

# JOHN SWAN & SONS PLC

## PRELIMINARY RESULTS FOR THE YEAR ENDED 30 APRIL 2009

### STATEMENT BY THE CHAIRMAN *John Swan & Sons PLC*

Our trading subsidiary, John Swan Limited, reported an interim profit of £85,232 but has had a less successful second six months, showing a profit before tax for the full year of £34,600. A fuller report on the auctioneering business is included in the Statement by the Chairman of John Swan Limited below.

Our results for the year are summarised as follows:

	2009	2008
	£	£
<b>(Loss)/Profit before tax</b>		
John Swan Limited	34,600	107,917
John Swan & Sons PLC	(182,137)	(188,522)
IAS 19 pension adjustment	(69,000)	8,000
(Loss) before tax	<u>(216,537)</u>	<u>(72,605)</u>

There is little to report on property matters since the last statement, although the Board continues to progress planning issues relating to the present mart site at St Boswells. Shareholders were informed of the failure of our appeal against the refusal of planning permission for the development of the field at Chesser, Edinburgh. This asset will now be retained for the long term, when planning attitudes may well be influenced by more commercial constraints.

With regard to Board structure, George Neill, having reached the age of 70, has been asked to stand down at the Annual General Meeting, both from the Board of John Swan & Sons PLC and from his position as Chairman of John Swan Limited, and has agreed to do so. On your behalf, I would like to record our appreciation of the contribution George has made to this business, over many years and through many difficulties. His dedication to the Auction Mart, its operation and its future does him particular credit and we wish him well in retirement.

At the same time, Frank Forrest is leaving the Board and will concentrate exclusively on our non-livestock business and we thank him for his contribution to our work over the last nineteen years. James Allen has agreed to take over the chairmanship of John Swan Limited and will remain a director of John Swan & Sons PLC. We wish him well in this position, during a period of considerable economic challenge and uncertainty.

Given current and short-term activity levels, it is not the Board's intention to replace George and Frank at this time, leaving four directors, namely the Chairman and the Managing Director of the Auction Mart, an independent non-executive director and an independent non-executive Chairman.

Finally, the Board is pleased to declare a final dividend for the current year of 15p per ordinary share to be paid on 2 October 2009 to shareholders on the register at 4 September 2009. The ex dividend date will be 2 September 2009. This, along with the interim dividend paid in March 2009, amounts to a dividend for the year of 30p per ordinary share (2008: 30p).

Alastair J Ritchie  
*Chairman*

## JOHN SWAN & SONS PLC

### STATEMENT BY THE CHAIRMAN *John Swan Limited*

Despite the continuing decline in the national beef herd and sheep flock, the company succeeded in increasing its throughput of both cattle and sheep throughout the past year. Producers are at present receiving a more realistic return for their stock but the future of the industry very much depends upon the viability of livestock production and the associated legislation.

In the past year, our association with Livestock Marketing Borders has continued to develop and this has enabled our customers to benefit from a more comprehensive marketing facility. Also, the company's Swan & Turner business has established itself in Jedburgh and is building a reputation in the Borders and further afield for its auctions of fine art and antiques.

Notwithstanding the increase in livestock throughput and value, it is disappointing that we have only returned a profit before tax of £34,600. However, it must be mentioned that in this past year, on the advice of our actuary, we have commenced contributing an annual sum of £60,000 towards the company's pension and death in service costs. Also, on 7 July 2009, the company received a fine of £22,800 for animal movement recording offences in Northumberland and this has been provided for in these accounts. A provision of £97,170 has also been made for bad and doubtful debts. Finally, it should be noted that the bank interest receivable on monies held on deposit has decreased from £76,000 in 2008 to £16,000 this year mainly due to falling interest rates.

The current economic climate has had the effect of delaying our Rural Centre and Mart relocation programme. The relocation will, of course, be triggered by the development of our existing mart site at St Boswells and it is intended that the John Swan Limited Board will be restructured so that it can focus on the redevelopment of the market operation for the future, whilst continuing to provide the best possible service to our customers.

In conclusion, I wish to record our appreciation for the continued support we have received from our loyal customers over the past year and to thank our staff, who have worked tirelessly on the company's behalf.

George T Neill  
*Chairman*

# **JOHN SWAN & SONS PLC**

## **DATE OF ANNUAL GENERAL MEETING**

The Annual General Meeting will be held on Friday 2 October 2009 in The Lodge Hotel, Carfraemill, Lauder at 12.00 p.m.

## **TRANSFER BOOKS**

Transfer books will be closed from 2 September to 4 September 2009, both dates inclusive, for the preparation of dividend warrants. Warrants for the proposed dividend, if approved at the Annual General Meeting, will be posted on 2 October 2009 to shareholders on the register at the close of business on 4 September 2009.

## **PROPOSED DIVIDEND FOR YEAR**

Rate of dividend on ordinary shares	15p (2008 – 15p)
Rate of dividend on deferred shares	Nil (2008 – Nil)

An interim dividend for the year of 15p per ordinary share (2008 - 15p) was paid on 12 March 2009.

## **NOMINATED ADVISER**

Contact: Sandy Fraser, Brewin Dolphin Limited  
Telephone number: 0131 529 0272

**Geoghegan & Co**  
**Secretaries**

31 July 2009

**JOHN SWAN & SONS PLC****Consolidated income statement  
For the year ended 30 April 2009**

	2009 £	2008 £
<b>Revenue</b>	<u>2,396,247</u>	<u>1,518,130</u>
Staff costs	1,074,000	1,050,400
Depreciation	114,005	110,092
Other operating expenses	<u>1,501,189</u>	<u>735,237</u>
	<u>2,689,194</u>	<u>1,895,729</u>
<b>Operating loss</b>	(292,947)	(377,599)
Investment revenues	77,089	305,694
Finance costs	(764)	(888)
Share of results of joint venture after tax	85	188
<b>Loss before tax</b>	<u>(216,537)</u>	<u>(72,605)</u>
Tax	16,867	(1,122)
<b>Loss for the year</b>	<u>(199,670)</u>	<u>(73,727)</u>
<b>Basic and diluted earnings per share</b>	<u>(32.79)p</u>	<u>(12.11)p</u>

**Consolidated statement of recognised income and expense  
For the year ended 30 April 2009**

	2009 £	2008 £
Actuarial gains on defined benefit pension scheme	538,000	515,000
Tax on items taken directly to equity	(151,000)	(120,000)
<b>Net income recognised directly in equity</b>	<u>387,000</u>	<u>395,000</u>
<b>Loss for the year</b>	<u>(199,670)</u>	<u>(73,727)</u>
<b>Total recognised income and expense</b>	<u>187,330</u>	<u>321,273</u>

**JOHN SWAN & SONS PLC**

**Consolidated balance sheet  
As at 30 April 2009**

	Notes	2009 £	2008 £
<b>Non-current assets</b>			
Property, plant and motor vehicles		2,142,130	1,769,621
Investment in joint venture		8,485	8,400
Pension scheme assets		2,184,000	1,715,000
		<u>4,334,615</u>	<u>3,493,021</u>
<b>Current assets</b>			
Inventories		-	108,059
Trade and other receivables		3,623,124	3,646,926
Cash and cash equivalents		628,346	1,036,319
		<u>4,251,470</u>	<u>4,791,304</u>
<b>Total assets</b>		<u>8,586,085</u>	<u>8,284,325</u>
<b>Current liabilities</b>			
Trade and other payables		223,019	223,061
Obligations under finance leases		4,371	2,478
Bank overdraft		523,661	357,344
		<u>751,051</u>	<u>582,883</u>
<i>Net current assets</i>		<u>3,500,419</u>	<u>4,208,421</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		638,521	504,388
Obligations under finance leases		-	4,371
Deferred income		16,000	16,800
		<u>654,521</u>	<u>525,559</u>
<b>Total liabilities</b>		<u>1,405,572</u>	<u>1,108,442</u>
<b>Net assets</b>		<u>7,180,513</u>	<u>7,175,883</u>
<b>Equity</b>			
Share capital	3	168,000	168,000
Revenue reserve		70,000	70,000
Employee Benefit Trust reserve		(39,815)	(39,815)
Retained earnings		6,982,328	6,977,698
<b>Total equity</b>		<u>7,180,513</u>	<u>7,175,883</u>

**JOHN SWAN & SONS PLC****Consolidated cash flow statement  
For the year ended 30 April 2009**

	Notes	2009 £	2008 £
<b>Net cash used in operating activities</b>	1	<u>(274,701)</u>	<u>(1,489,623)</u>
<b>Investing activities</b>			
Interest received		40,089	135,694
Proceeds on disposal of motor vehicles		19,495	2,200
Purchases of property, plant and motor vehicles		<u>(173,995)</u>	<u>(42,932)</u>
<b>Net cash (used in)/from investing activities</b>		<u>(114,411)</u>	<u>94,962</u>
<b>Financing activities</b>			
Dividends paid		(182,700)	(182,700)
Repayment of obligations under finance leases		<u>(2,478)</u>	<u>(2,478)</u>
<b>Net cash used in financing activities</b>		<u>(185,178)</u>	<u>(185,178)</u>
<b>Net decrease in cash and cash equivalents</b>		(574,290)	(1,579,839)
<b>Cash and cash equivalents at beginning of year</b>		678,975	2,258,814
<b>Cash and cash equivalents at end of year</b>	2	<u>104,685</u>	<u>678,975</u>

# JOHN SWAN & SONS PLC

## Notes

### 1 Notes to the cash flow statement

	2009 £	2008 £
Loss before tax	(216,537)	(72,605)
Adjustments for:		
Investment revenues	(77,089)	(305,694)
Finance costs	764	888
Share of results of joint venture	(85)	(188)
Pension scheme current service cost	106,000	162,000
Depreciation of property, plant and motor vehicles	114,005	110,092
Gain on sale of motor vehicles	(6,000)	(2,200)
Deferred income released in the year	(800)	(800)
Operating cash flows before movement in working capital	<u>(79,742)</u>	<u>(108,507)</u>
Decrease/(increase) in inventories	108,059	(72,411)
(Increase) in receivables	(302,212)	(1,367,530)
(Decrease)/increase in payables	(42)	63,837
Cash used in operations	<u>(273,937)</u>	<u>(1,484,611)</u>
Taxes paid	-	(4,124)
Interest paid	(764)	(888)
<b>Net cash used in operating activities</b>	<u><u>(274,701)</u></u>	<u><u>(1,489,623)</u></u>

### 2 Cash and cash equivalents

	2009 £	2008 £
Bank and cash balances	628,346	1,036,319
Bank overdraft	<u>(523,661)</u>	<u>(357,344)</u>
Cash and cash equivalents in the cash flow statement	<u><u>104,685</u></u>	<u><u>678,975</u></u>

The Royal Bank of Scotland plc holds a bond and floating charge over the assets of the subsidiary company, John Swan Limited, for the provision of overdraft facilities during peak trading periods.

# JOHN SWAN & SONS PLC

## Notes (continued)

### 3 Capital and reserves

Reconciliation of movement in capital and reserves:

	Share capital £	Revenue reserve £	Employee Benefit Trust reserve £	Retained earnings £
At 1 May 2007	168,000	70,000	(39,815)	6,839,125
Loss for the year	-	-	-	(73,727)
Other recognised gains and losses for the year	-	-	-	395,000
Dividends	-	-	-	(182,700)
At 1 May 2008	168,000	70,000	(39,815)	6,977,698
Loss for the year	-	-	-	(199,670)
Other recognised gains and losses for the year	-	-	-	387,000
Dividends	-	-	-	(182,700)
At 30 April 2009	<u>168,000</u>	<u>70,000</u>	<u>(39,815)</u>	<u>6,982,328</u>

### 4 Note to the preliminary announcement

The abridged financial information set out above has been extracted without material adjustment from financial statements approved by the Directors of John Swan & Sons PLC on 31 July 2009 which received an unqualified audit report by the independent auditors, which will be delivered to the Registrar of Companies.

The financial statements for the year ended 30 April 2008 have been filed with the Registrar of Companies.