

Registration number: SC057721

A & J Stephen (Holdings) Limited

Directors' Report and Consolidated Financial Statements

for the Year Ended 31 March 2011

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COMPANIES HOUSE

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

A & J Stephen (Holdings) Limited
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A & J Stephen (Holdings) Limited
trading as Stephen (Holdings) Limited A. & J.
Company Information

Directors	John S Stephen Derek Stephen Dale Stephen John W Stephen Lorna Finlay
Registered office	Stephen House Edinburgh Road PERTH PH2 8BS
Solicitors	Condies Solicitors 2 Tay Street PERTH PH1 5LJ
Auditors	Morris & Young, Statutory Auditor Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

A & J Stephen (Holdings) Limited

Directors' Report for the Year Ended 31 March 2011

The directors present their report and the consolidated financial statements for the year ended 31 March 2011.

Directors of the company

The directors who held office during the year were as follows:

John S Stephen

Derek Stephen

Dale Stephen

John W Stephen

Lorna Finlay

Principal activity

The principal activity of the group is general building contracting, principally in the field of private house building.

Business review

Fair review of the business

The directors consider the results for the year to be satisfactory as this extremely difficult period for the construction industry continues.

Continued turmoil in the global financial markets and new concerns over sovereign debt in the Eurozone has further hindered UK growth. This coupled with stricter lending criteria in the mortgage market has seen our industry hit by a longer than forecast downturn. Against this challenging backdrop we have managed to increase our turnover by almost 12%; albeit from the low of 2010. New home sales have remained sluggish; however turnover was augmented by a contract for staff housing at Strathallan School. During the year we made a significant investment in sales and marketing and have become more sophisticated in the way we profile and target our customers. It is hoped such initiatives will see us well placed when confidence returns to the market. The gross margin fell back slightly in the year principally due to raw material price increases along with higher than normal levels of sales incentives. In such a tough year the fact that the group remained profitable is a good achievement.

Outlook

Many home buyers aspire to own a Stephen Home and demand for our product remains strong. That said, buyers need to sell their own homes first and the strict lending criteria imposed on first time buyers continues to stagnate the housing chain. In such unprecedented times it is difficult to predict when market confidence will return. Indeed we are prepared for the fact that in the current economic climate current levels of trading may be the new norm in the short to medium term. Looking to further secure our long term future the Board's philosophy of continued reinvestment in the business has seen the land bank further increased in the year through a combination of outright purchase and new option agreements. The timing of the recovery is difficult to predict but the Board are confident that when the market returns we will be ready to capitalise on the pent up demand for new housing stock in Scotland.

The group's key financial and other performance indicators during the year were as follows:

A & J Stephen (Holdings) Limited
Directors' Report for the Year Ended 31 March 2011

..... continued

	Unit	2011	2010
Turnover	£	14,387,369	12,906,895
Gross Margin	%	20	22
Profit on ordinary activities before tax	£	624,650	682,251
Shareholders funds	£	23,807,166	23,359,515

The group currently employs 73 people. The dedication and commitment of our people have ensured that A & J Stephen remains at the forefront of quality house building. A number of our sites were shortlisted for NHBC awards this year and the Board congratulate all nominees and winners.

Principal risks and uncertainties

The principal risk that the directors believe the Company may face is the on-going uncertainty in the financial markets and its impact on the availability of mortgage finance and consumer confidence. Outlook for the UK economy remains pessimistic with the effect of the government austerity measures have yet to be fully felt. To mitigate this risk we have maintained a good relationship with the Company's bankers and carefully monitor budgets and projections. The directors are mindful that the current economic climate demands the careful management of our resources and we have to balance the investments we make in sites and product with the need to maintain cash for tough times.

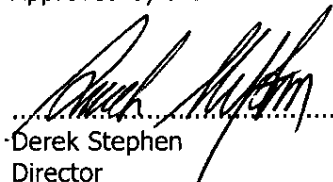
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

The auditors Morris & Young, Statutory Auditor are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 26 September 2011 and signed on its behalf by:


.....
Derek Stephen
Director

A & J Stephen (Holdings) Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of A & J Stephen (Holdings) Limited

We have audited the financial statements of A & J Stephen (Holdings) Limited for the year ended 31 March 2011, set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
A & J Stephen (Holdings) Limited**

..... continued

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

.....
Mr Peter Young B.A., C.A. (Senior Statutory Auditor)
For and on behalf of Morris & Young, Statutory Auditor

Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

28 September 2011

A & J Stephen (Holdings) Limited
Consolidated Profit and Loss Account for the Year Ended 31 March 2011

	Note	2011 £	2010 £
Turnover		14,387,369	12,906,895
Cost of sales		<u>(11,526,793)</u>	<u>(10,099,125)</u>
Gross profit		2,860,576	2,807,770
Administrative expenses		(2,257,006)	(2,127,484)
Other operating income		<u>39,580</u>	<u>10,932</u>
Group operating profit	2	643,150	691,218
Other interest receivable and similar income	6	8,854	2,719
Interest payable and similar charges	7	<u>(27,354)</u>	<u>(11,686)</u>
Profit on ordinary activities before taxation		624,650	682,251
Tax on profit on ordinary activities	8	<u>(177,000)</u>	<u>(211,690)</u>
Profit for the financial year attributable to members of the parent company	17	<u><u>447,650</u></u>	<u><u>470,561</u></u>

Turnover and operating profit derive wholly from continuing operations.

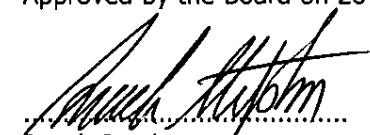
The company has no recognised gains or losses for the year other than the results above.

The notes on pages 12 to 26 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited
Consolidated Balance Sheet at 31 March 2011

		2011	2010
	Note	£	£
Fixed assets			
Tangible fixed assets	9	153,079	231,073
Current assets			
Stocks	11	23,666,604	23,464,378
Debtors	12	1,060,583	619,887
Cash at bank and in hand		2,920,787	2,937,716
		<u>27,647,974</u>	<u>27,021,981</u>
Creditors: Amounts falling due within one year	13	<u>(3,993,888)</u>	<u>(3,892,194)</u>
Net current assets		<u>23,654,086</u>	<u>23,129,787</u>
Total assets less current liabilities		23,807,165	23,360,860
Creditors: Amounts falling due after more than one year	14	<u>-</u>	<u>(1,345)</u>
Net assets		<u><u>23,807,165</u></u>	<u><u>23,359,515</u></u>
Capital and reserves			
Called up share capital	15	236,000	236,000
Capital redemption reserve	17	105,520	105,520
Profit and loss account	17	<u>23,465,645</u>	<u>23,017,995</u>
Shareholders' funds	18	<u><u>23,807,165</u></u>	<u><u>23,359,515</u></u>

Approved by the Board on 26 September 2011 and signed on its behalf by:


.....
Derek Stephen
Director


.....
John W Stephen
Director

The notes on pages 12 to 26 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited
(Registration number: SC057721)
Balance Sheet at 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Investments	10	<u>366,620</u>	<u>366,620</u>
Current assets			
Debtors	12	1,778,762	1,664,727
Cash at bank and in hand		<u>332,439</u>	<u>402,337</u>
		2,111,201	2,067,064
Creditors: Amounts falling due within one year	13	<u>(1,083,262)</u>	<u>(1,095,441)</u>
Net current assets		<u>1,027,939</u>	<u>971,623</u>
Net assets		<u>1,394,559</u>	<u>1,338,243</u>
Capital and reserves			
Called up share capital	15	236,000	236,000
Capital redemption reserve	17	105,520	105,520
Profit and loss account	17	<u>1,053,039</u>	<u>996,723</u>
Shareholders' funds	18	<u>1,394,559</u>	<u>1,338,243</u>

The notes on pages 12 to 26 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited
Consolidated Cash Flow Statement for the Year Ended 31 March 2011

	Note	2011 £	2010 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		643,150	691,218
Depreciation, amortisation and impairment charges		102,000	194,420
Profit on disposal of fixed assets		(150)	-
(Increase)/decrease in stocks		(202,226)	2,490,227
Increase in debtors		(554,731)	(1,805,414)
(Decrease)/increase in creditors		(206,299)	2,065,731
Receipt/release of government grants		(1,346)	(1,345)
Net cash (outflow)/inflow from operating activities		<u>(219,602)</u>	<u>3,634,837</u>
Returns on investments and servicing of finance			
Interest received		8,854	2,719
HP and finance lease interest		(347)	(2,850)
Interest paid		(27,007)	(8,836)
		<u>(18,500)</u>	<u>(8,967)</u>
Tax paid		<u>(244,185)</u>	<u>(235,698)</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(24,006)	(48,369)
Sale of tangible fixed assets		150	-
		<u>(23,856)</u>	<u>(48,369)</u>
Equity dividends paid		-	(955,800)
Net cash (outflow)/inflow before management of liquid resources and financing		<u>(506,143)</u>	<u>2,386,003</u>
Financing			
Repayment of loans and borrowings		-	1,000,000
Repayment of capital element of finance leases and HP contracts		(21,215)	(86,303)
		<u>(21,215)</u>	<u>913,697</u>
(Decrease)/increase in cash		<u>(527,358)</u>	<u>3,299,700</u>

The notes on pages 12 to 26 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited
Consolidated Cash Flow Statement for the Year Ended 31 March 2011
..... continued

Reconciliation of net cash flow to movement in net debt

	Note	2011 £	2010 £
(Decrease)/increase in cash		(527,358)	3,299,699
Cash outflow from repayment of loans		-	(1,000,000)
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>21,215</u>	<u>86,303</u>
Change in net debt resulting from cash flows		<u>(506,143)</u>	<u>2,386,002</u>
Movement in net debt		(506,143)	2,386,002
Net funds/(debt) at 1 April		<u>1,511,965</u>	<u>(874,037)</u>
Net funds at 31 March		<u><u>1,005,822</u></u>	<u><u>1,511,965</u></u>

A & J Stephen (Holdings) Limited
Notes to the Financial Statements for the Year Ended 31 March 2011

1 Accounting policies

Basis of preparation

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

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

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2011.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £56,316 (2010 - £1,269,822).

Going concern

A & J Stephen (Holdings) Limited is the parent company of A & J Stephen Limited and A & J Stephen (Builders) Limited. The company also is a borrower and guarantor under the group's borrowing facilities as set out in Note 17. These accounts have been prepared having regard to the group's trading forecasts for the next twelve months. These forecasts include detailed cashflow projections. Notwithstanding the above, given the current economic environment, there remains a risk that the external trading environment may be worse than currently envisaged, and as a result, the directors of A & J Stephen (Holdings) Limited have also reviewed forecasts which include sensitivities that make allowance for that risk. Should such a scenario arise, the directors of A & J Stephen (Holdings) Limited have confidence that they have adequate liquidity and covenant headroom to ensure that the group can meet its liabilities as they fall due for the foreseeable future. After taking this in to account the directors of A & J Stephen (Holdings) Limited consider that it is appropriate to prepare these accounts on a going concern basis.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services to third parties in the normal course of business net of VAT and trade discounts. Revenue from goods and services is recognised when goods and services have been provided and the right to consideration has been earned.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

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.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant & machinery	20% Straight line
Fixtures, fittings & equipment	20% & 50% Straight line
Motor vehicles	25% Straight line

Stocks, work in progress and long-term contracts

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Hire purchase and leasing

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

2 Operating profit

Operating profit is stated after charging:

	2011 £	2010 £
Operating leases - other assets	89,422	68,255
Profit on sale of tangible fixed assets	(150)	-
Depreciation of owned assets	102,000	194,420
Government grants receivable	(1,346)	(1,346)
Auditor's remuneration	15,365	15,365

3 Auditor's remuneration

	2011 £	2010 £
Audit of the financial statements	8,325	8,325
Other fees to auditors		
Other services	7,040	7,040
	15,365	15,365

£450 (2010 - £450) of the fee for auditing the financial statements relates to the company.

4 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2011 No.	2010 No.
Administration and support	40	35
Production	40	28
	80	63

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

The aggregate payroll costs were as follows:

	2011	2010
	£	£
Wages and salaries	2,133,061	1,723,814
Social security costs	176,278	193,726
Staff pensions	108,171	155,232
	<u>2,417,510</u>	<u>2,072,772</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2011	2010
	£	£
Remuneration	323,142	314,605
Company contributions paid to money purchase schemes	<u>17,302</u>	<u>60,163</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2011	2010
	No.	No.
Accruing benefits under money purchase pension scheme	<u>8</u>	<u>8</u>

In respect of the highest paid director:

	2011	2010
	£	£
Remuneration	138,062	114,974
Company contributions to money purchase pension schemes	<u>-</u>	<u>40,000</u>

6 Other interest receivable and similar income

	2011	2010
	£	£
Bank interest receivable	8,854	2,716
Other interest receivable	<u>-</u>	<u>3</u>
Group interest receivable	<u>8,854</u>	<u>2,719</u>

A & J Stephen (Holdings) Limited
Notes to the Financial Statements for the Year Ended 31 March 2011
..... continued

7 Interest payable and similar charges

	2011 £	2010 £
Interest on bank borrowings	330	2,402
Interest on other loans	26,677	6,434
Finance charges	347	2,850
Group interest payable and similar charges	<u>27,354</u>	<u>11,686</u>

8 Taxation

Tax on profit on ordinary activities

	2011 £	2010 £
Current tax		
Corporation tax charge	<u>177,000</u>	<u>211,690</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 28% (2010 - 28%).

The differences are reconciled below:

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>624,650</u>	<u>682,251</u>
Corporation tax at standard rate	174,902	191,030
Depreciation	28,518	54,438
Capital allowances	(25,905)	(37,511)
Non deductible expenses	4,475	3,761
Other tax adjustments	<u>(4,990)</u>	<u>(28)</u>
Total current tax	<u>177,000</u>	<u>211,690</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

9 Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2010	992,016	377,222	419,562	1,788,800
Additions	24,006	-	-	24,006
Disposals	-	-	(11,514)	(11,514)
At 31 March 2011	<u>1,016,022</u>	<u>377,222</u>	<u>408,048</u>	<u>1,801,292</u>
Depreciation				
At 1 April 2010	789,124	351,741	416,862	1,557,727
Charge for the year	91,984	7,316	2,700	102,000
Eliminated on disposals	-	-	(11,514)	(11,514)
At 31 March 2011	<u>881,108</u>	<u>359,057</u>	<u>408,048</u>	<u>1,648,213</u>
Net book value				
At 31 March 2011	<u>134,914</u>	<u>18,165</u>	<u>-</u>	<u>153,079</u>
At 31 March 2010	<u>202,892</u>	<u>25,481</u>	<u>2,700</u>	<u>231,073</u>

Finance lease assets

Included within the net book value of tangible fixed assets is £nil (2010 - £48,202) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £nil (2010 - £22,870).

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

10 Investments held as fixed assets

Company

	2011 £	2010 £
Shares in group undertakings and participating interests	<u>366,620</u>	<u>366,620</u>
	Subsidiary undertakings £	Total £
Cost		
At 1 April 2010	<u>366,620</u>	<u>366,620</u>
At 31 March 2011	<u>366,620</u>	<u>366,620</u>
Net book value		
At 31 March 2011	<u>366,620</u>	<u>366,620</u>

11 Stocks

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Stocks	10,036,565	8,936,594	-	-
Work in progress	<u>13,630,039</u>	<u>14,527,784</u>	-	-
	<u>23,666,604</u>	<u>23,464,378</u>	-	-

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

12 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	690,367	227,345	-	-
Amounts owed by group undertakings	-	-	1,778,137	1,664,102
Amounts owed by undertakings in which the company has a participating interest	625	625	625	625
Other debtors	354,870	373,785	-	-
Prepayments and accrued income	14,721	18,132	-	-
	<u>1,060,583</u>	<u>619,887</u>	<u>1,778,762</u>	<u>1,664,727</u>

Group debtors includes £171,153 (2010 - £133,962) receivable after more than one year and parent company debtors includes £nil (2010 - £nil) receivable after more than one year.

Included in other debtors over one year are deferred assets, being the costs 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 2011 was £220,895 (2010 - £171,397).

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Other debtors	171,153	133,962	-	-
	<u>171,153</u>	<u>133,962</u>	<u>-</u>	<u>-</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

13 Creditors: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	317,246	776,196	-	-
Bank loans and overdrafts	1,914,965	1,404,536	1,000,000	1,000,000
Obligations under finance lease and hire purchase contracts	-	21,215	-	-
Corporation tax	127,505	194,690	82,812	94,991
Other taxes and social security	82,359	85,007	-	-
Other creditors	32,698	14,593	-	-
Accruals and deferred income	1,519,115	1,395,957	450	450
	<u>3,993,888</u>	<u>3,892,194</u>	<u>1,083,262</u>	<u>1,095,441</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

Group

	2011	2010
	£	£
Bank overdraft	<u>1,914,966</u>	<u>1,404,536</u>

The bank loan & overdraft is secured by a Bond and Floating Charge over all the assets of A & J Stephen Limited, A & J Stephen (Builders) Limited and A & J Stephen (Holdings) Limited.

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.

The bank overdraft is secured by a Bond and Floating Charge over all the assets of the company and letters of offset by A & J Stephen (Builders) Limited and A & J Stephen (Holdings) Limited.

There are also Standard Securities in favour of the The Shareholding & Investment (Property) Limited over the land at Dronley Road, Birkhill. 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 Lagreach 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. There is a standard security in favour of William Sutherland and Mrs Evelyn Sutherland over land at Abernethy. There are two Standard Securities in favour of the Trustees of Dorothy Jean Michie Howison or McKenzie Smith or Torrance's Trust Disposition and Settlement over land at Newburgh. There is a Standard Security in favour of A & J Stephen Limited Retirement and Death Benefit Scheme over the land at Carnock.

A & J Stephen (Holdings) Limited
Notes to the Financial Statements for the Year Ended 31 March 2011
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14 Creditors: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Accruals and deferred income	-	1,345	-	-

Obligations under finance leases and HP contracts

Amounts repayable:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
In one year or less on demand	-	21,215	-	-

15 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary shares of £1 each	236,000	236,000	236,000	236,000

16 Dividends

	2011	2010
	£	£
Dividends paid		
Current year interim dividend paid	-	955,800

A & J Stephen (Holdings) Limited
Notes to the Financial Statements for the Year Ended 31 March 2011

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17 Reserves

Group

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2010	105,520	23,017,995	23,123,515
Profit for the year	-	447,650	447,650
At 31 March 2011	<u>105,520</u>	<u>23,465,645</u>	<u>23,571,165</u>

Company

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2010	105,520	996,723	1,102,243
Profit for the year	-	56,316	56,316
At 31 March 2011	<u>105,520</u>	<u>1,053,039</u>	<u>1,158,559</u>

18 Reconciliation of movement in shareholders' funds

Group

	2011 £	2010 £
Profit attributable to the members of the group	447,650	470,561
Dividends	-	(955,800)
Net addition/(reduction) to shareholders' funds	447,650	(485,239)
Shareholders' funds at 1 April	<u>23,359,515</u>	<u>23,844,754</u>
Shareholders' funds at 31 March	<u>23,807,165</u>	<u>23,359,515</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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Company

	2011	2010
	£	£
Profit attributable to the members of the company	56,316	1,269,822
Dividends	-	(955,800)
Net addition to shareholders' funds	56,316	314,022
Shareholders' funds at 1 April	1,338,243	1,024,221
Shareholders' funds at 31 March	1,394,559	1,338,243

19 Pension schemes

Defined contributions pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £108,171 (2010 - £155,232).

Contributions totalling £nil (2010 - £nil) were payable to the schemes at the end of the year and are included in creditors.

20 Contingent assets

The group has sold land during 2009 to a housing association and has received credits in this regard. In the year to 31 March 2010 the group has provided services to a housing association and has received credits in this regard. These credits can only be used to offset the affordable housing requirement of future sites if agreed by the Local Authority.

21 Contingent liabilities

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.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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22 Commitments

Operating lease commitments

As at 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2011 £	2010 £
Land and buildings		
Within one year	55,000	55,000
Within two and five years	<u>65,000</u>	<u>65,000</u>
	<u>120,000</u>	<u>120,000</u>
Other		
Within one year	29,611	11,935
Within two and five years	<u>48,334</u>	<u>51,948</u>
	<u>77,945</u>	<u>63,883</u>

23 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Dale Stephen

(director)

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. At the balance sheet date the amount due from Dale Stephen was £681 (2010 - £16).

Derek Stephen

(director)

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. At the balance sheet date the amount due from Derek Stephen was £1,178 (2010 - £2,285).

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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Brian Finlay

(shareholder of A & J Stephen (Holdings) Limited and director of A & J Stephen (Builders) Limited)
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. At the balance sheet date the amount due (to)/from Brian Finlay was £nil (2010 - £3,233).

John W Stephen

(director)

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. Also during the year A & J Stephen (Builders) Limited has provided services of £544,586 to John W Stephen. A & J Stephen (Builders) Limited has charged John W Stephen rent of £9,900 during the year. At the balance sheet date the amount due from/(to) John W Stephen was £545,263 (2010 - £nil).

A & J Stephen Limited Retirement & Death Benefit Scheme

(the director's pension scheme)

During the year A & J Stephen (Builders) Limited was charged rent totalling £88,959 (2010 - £120,000) for the yard, office and an industrial unit which is considered to be a fair market rent. At the balance sheet date the amount due to A & J Stephen Limited Retirement & Death Benefit Scheme was £nil (2010 - £nil).

Elmcliff Limited

(a company Derek Stephen, Dale Stephen, John S Stephen and Brian Finlay are directors of)

During the year A & J Stephen (Builders) Limited has paid £15 (2010 - nil) on behalf of Elmcliff Limited. Also during the year the group provided services of £1,419 (2010 - £635,654) to Elmcliff Limited. At the balance sheet date the amount due from Elmcliff Limited was £156 (2010 - £141).

Tanera LLP

(a partnership A & J Stephen Limited is a partner of)

During the year the company has paid expenses of £130 on behalf of Tanera LLP. At the balance sheet date the amount due from Tanera LLP was £6,641 (2010 - £6,511).

Inch Farms Limited

(a company that A & J Stephen (Holdings) Limited owns 50% of)

During the year A & J Stephen (Builders) Limited paid nil (2010 - £15) on behalf of Inch Farms Limited. At the balance sheet date the amount due from Inch Farms Limited was £45 (2010 - £45).

Inch Farms Limited

(a company that A & J Stephen (Holdings) Limited owns 50% of)

There has been no movement on the loan account this year or last. At the balance sheet date the amount due from Inch Farms Limited was £625 (2010 - £625).

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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Dividends

During the year the group has paid dividends to the following shareholders:

John S Stephen(director) - £nil (2010 - £95,580)

Derek Stephen (director) - £nil (2010 - £95,580)

Dale Stephen (director) - £nil (2010 - £277,182)

Lorna Finlay (director) - £nil (2010 - £121,500)

John W Stephen (director) - £nil (2010 - £152,928)

Brian Finlay (director of A & J Stephen (Builders) Limited) - £nil (2010 - £117,450)

Paul Stephen (Derek Stephen's son) - £nil (2010 - £47,790)

Joanne Stephen (Derek Stephen's daughter) - £nil (2010 - £47,790)

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

24 Control

The company is controlled by the directors who own 77.71% of the called up share capital.