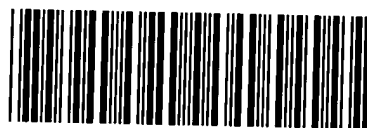


Company Registration No. SC007893 (Scotland)

**JOHN SWAN & SONS LIMITED**  
**(FORMERLY JOHN SWAN & SONS PLC)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 MAY 2015 TO 30 JUNE 2016**

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COMPANIES HOUSE

# JOHN SWAN & SONS LIMITED

## COMPANY INFORMATION

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**Director** B E Richardson (Appointed 14 October 2015)

**Secretary** Mrs M Irving

**Company number** SC007893

**Registered office** Auction Mart  
Newtown St.Boswells  
Melrose  
Roxburghshire  
TD6 0PP

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# **JOHN SWAN & SONS LIMITED**

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# JOHN SWAN & SONS LIMITED

## DIRECTOR'S REPORT

**FOR THE PERIOD ENDED 30 JUNE 2016**

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The director presents his annual report and financial statements for the period ended 30 June 2016.

### Principal activities

The principal activities of the company are that of a holding company and property agency.

The company was acquired by H & H Group plc on 14 October 2015 and re-registered as a private limited company on 15 October 2015. The company's former name was John Swan & Sons PLC.

### Directors

The directors who held office during the period and up to the date of signature of the financial statements was as follows:

A J Richie	(Resigned 14 October 2015)
J D Allen	(Resigned 14 October 2015)
A Cadell	(Resigned 4 April 2016)
J C Clark	(Resigned 14 October 2015)
G R Forbes	(Resigned 14 October 2015)
M T E Cowen	(Appointed 14 October 2015 and resigned 6 November 2015)
B E Richardson	(Appointed 14 October 2015)

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



B E Richardson

Director

28 February 2017

# **JOHN SWAN & SONS LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE PERIOD ENDED 30 JUNE 2016***

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The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **JOHN SWAN & SONS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF JOHN SWAN & SONS LIMITED**

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We have audited the financial statements of John Swan & Sons Limited for the period ended 30 June 2016 set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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 director and auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeprivate](http://www.frc.org.uk/auditscopeprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# **JOHN SWAN & SONS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

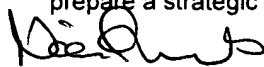
### **TO THE MEMBERS OF JOHN SWAN & SONS LIMITED**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Nick Plumb (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

28 February 2017

**Chartered Accountants**  
**Quayside House**  
**110 Quayside**  
**Newcastle upon Tyne**  
**NE1 3DX**

# JOHN SWAN & SONS LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE PERIOD ENDED 30 JUNE 2016**

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		Period ended 30 June 2016 £	Year ended 30 April 2015 £
Turnover	Notes 3	17,100	72,880
Administrative expenses		(561,037)	18,482
Other operating income	4	2,825,360	-
<b>Operating profit</b>	5	2,281,423	91,362
Interest receivable and similar income	8	14	23
Interest payable and similar charges	9	(27)	(3)
Amounts written off investments	14	(1,459,641)	-
<b>Profit before taxation</b>		821,769	91,382
Taxation	10	(395,591)	-
<b>Profit for the financial period</b>		426,178	91,382

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# JOHN SWAN & SONS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016

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	Period ended 30 June 2016 £	Year ended 30 April 2015 £
<b>Profit for the period</b>	<b>426,178</b>	<b>91,382</b>
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets	239,486	-
Tax relating to other comprehensive income	630	-
<b>Other comprehensive income for the period</b>	<b>240,116</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>666,294</b>	<b>91,382</b>

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# JOHN SWAN & SONS LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	£	30 June 2016 £	£	30 April 2015 £
<b>Fixed assets</b>					
Tangible assets	12		2,630,000		3,151,871
Investment properties	13		3,616,558		-
Investments	14		1,540,360		3,000,001
			<u>7,786,918</u>		<u>6,151,872</u>
<b>Current assets</b>					
Debtors	16	57,991		15,848	
Cash at bank and in hand		52,517		61,917	
			<u>110,508</u>	<u>77,765</u>	
<b>Creditors: amounts falling due within one year</b>	17	(16,410)		(492,918)	
Net current assets/(liabilities)			<u>94,098</u>		<u>(415,153)</u>
<b>Total assets less current liabilities</b>			<u>7,881,016</u>		<u>5,736,719</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(1,055,187)		-
<b>Provisions for liabilities</b>	19		(394,961)		-
<b>Net assets</b>			<u><u>6,430,868</u></u>		<u><u>5,736,719</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		153,000		153,000
Revaluation reserve			1,685,691		1,510,063
Other reserves			45,071		(37,245)
Capital redemption reserve			15,000		15,000
Profit and loss reserves			4,532,106		4,095,901
<b>Total equity</b>			<u><u>6,430,868</u></u>		<u><u>5,736,719</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 February 2017 and are signed on its behalf by:

  
B E Richardson  
Director

Company Registration No. SC007893

# JOHN SWAN & SONS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2014</b>		153,000	1,531,039	15,000	12,776	3,961,193	5,673,008
<b>Year ended 30 April 2015:</b>							
Profit and total comprehensive income for the year		-	-	-	-	91,382	91,382
Dividends	11	-	-	-	-	(30,450)	(30,450)
Transfers		-	-	-	(50,021)	73,776	23,755
Other		-	(20,976)	-	-	-	(20,976)
<b>Balance at 30 April 2015</b>		153,000	1,510,063	15,000	(37,245)	4,095,901	5,736,719
<b>Period ended 30 June 2016:</b>							
Profit for the period		-	-	-	-	426,178	426,178
Other comprehensive income:							
Revaluation of tangible fixed assets		-	239,486	-	-	-	239,486
Tax relating to other comprehensive income		-	-	-	-	630	630
Total comprehensive income for the period		-	239,486	-	-	426,808	666,294
Transfers		-	-	-	82,316	9,397	91,713
Other		-	(63,858)	-	-	-	(63,858)
<b>Balance at 30 June 2016</b>		153,000	1,685,691	15,000	45,071	4,532,106	6,430,868

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 JUNE 2016

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#### 1 Accounting policies

##### Company information

John Swan & Sons Limited is a company limited by shares incorporated in Scotland. The registered office is Auction Mart, Newtown St.Boswells, Melrose, Roxburghshire, TD6 0PP.

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention, as modified to include the revaluation of land and buildings.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the period ended 30 June 2016 are the first financial statements of John Swan & Sons Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

In the transition to FRS 102 from EU-IFRS, the Company has made no measurement and recognition adjustments.

The Company's parent undertaking, H&H Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of H&H Group plc are available to the public and may be obtained from Borderway Mart, Rosehill, Carlisle, CA1 2RS. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of H&H Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

#### 1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

---

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Land and buildings Freehold	2.5% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost. Subsequent to initial recognition:

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 1.4 until a reliable measure of fair value becomes available.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2016

---

### 1 Accounting policies

(Continued)

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2016

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 30 JUNE 2016

---

#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

##### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

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. Deferred tax is not recognised on permanent differences arising because certain types of income or expenses are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expenses.

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.

##### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.13 Retirement benefits**

The wholly owned subsidiary John Swan Limited operates a defined contribution scheme for the benefit of group employees. Contributions payable by the company are charged to the profit and loss account in the year they are payable.



# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
<b>Turnover</b>		
Property fees	17,100	72,880

#### Turnover analysed by geographical market

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
UK	17,100	72,880

### 4 Other operating income

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
Fair value adjustments for investment property (note 13)	2,825,360	-

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

### 5 Operating (loss)/profit

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
Operating (loss)/profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	4,053	5,090
Depreciation of owned tangible fixed assets	45,529	39,026
Profit on disposal of tangible fixed assets	(48,185)	(492,901)
	<u>          </u>	<u>          </u>

### 6 Employees

There were no employees during the year apart from the directors.

Their aggregate remuneration comprised:

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
Wages and salaries	75,002	126,950
Social security costs	6,510	12,676
Pension costs	3,348	5,022
	<u>84,860</u>	<u>144,648</u>

### 7 Director's remuneration

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
Remuneration for qualifying services	75,002	126,950
Company pension contributions to defined contribution schemes	3,348	5,022
	<u>78,350</u>	<u>131,972</u>

The remuneration for qualifying services of £75,002 does not include proceeds from share options of £50,238 paid to a director by the John Swan & Sons PLC Employee Benefit Trust.

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

### 8 Interest receivable and similar income

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
<b>Interest income</b>		
Interest on bank deposits	14	23

### 9 Interest payable and similar charges

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	27	3

### 10 Taxation

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
Total current tax	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	395,591	-
<b>Total tax charge</b>	<b>395,591</b>	<b>-</b>

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

### 10 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	Period ended 30 June 2016 £	Year ended 30 April 2015 £
Profit before taxation	821,769	91,382
Expected tax charge based on a corporation tax rate of 20.00% (2015 - 20.00%)	164,354	18,276
Tax effect of expenses that are not deductible in determining taxable profit	400,718	25,023
Other permanent differences	-	(43,299)
Tax exempt gains	(24,481)	-
Recognition of previously unrecognised tax losses	(145,000)	-
Tax expense for the period	395,591	-

### 11 Dividends

	2016 £	2015 £
Final paid	-	30,450

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

### 12 Tangible fixed assets

	Land and buildings Freehold £
<b>Cost or valuation</b>	
At 1 May 2015	3,229,923
Transfers	141,370
Disposals	(66,000)
Revaluation	115,905
Transfer to investment property (note 13)	(791,198)
At 30 June 2016	2,630,000
<b>Depreciation and impairment</b>	
At 1 May 2015	78,052
Depreciation charged in the period	45,529
Revaluation	(123,581)
At 30 June 2016	-
<b>Carrying amount</b>	
At 30 June 2016	2,630,000
At 30 April 2015	3,151,871

#### Revaluation

Freehold land and buildings have been valued by independent valuers as at 30 June 2016. The fair value was measured using RICS Professional Standards, January 2014. Key assumptions of this calculation are shown below.

Fair value has been assessed on the following basis:

- Operational, non-specialised properties to Existing Use Value;
- Operational specialised properties to Depreciated Replacement Cost;
- Surplus properties at Market Value.

The following information related to tangible fixed assets carried on the basis of revaluation

	2016 £
At fair value	2,630,000
Net book value	2,630,000
Historical cost net book value	2,390,514

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

### 13 Investment property

	2016 £
<b>Fair value</b>	
At 1 May 2015	-
Transferred from tangible fixed assets (note 12)	791,198
Revaluation	2,825,360
At 30 June 2016	<u>3,616,558</u>

The fair value of investment property at 30 June 2016 is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued. Any gain or loss arising from a change in fair value is recognised in profit or loss.

### 14 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	15	<u>1,540,360</u>	<u>3,000,001</u>

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 May 2015 and 30 June 2016	<u>3,000,001</u>
<b>Provisions</b>	
At 1 May 2015	-
Impairment losses	1,459,641
At 30 June 2016	<u>1,459,641</u>
<b>Carrying amount</b>	
At 30 June 2016	<u>1,540,360</u>
At 30 April 2015	<u>3,000,001</u>

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

### 15 Subsidiaries

Details of the company's subsidiaries at 30 June 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
John Swan Limited	Scotland	Livestock auctioneers	Ordinary	100.00
John Swan Trustee Limited	Scotland	Trustee	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
John Swan Limited	(196,369)	1,540,360
John Swan Trustee Limited	-	1

### 16 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	15,104
Amounts due from fellow group undertakings	50,911	-
Other debtors	7,080	744
	<u>57,991</u>	<u>15,848</u>

### 17 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts due to group undertakings	-	371,645
Other creditors	12,410	24,527
Accruals and deferred income	4,000	96,746
	<u>16,410</u>	<u>492,918</u>

### 18 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Amounts due to group undertakings	<u>1,055,187</u>	<u>-</u>

# JOHN SWAN & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2016

### 19 Provisions for liabilities

		2016 £	2015 £
Deferred tax liabilities	21	394,961	-
		<u>394,961</u>	<u>-</u>

### 20 Retirement benefit schemes

#### Defined contribution schemes

The charge to profit or loss in respect of defined contribution schemes was £3,348 (2015 - £5,022).

### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
ACAs	<u>394,961</u>	<u>-</u>
<b>Movements in the period:</b>		2016 £
Liability at 1 May 2015		-
Credit to profit or loss		(395,591)
Charge to other comprehensive income		630
(Liability) at 30 June 2016		<u>(394,961)</u>

### 22 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
612,000 ordinary shares of 25p each	<u>153,000</u>	<u>153,000</u>