

# JOHN SWAN & SONS PLC

## PRELIMINARY RESULTS FOR THE YEAR ENDED 30 APRIL 2011

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

The results for the year show a loss of £397,676 before tax, compared with £282,868 last time. There are three components which make up the figures which can be summarised as follows:

	2011 £	2010 £
<b>Loss before tax</b>		
John Swan Limited – profit	63,551	38,719
John Swan & Sons PLC – loss	(181,227)	(166,587)
IAS 19 pension adjustment	<u>(280,000)</u>	<u>(155,000)</u>
Loss before tax	<u>(397,676)</u>	<u>(282,868)</u>

The IAS19 pension adjustment increased to £280,000. As I have previously indicated, this is not a cash item and arises from an accounting practice which for practical purposes is outwith the control of the Board.

Profits from our mart operations increased to £63,551 from £38,719 in 2010, despite a provision of £89,113 in respect of potential bad debts incurred. This has led to a fundamental review of our credit arrangements, which have been made historically on an informal basis, but will now be strictly commercial.

PLC costs fell slightly from £187,930 to £181,285 and the Board will continue to control these as far as possible relative to our public company status. Costs in 2010 benefited from non-recurring option fees and interest income totalling £21,343. Cash resources fell by £315,801 largely due to an increase of £168,698 in working capital employed in the mart and PLC costs, including dividends.

However, in line with the dividend policy outlined in last year's report, the Board is pleased to declare a final dividend for the year of 5p per ordinary share to be paid on 30 September 2011 to shareholders on the register at 2 September 2011. The ex dividend date will be 31 August 2011. As no interim dividend was paid, this amounts to a total dividend for the year of 5p per ordinary share (2010: 15p).

With regard to property matters, there is still nothing to report. However shareholders will be interested to know that Scottish Borders Council have issued a draft development framework for Newtown St Boswells, of which the present mart site is an integral part. Discussions on this project and our other property assets continue with a number of planning authorities.

Alastair J Ritchie  
*Chairman*

## JOHN SWAN & SONS PLC

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

Despite maintaining the throughput of livestock at the company's marts, the profitability of the business has been adversely affected by a bad debt provision of £89,000 and an increase in business rates for St Boswells of £40,000. Nevertheless the profit before tax (excluding pension adjustment) of £63,551 for John Swan Limited shows an increase of £24,832 compared with the previous year.

Swan & Turner continues to provide an important alternative income stream and, with the formation of our property division John Swan Properties and the appointment of Jack Cadell to the Board of John Swan Limited, we continue to expand the range of services which we can offer to a wider clientele.

At the time of writing, our development plans at St Boswells are ongoing. However a successful relocation of the St Boswells Market will largely depend upon the outcome of ongoing negotiations with Scottish Borders Council.

As mentioned in the Chairman's Statement for the PLC, Scottish Borders Council has now published the Newtown St Boswells Development Framework which cannot be achieved without the inclusion of our existing premises. Shareholders of John Swan & Sons PLC will be updated with developments along with customers of the mart.

James D Allen  
*Chairman*

## **JOHN SWAN & SONS PLC**

### **DATE OF ANNUAL GENERAL MEETING**

The Annual General Meeting will be held on Friday, 30 September 2011 at The Lodge Hotel, Carfraemill, Lauder at 12.00 noon.

### **TRANSFER BOOKS**

Transfer books will be closed from 31 August to 2 September 2011, 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 30 September 2011 to shareholders on the register at the close of business on 2 September 2011.

### **PROPOSED DIVIDEND FOR YEAR**

Rate of dividend on ordinary shares	5p (2010 – 5p)
Rate of dividend on deferred shares	Nil (2010 – Nil)

No interim dividend was paid during the year (2010 - 10p).

### **NOMINATED ADVISER**

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

**Geoghegans  
Secretaries**

29 July 2011

**JOHN SWAN & SONS PLC****Consolidated income statement  
For the year ended 30 April 2011**

	2011 £	2010 £
<b>Revenue</b>	<u>1,900,817</u>	<u>1,805,073</u>
Staff costs	1,100,361	1,016,721
Depreciation	108,481	113,018
Other operating expenses	949,382	886,993
	<u>2,158,224</u>	<u>2,016,732</u>
<b>Operating loss</b>	(257,407)	(211,659)
Investment revenues	777	1,843
Finance costs	(141,046)	(73,052)
<b>Loss before tax</b>	<u>(397,676)</u>	<u>(282,868)</u>
Tax	70,101	45,894
<b>Loss for the year</b>	<u>(327,575)</u>	<u>(236,974)</u>
<b>Basic and diluted earnings per share</b>	<u>(53.79)p</u>	<u>(38.91)p</u>

**Consolidated statement of comprehensive income  
For the year ended 30 April 2011**

	2011 £	2010 £
Loss for the year	(327,575)	(236,974)
Actuarial gain/(loss) on defined benefit pension scheme	746,000	(1,878,000)
Deferred tax on pension scheme	(190,000)	526,000
<b>Total comprehensive income/(expense)</b>	<u>228,425</u>	<u>(1,588,974)</u>

**JOHN SWAN & SONS PLC****Consolidated statement of financial position  
As at 30 April 2011**

	2011 £	2010 £
<b>Non-current assets</b>		
Property, plant and motor vehicles	2,133,864	2,145,842
Trade and other receivables	2,705	-
Pension scheme assets	617,000	151,000
	<u>2,753,569</u>	<u>2,296,842</u>
<b>Current assets</b>		
Trade and other receivables	3,117,060	2,948,838
Cash and cash equivalents	152,080	467,881
	<u>3,269,140</u>	<u>3,416,719</u>
<b>Total assets</b>	<u>6,022,709</u>	<u>5,713,561</u>
<b>Current liabilities</b>		
Trade and other payables	184,519	192,445
	<u>184,519</u>	<u>192,445</u>
<b>Net current assets</b>	<u>3,084,621</u>	<u>3,224,274</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	186,526	66,627
Deferred income	14,400	15,200
	<u>200,926</u>	<u>81,827</u>
<b>Total liabilities</b>	<u>385,445</u>	<u>274,272</u>
<b>Net assets</b>	<u>5,637,264</u>	<u>5,439,289</u>
<b>Equity</b>		
Issued share capital	168,000	168,000
Revenue reserve	70,000	70,000
Employee Benefit Trust reserve	(39,815)	(39,815)
Retained earnings	5,439,079	5,241,104
<b>Total equity</b>	<u>5,637,264</u>	<u>5,439,289</u>

**JOHN SWAN & SONS PLC**

**Consolidated statement of changes in equity  
For the year ended 30 April 2011**

	Share capital £	Revenue reserve £	Employee Benefit Trust reserve £	Retained earnings £	Total equity £
<b>At 1 May 2009</b>	168,000	70,000	(39,815)	6,982,328	7,180,513
Loss for the year	-	-	-	(236,974)	(236,974)
Actuarial loss on defined benefit scheme	-	-	-	(1,878,000)	(1,878,000)
Dividends	-	-	-	(152,250)	(152,250)
Deferred tax on items recognised directly in equity	-	-	-	526,000	526,000
<b>At 1 May 2010</b>	<u>168,000</u>	<u>70,000</u>	<u>(39,815)</u>	<u>5,241,104</u>	<u>5,439,289</u>
Loss for the year	-	-	-	(327,575)	(327,575)
Actuarial gain on defined benefit scheme	-	-	-	746,000	746,000
Dividends	-	-	-	(30,450)	(30,450)
Deferred tax on items recognised directly in equity	-	-	-	(190,000)	(190,000)
<b>At 30 April 2011</b>	<u><u>168,000</u></u>	<u><u>70,000</u></u>	<u><u>(39,815)</u></u>	<u><u>5,439,079</u></u>	<u><u>5,637,264</u></u>

# JOHN SWAN & SONS PLC

## Consolidated cash flow statement For the year ended 30 April 2011

	Notes	2011 £	2010 £
<b>Net cash flows (used in)/from operating activities</b>	1	<u>(198,992)</u>	<u>626,148</u>
<b>Investing activities</b>			
Interest received		777	1,843
Proceeds from disposal of motor vehicles		9,750	27,950
Proceeds from sale of investment in joint venture		-	8,500
Purchases of property, plant and motor vehicles		<u>(96,886)</u>	<u>(144,624)</u>
<b>Net cash used in investing activities</b>		<u>(86,359)</u>	<u>(106,331)</u>
<b>Financing activities</b>			
Dividends paid		(30,450)	(152,250)
Repayment of obligations under finance leases		-	(4,371)
<b>Net cash used in financing activities</b>		<u>(30,450)</u>	<u>(156,621)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(315,801)	363,196
<b>Cash and cash equivalents at beginning of year</b>		467,881	104,685
<b>Cash and cash equivalents at end of year</b>	2	<u>152,080</u>	<u>467,881</u>

# JOHN SWAN & SONS PLC

## Notes

### 1 Notes to the cash flow statement

	2011 £	2010 £
Loss before tax	(397,676)	(282,868)
Adjustments for:		
Investment revenues	(777)	(1,843)
Finance costs	141,046	73,052
Pension scheme current service cost	139,000	82,000
Depreciation of property, plant and motor vehicles	108,481	113,018
Gain on sale of motor vehicles	(9,367)	(56)
Gain on sale of investment in joint venture	-	(15)
Deferred income released in the year	(800)	(800)
Operating cash flows before movement in working capital	<u>(20,093)</u>	<u>(17,512)</u>
(Increase)/Decrease in receivables	(170,927)	674,286
(Decrease) in payables	(7,926)	(30,574)
Cash flows (used in)/from operations	<u>(198,946)</u>	<u>626,200</u>
Interest paid	(46)	(52)
<b>Net cash flows (used in)/from operating activities</b>	<u><u>(198,992)</u></u>	<u><u>626,148</u></u>

### 2 Cash and cash equivalents

	2011 £	2010 £
Bank and cash balances	152,080	467,881
Cash and cash equivalents in the cash flow statement	<u>152,080</u>	<u>467,881</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.

### 3 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 29 July 2011, which received an unqualified audit report by the independent auditors and which will be delivered to the Registrar of Companies.

The financial statements for the year ended 30 April 2010 have been filed with the Registrar of Companies.