

JOHN SWAN & SONS PLC
INTERIM FINANCIAL REPORT
For the six months ended 31 October 2010

Company Registration No. SC007893

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 2010 £	31 October 2009 £
John Swan Limited - profit	24,425	54,095
John Swan & Sons PLC - loss	(106,701)	(94,327)
IAS 19 pension adjustment	-	(35,000)
	<hr/>	<hr/>
Loss before taxation	<u>£ (82,276)</u>	<u>£ (75,232)</u>

Yet again, I have nothing to report on property matters, which is frustrating for all of us. However, the protracted discussions regarding planning permission for the St Boswells site are of little practical importance while the property market remains in its current depressed state. These conditions are likely to prevail for some time to come and, meanwhile, as I have indicated in previous reports to you, we shall continue to concentrate on trading activities, whilst minimising the costs of maintaining our public company status. Under these circumstances, shareholders will understand that there will be no interim dividend on this occasion.

AJ Ritchie

MANAGING DIRECTOR'S STATEMENT – JOHN SWAN LIMITED

The ongoing decline of both the national breeding herd and flock continues to be a source of concern, particularly when critical mass is one of the major factors affecting auction marts.

Our throughput of prime cattle has fallen this past half year but the reduction in these numbers has been offset by an increase in the store cattle numbers. Sheep throughput has also fallen in the half year but since the end of October there has been a compensating increase in the numbers.

The half year results have suffered due to a bad debt provision and an increase in business rates. However, our recently formed division, John Swan Properties, is establishing itself and we are also pleased to report that our fine arts and antique division, Swan & Turner, is expanding its business.

In conclusion, the Borders & Northumberland have borne the brunt of the severe weather conditions experienced this winter and recognition must be made of the fortitude of the livestock producers, the road hauliers and not least our own staff in adapting to these conditions and ensuring that the sales continue, thus contributing to supplies for the food chain and demonstrating once again that in times of adversity, auction markets can deliver.

JC Clark

JOHN SWAN & SONS PLC

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 October 2010

	31 October 2010 £	31 October 2009 £
Revenue	948,930	936,377
Other income	-	21,000
	<u>948,930</u>	<u>957,377</u>
Staff costs	478,774	522,109
Depreciation	52,593	54,577
Other operating expenses	500,271	474,987
	<u>1,031,638</u>	<u>1,051,673</u>
Operating loss	(82,708)	(94,296)
Investment revenues	432	19,116
Finance costs	-	(52)
Loss before tax	<u>(82,276)</u>	<u>(75,232)</u>
Tax	-	10,000
Loss for the period	<u>(82,276)</u>	<u>(65,232)</u>
Basic and diluted earnings/(loss) per share	<u>(13.5)p</u>	<u>(10.7)p</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 October 2010

	31 October 2010 £	31 October 2009 £
Loss for the period	(82,276)	(65,232)
Total comprehensive expense	<u>(82,276)</u>	<u>(65,232)</u>

JOHN SWAN & SONS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 October 2010

	31 October 2010 £	30 April 2010 £	31 October 2009 £
Non-current assets			
Property, plant and motor vehicles	2,140,261	2,145,842	2,119,377
Investment in joint venture	-	-	8,485
Pension scheme assets	151,000	151,000	2,149,000
	<u>2,291,261</u>	<u>2,296,842</u>	<u>4,276,862</u>
Current assets			
Inventories	-	-	13,230
Trade and other receivables	4,087,058	2,948,838	3,578,698
Cash and cash equivalents	37,469	467,881	347,905
	<u>4,124,527</u>	<u>3,416,719</u>	<u>3,939,833</u>
Total assets	<u>6,415,788</u>	<u>5,713,561</u>	<u>8,216,695</u>
Current liabilities			
Trade and other payables	222,824	192,445	259,503
Bank overdraft	784,974	-	289,140
	<u>1,007,798</u>	<u>192,445</u>	<u>548,643</u>
<i>Net current assets</i>	<u>3,116,729</u>	<u>3,224,274</u>	<u>3,391,190</u>
Non-current liabilities			
Deferred tax liabilities	66,627	66,627	628,521
Deferred income	14,800	15,200	15,600
	<u>81,427</u>	<u>81,827</u>	<u>644,121</u>
Total liabilities	<u>1,089,225</u>	<u>274,272</u>	<u>1,192,764</u>
Net assets	<u>5,326,563</u>	<u>5,439,289</u>	<u>7,023,931</u>
Capital and reserves			
Issued 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	5,128,378	5,241,104	6,825,746
Total equity	<u>5,326,563</u>	<u>5,439,289</u>	<u>7,023,931</u>

JOHN SWAN & SONS PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2010

	Share capital £	Revenue reserve £	Employee Benefit Trust reserve £	Retained earnings £	Total equity £
At 1 May 2009	168,000	70,000	(39,815)	6,982,328	7,180,513
Loss for the period	-	-	-	(65,232)	(65,232)
Dividends	-	-	-	(91,350)	(91,350)
At 31 October 2009	<u>168,000</u>	<u>70,000</u>	<u>(39,815)</u>	<u>6,825,746</u>	<u>7,023,931</u>
At 1 May 2010	168,000	70,000	(39,815)	5,241,104	5,439,289
Loss for the period	-	-	-	(82,276)	(82,276)
Dividends	-	-	-	(30,450)	(30,450)
At 31 October 2010	<u>168,000</u>	<u>70,000</u>	<u>(39,815)</u>	<u>5,128,378</u>	<u>5,326,563</u>

JOHN SWAN & SONS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 October 2010

	Notes	31 October 2010 £	31 October 2009 £
Net cash (used in)/from operating activities	3	<u>(1,146,606)</u>	<u>84,226</u>
Investing activities			
Interest received		432	1,116
Proceeds on disposal of motor vehicles		8,250	6,200
Purchases of property, plant and motor vehicles		<u>(47,012)</u>	<u>(41,741)</u>
Net cash used in investing activities		<u>(38,330)</u>	<u>(34,425)</u>
Financing activities			
Dividends paid	4	(30,450)	(91,350)
Repayment of obligations under finance leases		-	<u>(4,371)</u>
Net cash used in financing activities		<u>(30,450)</u>	<u>(95,721)</u>
Net decrease in cash and cash equivalents		(1,215,386)	(45,920)
Cash and cash equivalents at beginning of period		467,881	104,685
Cash and cash equivalents at end of period	5	<u>(747,505)</u>	<u>58,765</u>

JOHN SWAN & SONS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 October 2010

1 Basis of preparation

The condensed financial information for the six months ended 31 October 2010 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and has not been audited. No statutory accounts for the period have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 April 2010 have 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 financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

The same accounting policies, presentation and methods of computation are followed in the condensed 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 2010 £	31 October 2009 £
Loss before tax	(82,276)	(75,232)
Adjustments for:		
Investment revenues	(432)	(19,116)
Finance costs	-	52
Pension scheme current service cost	-	53,000
Depreciation of property, plant and motor vehicles	52,593	54,577
(Gain)/Loss on sale of fixed assets	(8,250)	3,717
Deferred income released in the period	(400)	(400)
Operating cash flows before movement in working capital	<u>(38,765)</u>	<u>16,598</u>
(Increase) in inventories	-	(13,230)
(Increase)/Decrease in receivables	(1,138,220)	44,426
Increase in payables	30,379	36,484
Cash (used in)/from operations	<u>(1,146,606)</u>	<u>84,278</u>
Interest paid	-	(52)
Net cash (used in)/from operating activities	<u><u>(1,146,606)</u></u>	<u><u>84,226</u></u>

JOHN SWAN & SONS PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 October 2010 - continued

4 Dividends

	31 October 2010 £	31 October 2009 £
Dividend on ordinary shares paid on 22 September 2010: Final 2010	<u>30,450</u>	<u>91,350</u>

5 Cash and cash equivalents

	31 October 2010 £	31 October 2009 £
Bank and cash balances	37,469	347,905
Bank overdraft	(784,974)	(289,140)
	<u>(747,505)</u>	<u>58,765</u>

6 Interim financial statements

The interim financial statements were approved by the Board of Directors on 31 January 2011 and were posted out to all shareholders on that date. The interim financial report is 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.

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Company registered in Scotland : No. SC007893

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