



*Annual Report & Accounts 2006-2007*

# *Directors and Officers*

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## **Executive Directors**

- + J.C. Clark  
F.W. Forrest

## **Non-Executive Directors**

- +\* Alastair J. Ritchie, Company Director, Edinburgh - Chairman of John Swan & Sons PLC  
James D. Allen, Farmer, Longnewton, St Boswells  
George R. Forbes, Farmer, Georgefield, Coldstream
- +\* George T. Neill, Farmer, Downham, Mindrum - Chairman of John Swan Limited

## **Secretaries, Registrars and Registered Office**

Geoghegan & Co, C.A.  
6 St Colme Street, Edinburgh EH3 6AD

## **Registered Auditors**

Scott-Moncrieff, Chartered Accountants,  
17 Melville Street, Edinburgh EH3 7PH

- + *Member of Audit Committee*
- \* *Member of Remuneration Committee*

Registered in Scotland : No. 7893

## *Statement by the Chairman* *John Swan and Sons PLC*

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Our results for the year are summarised as follows:

	2007	2006
<b>Profit/(Loss) before tax</b>		
John Swan Limited	201,688	72,784
John Swan & Sons PLC	(80,340)	(169,590)
FRS 17 pension adjustments	(9,000)	(29,000)
Profit/(Loss) before tax	<u>£ 112,348</u>	<u>£ (125,806)</u>

I am pleased to report further progress in the performance of our auctioneering business, upon which the Chairman of John Swan Limited reports below.

With regard to our land and property activity, I cannot add to my previous statements, whilst we await the outcome of the various planning applications. Shareholders will be informed as soon as these are known.

However, it may well be opportune for me to repeat at this time your Board's position should permission be granted for the redevelopment of the St. Boswells site. The proceeds will be returned to shareholders in line with the policy published and agreed at the EGM held on 22 November 2002. Should permission for a new auction mart at St. Boswells be granted, that will require to be separately funded. Your Board will take all reasonable steps to facilitate and support the project, but will not participate in its funding.

Meanwhile, the Board is pleased to declare a final dividend for the current financial year of 15p per ordinary share to be paid on 18 September 2007 to shareholders on the register at 24 August 2007. The ex dividend date will be 22 August 2007. This, along with the earlier interim dividend paid in March 2007, amounts to a dividend for the year of 30p per ordinary share (2006: 30p).

Alastair J. Ritchie  
*Chairman*

## *Statement by the Chairman John Swan Limited*

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The ramifications of the decoupling of livestock subsidy with the introduction of the Single Farm Payment system are now starting to take effect and this has resulted in a decline in the Scottish beef herd. In turn, this has meant a reduction in our weekly prime cattle throughput with a large percentage being sourced from primary producers. Store cattle numbers, however, have been maintained and, with an increasing number of purchasers attending the regular sales, vendors have benefited from the keen competition.

In the sheep sector, an increasing number of producers are returning to selling prime sheep through the ring and at our weekly Monday sale, an annual throughput of 200,000 prime sheep was achieved for the first time. We recently changed the times of our weekly sales at Wooler and early indications are that this will be beneficial. Whilst we have the support of our buying customers, the future of the sales will very much depend upon the support of the vendors.

An interesting statistic to note is that in this past year a total of 30,696 cattle and 303,399 sheep were sold through our St Boswells market, compared with 23,218 cattle and 274,981 sheep in 1995. This increase in numbers shows that St Boswells is strategically placed to provide a marketing facility for producers of stock from the Borders and beyond.

Whilst every endeavour is made to contain the ever increasing costs of running a mart facility, the continued existence of an auction facility is dependent upon income being obtained from other sources. It is therefore important to maintain the ancillary income of over £146,000, which is included in turnover, and which is £48,000 up on last year.

At the time of writing, our outline planning application lodged with Scottish Borders Council is under consideration. If successful, our current proposal is to create a rural centre with a livestock market and other ancillary businesses, which will provide additional income. As stated in the Group Chairman's report above, the board of John Swan Limited are exploring different options for funding this development.

The valuable services which auction markets provide have been well recorded and the guarantee of payment to vendors is high on the list. John Swan Limited did incur a bad debt during the year, but 90% of that debt was covered by insurance. I am therefore pleased to report that John Swan Limited has returned a trading profit (profit before FRS17 pension adjustments and taxation) of £202,000 compared to £73,000 last year.

Finally, I wish to thank all of our staff for their efforts in achieving this result. An efficient auction system, which provides a transparent price setting system, must continue to be an important marketing choice for producers.

George T. Neill  
*Chairman*

# *Report of the Directors*

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The directors present their report and the audited financial statements of John Swan & Sons PLC for the year ended 30 April 2007.

## **Business Review and Principal Activities**

The Group acts as auctioneers, livestock agents, valuers and estate agents and operates livestock auction marts in Newtown St Boswells and Wooler.

The profit for the year after taxation amounted to £95,199. The dividends paid during the year are shown in Note 24. The proposed final dividend is 15p per ordinary share of 25p.

The Chairman's statement contains a review of the Group's operations for the year.

## **Key Performance Indicators**

Given the straightforward nature of the business, the Group directors are of the opinion that the use of key performance indicators is not necessary for an understanding of the development, performance or position of the business.

## **Principal Risks and Uncertainties**

The Group directors recognise that there are three principal risks facing the company:

- *Purchasers sourcing stock direct from customers*  
The mart directors strive to provide a premium service and effective financial service to encourage customers to continue using the auction system.
- *Bad debts*  
The Group insures major debtors, where possible, to reduce the risk of significant financial loss.
- *Defined benefit pension scheme*  
The Group directors review the position regularly to assess the impact that funding the scheme will have on future profitability.

## **Post Balance Sheet Events**

There have been no significant events affecting the Group since 30 April 2007.

## **Fixed Assets**

Group capital expenditure amounted to £88,488, compared with £50,871 during the previous year.

The directors are of the opinion that the market value of land and buildings is significantly in excess of the book value. In the absence of a recent valuation the difference cannot be quantified.

# *Report of the Directors* continued

## **Directors and their Interests**

The directors of the company are shown on page 1.

Mr JC Clark and Mr GT Neill retire by rotation and being eligible offer themselves for re-election.

The interests of the directors in the share capital of the company at the year end were :

	ORDINARY SHARES	
	at 30 April 2007	at 1 May 2006
Beneficial:		
Mr J.D. Allen	2,100	2,100
Mr J.C. Clark	8,798	8,798
Mr G.R.Forbes	600	600
Mr F.W. Forrest	1,500	1,500
Mr G.T. Neill	1,000	1,000
Mr A.J. Ritchie	4,750	4,750

Between 30 April 2007 and 20 July 2007 there have been no changes in the interests of the directors in the shares of the company. No director had an interest at any time during the year in any contract of significance to the company's business.

## **Auditors**

A resolution to re-appoint Scott-Moncrieff as auditors of the Group will be put to the Annual General Meeting.

## **Share Capital**

Notification has been received in respect of the following holdings which are in excess of 3 per cent of the issued ordinary share capital of the company at 30 April 2007 :

Value Investments Limited	10.09 per cent
The Hon Peregrine Moncreiffe, Easter Moncreiffe, Perthshire	8.73 per cent
Peter S Allen, House of Shaws, Midhurst	3.14 per cent

## **Payment of Consignors**

It is Group policy that all consignors of stock for sale in the markets are paid within a maximum period of 7 days.

## **Corporate Governance**

The Group remains committed to high standards of corporate governance and supports the principles laid down in the Combined Code on Corporate Governance appended to the Listing Rules of the UK Listing Authority (the "Combined Code"). Taking into account the size of the Group it is not always possible to fulfil the commitments in their entirety. The main exceptions are noted under the respective headings below.

# *Report of the Directors* *continued*

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## **The Board**

The Board consists of executive and non-executive directors all of whom are required to retire and submit themselves for re-election every three years. By nature of the fact that the non-executive directors may be farmers, they are often customers of the Group. Their terms of trade are exactly the same as any other customer.

Since September 2005, Mr Clark and Mr Forrest have had written service contracts with John Swan Limited.

It is not considered necessary to provide biographical details for each director.

## **Directors' Remuneration**

Details of the remuneration of each director serving during the year are set out in note 4 to the financial statements. The company has a remuneration committee, the members of which are noted on page 1. John Swan Limited has a separate remuneration committee. The aim of that committee, with reference to executive directors' remuneration, is to align individual reward and incentives directly with the performance of John Swan Limited and to provide a remuneration package sufficient to attract, retain and motivate executive directors. The typical elements of executive directors' remuneration packages are basic salary, benefits in kind, commission and pension. The executive directors' salaries are reviewed annually once the trading results for the preceding financial year are known.

## **Indemnity Arrangements**

The company has qualifying third party indemnity provisions in place for its directors.

## **Relations with Shareholders**

Many shareholders are also customers and therefore there is an ongoing dialogue throughout the year. Shareholders have the opportunity of attending the annual general meeting.

## **Accountability and Audit**

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

## **Internal Control**

The Board of Directors has overall responsibility for the Group's system of internal control. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The Board of Directors meets bi-monthly and exercises control over strategic, financial and operational matters. The executive directors meet monthly and involve themselves in the day to day management of the Group with particular emphasis given to the control of debts.

The Board has reviewed the effectiveness of the system of internal control in operation during the financial year, including financial controls, operational controls and risk management.



# *Report of the Directors* continued

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## **Audit Committee and Auditors**

The Board of Directors requests the Auditors to report annually on their findings as a result of the audit. The Audit Committee is responsible for implementing these recommendations. In as much as Mr Clark is an executive director, the composition of the Audit Committee does not comply with the Combined Code. The directors consider that the present members of the Committee are appropriate for the Group's circumstances.

## **Statement of Directors' Responsibilities**

The following statement, which should be read in conjunction with the report of the auditors set out on pages 8 and 9, describes the responsibilities of the directors in relation to these financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group as at the end of the year and of the profit or loss for the year.

The directors are of the opinion that, in preparing the financial statements on pages 10 to 28 inclusive, the Group has used appropriate and consistently applied accounting policies supported by reasonable and prudent estimates and judgements. All applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the Group keeps accounting records which disclose, with reasonable accuracy, the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors also have responsibility for safeguarding the assets of the Group and for taking reasonable steps to ensure the prevention and detection of fraud and other irregularities.

## **Disclosure of information to auditors**

As far as each of the directors at the time the report is approved are aware :

- there is no relevant information of which the company's auditors are unaware and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

BY ORDER OF THE BOARD

GEOGHEGAN & CO  
Secretaries

*20 July 2007*

Note: The value for Capital Gains Tax purposes of the ordinary shares of the company as at 31 March 1982 was 92.5 pence per share.

# *Independent Auditors' Report to the Shareholders of John Swan and Sons PLC*

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We have audited the group and parent company financial statements of John Swan & Sons PLC for the year ended 30 April 2007 set out on pages 10 to 28. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 15 and 16.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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**

The directors' responsibilities for preparing the Annual Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



# *Independent Auditors' Report to the Shareholders of John Swan and Sons PLC continued*

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## **Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 30 April 2007 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

SCOTT-MONCRIEFF  
Registered Auditor  
Chartered Accountants

17 Melville Street  
Edinburgh EH3 7PH

*20 July 2007*

# Consolidated Profit and Loss Account

for the year ended 30 April 2007

	Notes	2007	2006
<i>Turnover: Group and share of joint venture</i>		1,575,162	1,443,718
<i>Less: share of joint venture turnover</i>		-	-
<b>Turnover</b>	2	<u>£ 1,575,162</u>	<u>£ 1,443,718</u>
Staff costs	3	996,024	931,831
Depreciation		100,836	106,711
Other operating charges		<u>702,330</u>	<u>804,824</u>
		<u>1,799,190</u>	<u>1,843,366</u>
<b>Operating loss</b>	5	(224,028)	(399,648)
Share of operating profit/(loss) in joint venture		<u>3,622</u>	<u>(366)</u>
		<u>(220,406)</u>	<u>(400,014)</u>
Exceptional items	6	<u>42,809</u>	-
<b>Loss on ordinary activities before interest and taxation</b>		(177,597)	(400,014)
Other finance income	7	156,000	105,000
Interest receivable			
Group		134,331	168,881
Joint venture		<u>568</u>	<u>1,162</u>
		<u>134,899</u>	<u>170,043</u>
Interest payable and similar charges	8		
Group		(744)	(30)
Joint venture		<u>(210)</u>	<u>(805)</u>
		<u>(954)</u>	<u>(835)</u>
		<u>133,945</u>	<u>169,208</u>
<b>Profit/(Loss) on ordinary activities before taxation</b>		112,348	(125,806)
Tax on profit/(loss) on ordinary activities	9	<u>(17,149)</u>	<u>(115,534)</u>
<b>Profit/(Loss) for group and its share of joint venture for the financial year</b>		<u>£ 95,199</u>	<u>£ (241,340)</u>
<b>Earnings per share</b>	11		
Ordinary shares of 25p		15.6p	(37.8)p
Deferred shares of 12 <sup>1</sup> / <sub>2</sub> p		-	(18.9)p

The consolidated profit and loss account has been prepared on the basis that all operations are continuing operations.

## *Consolidated Statement of Total Recognised Gains and Losses for the year ended 30 April 2007*

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	Notes	2007	2006
Profit/(loss) for the financial year		95,199	(241,340)
Difference between actual and expected return on pension scheme assets	28	9,000	831,000
Experience (losses)/gains arising on pension scheme liabilities	28	(28,000)	(153,000)
Effects of changes in assumptions underlying the present value of pension scheme liabilities	28	207,000	(345,000)
Deferred tax liability associated with movement on pension scheme surplus	28	<u>(57,000)</u>	<u>(100,000)</u>
<b>Total recognised gains and (losses) relating to the year</b>		<u>£ 226,199</u>	<u>£ (8,340)</u>

## *Consolidated Balance Sheet* as at 30 April 2007

	Notes	2007	2006
<b>Fixed assets</b>			
Tangible assets	12	1,836,781	1,858,229
Investment			
Investment in joint venture	13	<u>8,212</u>	<u>4,991</u>
		<u>1,844,993</u>	<u>1,863,220</u>
<b>Current assets</b>			
Stocks	14	35,648	52,581
Debtors – amounts falling due within one year	15	2,279,396	2,042,408
Cash at bank and in hand		<u>2,258,814</u>	<u>2,638,771</u>
		<u>4,573,858</u>	<u>4,733,760</u>
<b>Creditors - amounts falling due within one year</b>	16	<u>166,202</u>	<u>293,769</u>
<b>Net current assets</b>		<u>4,407,656</u>	<u>4,439,991</u>
<b>Total assets less current liabilities</b>		6,252,649	6,303,211
<b>Creditors - amounts falling due after more than one year</b>	17	6,849	-
<b>Provisions for liabilities</b>	18	24,890	-
<b>Accruals and deferred income</b>	19	<u>17,600</u>	<u>18,400</u>
<b>Net assets excluding pension scheme assets</b>		6,203,310	6,284,811
<b>Pension scheme assets</b>	28	<u>834,000</u>	<u>709,000</u>
<b>Net assets including pension scheme assets</b>		<u>£ 7,037,310</u>	<u>£ 6,993,811</u>
<b>Capital and reserves</b>			
Called up share capital	20	168,000	168,000
Revenue reserve	21	70,000	70,000
Employee Benefit Trust reserve	21, 22	(39,815)	(39,815)
Profit and loss account	21	<u>6,839,125</u>	<u>6,795,626</u>
<b>Equity shareholders' funds</b>	23	<u>£ 7,037,310</u>	<u>£ 6,993,811</u>

The financial statements on pages 10 to 28 were approved and authorised for issue by the Board on 20 July 2007 and were signed on its behalf by :

ALASTAIR RITCHIE

DIRECTOR

JACK CLARK

DIRECTOR

# *Company Balance Sheet* as at 30 April 2007

	Notes	2007	2006
<b>Fixed assets</b>			
Tangible assets	12	1,377,803	1,413,315
Investments			
Investments in subsidiary companies	13	<u>3,000,001</u>	<u>3,000,001</u>
		<u>4,377,804</u>	<u>4,413,316</u>
<b>Current assets</b>			
Debtors – amounts falling due within one year	15	261,095	65,471
Cash at bank and in hand		<u>1,313,925</u>	<u>1,873,622</u>
		1,575,020	1,939,093
<b>Creditors</b> - amounts falling due within one year	16	<u>39,958</u>	<u>186,503</u>
<b>Net current assets</b>		<u>1,535,062</u>	<u>1,752,590</u>
<b>Total assets less current liabilities</b>		5,912,866	6,165,906
<b>Provisions for liabilities</b>	18	-	-
<b>Net assets</b>		<u>£ 5,912,866</u>	<u>£ 6,165,906</u>
<b>Capital and reserves</b>			
Called up share capital	20	168,000	168,000
Revenue reserve	21	70,000	70,000
Employee Benefit Trust reserve	21, 22	(39,815)	(39,815)
Profit and loss account	21	5,714,681	5,967,721
<b>Equity shareholders' funds</b>	23	<u>£ 5,912,866</u>	<u>£ 6,165,906</u>

The financial statements on pages 10 to 28 were approved and authorised for issue by the Board on 20 July 2007 and were signed on its behalf by :

ALASTAIR RITCHIE

DIRECTOR

JACK CLARK

DIRECTOR

# Consolidated Cash Flow Statement

for the year ended 30 April 2007

	Notes	2007	2006
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>			
Group operating loss		(224,028)	(399,648)
Pension scheme current service cost – FRS 17	28	165,000	134,000
Depreciation	12	100,836	106,711
Deferred income released to loss for the year		(800)	(800)
Gain on sale of tangible fixed assets		(6,685)	(1,078)
Decrease in stocks		16,933	9,998
Increase in debtors		(236,988)	(12,719)
Decrease in creditors		(9,545)	(87,792)
<b>Net cash outflow from operating activities</b>		<u>£ (195,277)</u>	<u>£ (251,328)</u>
<b>Cash flows</b>			
Net cash outflow from operating activities		(195,277)	(251,328)
Returns on investments and servicing of finance	25	133,587	168,851
Taxation		(115,000)	(877,534)
Net capital payments	25	(17,676)	(49,031)
Contribution to Employee Benefit Trust		-	(39,815)
Equity dividends paid		(182,700)	(292,050)
		<u>(377,066)</u>	<u>(1,340,907)</u>
Financing:			
Capital element of finance lease rental payments		<u>(2,891)</u>	<u>-</u>
<b>Decrease in cash in year</b>		<u>£ (379,957)</u>	<u>£ (1,340,907)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
	26		
Decrease in cash in the year		(379,957)	(1,340,907)
Cash outflow from decrease in lease financing		<u>2,891</u>	<u>-</u>
Change in net funds resulting from cash flows		(377,066)	(1,340,907)
New finance lease		<u>(12,218)</u>	<u>-</u>
<b>Movement in net funds in the year</b>		<u>(389,284)</u>	<u>(1,340,907)</u>
<b>Net funds at 30 April 2006</b>		<u>2,638,771</u>	<u>3,979,678</u>
<b>Net funds at 30 April 2007</b>		<u>£ 2,249,487</u>	<u>£ 2,638,771</u>



# *Notes to the Consolidated Financial Statements*

## 1 STATEMENT OF ACCOUNTING POLICIES

### **Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The consolidated financial statements incorporate the results of John Swan & Sons PLC and its subsidiary undertakings, John Swan Limited and John Swan Trustee Limited, using the acquisition method of accounting.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2½% to 5% straight line
Plant and machinery	10% and 20% reducing balance and 25% straight line
Motor vehicles	25% straight line

All tangible assets have been depreciated in accordance with FRS 15 with the exception of land and heritable property in existence at 30 April 1968, as any depreciation charge in respect of the heritable property would be immaterial.

### **Investment in joint venture**

The investment in the joint venture is accounted for by the gross equity method.

### **Stocks**

Stocks on hand at the end of the financial year are valued at the lower of cost and net realisable value and in the case of livestock, cost includes a proportion to cover the cost of feeding from the date of purchase.

### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### **Pension costs**

The pension scheme assets are measured using fair values. The pension scheme liabilities are measured using the projected unit method and discounted at an AA corporate bond rate. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full, net of deferred tax and presented on the face of the balance sheet. The movement in the scheme surplus/deficit is split between operating and financing items in the profit and loss account and the statement of total recognised gains and losses.

# Notes to the Consolidated Financial Statements *continued*

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## 1 STATEMENT OF ACCOUNTING POLICIES (continued)

### Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets.

### Leases

#### *Finance leases*

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter of the lease term and the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

#### *Operating leases*

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

## 2 TURNOVER

The Group's turnover for the year ended 30 April 2007 consisting of commission, fees, credit charges and the surplus on ancillary activities was £1,575,162 (2006 - £1,443,718), and relates wholly to the UK market. Income is recognised on the completion of each sale.

## 3 STAFF COSTS

	2007	2006
Wages and salaries	778,921	748,682
Social security costs	52,103	49,149
Pension scheme current service cost (See Note 28)	165,000	134,000
	<u>£ 996,024</u>	<u>£ 931,831</u>

The average number of persons employed by the Group during the year was:

Office and management	22	21
Other permanent staff	7	7
Part time staff	2	10
	<u>31</u>	<u>38</u>



# Notes to the Consolidated Financial Statements *continued*

## 4 DIRECTORS' EMOLUMENTS

Aggregate emoluments of the directors of the Group were as follows:	2007	2006
Fees to non-executive directors	44,150	42,500
Salaries and benefits to executive directors	95,858	93,025
Pension contributions	-	-
	<u>£ 140,008</u>	<u>£ 135,525</u>

No share option scheme is in force.

The remuneration of each of the directors for the years ended 30 April 2007 and 2006 is set out below:

	Salary	Benefits	Total Emoluments
<i>2006-07 Executive</i>			
J.C. Clark	48,333	5,579	53,912
F.W. Forrest	37,567	4,379	41,946
	<u>£ 85,900</u>	<u>£ 9,958</u>	<u>£ 95,858</u>
<i>2005-06 Executive</i>			
J.C. Clark	46,873	5,533	52,406
F.W. Forrest	36,483	4,136	40,619
	<u>£ 83,356</u>	<u>£ 9,669</u>	<u>£ 93,025</u>
<i>Non-Executive</i>			
		2006-07	2005-06
A.J. Ritchie		15,750	15,000
J.D. Allen		9,300	9,000
G.R. Forbes		6,300	6,000
G.T. Neill		12,800	12,500
		<u>£ 44,150</u>	<u>£ 42,500</u>

The above fees paid to Mr Allen and Mr Neill include fees in respect of services carried out on behalf of the subsidiary company John Swan Limited.

Fees for Mr Ritchie were paid to Ritchie & Co under an agreement to provide the company with his services.

No commission was paid to the executive directors during the year.

The value of benefits in kind received during the year relates principally to the provision of company cars and medical insurance.

No pension contributions were paid by the Group on behalf of the directors during 2006-07 and 2005-06 (see Note 28).

### *Directors' Pensions*

The executive directors are members of an Inland Revenue approved defined benefit pension scheme which is open to all eligible employees. Non-executive directors may not join the scheme. The scheme provides for a maximum pension of two-thirds final pensionable salary at a normal retirement age of 65. A widow's pension of two-thirds of the director's pension is payable on death after retirement. On retirement the directors may commute part of their pension for a cash lump sum, within Inland Revenue limits.

# Notes to the Consolidated Financial Statements *continued*

## 4 DIRECTORS' EMOLUMENTS (continued)

The table below sets out, in accordance with the Listing Rules of the UK Listing Authority, information regarding the accrued pension entitlements of the executive directors.

	Age at 30 April 2007	Accumulated accrued pension at age 65	
		30 April 2007	30 April 2006
		£	£
J.C. Clark	59	31,761	30,834
F.W. Forrest	52	24,667	24,000

The above figures exclude any pensions arising from additional voluntary contributions paid by the employees.

## 5 GROUP OPERATING LOSS

	2007	2006
This is stated after charging :		
Depreciation of tangible assets	£ 100,836	£ 106,711
Group auditors' remuneration for - audit services	13,500	12,700
	<u>114,336</u>	<u>119,411</u>

## 6 EXCEPTIONAL ITEMS

Exceptional non-operating profit :		
Consideration for grant of option to purchase land (net of professional fees - £7,191)	£ 42,809	£ -
	<u>42,809</u>	<u>-</u>

The tax effect of the non-operating profit is a charge of £8,134.

## 7 OTHER FINANCE INCOME

Other finance income (see note 28)	£ 156,000	£ 105,000
	<u>156,000</u>	<u>105,000</u>

## 8 INTEREST PAYABLE AND SIMILAR CHARGES

Group		
Bank interest payable	9	30
Finance lease charges	735	-
	<u>744</u>	<u>30</u>
	£ 744	£ 30

The joint venture interest payable of £210 (2006: £805) relates to interest paid by the joint venture company to the subsidiary undertaking, John Swan Limited.

# Notes to the Consolidated Financial Statements *continued*

## 9 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2007	2006
Current tax :		
UK corporation tax charge on profit/(loss) of the year		
- Group	4,500	-
- Joint Venture	759	-
(Over)/under-provided in previous year		
- Group	(10,000)	124,534
	<u>(4,741)</u>	<u>124,534</u>
Deferred tax :		
Origination and reversal of timing differences	24,890	-
	<u>24,890</u>	<u>-</u>
<b>Total current tax charge (see below)</b>	<b>20,149</b>	<b>124,534</b>
Deferred tax :		
FRS 17 (see note 28)	(3,000)	(9,000)
	<u>(3,000)</u>	<u>(9,000)</u>
Tax charge on profit/(loss) on ordinary activities	<u>£ 17,149</u>	<u>£ 115,534</u>
<b>Factors affecting tax charge for year</b>		
Profit/(loss) on ordinary activities before tax	<u>£ 112,348</u>	<u>£ (125,806)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of UK corporation tax 30% (2006 -30%)	<u>33,704</u>	<u>(37,742)</u>
Effects of :		
Expenses not deductible for tax purposes	13,067	12,656
FRS 17 (see Note 28)	2,700	9,000
Capital allowances in excess of depreciation	-	1,123
Tax losses utilised against deferred tax	-	(10,581)
Tax losses not recognised	(4,039)	25,544
Tax not at 30%	(15,283)	-
Adjustment to tax charge in respect of previous year	(10,000)	124,534
	<u>(13,555)</u>	<u>162,276</u>
<b>Current tax charge (see above)</b>	<b>£ 20,149</b>	<b>£ 124,534</b>

## 10 LOSS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £70,340 (2006 : loss for the year - £294,590).

## 11 EARNINGS PER SHARE

The calculation of earnings per share is based on a profit of £95,199 (2006 : loss of £241,340) and on 609,000 ordinary shares of 25p (2006 : weighted averages of 609,000 ordinary shares of 25p and 60,000 deferred shares of 12.5p) in issue during the year.

# Notes to the Consolidated Financial Statements *continued*

## 12 TANGIBLE ASSETS

GROUP	FREEHOLD LAND AND BUILDINGS	PLANT AND MACHINERY	MOTOR VEHICLES	TOTAL
<b>Cost</b>				
At 1 May 2006	1,807,980	662,886	236,616	2,707,482
Additions	-	1,630	86,858	88,488
Disposals	-	-	(58,391)	(58,391)
At 30 April 2007	1,807,980	664,516	265,083	2,737,579
<b>Depreciation</b>				
At 1 May 2006	230,235	458,029	160,989	849,253
On disposals	-	-	(49,291)	(49,291)
Charge for year	42,661	22,073	36,102	100,836
At 30 April 2007	272,896	480,102	147,800	900,798
<b>Net Book Value</b>				
At 30 April 2007	<u>£ 1,535,084</u>	<u>£ 184,414</u>	<u>£ 117,283</u>	<u>£ 1,836,781</u>
At 30 April 2006	<u>£ 1,577,745</u>	<u>£ 204,857</u>	<u>£ 75,627</u>	<u>£ 1,858,229</u>

Land and buildings with a net book value of £155,586 (2006: £155,586) and included in the Group's net book value above of £1,535,084 (2006: £1,577,745), have not been subject to depreciation in accordance with Note 1.

The above net book value of motor vehicles of £117,283 (2006: £75,627) includes £9,418 (2006: £nil) in respect of an asset held under a finance lease. The depreciation charge in respect of this asset amounted to £2,800 (2006 - £nil) for the year.

COMPANY	FREEHOLD LAND AND BUILDINGS	TOTAL
<b>Cost</b>		
At 1 May 2006	1,629,252	1,629,252
Additions	-	-
Disposals	-	-
At 30 April 2007	1,629,252	1,629,252
<b>Depreciation</b>		
At 1 May 2006	215,937	215,937
On disposals	-	-
Charge for year	35,512	35,512
At 30 April 2007	251,449	251,449
<b>Net Book Value</b>		
At 30 April 2007	<u>£ 1,377,803</u>	<u>£ 1,377,803</u>
At 30 April 2006	<u>£ 1,413,315</u>	<u>£ 1,413,315</u>

Land and buildings with a net book value of £155,586 (2006 - £155,586) and included in the Company's net book value above of £1,377,803 (2006 - £1,413,315), have not been subject to depreciation in accordance with Note 1.

# Notes to the Consolidated Financial Statements *continued*

## 13 FIXED ASSET INVESTMENT

### (a) Subsidiary

The company holds an investment in 2 subsidiaries as follows:

(i) Subsidiary name	John Swan Limited
Issued share capital of John Swan Limited	3,000,000 ordinary shares of £1 issued at par value
Percentage of ordinary shares held by company	100%

John Swan Limited acts as auctioneers, livestock agents, valuers and estate agents and operates auction marts in Newtown St Boswells and Wooler.

(ii) Subsidiary name	John Swan Trustee Limited
Issued share capital of John Swan Trustee Limited	1 ordinary share of £1 issued at par value
Percentage of ordinary shares held by company	100%

John Swan Trustee Limited carries on the office and duties of the Trustee of the John Swan Employee Benefit Trust. The company has not traded or made profits or losses since incorporation.

### (b) Joint Venture

The Group's 50% share of the joint venture, Braveheart Beef (Scotland) Limited, at 30 April 2007, is as follows:

GROUP	2007	2006
Share of turnover	£ -	£ -
Share of profit/(loss) before tax	3,980	(9)
Taxation	(759)	-
Profit/(Loss) after tax	£ 3,221	£ (9)
<i>Share of assets:</i>		
Current assets	10,056	16,739
<i>Share of liabilities:</i>		
Due within one year or less	(1,844)	(11,748)
Share of net assets	£ 8,212	£ 4,991

The trade creditors of the joint venture at 30 April 2007 include a balance of £nil (2006 - £19,373) due to the Group. The joint venture was set up to buy and sell prime beef in Scotland. The joint venture has not traded since 30 April 2005.

## 14 STOCKS

### GROUP

Livestock	£ 35,648	£ 52,581
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### COMPANY

Livestock	£ -	£ -
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# Notes to the Consolidated Financial Statements *continued*

<b>15 DEBTORS - amounts falling due within one year</b>	2007	2006
<b>GROUP</b>		
Trade debtors	1,966,705	1,950,949
Other debtors	4,611	13,326
Prepayments and accrued income	<u>308,080</u>	<u>78,133</u>
	<u>£ 2,279,396</u>	<u>£ 2,042,408</u>
 <b>COMPANY</b>		
Other debtors	4,483	10,576
Prepayments and accrued income	<u>256,612</u>	<u>54,895</u>
	<u>£ 261,095</u>	<u>£ 65,471</u>
 <b>16 CREDITORS - amounts falling due within one year</b>		
<b>GROUP</b>		
Obligations under finance leases	2,478	-
Trade creditors	22,593	33,887
Corporation tax	4,500	125,000
Other taxes and social security costs	43,680	37,158
Other creditors	52,781	63,313
Accruals	<u>40,170</u>	<u>34,411</u>
	<u>£ 166,202</u>	<u>£ 293,769</u>
 <b>COMPANY</b>		
Amount owed to subsidiary undertaking	450	-
Corporation tax	-	125,000
Other creditors	35,008	57,203
Accruals	<u>4,500</u>	<u>4,300</u>
	<u>£ 39,958</u>	<u>£ 186,503</u>
 <b>17 CREDITORS - amounts falling due after more than one year</b>		
<b>GROUP</b>		
Obligations under finance leases	<u>£ 6,849</u>	<u>£ -</u>
 <b>LOAN MATURITY ANALYSIS</b>		
In more than one year but not more than two years	<u>£ 6,849</u>	<u>£ -</u>
 <b>COMPANY</b>		
Obligations under finance leases	<u>£ -</u>	<u>£ -</u>



# Notes to the Consolidated Financial Statements *continued*

## 18 PROVISIONS FOR LIABILITIES

		Deferred taxation
<b>GROUP</b>		
At 1 May 2006		-
Charge for the year		24,890
At 30 April 2007	£	<u>24,890</u>
	2007	2006
<b>Provision for deferred tax</b>		
Accelerated capital allowances	24,890	21,659
Losses available to offset against deferred tax	-	(21,659)
	<u>£ 24,890</u>	<u>£ -</u>
<b>COMPANY</b>		
At 1 May 2006 and 30 April 2007		£ -

## 19 ACCRUALS AND DEFERRED INCOME

	GOVERNMENT GRANTS	
	2007	2006
<b>GROUP</b>		
At 1 May 2006	18,400	19,200
Released to operating loss for the year	(800)	(800)
At 30 April 2007	<u>£ 17,600</u>	<u>£ 18,400</u>
<b>COMPANY</b>		
At 1 May 2006 and 30 April 2007	<u>£ -</u>	<u>£ -</u>

## 20 EQUITY SHARE CAPITAL

	AUTHORISED		ALLOTTED, ISSUED AND FULLY PAID	
	2007	2006	2007	2006
Ordinary shares of 25p each	235,000	235,000	153,000	153,000
Deferred shares of 12½p each	15,000	15,000	15,000	15,000
	<u>£ 250,000</u>	<u>£ 250,000</u>	<u>£ 168,000</u>	<u>£ 168,000</u>

On a poll, each ordinary share of 25p carries one vote and each deferred share of 12½p carries four votes. Following the transfer of the deferred shares to the John Swan Employee Benefit Trust on 26 October 2005, the voting rights attaching to the deferred shares are exercised by the Trustee of the Trust as instructed by the Board, except where such instruction may breach the Trustee's fiduciary duty, in which case the Trustee shall be entitled to vote as it sees fit. The deferred shares no longer have a right to a dividend.

The company continues to hold 3,000 of its ordinary shares of 25p as treasury shares. The voting and other rights attaching to these shares are suspended whilst they are held as treasury shares. Similarly, no dividends or distributions will be made in respect of these shares whilst they are held as treasury shares.

# Notes to the Consolidated Financial Statements *continued*

## 21 RESERVES

	REVENUE RESERVE	EMPLOYEE BENEFIT TRUST RESERVE	PROFIT AND LOSS ACCOUNT	TOTAL
<b>GROUP</b>				
At 1 May 2006	70,000	(39,815)	6,795,626	6,825,811
Profit for the financial year	-	-	95,199	95,199
Other recognised gains and losses for the year	-	-	131,000	131,000
Equity dividends paid (see Note 24)	-	-	(182,700)	(182,700)
	<u>70,000</u>	<u>(39,815)</u>	<u>6,795,626</u>	<u>6,825,811</u>
At 30 April 2007	£ 70,000	£ (39,815)	£ 6,839,125	£ 6,869,310
<b>COMPANY</b>				
At 1 May 2006	70,000	(39,815)	5,967,721	5,997,906
Loss for the financial year	-	-	(70,340)	(70,340)
Equity dividends paid (see Note 24)	-	-	(182,700)	(182,700)
	<u>70,000</u>	<u>(39,815)</u>	<u>5,967,721</u>	<u>5,997,906</u>
At 30 April 2007	£ 70,000	£ (39,815)	£ 5,714,681	£ 5,744,866

The Group Profit and Loss account balance at 30 April 2007 of £6,839,125 includes a surplus on the pension scheme at that date of £834,000 which is not distributable (see Note 28).

## 22 EMPLOYEE BENEFIT TRUST

The Employee Benefit Trust was established pursuant to a trust deed entered into between the Company and John Swan Trustee Limited dated 22 September 2005. The Employee Benefit Trust holds 120,000 deferred shares of 12.5p in the Company. The Company has not made any contributions to the Trust and there has been no movement in the assets of the Trust in the year.

## 23 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

GROUP	2007	2006
Profit/(Loss) for the financial year	95,199	(241,340)
Other recognised gains and losses relating to the year	131,000	233,000
	<u>226,199</u>	<u>(8,340)</u>
Equity dividends paid (see Note 24)	(182,700)	(292,050)
Contribution to Employee Benefit Trust	-	(39,815)
Net addition to / (deduction) from shareholders' funds	<u>43,499</u>	<u>(340,205)</u>
Balance at 1 May 2006	6,993,811	7,334,016
Balance at 30 April 2007	£ 7,037,310	£ 6,993,811



# Notes to the Consolidated Financial Statements *continued*

## 23 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS (continued)

COMPANY	2007	2006
Loss for the financial year	(70,340)	(294,590)
Equity dividends paid (see Note 24)	(182,700)	(292,050)
Contribution to Employee Benefit Trust	-	(39,815)
Net deduction from shareholders' funds	(253,040)	(626,455)
Balance at 1 May 2006	6,165,906	6,792,361
Balance at 30 April 2007	<u>£ 5,912,866</u>	<u>£ 6,165,906</u>

## 24 DIVIDENDS

Equity dividends paid in year (see Note 21) :		
Dividend on ordinary shares paid on 1 September 2006 : Final 2006	91,350	200,700
Dividend on ordinary shares paid on 2 March 2007 : Interim 2007	91,350	91,350
	<u>£ 182,700</u>	<u>£ 292,050</u>

The Final 2005 dividend of £200,700 includes a dividend of £18,000 paid on the Company's 120,000 deferred shares.

The directors have proposed a final dividend for the year of 15p per ordinary share. This dividend is subject to approval by shareholders at the Annual General Meeting on 18 September 2007 and in accordance with FRS 21 has not been included as a liability in these financial statements.

## 25 GROSS CASH FLOWS

### Returns on investments and servicing of finance

Interest received	134,331	168,881
Interest paid	(9)	(30)
Interest element of finance lease rental payments	(735)	-
	<u>£ 133,587</u>	<u>£ 168,851</u>

### Net capital payments

Payments to acquire tangible fixed assets	(76,270)	(50,871)
Receipts from sales of tangible fixed assets	15,785	1,840
Net receipt from grant of option to purchase land	42,809	-
	<u>£ (17,676)</u>	<u>£ (49,031)</u>

## 26 ANALYSIS OF NET FUNDS

	At 1 May 2006	Cash Flow	Other non cash changes	At 30 April 2007
Cash at bank and in hand	2,638,771	(379,957)	-	2,258,814
Finance leases	-	2,891	(12,218)	(9,327)
	<u>£ 2,638,771</u>	<u>£ (377,066)</u>	<u>£ (12,218)</u>	<u>£ 2,249,487</u>

# *Notes to the Consolidated Financial Statements* continued

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## 27 TRANSACTIONS WITH RELATED PARTIES

The non-executive farming directors of the Group both purchase and sell stock through the markets on the same terms as those enjoyed by other customers. The transactions with these persons are not considered material in relation to the overall turnover of the Group. At 30 April 2007, the Group was due a balance of £13,151 by Messrs S & J Allen, a business in which Mr JD Allen is involved, and a balance of £2,050 by GRF Farms, a business in which Mr GR Forbes is involved. Both balances have been paid since 30 April 2007.

## 28 PENSION COMMITMENTS

### **Defined benefit scheme**

The Group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group, in an independently administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was as at 1 May 2004. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 7.5% per annum and that salary increases would average 5.0% per annum.

The most recent actuarial valuation showed that the market value of the scheme's assets was £3,869,000 and that the actuarial value of those assets represented 151% of the benefits that had accrued to members, after allowing for expected future increases in earnings. In view of the surplus and on the recommendation of the actuary both the Group's and the employees' contributions have been suspended temporarily since 1 May 1993.



# Notes to the Consolidated Financial Statements *continued*

## 28 PENSION COMMITMENTS (continued)

### Composition of the scheme

The Group operates a UK-based defined benefit scheme providing benefits at retirement and on death-in-service. A full actuarial valuation was carried out at 1 May 2004 and updated to 30 April 2007 by a qualified independent actuary. The major assumptions used by the actuary were :

	30 April 2007	30 April 2006	30 April 2005
Discount rate	5.4%	5.0%	5.2%
Retail price inflation	3.1%	2.9%	2.7%
Salary increase rate	5.1%	4.9%	4.7%
Pensions increases (at Ltd Price Indexation max 5%)	3.1%	2.9%	2.7%
Deferred pension revaluation	3.1%	2.9%	2.7%

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 30 April 2007	Value at 30 April 2007 £'000	Long-term rate of return expected at 30 April 2006	Value at 30 April 2006 £'000	Long-term rate of return expected at 30 April 2005	Value at 30 April 2005 £'000
Equities	7.9%	4,428	7.6%	4,264	7.6%	3,187
Bonds	5.1%	481	4.8%	409	4.7%	327
Other	5.1%	506	4.8%	454	4.7%	573
Total market value of assets		5,415		5,127		4,087
Present value of scheme liabilities		(4,223)		(4,114)		(3,378)
Surplus in scheme		1,192		1,013		709
Related deferred tax liability		(358)		(304)		(213)
Net pension asset		£ 834		£ 709		£ 496

The following disclosures are made in accordance with Financial Reporting Standard 17 "Retirement Benefits". The pension scheme surplus amounting to £1,192,000 (2006 - £1,013,000) and the related deferred tax liability of £358,000 (2006 : £304,000) have been accounted for in the financial statements.

# Notes to the Consolidated Financial Statements *continued*

## 28 PENSION COMMITMENTS (continued)

	2007	2006			
	£'000	£'000			
<b>Analysis of the amount charged to operating loss</b>					
Current service cost	165	134			
Past service cost	-	-			
	<u>165</u>	<u>134</u>			
<b>Analysis of the amount credited to other finance income</b>					
Expected return on assets	362	281			
Interest on liabilities	(206)	(176)			
	<u>156</u>	<u>105</u>			
<b>Analysis of amount recognised in statement of total recognised gains and losses (STRGL)</b>					
Actual return less expected return on assets	9	831			
Experience gains and (losses) arising on the scheme liabilities	(28)	(153)			
Change in assumptions	207	(345)			
	<u>188</u>	<u>333</u>			
<b>Movement in surplus during the year</b>					
Surplus at 1 May 2006	1,013	709			
Movement in year :					
Current service cost	(165)	(134)			
Contributions	-	-			
Past service costs	-	-			
Net return from other finance income	156	105			
Actuarial gain in STRGL	188	333			
	<u>1,192</u>	<u>1,013</u>			
Surplus at 30 April 2007					
	<u>1,192</u>	<u>1,013</u>			
<b>History of experience gains and losses</b>					
	2007	2006	2005	2004	2003
Difference between the expected and actual return on Scheme assets:					
Amount (£'000)	9	831	10	293	(835)
As percentage of Scheme assets	0%	16%	0%	8%	(17%)
Experience gains and (losses) on Scheme liabilities:					
Amount (£'000)	(28)	(153)	139	63	(85)
As percentage of the present value of Scheme liabilities	(1%)	(4%)	4%	2%	(4%)
Total amount recognised in statement of total recognised gains and (losses):					
Amount (£'000)	188	333	(35)	279	(980)
As percentage of the present value of scheme liabilities	4%	8%	(1%)	9%	(44%)



## *Five Year Summary of Financial Results* (£'000)

	YEAR ENDED 30 APRIL				
	2003	2004	2005	2006	2007
<b>Turnover</b>	<u>1,358.5</u>	<u>1,511.4</u>	<u>1,425.6</u>	<u>1,443.7</u>	<u>1,575.2</u>
Operating (loss)/profit	(307.6)	1,144.4	(312.8)	(400.0)	(220.4)
Non-operating exceptional items :					
Profit on disposal of property	384.4	749.4	4,234.4	-	-
Net consideration for grant of option to purchase land	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42.8</u>
	76.8	1,893.8	3,921.6	(400.0)	(177.6)
Other finance income	-	-	105.0	105.0	156.0
Net interest (payable)/receivable	<u>(21.4)</u>	<u>(76.6)</u>	<u>50.2</u>	<u>169.2</u>	<u>133.9</u>
Profit/(loss) on ordinary activities before taxation	55.4	1,817.2	4,076.8	(125.8)	112.3
Tax on profit/(loss) on ordinary activities	<u>23.7</u>	<u>(426.7)</u>	<u>(873.5)</u>	<u>(115.5)</u>	<u>(17.1)</u>
Profit/(loss) for the financial year	79.1	1,390.5	<u>3,203.3</u>	<u>(241.3)</u>	<u>95.2</u>
Proposed dividend	<u>(67.2)</u>	<u>(100.8)</u>			
<b>Retained Profit</b>	<u>11.9</u>	<u>1,289.7</u>			
Earnings per Ordinary Share	11.8p	206.9p	476.6p	(37.8)p	15.6p
Dividend per Ordinary Share :					
<i>Final – paid in year</i>	-	10p	15p	30p	15p
<i>Interim – paid in year</i>	-	-	-	15p	15p