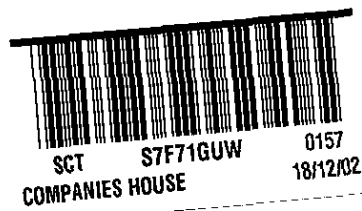


Company Registration No. 57721 (Scotland)

A & J STEPHEN (HOLDINGS) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2002



A & J STEPHEN (HOLDINGS) LIMITED

DIRECTORS AND ADVISERS

Directors	John S. Stephen Derek M. Stephen Dale M. Stephen Lorna Finlay
Secretary	John J. Galbraith Fcis
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 2002

The directors present their report and financial statements for the year ended 31 March 2002.

Directors

The following directors have held office since 1 April 2001:

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.

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:

A & J Stephen (Holdings) Limited

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
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

A & J Stephen Limited

	Ordinary of £ 1 each	
	31 March 2002	1 April 2001
John S. Stephen	-	-
Derek M. Stephen	-	-
Dale M. Stephen	-	-

A & J Stephen (Builders) Ltd

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
John S. Stephen	-	-
Derek M. Stephen	-	-
Dale M. Stephen	-	-

A & J STEPHEN (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

Castle Homes (Scotland) Ltd

Ordinary Shares of £ 1 each

	31 March 2002	1 April 2001
--	---------------	--------------

John S. Stephen	-	-
-----------------	---	---

Derek M. Stephen	-	-
------------------	---	---

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, Derek Stephen's son, holds 11,807 Ordinary shares. Joanne Stephen, Derek Stephen's daughter, holds 11,807 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.

Political donations to non EU parties and organisations

-

-

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 19 (2001 - 21) days' purchases.

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.

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



John J. Galbraith FCIS

Secretary

26 June 2002

A & J STEPHEN (HOLDINGS) LIMITED

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

We have audited the financial statements of A & J Stephen (Holdings) Limited on pages 4 to 19 for the year ended 31 March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

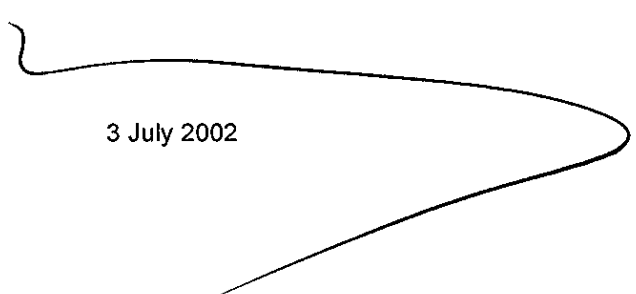
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its 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.



3 July 2002

A & J STEPHEN (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Turnover	2	12,504,430	11,293,805
Cost of sales		(9,775,773)	(9,338,267)
Gross profit		2,728,657	1,955,538
Administrative expenses		(2,130,804)	(1,503,483)
Other operating income		7,768	19,141
Operating profit	3	605,621	471,196
Investment income	4	29,625	5,184
Other interest receivable and similar income		48,192	61,321
Interest payable and similar charges	5	(23,983)	(4,420)
Profit on ordinary activities before taxation	3	659,455	533,281
Tax on profit on ordinary activities	6	(203,515)	(52,733)
Profit on ordinary activities after taxation		455,940	480,548
Dividends	8	(181,710)	(106,263)
Retained profit for the year	17	274,230	374,285

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

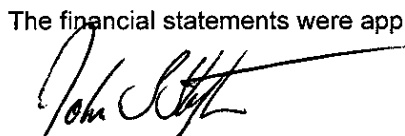
There are no recognised gains and losses other than those passing through the profit and loss account.

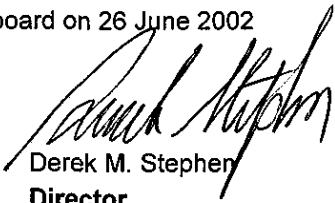
A & J STEPHEN (HOLDINGS) LIMITED

BALANCE SHEETS AS AT 31 MARCH 2002

	Notes	Group 2002 £	2001 £	Company 2002 £	2001 £
Fixed assets					
Tangible assets	9	832,900	849,398	-	-
Investments	10	16,741	16,741	366,620	366,620
		<u>849,641</u>	<u>866,139</u>	<u>366,620</u>	<u>366,620</u>
Current assets					
Stocks	11	9,120,530	8,778,033	-	-
Debtors	12	1,235,706	1,343,755	271,629	1,257,015
Cash at bank and in hand		1,807,683	2,447,372	447,646	-
		<u>12,163,919</u>	<u>12,569,160</u>	<u>719,275</u>	<u>1,257,015</u>
Creditors: amounts falling due within one year	13	(1,988,365)	(2,714,237)	(83,872)	(519,810)
Net current assets		<u>10,175,554</u>	<u>9,854,923</u>	<u>635,403</u>	<u>737,205</u>
Total assets less current liabilities		<u>11,025,195</u>	<u>10,721,062</u>	<u>1,002,023</u>	<u>1,103,825</u>
Provisions for liabilities and charges	14	(92,672)	(62,769)	-	-
		<u>10,932,523</u>	<u>10,658,293</u>	<u>1,002,023</u>	<u>1,103,825</u>
Capital and reserves					
Called up share capital	16	236,140	236,140	236,140	236,140
Other reserves	17	105,380	105,380	105,380	105,380
Profit and loss account	17	10,591,003	10,316,773	660,503	762,305
Shareholders' funds - equity interests	18	<u>10,932,523</u>	<u>10,658,293</u>	<u>1,002,023</u>	<u>1,103,825</u>

The financial statements were approved by the board on 26 June 2002


John S. Stephen
Director


Derek M. Stephen
Director

A & J STEPHEN (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		585,284		941,622
Returns on investments and servicing of finance				
Interest received	48,192		61,321	
Interest paid	(23,983)		(4,420)	
Dividends received	29,625		5,184	
Net cash inflow for returns on investments and servicing of finance		53,834		62,085
Taxation		(59,057)		(43,105)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(247,098)		(427,879)	
Payments to acquire investments	-		(7,550)	
Receipts from sales of tangible assets	64,410		409,111	
Receipts from sales of investments	-		205	
Net cash outflow for capital expenditure		(182,688)		(26,113)
Equity dividends paid		(181,710)		(106,263)
Net cash inflow before management of liquid resources and financing		215,663		828,226
Financing				
Capital element of hire purchase contracts	(21,303)		-	
Net cash outflow from financing		(21,303)		-
Increase in cash in the year		194,360		828,226

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

1	Reconciliation of operating profit to net cash inflow from operating activities		2002	2001
			£	£
	Operating profit		605,621	471,196
	Depreciation of tangible assets		224,864	224,875
	Profit on disposal of tangible assets		(2,432)	(286,788)
	(Increase)/decrease in stocks		(342,497)	876,310
	Decrease in debtors		108,049	35,645
	Decrease in creditors within one year		(8,321)	(379,616)
	Net cash inflow from operating activities		585,284	941,622

2	Analysis of net funds	1 April 2001	Cash flow	Other non- cash changes	31 March 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,447,372	(639,689)	-	1,807,683
	Bank overdrafts	(1,329,237)	834,049	-	(495,188)
		1,118,135	194,360	-	1,312,495
	Debt:				-
	Finance leases	-	(1,943)	-	(1,943)
	Net funds	1,118,135	192,417	-	1,310,552

3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	Increase in cash in the year	194,360	828,226
	Cash inflow from increase in debt	(1,943)	-
	Movement in net funds in the year	192,417	828,226
	Opening net funds	1,118,135	289,909
	Closing net funds	1,310,552	1,118,135

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

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 2002. 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 other than freehold land 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 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

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

1.8 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.

1.9 Pensions

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

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting policies

1.10 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.

1.11 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.

1.12 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	2002 £	2001 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	224,864	224,875
	Auditors' remuneration (company £450; 2001 : £1,180)	13,895	12,690
	Remuneration of auditors for non-audit work	195	-
	and after crediting:		
	Rents receivable	2,275	2,951
	Gain on fixed asset disposals	2,432	286,788
		<u>224,864</u>	<u>224,875</u>
4	Investment income	2002 £	2001 £
	Income from fixed asset investments	29,625	5,184
		<u>29,625</u>	<u>5,184</u>
5	Interest payable	2002 £	2001 £
	On bank loans and overdrafts	5,983	4,418
	On other loans wholly repayable within 5 years	18,000	-
	On overdue tax	-	2
		<u>23,983</u>	<u>4,420</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

6 Taxation

	£	£
Domestic current year tax		
U.K. corporation tax	173,612	59,063
Current tax charge	173,612	59,063
Deferred tax		
Deferred tax charge/credit current year	29,903	(6,330)
	203,515	52,733
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	659,455	533,281
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	131,891	106,656
Effects of:		
Non deductible expenses	1,504	1,522
Depreciation	44,485	(12,382)
Capital allowances	(42,072)	(39,844)
Dividends and distributions received	(5,925)	(1,037)
Other tax adjustments	43,729	4,148
	41,721	(47,593)
Current tax charge	173,612	59,063

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:

	2002 £	2001 £
Holding company's profit for the financial year	79,908	77,026

8 Dividends

	2002 £	2001 £
Ordinary interim paid	181,710	106,263

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

9 Tangible fixed assets

Group

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2001	50,393	1,114,107	317,223	572,630	2,054,353
Additions	-	136,512	8,698	125,133	270,343
Disposals	-	(54,350)	-	(92,507)	(146,857)
At 31 March 2002	50,393	1,196,269	325,921	605,256	2,177,839
Depreciation					
At 1 April 2001	12,128	609,503	264,571	318,753	1,204,955
On disposals	-	(32,901)	-	(51,978)	(84,879)
Charge for the year	1,008	123,933	15,302	84,620	224,863
At 31 March 2002	13,136	700,535	279,873	351,395	1,344,939
Net book value					
At 31 March 2002	37,257	495,734	46,048	253,861	832,900
At 31 March 2001	38,265	504,604	52,652	253,877	849,398

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 March 2002	22,720	-	-	22,720
Depreciation charge for the year				
31 March 2002	5,680	-	-	5,680

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

10 Fixed asset investments

Group

	Unlisted investments £	Total £
Cost		
At 1 April 2001 & at 31 March 2002	16,741	16,741
At 31 March 2001	16,741	16,741

10 Fixed asset investments

Company

	Shares in subsidiary undertakings £
Cost	
At 1 April 2001 & at 31 March 2002	366,620
At 31 March 2001	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	Shares held Class	%
Subsidiary undertakings			
A & J Stephen (Builders) Limited	Scotland	Ordinary	100
A & J Stephen Limited	Scotland	Ordinary	100
Castle Homes (Scotland) 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

In the directors opinion the value of the investments disclosed in the accounts is reasonable.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

11 Stocks and work in progress

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Raw materials and consumables	4,702,385	3,858,686	-	-
Work in progress	4,418,145	4,833,497	-	-
Finished goods and goods for resale	-	85,850	-	-
	<u>9,120,530</u>	<u>8,778,033</u>	<u>-</u>	<u>-</u>

12 Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	46,027	72,106	-	-
Amounts owed by group undertakings	-	-	271,483	1,256,869
Other debtors	1,172,590	1,255,300	146	146
Prepayments and accrued income	17,089	16,349	-	-
	<u>1,235,706</u>	<u>1,343,755</u>	<u>271,629</u>	<u>1,257,015</u>

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

	2002	2001	2002	2001
	£	£	£	£
Other debtors	<u>979,655</u>	<u>1,088,262</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 2002 was £1,495,690 (2001 - £1,649,925).

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

13 Creditors : amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	495,188	1,329,237	-	436,665
Net obligations under finance lease and hire purchase contracts	1,943	-	-	-
Trade creditors	517,217	531,167	-	-
Amounts owed to group undertakings	-	-	100	100
Corporation tax	183,657	69,102	20,631	19,904
Taxes and social security costs	148,633	142,232	62,691	62,691
Other creditors	28,017	50,978	-	-
Accruals and deferred income	613,710	591,521	450	450
	<u>1,988,365</u>	<u>2,714,237</u>	<u>83,872</u>	<u>519,810</u>

Security is held by the Bank of Scotland over 0.049 hectares of land lying to the west of Edinburgh Road, Perth. 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 and letters of offset 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 6.4902 hectares at Coldstream.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	1,943	-	-	-
Finance charges and interest allocated to future accounting periods	-	-	-	-
	<u>1,943</u>	<u>-</u>	<u>-</u>	<u>-</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

14 Provisions for liabilities and charges Group

	Deferred taxation £
Balance at 1 April 2001	62,769
Profit and loss account	29,903
Balance at 31 March 2002	92,672

Deferred taxation provided in the financial statements is as follows:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Accelerated capital allowances	92,672	62,769	-	-

15 Pension costs

The staff and work section : the company operates a defined contributons pension scheme. The assets of the scheme are held seperately from those of the company, being invested in deferred annuity contracts issued by the Norwich Union. 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 group's staff contribution for the year amounted to £73,083 (2001: £68,708).

The directors pension contributions of £336,843 (2001:£114,983) 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.

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	409,926	183,691

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

16 Share capital	2002	2001
	£	£
Authorised		
500,000 Ordinary shares of £ 1 each	500,000	500,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
236,140 Ordinary shares of £ 1 each	236,140	236,140
	<u> </u>	<u> </u>
17 Statement of movements on reserves		
Group		
	Other reserves	Profit and loss account
	£	£
Balance at 1 April 2001	105,380	10,316,773
Retained profit for the year	-	274,230
	<u> </u>	<u> </u>
Balance at 31 March 2002	105,380	10,591,003
	<u> </u>	<u> </u>
Other reserves		
Capital redemption reserve		
Balance at 1 April 2001 & at 31 March 2002	105,380	
	<u> </u>	
Company		
	Other reserves (see below)	Profit and loss account
	£	£
Balance at 1 April 2001	105,380	762,305
Retained loss for the year	-	(101,802)
	<u> </u>	<u> </u>
Balance at 31 March 2002	105,380	660,503
	<u> </u>	<u> </u>
Other reserves		
Capital redemption reserve		
Balance at 1 April 2001 & at 31 March 2002	105,380	
	<u> </u>	

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

18 Reconciliation of movements in shareholders' funds	2002	2001
Group	£	£
Profit for the financial year	455,940	480,548
Dividends	(181,710)	(106,263)
Net addition to shareholders' funds	274,230	374,285
Opening shareholders' funds	10,658,293	10,284,008
Closing shareholders' funds	10,932,523	10,658,293
	2002	2001
Company	£	£
Profit for the financial year	79,908	77,026
Dividends	(181,710)	(106,263)
Net depletion in shareholders' funds	(101,802)	(29,237)
Opening shareholders' funds	1,103,825	1,133,062
Closing shareholders' funds	1,002,023	1,103,825

19 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.

20 Capital commitments

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Contracted for but not provided in the financial statements	52,000	48,912	-	-
Authorised but not contracted for	26,786	-	-	-
	78,786	48,912	-	-

The capital commitments contracted for is for a new lorry on which will not be delivered until August. The authorised but not contracted for commitments are for two new cars.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

21 Directors' emoluments	2002 £	2001 £
Emoluments for qualifying services	342,860	263,779
Company pension contributions to money purchase schemes	336,843	114,983
Pensions to former directors	16,639	16,037

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 7 (2001 - 7).

22 Transactions with directors

During the year A & J Stephen (Builders) Limited sold to Dale Stephen, a director, a car for £17,000 which was independantly valued.

23 Employees

Number of employees

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

	2002 Number	2001 Number
Office and Management	31	34
Building	108	109
	<u>139</u>	<u>143</u>

Employment costs

	£	£
Wages and salaries	2,318,371	2,250,232
Social security costs	211,941	151,150
Other pension costs	426,565	199,728
	<u>2,956,877</u>	<u>2,601,110</u>

24 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 2002

25 Related party transactions

Group

During the year, the company paid rent totalling £55,000, of which £6,667 is prepaid at the year end, for the office and an industrial unit 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.

A & J Stephen (Builders) Limited has paid £15 for the annual return filing fee on behalf of Inch Farms Limited, a company John S Stephen, Derek Stephen and Dale Stephen are directors of. Inch Farms Limited is due A & J Stephen (Builders) Limited £373 at the year end. A & J Stephen (Builders) Limited has paid £15 for an annual return filing fee on behalf of Elmcliff Limited a company John S Stephen and Derek Stephen are directors of. Elmcliff Limited is due A & J Stephen (Builders) Limited £111 at the year end.

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.

During the year the company has received a loan from Stephens Assured Homes Limited, a company John S Stephen, Derek Stephen and Dale Stephen directors, are also directors of, for £600,000 and has been charged interest of £18,000. The loan has been fully repaid 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.