shareholders will be kept informed of progress, at all appropriate times.

In view of these timing uncertainties, and their possible effect on cash resources, your board has taken a cautious view with regard to dividend policy, which I raised in my year-end report. Nevertheless, I am pleased to announce an interim dividend of 10p. The dividend will be paid on 12 March 2010 to shareholders on the register at 12 February 2010. The ex dividend date will be 10 February 2010.

*AJ Ritchie*

## **JOHN SWAN & SONS PLC**

### **MANAGING DIRECTOR'S STATEMENT – JOHN SWAN LIMITED**

The throughput of cattle has been fully maintained during this past half year despite the reduction in the national suckler cow herd, whilst the throughput of sheep at both our St Boswells and Wooler markets has shown an inevitable decrease due to the ongoing reduction in breeding ewes.

There has been a decrease in bank and customer interest received in the period of approximately £30,000 and, as a result, the six months operating profit is £54,095 compared to £85,232 last year.

Both shareholders and our regular customers will be kept advised of developments relating to the relocation and restructuring of the market. Consultants have been appointed to take forward various issues relating to the development, which will include both retail and market facilities.

In conclusion, we continue to endeavour to expand the range of services we offer to our customers and are committed to ensuring that John Swan Limited continues to provide a livestock auction facility, which will serve our customers in the years ahead and which will be modern, compact and economic to operate.

*JC Clark*

# JOHN SWAN & SONS PLC

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 October 2009

	31 October 2009 £	31 October 2008 £
<b>Revenue</b>	936,377	951,299
Other income	21,000	-
	<u>957,377</u>	<u>951,299</u>
Staff costs	522,109	562,124
Depreciation	54,577	57,204
Other operating expenses	474,987	457,162
	<u>1,051,673</u>	<u>1,076,490</u>
<b>Operating loss</b>	(94,296)	(125,191)
Investment revenues	19,116	114,393
Finance costs	(52)	(336)
Share of results of joint venture after tax	-	71
<b>Loss before tax</b>	<u>(75,232)</u>	<u>(11,063)</u>
Tax	10,000	-
<b>Loss for the period</b>	<u>(65,232)</u>	<u>(11,063)</u>
<b>Basic and diluted earnings per share</b>	<u>(10.7)p</u>	<u>(1.8)p</u>

## CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the six months ended 31 October 2009

	31 October 2009 £	31 October 2008 £
<b>Net income recognised directly in equity</b>	-	-
<b>Loss for the period</b>	(65,232)	(11,063)
<b>Total recognised income and expense</b>	<u>(65,232)</u>	<u>(11,063)</u>

**JOHN SWAN & SONS PLC**

**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 31 October 2009

	31 October 2009 £	30 April 2009 £	31 October 2008 £
<b>Non-current assets</b>			
Property, plant and motor vehicles	2,119,377	2,142,130	1,778,217
Investment in joint venture	8,485	8,485	8,471
Pension scheme assets	2,149,000	2,184,000	1,715,000
	<u>4,276,862</u>	<u>4,334,615</u>	<u>3,501,688</u>
<b>Current assets</b>			
Inventories	13,230	-	79,543
Trade and other receivables	3,578,698	3,623,124	4,206,264
Cash and cash equivalents	347,905	628,346	738,288
	<u>3,939,833</u>	<u>4,251,470</u>	<u>5,024,095</u>
<b>Total assets</b>	<u>8,216,695</u>	<u>8,586,085</u>	<u>8,525,783</u>
<b>Current liabilities</b>			
Trade and other payables	259,503	223,019	260,602
Obligations under finance leases	-	4,371	5,609
Bank overdraft	289,140	523,661	665,314
	<u>548,643</u>	<u>751,051</u>	<u>931,525</u>
<b>Net current assets</b>	<u>3,391,190</u>	<u>3,500,419</u>	<u>4,092,570</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	628,521	638,521	504,388
Deferred income	15,600	16,000	16,400
	<u>644,121</u>	<u>654,521</u>	<u>520,788</u>
<b>Total liabilities</b>	<u>1,192,764</u>	<u>1,405,572</u>	<u>1,452,313</u>
<b>Net assets</b>	<u>7,023,931</u>	<u>7,180,513</u>	<u>7,073,470</u>
<b>Equity</b>			
Share capital	168,000	168,000	168,000
Revenue reserve	70,000	70,000	70,000
Employee Benefit Trust reserve	(39,815)	(39,815)	(39,815)
Retained earnings	6,825,746	6,982,328	6,875,285
<b>Total equity</b>	<u>7,023,931</u>	<u>7,180,513</u>	<u>7,073,470</u>

**JOHN SWAN & SONS PLC****CONDENSED CONSOLIDATED CASH FLOW STATEMENT****For the six months ended 31 October 2009**

	Notes	31 October 2009 £	31 October 2008 £
<b>Net cash from/(used) in operating activities</b>	3	<u>84,226</u>	<u>(487,208)</u>
<b>Investing activities</b>			
Interest received		1,116	33,393
Proceeds on disposal of motor vehicles		6,200	16,745
Purchases of property, plant and motor vehicles		<u>(41,741)</u>	<u>(76,341)</u>
<b>Net cash used in investing activities</b>		<u>(34,425)</u>	<u>(26,203)</u>
<b>Financing activities</b>			
Dividends paid	4	(91,350)	(91,350)
Repayment of obligations under finance leases		<u>(4,371)</u>	<u>(1,240)</u>
<b>Net cash used in financing activities</b>		<u>(95,721)</u>	<u>(92,590)</u>
<b>Net decrease in cash and cash equivalents</b>		(45,920)	(606,001)
<b>Cash and cash equivalents at beginning of period</b>		104,685	678,975
<b>Cash and cash equivalents at end of period</b>	5	<u>58,765</u>	<u>72,974</u>

# JOHN SWAN & SONS PLC

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 October 2009

### 1 Basis of preparation

The condensed financial information for the six months ended 31 October 2009 does not constitute summary financial statements or statutory accounts as defined in Sections 428 and 434 respectively of the Companies Act 2006 and has not been audited. No summary financial statements or statutory accounts for the period have been delivered to the Registrar of Companies. A copy of the statutory accounts for the year ended 30 April 2009 has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

### 2 Accounting policies

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with IAS 34 'Interim Financial Reporting' as adopted for use by the European Union.

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the latest audited financial statements. A copy of these financial statements is available from the company's registered office at 6 St Colme Street, Edinburgh EH3 6AD.

### 3 Notes to the cash flow statement

	31 October 2009 £	31 October 2008 £
Loss before tax	(75,232)	(11,063)
Adjustments for:		
Investment revenues	(19,116)	(114,393)
Finance costs	52	336
Share of results of joint venture	-	(71)
Pension scheme current service cost	53,000	81,000
Depreciation of property, plant and motor vehicles	54,577	57,204
Loss/(Gain) on sale of fixed assets	3,717	(6,204)
Deferred income released in the period	(400)	(400)
Operating cash flows before movement in working capital	16,598	6,409
(Increase)/Decrease in inventories	(13,230)	28,516
Decrease/(Increase) in receivables	44,426	(559,338)
Increase in payables	36,484	37,541
Cash from/(used) in operations	84,278	(486,872)
Interest paid	(52)	(336)
<b>Net cash from/(used) in operating activities</b>	<b>84,226</b>	<b>(487,208)</b>

# JOHN SWAN & SONS PLC

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 October 2009 - continued

### 4 Dividends

	31 October 2009	31 October 2008
	£	£
Dividend on ordinary shares paid on 2 October 2009: Final 2009	91,350	91,350

### 5 Cash and cash equivalents

	31 October 2009	31 October 2008
	£	£
Bank and cash balances	347,905	738,288
Bank overdraft	(289,140)	(665,314)
	58,765	72,974

### 6 Interim results

The interim results were approved by the Board of Directors on 29 January 2010 and were posted out to all shareholders on that date. The interim results are available to the public for a period of one month from the date of this announcement from the Secretaries at the Company's registered office.

#### *Registered Office :*

Geoghegans  
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Edinburgh EH3 6AD

Company registered in Scotland : No. 7893

#### *Enquiries :*

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