

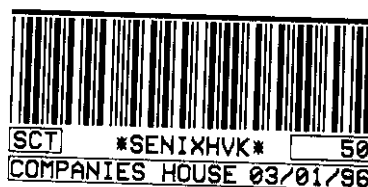
A & J STEPHEN (HOLDINGS) LIMITED

Company No: 57721

FINANCIAL STATEMENTS

- for the year ended -

31ST MARCH 1995



AZ

MORRIS & YOUNG , CHARTERED ACCOUNTANTS & REGISTERED AUDITORS
6 Atholl Crescent ,
PERTH., PH1 5JN.

Reference SP/1743/PY

A & J STEPHEN (HOLDINGS) LIMITED

NOTICE OF MEETING

Notice is given that the nineteenth Annual General Meeting of the Shareholders of A & J Stephen (Holdings) Limited will be held in Stephen House, Edinburgh Road, Perth on Friday 4th August 1995 at 10.00am for the following purposes.

1. To receive and consider the Directors' and Auditors' Reports and the Accounts for the year ended 31st March 1995.
2. To fix the Director's remuneration.
3. To re-elect Directors.
4. To consider the payment of a dividend.
5. To re-appoint Morris & Young, Chartered Accountants, as the Auditors of the Company and to authorise the Directors to fix their remuneration for the ensuing year.
6. To transact any other ordinary business of the Company.

By Order of the Board,


J J Galbraith
Secretary.

Stephen House,
Edinburgh Road,
PERTH.

16 June, 1995

Note:

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. The Proxy need not also be a member of the Company but notification of his appointment must be made to the Company in writing not less than 48 hours before the time of the meeting.

A & J STEPHEN (HOLDINGS) LIMITED

DIRECTORS

J.S. Stephen - Chairman
Derek M. Stephen
Dale M. Stephen
Mrs. Lorna Finlay

SECRETARY

J.J.Galbraith

REGISTERED OFFICE

Stephen House,
Edinburgh Road,
PERTH

AUDITORS

Morris & Young , Chartered Accountants
6 Atholl Crescent ,
PERTH.
PH1 5JN.

REGISTERED IN SCOTLAND

Company No. 57721

A & J STEPHEN (HOLDINGS) LIMITED

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2	Auditors' report
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6	Consolidated balance sheet
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A & J STEPHEN (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The group is engaged in the business of general building contracting, principally in the field of private house building.

DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £457,795 is transferred to reserves.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 11 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the company were as stated below.

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1995</u>	<u>1994</u>
J.S.Stephen	Ordinary shares	59,035	59,035
Derek M. Stephen	Ordinary shares	59,035	59,035
Dale M. Stephen	Ordinary shares	59,035	59,035
Mrs. Lorna Finlay	Ordinary shares	59,035	59,035

Derek M.Stephen and Dale M. Stephen retire by rotation and being eligible offer themselves for re-election.

LAND AND BUILDINGS

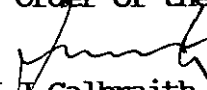
A professional valuation of the land and buildings at Edinburgh Road, Perth was obtained from Messrs John G. Hardie & Son, Chartered Surveyors, Perth on 5th May 1989. The market value of the company's land and buildings with vacant possession was estimated to be £490,000 as compared with a book value in the accounts of £66,400.

AUDITORS

The auditors, Morris & Young , Chartered Accountants, are willing to be re-appointed in accordance with section 385 of the Companies Act 1985.

Date: 16 June,1995

By Order of the Board


J.J.Galbraith
Secretary

A & J STEPHEN (HOLDINGS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and group for that period. In preparing those financial statements, the directors are required to (a) select suitable accounting policies and then apply them consistently, (b) make judgements and estimates that are reasonable and prudent, and (c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR'S REPORT TO THE SHAREHOLDERS OF A & J STEPHEN (HOLDINGS) LIMITED

We have audited the financial statements on pages 3 to 21 which have been prepared following the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditor

As described above the company's and group's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 and group'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and group's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Morris & Young

MORRIS & YOUNG,
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS,
6 Atholl Crescent,
PERTH. PH1 5JN.

Date : 16 June 1995

A & J STEPHEN (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 1994

	Notes	1995 £	1994 £
TURNOVER		32,000	10,000
Administrative expenses		(28,182)	(9,075)
OPERATING PROFIT		3,818	925
Income from investments		-	223,850
Interest payable		(112)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,706	224,775
Tax on profit on ordinary activities	9	(955)	113
PROFIT FOR THE FINANCIAL YEAR		2,751	224,888
Dividends	10	-	(231,417)
RETAINED PROFIT/(LOSS) FOR THE YEAR 19 & 20		£ 2,751	£ (6,529)

The company's turnover and expenses all relate to continuing operations

The company has no recognised gains or losses other than the profit for the year. The profit for the year has been calculated on the historical cost basis.

The notes on pages 9 to 21 form part of these financial statements.

A & J STEPHEN (HOLDINGS) LIMITED

BALANCE SHEET AT 31st March 1994

	Notes	£	1995 £	£	1994 £
FIXED ASSETS					
Investments	12		366,620		366,620
CURRENT ASSETS					
Debtors	15	685,794		670,137	
		<u>685,794</u>		<u>670,137</u>	
CREDITORS: Amounts falling due within one year	16	(287,037)		(274,131)	
NET CURRENT ASSETS			398,757		396,006
			<u>£ 765,377</u>		<u>£ 762,626</u>
CAPITAL AND RESERVES					
Called up share capital	18		236,140		236,140
Capital redemption reserve	19		105,380		105,380
Profit and loss account	19 & 20		423,857		421,106
			<u>£ 765,377</u>		<u>£ 762,626</u>

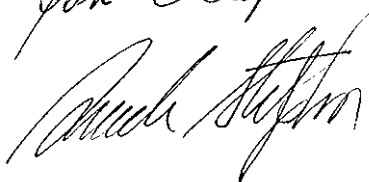
The financial statements were approved
by the board on 16 June 1995 and
signed on its behalf by

John S. Stephen



)

Derek M. Stephen



) Directors

)

The notes on pages 9 to 21 form part of these financial statements.

A & J STEPHEN (HOLDINGS) LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1995

	Notes	1995 £	1994 £
TURNOVER		7,367,354	7,525,504
Change in stock of land and work-in-progress		715,833	(512,595)
		8,083,187	7,012,909
Cost of sales		(5,834,266)	(4,334,161)
		2,248,921	2,678,748
GROSS PROFIT			
Administrative expenses		(1,779,493)	(1,644,873)
		469,428	1,033,875
Other operating income	2	99,133	135,203
		568,561	1,169,078
OPERATING PROFIT	3		
Interest receivable	4	103,903	72,232
Income from investments	5	1,579	1,382
Interest payable	6	(2,123)	(2,686)
		671,920	1,240,006
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	9	(214,125)	(409,885)
		457,795	830,121
PROFIT FOR THE FINANCIAL YEAR			
Dividends	10	-	(231,417)
		£ 457,795	£ 598,704
RETAINED PROFIT FOR THE YEAR	19 & 20		

The company's turnover and expenses all relate to the continuing operations.

The company has no recognised gains or losses other than the profit for the year. The profit for the year has been calculated on the historical cost basis.

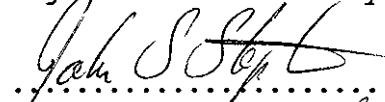
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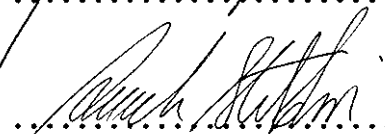
A & J STEPHEN (HOLDINGS) LIMITED

GROUP BALANCE SHEET AT 31ST MARCH 1995

	Notes	£	1995 £	£	1994 £
FIXED ASSETS					
Tangible assets	11		959,943		780,844
Investments	12		4,934		4,934
Feuduties			5,673		7,258
Deferred asset	13		935,198		727,252
			<u>1,905,748</u>		<u>1,520,288</u>
CURRENT ASSETS					
Stocks & work in progress	14	5,768,490		5,261,750	
Debtors	15	160,635		336,827	
Cash at bank and in hand		3,366,116		4,358,166	
		<u>9,295,241</u>		<u>9,956,743</u>	
CREDITORS: Amounts falling due within one year	16	(3,602,529)		(4,349,223)	
NET CURRENT ASSETS			<u>5,692,712</u>		<u>5,607,520</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,598,460		7,127,808
PROVISION FOR LIABILITIES AND CHARGES	17		(39,485)		(26,628)
			<u>£7,558,975</u>		<u>£7,101,180</u>
CAPITAL AND RESERVES					
Called up share capital	18		236,140		236,140
Capital redemption reserve	19		105,380		105,380
Profit and loss account	19 & 20		7,217,455		6,759,660
			<u>£ 7,558,975</u>		<u>£ 7,101,180</u>

The financial statements were approved
by the board on 16 June, 1995 and
signed on its behalf by

) John S. Stephen - Director

) Derek M. Stephen - Director

The notes on pages 9 to 21 form part of these financial statements.

A & J STEPHEN (HOLDINGS) LIMITED

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 1995

	1995	1994
	£	£
Net cash inflow from operating activities (note a)	263,988	762,143
Returns on investments and servicing of finance		
Interest received	103,903	72,232
Dividends received	1,579	1,382
Interest paid	(415)	(351)
Interest element of finance lease rental payments	(1,708)	(2,335)
Dividends paid	(47,228)	(184,189)
Net cash inflow from returns on investments and servicing of finance	56,131	(113,261)
Taxation		
UK Corporation tax paid	(362,434)	(85,796)
Tax paid	(362,434)	(85,796)
Investing activities		
Purchase of tangible fixed assets	(503,118)	(209,300)
Receipts from sales of tangible fixed assets	195,944	168,018
Feu Duties Redeemed	1,585	-
Net cash inflow from investing activities	(305,589)	(41,282)
Increase/(Decrease) in cash and cash equivalents	(347,904)	£521,804

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 1995

(a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	568,561	1,169,078
Depreciation charges	168,431	138,275
(Gain)/Loss on sale of tangible fixed assets	(40,356)	(106,086)
Increase in stock	(506,740)	426,622
Increase in debtors	176,192	(233,975)
Increase in creditors	105,846	(370,180)
Increase in deferred asset	(207,946)	(261,591)
Net cash inflow from operating activities	<u>£263,988</u>	<u>£762,143</u>

(b) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995 £	1994 £
Balance at 1 April 1994	1,436,290	914,486
Net cash inflow / (outflow)	<u>(347,904)</u>	<u>521,804</u>
Balance at 31 March 1995	<u>£1,088,386</u>	<u>£1,436,290</u>

(c) ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £	1994 £	1995 Change in year £	1994 Change in year £
Cash at bank and in hand	3,366,116	4,358,166	(992,050)	1,148,576
Bank overdrafts	<u>(2,277,730)</u>	<u>(2,921,876)</u>	<u>644,146</u>	<u>(626,772)</u>
	<u>£1,088,386</u>	<u>£1,436,290</u>	<u>£(347,904)</u>	<u>£521,804</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

1.2 BASIS OF CONSOLIDATION

The Group accounts comprise those of the holding company and all of its subsidiaries made up 31 March 1995 .

1.3 TURNOVER

Turnover represents the invoiced amount of sales for the year stated net of value added tax.

1.4 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by monthly instalments the cost of the tangible assets over their estimated useful lives.

Land and buildings	Straight line basis over fifty years
Plant and machinery	20% p.a. - reducing balance
Office Equipment	20% p.a. - reducing balance
Motor Vehicles	25% p.a. - reducing balance
Computer Software	50% p.a. - reducing balance

Depreciation is provided on leased assets on the straight line basis over the expected useful lives of the assets concerned. Motor vehicles have been depreciated at the rate of 20% p.a. and plant, machinery and office equipment at 20% p.a.

1.5 STOCK

Stocks of building land, materials and short term work in progress are valued at the lower of cost and net realisable value. In this context, cost includes the direct cost of materials, labour and sub-contractors and no amount is included for attributable overheads as these are considered to be insignificant. Net realisable value comprises estimated selling price less all further costs to the point of sale.

Private house building is classified as short term work in progress.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

1. ACCOUNTING POLICIES (Continued)

1.6 DEFERRED TAXATION

Provision is made at current rates for timing differences between the treatment of certain items for taxation and accounting purposes, except to the extent that it can be reasonably foreseen that such deferred taxation will not be payable within three years of the end of the financial year.

1.7 LEASING AND HIRE PURCHASE

Assets acquired under finance leases are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets useful lives.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the length of the lease term.

1.8 PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the Company. These contributions are invested separately from the Company's assets.

2. OTHER OPERATING INCOME

	1995	1994
	£	£
Rent received	70,215	81,110
Feuduties received	446	1,008
Gain on redemption of feuduties	200	-
Consultancy fee	3,400	3,000
Gain on sale of property	21,442	48,435
Sundry income	3,430	1,650
	<u>£99,133</u>	<u>£135,203</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

3.	OPERATING PROFIT	1995 £	1994 £
	The operating profit is stated after charging:-		
	Depreciation	168,431	138,275
	Auditors' remuneration	13,100	10,000
	Gain/(Loss) on sale of Fixed Assets	(18,914)	(57,651)
		<u> </u>	<u> </u>
4.	INTEREST RECEIVABLE	1995 £	1994 £
	Bank deposit interest	103,903	72,232
		<u>£103,903</u>	<u>£72,232</u>
5.	INCOME FROM INVESTMENTS	1995 £	1994 £
	Income from unlisted investments (tax credit £345)	1,579	1,382
		<u>£ 1,579</u>	<u>£ 1,382</u>
6.	INTEREST PAYABLE AND SIMILAR CHARGES	1995 £	1994 £
	Bank overdraft	303	351
	On overdue tax	112	-
	Lease finance charges and hire purchase interest	1,708	2,335
		<u>£ 2,123</u>	<u>£ 2,686</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

7. DIRECTORS AND EMPLOYEES	1995 £	1994 £
Staff costs:-		
Wages and salaries	1,554,189	1,576,606
Social security costs	146,849	145,783
Other pension costs	134,720	185,399
Other costs	13,301	12,854
	<u>£1,849,059</u>	<u>£1,920,642</u>

The average weekly number of employees during the year was made up as follows:

	Number	Number
Office and management	41	40
Building	96	94
	<u>137</u>	<u>134</u>

Directors' emoluments:-

Remuneration (including pension contributions) £	<u>166,169</u>	<u>£ 169,468</u>
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The division of directors' emoluments, excluding pension contributions, is as follows:-

Chairman and highest paid director	<u>£ 23,443</u>	<u>£ 33,934</u>
------------------------------------	-----------------	-----------------

Other directors' remuneration fell within the following ranges:

	Number	Number
£Nil - £5,000	-	1
£5,001 - £10,000	1	1
£10,001 - £15,000	-	-
£15,001 - £20,000	-	-
£20,001 - £25,000	2	-
£25,001 - £30,000	-	-
£30,001 - £35,000	-	3
£35,001 - £40,000	-	-
£40,001 - £45,000	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

8. PENSION COSTS

Staff Section and Work Section.

During the year the company ceased to operate the exempt approved defined benefit pension scheme that it had been operating and transferred the assets of this scheme into a defined contribution scheme.

The defined contribution scheme assets are invested in deferred annuity contracts issued by General Accident Life Assurance Limited.

The pension charge for the period was £35,337 .

The Company Secretary's Pension Arrangement

The Company Secretary has an individual pension arrangement which is jointly funded by the company and the individual. The arrangement is by way of a defined contribution scheme and the company's contribution in the year amounted to £7,383

Directors Pension Arrangements

The directors pension contributions of £92,000 are to the A & J Stephen Retirement and Death Benefit Scheme which is a self administered pension scheme set up for the benefit of the Directors. The Directors were previously members of the same scheme as the company secretary.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

9.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1995 £	1994 £
	<u>Group</u>		
	The taxation charge based on the profit before tax comprises:-		
	U.K. corporation tax at marginal rates (1994 - 33%)	200,676	403,760
	Transfer to deferred taxation	12,857	5,893
	A.C.T. surrendered	(11,807)	(53,587)
	Tax credit attributable to franked investment income	345	345
		202,071	356,411
	A.C.T. on dividends proposed and paid	11,807	53,474
	Adjustment in respect of prior years	247	-
		£ 214,125	£ 409,885
	<u>Company</u>		
	The taxation charge/(credit) comprises:		
	A.C.T. on dividends proposed and paid	11,807	53,474
	U.K. corporation tax at 25% (1994 - 25%)	955	-
	A.C.T. surrendered	(11,807)	(53,587)
		£ 955	£ (113)
10.	DIVIDENDS	1995 £	1994 £
	Ordinary:-		
	Interim dividends paid - nil (1994 - 78p)	-	184,189
	Final dividend proposed - nil (1994 - 20p)	-	47,228
		£ -	£ 231,417

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

11. TANGIBLE FIXED ASSETS
GROUP:

<u>Cost</u>	Beginning of year £	Additions £	Disposals £	End of year £
Freehold property	384,817	147,886	(66,500)	466,203
Leased assets	101,145	-	-	101,145
Plant and machinery	529,323	231,717	(80,900)	680,140
Furniture & equipment	164,421	32,509	-	196,930
Motor vehicles	428,041	91,006	(147,064)	371,983
	<u>1,607,747</u>	<u>503,118</u>	<u>(294,464)</u>	<u>1,816,401</u>
<u>Depreciation</u>	Beginning of year £	Charge for year £	On disposals £	End of year £
Freehold Property	30,804	9,324	(6,649)	33,479
Leased assets	101,145	-	-	101,145
Plant and machinery	322,654	80,996	(47,492)	356,158
Furniture & equipment	131,150	24,219	-	155,369
Motor vehicles	241,150	53,892	(84,735)	210,307
	<u>826,903</u>	<u>168,431</u>	<u>(138,876)</u>	<u>856,458</u>
	Beginning of year			End of year
<u>Total net book values</u>	<u>£780,844</u>			<u>£959,943</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

12. INVESTMENTS

1995
£

1994
£

Group

4,934 (1994- 4,934) Ordinary shares of £1
in the Fife Building Supply Company Ltd. at
cost and Directors' valuation

£ 4,934

£ 4,934

Company

As group
Investment in subsidiary companies

4,130

4,130

362,490

362,490

£ 366,620

£ 366,620

The subsidiary companies are:-

Country of
Registration

Group Share
of equity

Principal
Activity

A & J Stephen (Builders) Ltd.

Scotland

100%

General
Building

A & J Stephen Ltd.

Scotland

100%

Land
Developers

Castle Homes (Scotland) Ltd.

Scotland

100%

House Kit
Suppliers

Inch Farms Ltd.

Scotland

100%

Farming
Company

Elmcliff Ltd.

Scotland

100%

General
Merchandising

13. DEFERRED ASSET

This represents the capitalised cost of the unrealised element of
house sales under the company's deferred equity scheme. The total
unrealised sales value of the retained equities as at 31st March 1995
was £1,503,687. (1994- £1,164,140).

14. STOCKS

Group
1995
£

Company
1995
£

Group
1994
£

Company
1994
£

Land

2,188,208

-

2,120,976

-

Materials

233,084

-

231,352

-

Work in progress

3,201,173

-

2,552,572

-

Property for re-sale

146,025

-

356,850

-

£5,768,490

-

£5,261,750

-

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

15. DEBTORS	Group 1995 £	Company 1995 £	Group 1994 £	Company 1994 £
Trade debtors	104,685	-	221,462	-
Amount due from subsidiaries	-	685,648	-	622,651
Sundry Debtors	50,747	146	103,276	47,486
Prepayments	5,203	-	12,089	-
	<u>£160,635</u>	<u>£685,794</u>	<u>£336,827</u>	<u>£670,137</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 1995 £	Company 1995 £	Group 1994 £	Company 1994 £
Bank loans and overdrafts	2,277,730	222,841	2,921,876	163,661
Trade creditors	327,932	-	290,895	-
Amounts due to Group companies	-	100	-	100
Directors Loan	30,000	-	-	-
Corporation tax	251,561	63,646	412,727	62,692
Taxes & social security costs	64,424	-	53,411	-
Dividend payable	-	-	47,228	47,228
Sundry Creditors	100,907	-	91,323	-
Accruals	549,975	450	531,763	450
	<u>£3,602,529</u>	<u>£287,037</u>	<u>£4,349,223</u>	<u>£274,131</u>

Group

Security is held by the Bank of Scotland over 4.136 acres of land together with the buildings thereon situated at 16 Edinburgh Road, Perth and 0.049 hectares of land lying to the west of Edinburgh Road, Perth. The Bank also holds a Bond and Floating Charge over all the assets of A & J Stephen Limited, A & J Stephen (Builders) Limited and A & J Stephen (Holdings) Limited.

Parent

In addition to the Bond and Floating Charge over all the assets of the company, the Bank of Scotland holds security by way of guarantees and letters of offset from A & J Stephen (Builders) Limited and A & J Stephen Limited.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

17. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 33% (1994 - 33%) analysed over the following timing differences:-

	Fully Provided	
	1995	1994
	£	£
On the excess of capital allowances over depreciation	39,485	26,628
	<u>£ 39,485</u>	<u>£ 26,628</u>

Movements on the provision for deferred taxation are:-

	£
At 1 April 1994	26,628
Transferred from profit and loss account	12,857
At 31 March 1995	<u>£ 39,485</u>

18. SHARE CAPITAL

	1995	1994
	£	£
<u>Authorised</u> 500,000 Ordinary shares of £1 each	500,000	500,000
	<u>£ 500,000</u>	<u>£ 500,000</u>
<u>Allotted, called up and fully paid</u> 236,140 Ordinary shares of £1 each	236,140	236,140
	<u>£ 236,140</u>	<u>£ 236,140</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

19. RESERVES

Group	Capital Redemption Reserve £	Profit & Loss Account £	Total Shareholders Funds £
Balance at 1 April 1994	105,380	6,759,660	6,865,040
Profit for the year	-	457,795	457,795
Balance at 31 March 1995	105,380	7,217,455	7,322,835

Company	Capital Redemption Reserve £	Profit & Loss Account £	Total Shareholders Funds £
Balance at 1 April 1994	105,380	421,106	526,486
Profit for the year	-	2,751	2,751
Balance at 31 March 1995	105,380	423,857	529,237

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	1995	1994
	£	£
Profit/(loss) for the financial year	457,795	830,121
Dividends paid and proposed	<u>-</u>	<u>(231,417)</u>
Net Addition to Shareholders Funds	457,795	598,704
Opening Shareholders' Funds	<u>7,101,180</u>	<u>6,502,476</u>
Closing Shareholders' Funds	<u><u>7,558,975</u></u>	<u><u>7,101,180</u></u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS (Continued)

Company	1995	1994
	£	£
Profit/(loss) for the financial year	2,751	224,888
Dividends paid and proposed	<u>-</u>	<u>(231,417)</u>
Net Addition to Shareholders Funds	2,751	(6,529)
Opening Shareholders' Funds	<u>762,626</u>	<u>769,155</u>
Closing Shareholders' Funds	<u><u>765,377</u></u>	<u><u>762,626</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

21. **CONTINGENT LIABILITIES**

Group and Parent

There is a contingent liability relating to the guarantee given by the company to Lombard Industrial Leasing Ltd. in respect of hire purchase, credit sale, conditional sale, hire and leasing.

Group

The company is involved in two court actions, neither of which is expected to have a material effect on the accounts.

Parent

There are contingent liabilities relating to guarantees and letters of offset given to the Bank of Scotland in respect of any sums due by A & J Stephen (Builders) Limited and A & J Stephen Limited.

22. **TRANSACTIONS WITH DIRECTORS**

During the year A & J Stephen Limited sold property owned in Palma Nova, Majorca to Derek and Dale Stephen. The sale was made at market value and a loss of £9,554 was realised.

Management services have been provided during the year to A & J Stephen (Builders) Ltd. by companies owned by the individual directors and their spouses. The total amount paid to these companies was £322,000.