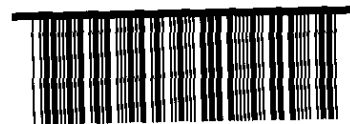


Company Registration No. 57721 (Scotland)

A & J STEPHEN (HOLDINGS) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2000



SCT SES1GWLW 1014
COMPANIES HOUSE 20/12/00

A handwritten signature in black ink, consisting of a stylized 'A' followed by a cursive 'J' and a horizontal line.

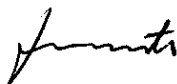
A & J STEPHEN (HOLDINGS) LIMITED

NOTICE OF MEETING

Notice is given that the Twenty Third Annual General Meeting of the shareholders of A & J Stephen (Holdings) Limited will be held in Stephen House, Edinburgh Road, Perth on Thursday 3rd August, 2000 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 2000.
2. To re-elect Directors.
3. 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.
4. To transact any other ordinary business of the Company.

By order of the Board,



J. J. Galbraith
Secretary

Stephen House,
Edinburgh Road,
Perth.

5th July 2000.

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 AND ADVISERS

Directors	John S. Stephen Derek M. Stephen Dale M. Stephen Lorna Finlay
Secretary	John J. Galbraith
Company number	57721
Registered office	Stephen House Edinburgh Road, Perth
Registered auditors	Morris & Young Chartered Accountants & Registered Auditors, 6 Atholl Crescent, Perth. PH1 5JN.
Business address	Stephen House Edinburgh Road, Perth
Bankers	Bank of Scotland, 50 St John Street, Perth. PH1 5SL
Solicitors	Condies 2 Tay Street, Perth. PH1 5LJ

A & J STEPHEN (HOLDINGS) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Consolidated profit and loss account	4
Balance sheets	5
Consolidated cash flow statement	6
Notes to the consolidated cash flow statement	7
Notes to the financial statements	8 - 19

A & J STEPHEN (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and financial statements for the year ended 31 March 2000.

Directors

The following directors have held office since 1 April 1999:

John S. Stephen
Derek M. Stephen
Dale M. Stephen
Lorna Finlay

Principal activities and review of the business

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

The directors are pleased with the result for the year and hope for continued success in the present year.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4.

The directors do not recommend payment of an ordinary dividend.

It is proposed that the retained profit of £504,345 is transferred to the group's reserves.

Fixed assets

The significant changes in fixed assets during the year are explained in notes 8 and 9 to the financial statements.

Market value of land and buildings

The directors are of the view that the market value of the company's land and buildings is considerably in excess of the book value in the accounts.

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2000	1 April 1999
John S. Stephen	35,421	35,421
Derek M. Stephen	35,421	35,421
Dale M. Stephen	59,035	59,035
Lorna Finlay	30,000	30,000

John W Stephen, a director of A & J Stephen Limited and A & J Stephen (Builders) Limited and John S Stephen's son, holds 23,614 Ordinary shares. Paul Stephen, a director of A & J Stephen Limited and Derek Stephen's son, holds 23,614 Ordinary shares. Brian Finlay, a director of A & J Stephen Limited and A & J Stephen (Builders) Limited and Lorna Finlay's husband, holds 29,035 Ordinary shares.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morris & Young be reappointed as auditors of the company will be put to the Annual General Meeting.

A & J STEPHEN (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

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 of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 the 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



J.J. Galbraith

Secretary

5 July 2000

A & J STEPHEN (HOLDINGS) LIMITED

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

We have audited the financial statements on pages 4 to 19 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company'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 the 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

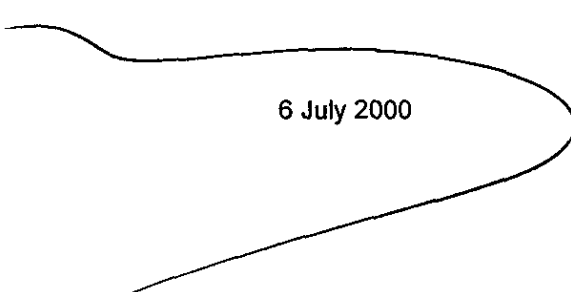
In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 March 2000 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Morris & Young

Chartered Accountants & Registered Auditors,
6 Atholl Crescent,
Perth.
PH1 5JN.

6 July 2000



A & J STEPHEN (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

	Notes	2000 £	1999 £
Turnover	2	10,909,344	11,080,598
Cost of sales		(8,227,333)	(7,747,036)
Gross profit		2,682,011	3,333,562
Administrative expenses		(2,084,339)	(1,896,201)
Other operating income		14,101	40,297
Operating profit	3	611,773	1,477,658
Investment income	4	5,184	5,801
Other interest receivable and similar income	4	81,752	12,056
Interest payable and similar charges	5	(3,772)	(43,454)
Profit on ordinary activities before taxation	3	694,937	1,452,061
Tax on profit on ordinary activities	6	(190,592)	(404,950)
Profit on ordinary activities after taxation		504,345	1,047,111

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

There are no recognised gains and losses other than those passing through the profit and loss account.

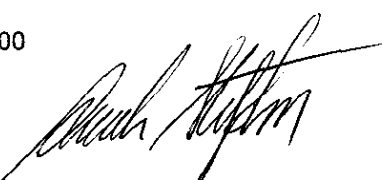
A & J STEPHEN (HOLDINGS) LIMITED

BALANCE SHEETS AS AT 31 MARCH 2000

		Group		Company	
	Notes	2000	1999	2000	1999
		£	£	£	£
Fixed assets					
Tangible assets	8	768,716	737,613	-	-
Investments	9	9,396	9,980	366,620	366,620
		<u>778,112</u>	<u>747,593</u>	<u>366,620</u>	<u>366,620</u>
Current assets					
Stocks	10	9,654,343	9,034,585	-	-
Debtors	11	1,434,876	1,587,557	1,160,689	1,063,846
Cash at bank and in hand		1,597,950	956,317	-	-
		<u>12,687,169</u>	<u>11,578,459</u>	<u>1,160,689</u>	<u>1,063,846</u>
Creditors: amounts falling due within one year	12	(3,112,547)	(2,485,722)	(394,247)	(374,866)
Net current assets		<u>9,574,622</u>	<u>9,092,737</u>	<u>766,442</u>	<u>688,980</u>
Total assets less current liabilities		<u>10,352,734</u>	<u>9,840,330</u>	<u>1,133,062</u>	<u>1,055,600</u>
Provisions for liabilities and charges	13	(69,099)	(61,040)	-	-
		<u>10,283,635</u>	<u>9,779,290</u>	<u>1,133,062</u>	<u>1,055,600</u>
Capital and reserves					
Called up share capital	15	236,140	236,140	236,140	236,140
Other reserves	16	105,380	105,380	105,380	105,380
Profit and loss account	16	9,942,115	9,437,770	791,542	714,080
Shareholders' funds - equity interests	17	<u>10,283,635</u>	<u>9,779,290</u>	<u>1,133,062</u>	<u>1,055,600</u>

The financial statements were approved by the board on 5 July 2000


John S. Stephen
Director


Derek M. Stephen
Director

A & J STEPHEN (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
Net cash inflow from operating activities	674,933	1,178,333
Returns on investments and servicing of finance		
Interest received	81,752	12,056
Interest paid	(3,706)	(43,454)
Dividends received	5,184	5,801
Net cash inflow/(outflow) for returns on investments and servicing of finance	83,230	(25,597)
Taxation	(523,974)	(276,662)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(314,416)	(276,916)
Payments to acquire investments	-	(1,125)
Receipts from sales of tangible assets	111,543	542,682
Receipts from sales of investments	584	567
Net cash outflow for capital expenditure	(202,289)	265,208
Net cash (outflow)/inflow before management of liquid resources and financing	31,900	1,141,282
Increase in cash in the year	<u>31,900</u>	<u>1,141,282</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

1	Reconciliation of operating profit to net cash inflow from operating activities	2000	1999
		£	£
	Operating profit	611,773	1,477,658
	Depreciation of tangible assets	209,289	201,375
	Profit on disposal of tangible assets	(37,519)	(218,293)
	Increase in stocks	(619,758)	(412,320)
	Decrease in debtors	208,529	67,270
	Increase in creditors within one year	302,619	62,643
	Net cash inflow from operating activities	674,933	1,178,333

2	Analysis of net funds	1 April 1999	Cash flow	Other non-cash changes	31 March 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	956,317	641,633		1,597,950
	Bank overdrafts	(698,308)	(609,733)		(1,308,041)
		258,009	31,900		289,909
	Debt:				
	Net funds	258,009	31,900	-	289,909

3	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	Increase in cash in the year	31,900	1,141,282
	Cash inflow from increase in debt	-	-
	Movement in net funds in the year	31,900	1,141,282
	Opening net funds/(debt)	258,009	(883,273)
	Closing net funds	289,909	258,009

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2000. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

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

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 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:

Land and buildings Freehold	Straight line over 50 years
Plant and machinery	20% Reducing Balance
Fixtures, fittings & equipment	20 - 50 % Reducing Balance
Motor vehicles	25% Reducing Balance

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 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.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

1.11 Liquid resources

Included in liquid resources are current asset investments held as readily disposable stores of value. There has been no change in the definition of liquid resources during the year.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	209,289	201,375
Auditors' remuneration (company £595; 1999 : £595)	11,715	11,865
Remuneration of auditors for non-audit work	850	-
and after crediting:		
Rents receivable	3,541	33,255
	<u> </u>	<u> </u>
4 Income from investments, other interest receivable and similar income	2000	1999
	£	£
Income from unlisted investments	5,184	5,801
Bank interest	81,752	12,056
	<u> </u>	<u> </u>
	86,936	17,857
	<u> </u>	<u> </u>
5 Interest payable	2000	1999
	£	£
On bank loans and overdrafts	3,706	43,454
On overdue tax	66	-
	<u> </u>	<u> </u>
	3,772	43,454
	<u> </u>	<u> </u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

6 Taxation

	£	£
U.K. current year taxation		
U.K. corporation tax at 30% (1999 - 31%)	177,194	394,585
Tax credits on franked investment income	-	617
Deferred taxation	8,059	9,722
	<u>185,253</u>	<u>404,924</u>
Prior years		
U.K. Corporation tax	5,339	26
	<u>190,592</u>	<u>404,950</u>

7 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2000 £	1999 £
Holding company's profit for the financial year	<u>77,462</u>	<u>74,628</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

8 Tangible fixed assets Group

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 1999	76,988	944,847	272,570	466,223	1,760,628
Additions	-	251,496	31,263	31,657	314,416
Disposals	(1,780)	(161,780)	-	(16,989)	(180,549)
At 31 March 2000	75,208	1,034,563	303,833	480,891	1,894,495
Depreciation					
At 1 April 1999	15,470	565,521	225,784	216,240	1,023,015
On disposals	(359)	(91,832)	-	(14,334)	(106,525)
Charge for the year	1,504	112,175	25,864	69,746	209,289
At 31 March 2000	16,615	585,864	251,648	271,652	1,125,779
Net book value					
At 31 March 2000	58,593	448,699	52,185	209,239	768,716
At 31 March 1999	61,518	379,325	46,787	249,983	737,613

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

9 Fixed asset investments Group

	Unlisted investments £	Total £
Cost		
At 1 April 1999	9,980	9,980
Disposals	(584)	(584)
At 31 March 2000	9,396	9,396
At 31 March 1999	9,980	9,980

9 Fixed asset investments Company

	Shares in subsidiary undertakings £
Cost	
At 1 April 1999 & at 31 March 2000	366,620
At 31 March 1999	366,620

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
A & J Stephen (Builders) Limited	Scotland	Ordinary	100
A & J Stephen Limited	Scotland	Ordinary	100
Castle Homes (Scotland) Limited	Scotland	Ordinary	100
Inch Farms Limited	Scotland	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
A & J Stephen (Builders) Limited	General Building
A & J Stephen Limited	Land Developers
Castle Homes (Scotland) Limited	Dormant
Inch Farms Limited	Dormant

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

10 Stocks and work in progress

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Land and materials	4,456,380	3,654,490	-	-
Work in progress	5,197,963	5,309,095	-	-
Finished goods and goods for resale	-	71,000	-	-
	<u>9,654,343</u>	<u>9,034,585</u>	<u>-</u>	<u>-</u>

11 Debtors

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	33,038	173,806	-	-
Amounts owed by group undertakings	-	-	1,160,543	1,063,700
Corporation tax	55,848	-	-	-
Other debtors	1,335,758	1,403,837	146	146
Prepayments and accrued income	10,232	9,914	-	-
	<u>1,434,876</u>	<u>1,587,557</u>	<u>1,160,689</u>	<u>1,063,846</u>

Amounts falling due after more than one year and included in the debtors above are:

	2000	1999	2000	1999
	£	£	£	£
Other debtors	<u>1,173,324</u>	<u>1,245,872</u>	<u>-</u>	<u>-</u>

Included in other debtors are deferred assets, being the 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 31 March 2000 was £1,784,450 (1999 - £1,897,590).

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

12 Creditors : amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loans and overdrafts	1,308,041	698,308	311,640	291,787
Trade creditors	707,628	366,724	-	-
Amounts owed to group undertakings	-	-	100	100
Corporation tax	108,992	394,585	19,366	19,838
Taxes and social security costs	179,197	129,260	62,691	62,691
Other creditors	57,554	100,178	-	-
Accruals and deferred income	751,135	796,667	450	450
	<u>3,112,547</u>	<u>2,485,722</u>	<u>394,247</u>	<u>374,866</u>

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, 0.049 hectares of land lying to the west of Edinburgh Road, Perth, site at Broxden, Perth and 20 acres at Burnside, Balmullo. The bank also holds a bond and floating charge over all of the assets of A & J Stephen Limited, A & J Stephen (Builders) Limited and A & J Stephen (Holdings) Limited.

In addition to the Bond and Floating Charge over all of the assets of the company, the Bank of Scotland holds a cross corporate guarantee incorporating all group companies.

There are also Standard Securities in favour of Guthrie Trustees over 19.555 hectares at Tarvit Farm, Cupar and a Standard Security in favour of Douglas and Angus Estates over 7.1077 hectares at Coldstream.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

13 Provisions for liabilities and charges

Group

	Deferred taxation £
Balance at 1 April 1999	61,040
Profit and loss account	8,059
Balance at 31 March 2000	<u>69,099</u>

Deferred tax is provided at 30% (1999 - 31%) analysed over the following timing differences:

Group

	Fully provided 2000 £	1999 £
Accelerated capital allowances	<u>69,099</u>	<u>61,040</u>

14 Pension costs

The staff and work section : the company operates a defined contribuitons pension scheme. The assets of the scheme are held separately from those of the company, being invested in deferred annuity contracts issued by the General Accident Life Assurance Limited. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of the pension over the employees' working life with the company.

The Company Secretary's pension: this is jointly funded by the company and the individual. The arrangement is by way of a defined contribution scheme.

The total of the company's staff contribution for the year amounted to £61,398.

The directors pension contributions of £146,983 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.

15 Share capital

	2000 £	1999 £
Authorised		
500,000 Ordinary shares of £ 1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
236,140 Ordinary shares of £ 1 each	<u>236,140</u>	<u>236,140</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

16 Statement of movements on reserves Group

	Other reserves £	Profit and loss account £
Balance at 1 April 1999	105,380	9,437,770
Retained profit for the year	-	504,345
Balance at 31 March 2000	105,380	9,942,115

Company

	Other reserves £	Profit and loss account £
Balance at 1 April 1999	105,380	714,080
Retained profit for the year	-	77,462
Balance at 31 March 2000	105,380	791,542

17 Reconciliation of movements in shareholders' funds Group

	2000 £	1999 £
Profit for the financial year	504,345	1,047,111
Opening shareholders' funds	9,779,290	8,732,179
Closing shareholders' funds	10,283,635	9,779,290

	2000 £	1999 £
Profit for the financial year	77,462	74,628
Opening shareholders' funds	1,055,600	980,972
Closing shareholders' funds	1,133,062	1,055,600

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

18 Contingent liabilities

Group

There are corporate cross guarantees including offset provisions incorporating all group companies.

Company

There are contingent liabilities relating to cross corporate guarantees including offset provisions incorporating all group companies.

19 Directors' emoluments	2000 £	1999 £
Emoluments for qualifying services	237,117	158,040
Company pension contributions to money purchase schemes	146,983	146,904
Pensions to former directors	15,570	15,081
	<u>399,670</u>	<u>320,025</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (1999 - 6).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>50,682</u>	<u>28,541</u>
------------------------------------	---------------	---------------

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

20 Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Office and Management	34	34
Building	99	99
	<u>133</u>	<u>133</u>

Employment costs

	£	£
Wages and salaries	1,887,084	1,673,023
Social security costs	149,615	136,689
Other pension costs	223,951	226,951
	<u>2,260,650</u>	<u>2,036,663</u>

21 Control

There is no ultimate controlling party as no one shareholder has more than fifty percent of the shares.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

22 Related party transactions

Group

JSS (Perth) Limited of whom John S. Stephen is a director, was paid a management fee of £56,500 during the year by A & J Stephen (Builders) Limited, of which he is also a director.

BJF Limited of whom Brian J. Finlay is a director, was paid a management fee of £127,000 during the year by A & J Stephen (Builders) Limited, of which he is also a director.

DRK Limited of whom Derek M. Stephen is a director, was paid a management fee of £57,000 during the year by A & J Stephen (Builders) Limited, of which he is also a director.

DAMACS Limited of whom Dale Stephen is a director, was paid a management fee of £128,000 during the year by A & J Stephen (Builders) Limited, of which he is also a director.

Ferntower Limited of whom John W Stephen, John S Stephens son, was paid a management fee of £10,000 during the year by A & J Stephen (Builders) Limited. John W Stephen is a director of A & J Stephen Limited and A & J Stephen (Builders) Limited.

During the year, the company paid rent totalling £11,250, which is considered to be a fair market rent, to the Pension Scheme of the company.

During the year a number of the directors and their families purchased consumable items, which are immaterial to the individuals concerned and the company, from A & J Stephen (Builders) Limited at market value.

Included in creditors is a balance of £529 due to the pension scheme for rent received for the industrial units on behalf of the pension scheme. A & J Stephen Limited has paid £4,000 to the pension scheme for rents received for the industrial units during the year.

No provision has been made against any of the debts due from related parties identified nor have any amounts been written off in respect of debts due to or from related parties during the year.

Company

All the relevant related party transactions are disclosed above.