

Company Registration No. SC57721 (Scotland)

A & J STEPHEN (HOLDINGS) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009

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A & J STEPHEN (HOLDINGS) LIMITED

DIRECTORS AND ADVISERS

Directors	John S Stephen Derek M Stephen Dale M Stephen Lorna Finlay John W Stephen
Secretary	John Webster
Company number	SC57721
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	The Royal Bank of Scotland 12 Dunkeld Road PERTH PH1 5RB
Solicitors	Condies 2 Tay Street PERTH PH1 5LJ

A & J STEPHEN (HOLDINGS) LIMITED

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A & J STEPHEN (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and financial statements for the year ended 31 March 2009.

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.

Highlights

Turnover	£15,290,142
Gross Margin	25.5%
Profit on ordinary activities before tax	£1,713,905
Shareholders' funds	£23,844,755

Overview

The past twelve months have been difficult for the UK economy as a whole with the construction sector particularly hard hit. Lack of available funding and higher lending criteria to borrowers reduced the availability of mortgages and this has led to stagnation in the housing chain. Against such difficult trading conditions it is not surprising that our turnover has reduced from 2008 levels. The overall number of new house sales has been less impacted but the reduced turnover reflects our decision to build an increased percentage of more affordable homes. The gross margin also experienced a slip this year. This is largely explained by pressure on property prices and enhanced levels of incentives given to clients. The Group continued to review its cost base in light of falling revenues and unfortunately had to make some redundancies within the workforce. The cost of these redundancies has also impacted the margin. Unlike many in the sector, the Group remained profitable during the year with a pre-tax result of £1.7 million achieved. The Board's philosophy of reinvesting the profits within the business has continued and shareholders' funds have increased to £23.8 million.

Outlook

Throughout the recession interest in our houses has remained strong. Recent indications suggest that market confidence is returning with lenders reporting property prices starting to increase once more. The availability of mortgages also appears to be easing. This improving economic position coupled with increased levels of reservations has given to Board the confidence to start gearing up production in order that the Group is well placed to embrace the market once it fully returns. During the past year the Group has continued to acquire strategic land to further enhance the land bank in order that the long term growth aspirations of the Group are achieved.

Principal risks and uncertainties

The principal risk that the directors have identified is that the housing market declines in the next twelve months. Due to the number of reservations that the group are receiving the board are of the view that the market is returning.

Employees

The group currently employs 60 employees. This is down on previous years and reflects the realignment of the cost base with market activity. The directors believe that the number of employees will grow during 2009 as production levels are increased.

A & J STEPHEN (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

Interim ordinary dividends were paid amounting to £849,600. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 April 2008:

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

2009	2008
£	£

During the year the group made the following payments:

Charitable donations	3,097	3,070
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Charitable donations - The recipients, amounts and purpose of the charitable donations over £200 are as follows:

Princess Royal Trust £247

Abernethy Youth Football £300

Willow Foundation £500

All charitable donations are made for general charitable purposes.

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 2009

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

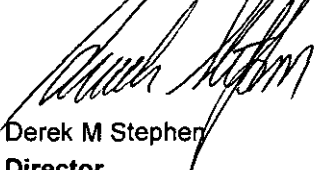
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding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

The directors' are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors 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 group's auditors are aware of that information.

On behalf of the board



Derek M Stephen
Director

1 September 2009

A & J STEPHEN (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT

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

We have audited the group and parent company financial statements (the "financial statements") of A & J Stephen (Holdings) Limited for the year ended 31 March 2009 set out on pages 6 to 28. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 group's and the company'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.

A & J STEPHEN (HOLDINGS) LIMITED

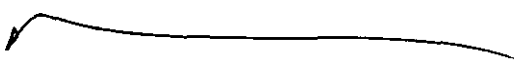
INDEPENDENT AUDITORS' REPORT

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 March 2009 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Morris & Young
Chartered Accountants & Registered Auditors
6 Atholl Crescent
PERTH
PH1 5JN

4 September 2009



A & J STEPHEN (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
Turnover	2	15,290,142	19,376,605
Cost of sales		(11,394,945)	(13,845,167)
Gross profit		3,895,197	5,531,438
Administrative expenses		(2,383,831)	(2,397,290)
Other operating income		4,719	4,818
Operating profit	3	1,516,085	3,138,966
Investment income	4	194,952	328,175
Other interest receivable and similar income		41,774	39,904
Interest payable and similar charges	5	(38,906)	(137,179)
Profit on ordinary activities before taxation	3	1,713,905	3,369,866
Tax on profit on ordinary activities	6	(419,533)	(893,457)
Profit on ordinary activities after taxation		1,294,372	2,476,409

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 2009

	Notes	Group 2009 £	2008 £	Company 2009 £	2008 £
Fixed assets					
Tangible assets	9	377,124	602,569	-	-
Investments	10	-	2,850,000	366,620	366,620
		<u>377,124</u>	<u>3,452,569</u>	<u>366,620</u>	<u>366,620</u>
Current assets					
Stocks	11	25,954,605	24,047,422	-	-
Debtors: amounts falling due within one year	12	399,021	884,093	163,966	726,959
Debtors: amounts falling due after more than one year	12	78,687	62,077	-	-
Cash at bank and in hand		2,358,467	958,263	739,837	809,726
		<u>28,790,780</u>	<u>25,951,855</u>	<u>903,803</u>	<u>1,536,685</u>
Creditors: amounts falling due within one year	13	<u>(5,299,244)</u>	<u>(5,864,520)</u>	<u>(246,202)</u>	<u>(82,421)</u>
Net current assets		<u>23,491,536</u>	<u>20,087,335</u>	<u>657,601</u>	<u>1,454,264</u>
Total assets less current liabilities		<u>23,868,660</u>	<u>23,539,904</u>	<u>1,024,221</u>	<u>1,820,884</u>
Creditors: amounts falling due after more than one year	14	(21,215)	(102,101)	-	-
Provisions for liabilities	15	-	(33,783)	-	-
Accruals and deferred income	16	(2,690)	(4,037)	-	-
		<u>23,844,755</u>	<u>23,399,983</u>	<u>1,024,221</u>	<u>1,820,884</u>
Capital and reserves					
Called up share capital	18	236,000	236,000	236,000	236,000
Other reserves	19	105,520	105,520	105,520	105,520
Profit and loss account	19	23,503,235	23,058,463	682,701	1,479,364
Shareholders' funds	20	<u>23,844,755</u>	<u>23,399,983</u>	<u>1,024,221</u>	<u>1,820,884</u>

A & J STEPHEN (HOLDINGS) LIMITED

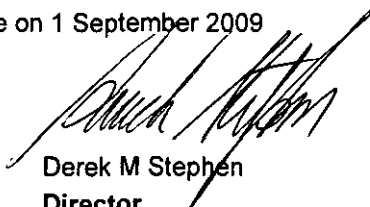
BALANCE SHEETS

AS AT 31 MARCH 2009

Approved by the Board and authorised for issue on 1 September 2009



John W Stephen
Director



Derek M Stephen
Director

A & J STEPHEN (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

	£	2009 £	£	2008 £
Net cash outflow from operating activities		(696,653)		(3,277,319)
Returns on investments and servicing of finance				
Interest received	41,774		92,464	
Interest paid	(38,906)		(137,179)	
Net cash inflow/(outflow) for returns on investments and servicing of finance		2,868		(44,715)
Taxation		(757,142)		(1,243,183)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(25,697)		(55,464)	
Payments to acquire investments	-		(42,048)	
Receipts from sales of tangible assets	23,000		68,614	
Receipts from sales of investments	3,044,952		2,467,539	
Net cash inflow for capital expenditure		3,042,255		2,438,641
Equity dividends paid		(849,600)		(1,380,600)
Net cash inflow/(outflow) before management of liquid resources and financing		741,728		(3,507,176)
Financing				
Government grant received	-		4,037	
Capital element of hire purchase contracts	(168,926)		(139,998)	
Net cash outflow from financing		(168,926)		(135,961)
Increase/(decrease) in cash in the year		572,802		(3,643,137)

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

1	Reconciliation of operating profit to net cash outflow from operating activities		2009	2008
			£	£
	Operating profit		1,516,085	3,138,966
	Depreciation of tangible assets		248,722	237,072
	Profit on disposal of tangible assets		(7,580)	(12,694)
	Increase in stocks		(1,907,183)	(6,144,580)
	Decrease/(increase) in debtors		457,950	(215,439)
	Decrease in creditors within one year		(1,003,301)	(280,644)
	Movement on grant provision		(1,346)	-
	Net cash outflow from operating activities		(696,653)	(3,277,319)

2	Analysis of net debt	1 April 2008	Cash flow	Other non- 31 March 2009
				cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	958,263	1,400,204	- 2,358,467
	Bank overdrafts	(2,297,584)	(827,402)	- (3,124,986)
		(1,339,321)	572,802	- (766,519)
	Finance leases	(263,443)	155,925	- (107,518)
	Net debt	(1,602,764)	728,727	- (874,037)

3	Reconciliation of net cash flow to movement in net debt	2009	2008
		£	£
	Increase/(decrease) in cash in the year	572,802	(3,643,137)
	Cash outflow from decrease in debt	155,925	16,244
	Movement in net debt in the year	728,727	(3,626,893)
	Opening net (debt)/funds	(1,602,764)	2,024,129
	Closing net debt	(874,037)	(1,602,764)

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 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 2009. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. The subsidiaries are A & J Stephen Limited, A & J Stephen (Builders) Limited and Castle Homes Limited. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

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

1.5 Goodwill

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

1.6 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:

Plant and machinery	20% Straight line
Fixtures, fittings & equipment	20 & 50 % Straight line
Motor vehicles	25% Straight line

1.7 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.

1.8 Investments

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

1.9 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.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 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.

1.13 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.14 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.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

3	Operating profit	2009	2008
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	248,722	237,072
	Operating lease rentals		
	- Plant and machinery	73,613	65,002
	and after crediting:		
	Government grants	1,346	1,346
	Profit on disposal of tangible assets	(7,580)	(12,694)
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £450; 2008: £450)	8,050	8,050
	Statutory Accounts & Taxation	6,900	8,125
		<u> </u>	<u> </u>
		14,950	16,175
		<u> </u>	<u> </u>
4	Investment income	2009	2008
		£	£
	Income from fixed asset investments	194,952	328,175
		<u> </u>	<u> </u>
5	Interest payable	2009	2008
		£	£
	On bank loans and overdrafts	30,373	107,233
	Hire purchase interest	8,533	19,468
	On overdue tax	-	5,017
	Other interest	-	5,461
		<u> </u>	<u> </u>
		38,906	137,179
		<u> </u>	<u> </u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

6	Taxation	2009 £	2008 £
	Domestic current year tax		
	U.K. corporation tax	453,316	977,970
	Adjustment for prior years	-	8,081
	Current tax charge	453,316	986,051
	Deferred tax		
	Deferred tax charge/credit current year	(33,783)	(92,594)
		419,533	893,457
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,713,905	3,369,866
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 30.00%)	479,893	1,010,960
	Effects of:		
	Non deductible expenses	3,613	4,040
	Depreciation add back	12,933	67,313
	Capital allowances	(42,962)	(55,799)
	Adjustments to previous periods	-	8,081
	Chargeable disposals	3,881	41,321
	Other tax adjustments	(4,042)	(89,865)
		(26,577)	(24,909)
	Current tax charge	453,316	986,051

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:

	2009 £	2008 £
Holding company's profit for the financial year	52,937	49,369

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

8	Dividends	2009 £	2008 £
	Ordinary interim paid 11 April 2008	531,000	531,000
	Ordinary interim paid 12 September 2008	318,600	424,800
	Ordinary interim paid 5 December 2007	-	424,800
		849,600	1,380,600

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

9 Tangible fixed assets Group

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2008	961,405	359,317	419,562	1,740,284
Additions	38,697	-	-	38,697
Disposals	(38,550)	-	-	(38,550)
At 31 March 2009	961,552	359,317	419,562	1,740,431
Depreciation				
At 1 April 2008	454,186	339,072	344,457	1,137,715
On disposals	(23,130)	-	-	(23,130)
Charge for the year	176,506	5,887	66,329	248,722
At 31 March 2009	607,562	344,959	410,786	1,363,307
Net book value				
At 31 March 2009	353,990	14,358	8,776	377,124
At 31 March 2008	507,219	20,245	75,105	602,569

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 2009	196,330	-	7,173	203,503
At 31 March 2008	253,835	-	25,927	279,762
Depreciation charge for the year				
31 March 2009	78,085	-	18,754	96,839
31 March 2008	77,849	-	18,753	96,602

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

10 Fixed asset investments Group

	Listed investments £	Total £
Cost		
At 1 April 2008	2,850,000	2,850,000
Disposals	(2,850,000)	(2,850,000)
	<u>-</u>	<u>-</u>
At 31 March 2009	-	-
Net book value		
At 31 March 2009	-	-
	<u>2,850,000</u>	<u>2,850,000</u>
At 31 March 2008	2,850,000	2,850,000
	<u>2,918,037</u>	<u>2,918,037</u>
	Market value £	Total £
At 31 March 2009	-	-
At 31 March 2008	2,918,037	2,918,037

Should the investments be sold at their valuation, a tax charge not exceeding £- (2008 - £20,411) would arise.

Company

	Shares in group undertakings £
Cost	
At 1 April 2008 & at 31 March 2009	366,620
Net book value	
At 31 March 2009	366,620
	<u>366,620</u>
At 31 March 2008	366,620
	<u>366,620</u>

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.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

10 Fixed asset investments

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
Participating interests			
Inch Farms Limited	Scotland	Ordinary	50

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

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

11 Stocks and work in progress

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Raw materials and consumables	9,077,585	9,442,755	-	-
Work in progress	16,617,020	14,604,667	-	-
Finished goods and goods for resale	260,000	-	-	-
	<u>25,954,605</u>	<u>24,047,422</u>	<u>-</u>	<u>-</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

12 Debtors

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	321,199	719,832	-	-
Amounts owed by group undertakings	-	-	163,341	726,334
Corporation tax	-	10,512	-	-
Other debtors	137,027	195,106	625	625
Prepayments and accrued income	19,482	20,720	-	-
	<u>477,708</u>	<u>946,170</u>	<u>163,966</u>	<u>726,959</u>

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

	2009	2008	2009	2008
	£	£	£	£
Other debtors	<u>78,687</u>	<u>62,077</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 2009 was £105,947 (2008 - £73,947).

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

13 Creditors : amounts falling due within one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Bank loans and overdrafts	3,124,986	2,297,584	-	-
Net obligations under finance lease and hire purchase contracts	86,303	161,342	-	-
Trade creditors	589,456	1,612,433	-	-
Amounts owed to group undertakings	-	-	162,474	4,917
Corporation tax	218,686	533,024	20,587	14,363
Taxes and social security costs	143,974	175,827	62,691	62,691
Other creditors	14,393	16,487	-	-
Accruals and deferred income	1,121,446	1,067,823	450	450
	<u>5,299,244</u>	<u>5,864,520</u>	<u>246,202</u>	<u>82,421</u>

The bank overdraft is secured by 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 Royal Bank of Scotland holds a cross corporate guarantee and letters of offset incorporating all group companies.

There are also Standard Securities in favour of The Shareholding & Investment (Property) Ltd at Dronley Road, Birkhill and a standard security over the Glebe at Abernethy. Furthermore there is a Standard Security in favour of Streetfield Property Limited over land at Aberargie as well as a Standard Security in favour of Charles Henry Butter for land at Lagreath Field, Pitlochry. There are two Standard Securities at Bearehill, Brechin one in favour of Dr Robert William Young Martin and Mrs Jennifer Martin and one in favour of Maud Muir, James Muir, Jennifer Elaine Rushton and Hugh David Rushton.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

14 Creditors : amounts falling due after more than one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Net obligations under finance leases and hire purchase agreements	21,215	102,101	-	-
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	86,303	161,342	-	-
Repayable between one and five years	21,215	102,101	-	-
	107,518	263,443	-	-
Included in liabilities falling due within one year	(86,303)	(161,342)	-	-
	21,215	102,101	-	-

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

15 Provisions for liabilities and charges Group

	Deferred taxation £
Balance at 1 April 2008	33,783
Profit and loss account	(33,783)
Balance at 31 March 2009	-

The deferred tax liability is made up as follows:

	Group 2009 £	Company 2009 £
Balance at 1 April 2008 & at 31 March 2009	33,783	-
Profit and loss account	(33,783)	-
Balance at 31 March 2009	-	-

Deferred taxation provided in the financial statements is as follows:

	Group 2009 £	2008 £	Company 2009 £	2008 £
Accelerated capital allowances	-	13,372	-	-
Other timing differences	-	20,411	-	-
	-	33,783	-	-

16 Accruals and deferred income

Group	Government grants £
Balance at 1 April 2008	4,036
Amortisation in the year	(1,346)
Balance at 31 March 2009	2,690

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

17 Pension and other post-retirement benefit commitments

Defined contribution

The staff and work section : the company operates a defined contributions pension scheme. The assets of the scheme are held separately 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 total of the group's staff contribution for the year amounted to £124,580 (2008: £113,350).

The directors family pension contributions of £3,800 (2008: £30,000) 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.

	2009 £	2008 £
Contributions payable by the group for the year	128,380	143,350
	<u>128,380</u>	<u>143,350</u>
18 Share capital	2009 £	2008 £
Authorised		
500,000 Ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
236,000 Ordinary shares of £1 each	236,000	236,000
	<u>236,000</u>	<u>236,000</u>

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

19 Statement of movements on reserves

Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2008	105,520	23,058,463
Profit for the year	-	1,294,372
Dividends paid	-	(849,600)
Balance at 31 March 2009	<u>105,520</u>	<u>23,503,235</u>

Other reserves

Capital redemption reserve

Balance at 1 April 2008 & at 31 March 2009

105,520

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2008	105,520	1,479,364
Profit for the year	-	52,937
Dividends paid	-	(849,600)
Balance at 31 March 2009	<u>105,520</u>	<u>682,701</u>

Other reserves

Capital redemption reserve

Balance at 1 April 2008 & at 31 March 2009

105,520

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

20 Reconciliation of movements in shareholders' funds		2009	2008
Group		£	£
Profit for the financial year		1,294,372	2,476,409
Dividends		(849,600)	(1,380,600)
Net addition to shareholders' funds		444,772	1,095,809
Opening shareholders' funds		23,399,983	22,304,174
Closing shareholders' funds		23,844,755	23,399,983
Company		2009	2008
		£	£
Profit for the financial year		52,937	49,369
Dividends		(849,600)	(1,380,600)
Net depletion in shareholders' funds		(796,663)	(1,331,231)
Opening shareholders' funds		1,820,884	3,152,115
Closing shareholders' funds		1,024,221	1,820,884

21 Contingent liabilities

Group

There is a contingent liability relating to the guarantee given by the group to the Royal Bank of Scotland in respect of a cross corporate guarantee including offset provision incorporating all group companies.

Contingent asset

The group has sold land during the year to a housing association and has received credits in this regard. These credits can only be used to offset the affordable housing requirement on future sites if agreed by the Local Authority.

Company

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

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

22 Financial commitments

At 31 March 2009 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	Land and buildings		Other	
			2009	2008
	£	£	£	£
Expiry date:				
Within one year	15,000	15,000	2,728	13,738
Between two and five years	105,000	105,000	55,838	50,472
	<u>120,000</u>	<u>120,000</u>	<u>58,566</u>	<u>64,210</u>

23 Directors' emoluments

	2009	2008
	£	£
Emoluments for qualifying services	258,500	156,446
Company pension contributions to money purchase schemes	13,484	30,000
Pensions to former directors	19,902	19,464

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 7 (2008- 6).

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

Emoluments for qualifying services	111,972	140,300
Company pension contributions to money purchase schemes	3,800	30,000

24 Transactions with directors

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. John S Stephen is due the company £2,628 at the year end. John W Stephen is due the company £26 at the year end. Brian Finlay is due the company £2,679 at the year end. Dale Stephen is due the company £1,296 at the year end. During the year A & J Stephen Limited sold a plot to Dale Stephen for £115,000. Also during the year A & J Stephen (Builders) Limited provided services of £205,594 to Dale Stephen which is unbilled work in progress at the year end. The work was finished after the year end and has been billed.

During the year the company paid the following dividends to the directors:- John S Stephen - £84,960, Derek Stephen - £84,960, Dale Stephen - £246,384, Lorna Finlay - £108,000 and John W Stephen - £135,936.

A & J STEPHEN (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

25 Employees

Number of employees

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

	2009 Number	2008 Number
Office and Management	32	32
Building	65	85
	<u>97</u>	<u>117</u>

Employment costs

	2009 £	2008 £
Wages and salaries	2,543,208	2,709,813
Social security costs	268,870	280,824
Other pension costs	148,282	162,814
	<u>2,960,360</u>	<u>3,153,451</u>

26 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 2009

27 Related party transactions

Group

During the year, A & J Stephen (Builders) Limited was charged rent totalling £120,000 (2008 - £120,000), for the yard, office and an industrial unit which is considered to be a fair market rent, by A & J Stephen Limited Retirement & Death Benefit Scheme, the directors pension scheme. There are no amounts outstanding at the year end (2008 - nil).

During the year A & J Stephen (Builders) Limited has paid £15 (2008 - nil) on behalf of Elmcliff Limited a company John S Stephen, Derek Stephen, Dale Stephen and Brian Finlay are directors of. Also during the year A & J Stephen (Builders) Limited sold a house for £124,000 (2008 - nil) to Elmcliff Limited. Elmcliff Limited is due A & J Stephen (Builders) Limited £124,141 (2008 - £126) at the year end.

Also during the year A & J Stephen (Builders) Limited has provided services of £771 (2008 - £194,273) to Paul Stephen a shareholder of A & J Stephen (Holdings) Limited and Derek Stephen's, a director, son. There are no amounts outstanding at the year end (2008 - nil).

During the year A & J Stephen (Builders) Limited has paid expenses of £6,236 (2008 - nil) on behalf of Tanera LLP, a partnership A & J Stephen Limited is a partner of. Tanera LLP is due A & J Stephen (Builders) Limited £6,236 (2008 - nil) at the year end.

Also during the year A & J Stephen (Builders) Limited paid £15 (2008 - nil) on behalf of Inch Farms Limited, a company owned 50% by A & J Stephen (Holdings) Limited. Inch Farms is due A & J Stephen (Builders) Limited £15 (2008 - nil) at the year end.

During the year the company has paid dividends to the following shareholders:- Brian Finlay, a director of A & J Stephen (Builders) Limited and Lorna Finlay's husband, - £104,400 (2008 - £169,650), Paul Stephen - £42,480 (2008 - £69,030) and Joanne Stephen, Derek Stephen's daughter, - £42,480 (2008 - £69,030).

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 included above.