

Registration number: SC057721

A & J Stephen (Holdings) Limited

Directors' Report and Consolidated Financial Statements

for the Year Ended 31 March 2013



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
Company Information

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

Company secretary John Webster

Registered office Stephen House
 Edinburgh Road
 PERTH
 PH2 8BS

Solicitors Condies
 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 2013

The directors present their report and the consolidated financial statements for the year ended 31 March 2013.

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 year to March 2013 experienced market conditions similar to 2012 as this extremely challenging period for the construction industry endures. On-going economic uncertainty in the wider economy continues to dent customer confidence and the underlying level of customer demand remains fragile. Mortgage availability, a key driver in our sector, remained constrained for much of the year. However in recent months we have started to see some easing in the lending market. The government sponsored initiative, MI New Home, saw the reintroduction of 95 per cent mortgage but as a business we have yet to conclude any missives under this scheme.

It is encouraging that the group has returned to profitability and the board consider the result for the year satisfactory in the current climate.

Turnover at £9.4 million is in line with last year (£ 9.7 million) having sold a very similar number of new homes. 16 per cent of this year's sales were through our shared equity initiative. This coupled with other purchase assistance plans and incentive packages indicates how hard we are working to achieve each sale.

The gross margin at 23 per cent has returned to traditional levels following last year's sales mix anomaly. Margins continue to be challenged by material price increases but these have largely been mitigated by our better buying strategy. A bigger impact on profitability is the introduction 2010 building regulations, this has added approximately £7,000 to the cost of an average family home. There will be a further step change when the 2013 regulations come into force.

The balance sheet remains strong with shareholders' funds in excess of £22 million at the year end. The group has generated cash in the year.

A & J Stephen (Holdings) Limited
Directors' Report for the Year Ended 31 March 2013

..... continued

Outlook

We believe the challenging market conditions will continue well into 2013 and anticipate a further year of flat trade. However, we eagerly await the introduction of the government 'Help to Buy Scheme' whereby the Scottish Ministers will take up to a 20 percent equity stake in new build properties thereby making properties more affordable. A similar scheme in England saw reported volumes by the national builders up 40 percent on the back of its introduction. Demand for our product remains strong and we are hopeful that 2013 will at least in part benefit from this initiative. Recent indicators would suggest an improvement in the wider economy but it is difficult to predict when buyer confidence will return. The Board continues to focus on the fundamentals of the business to ensure we operate efficiently and maintain the overhead in line with our activity.

Looking to further secure the long term future, the philosophy of reinvesting in the business remains unchanged. In 2012 we added to our land bank through a combination of outright purchase and new option agreements. The group's cash position is anticipated to remain strong over the next 12 months.

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

	Unit	2013	2012
Turnover	£	9,435,817	9,741,668
Gross Margin	%	23	14
Profit(loss) on ordinary activities before tax	£	95,491	(850,026)
Shareholders funds	£	22,925,092	22,850,941

The group currently employs 69 people. The dedication and commitment of our employees coupled to extensive training initiatives has ensured that A & J Stephen remains at the forefront of quality housebuilding in Scotland. During the year our commitment to health and safety and quality was recognised by NHBC and we once again won the National Site Manager competition of the year for Scotland and the North of England.

Principal risks and uncertainties

The group's financial and operational performance is subject to a number of risks. The principal risk remains the on-going uncertainty in the wider economy and the impact on customer confidence. The Board recognise that the management of risk is fundamental to the success of the business and seek to ensure that appropriate processes are put in place to manage, monitor and mitigate these risks where possible.

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.

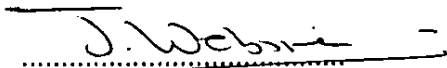
Reappointment of auditors

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

A & J Stephen (Holdings) Limited
Directors' Report for the Year Ended 31 March 2013

..... continued

Approved by the Board on 14 October 2013 and signed on its behalf by:


.....
John Webster
Company secretary

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 2013, set out on pages 8 to 32. 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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), 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 2013 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

16 October 2013

A & J Stephen (Holdings) Limited
Consolidated Profit and Loss Account for the Year Ended 31 March 2013

	Note	2013 £	2012 £
Turnover		9,435,817	9,741,668
Cost of sales		<u>(7,308,622)</u>	<u>(8,412,101)</u>
Gross profit		2,127,195	1,329,567
Administrative expenses		(2,051,034)	(2,227,514)
Other operating income		<u>46,374</u>	<u>59,130</u>
Group operating profit/(loss)	2	122,535	(838,817)
Other interest receivable and similar income	6	14,116	23,139
Interest payable and similar charges	7	<u>(41,160)</u>	<u>(34,348)</u>
Profit/(loss) on ordinary activities before taxation		95,491	(850,026)
Tax on profit/(loss) on ordinary activities	8	<u>(21,340)</u>	<u>1</u>
Profit/(loss) for the financial year attributable to members of the parent company	17	<u><u>74,151</u></u>	<u><u>(850,025)</u></u>

Turnover and operating profit derive wholly from continuing operations.

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

The notes on pages 13 to 32 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited
Consolidated Balance Sheet at 31 March 2013

		2013		2012	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	9		101,263		144,802
Current assets					
Stocks	11	21,990,870		22,373,435	
Debtors	12	614,470		480,717	
Cash at bank and in hand		<u>3,919,784</u>		<u>3,797,821</u>	
		26,525,124		26,651,973	
Creditors: Amounts falling due within one year	13	<u>(3,280,795)</u>		<u>(3,617,834)</u>	
Net current assets			<u>23,244,329</u>		<u>23,034,139</u>
Total assets less current liabilities			23,345,592		23,178,941
Creditors: Amounts falling due after more than one year	14		<u>(420,500)</u>		<u>(328,000)</u>
Net assets			<u><u>22,925,092</u></u>		<u><u>22,850,941</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>22,583,572</u>		<u>22,509,421</u>	
Shareholders' funds	18		<u><u>22,925,092</u></u>		<u><u>22,850,941</u></u>

Approved by the Board on 14 October 2013 and signed on its behalf by:

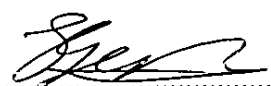


 John W Stephen
 Director

A & J Stephen (Holdings) Limited
(Registration number: SC057721)
Balance Sheet at 31 March 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	10	<u>366,620</u>	<u>366,620</u>
Current assets			
Debtors	12	1,900,571	1,786,566
Creditors: Amounts falling due within one year	13	<u>(811,240)</u>	<u>(457,904)</u>
Net current assets		<u>1,089,331</u>	<u>1,328,662</u>
Total assets less current liabilities		1,455,951	1,695,282
Creditors: Amounts falling due after more than one year	14	<u>-</u>	<u>(328,000)</u>
Net assets		<u><u>1,455,951</u></u>	<u><u>1,367,282</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>1,114,431</u>	<u>1,025,762</u>
Shareholders' funds	18	<u><u>1,455,951</u></u>	<u><u>1,367,282</u></u>

Approved by the Board on 14 October 2013 and signed on its behalf by:



 John W Stephen
 Director

A & J Stephen (Holdings) Limited
Consolidated Cash Flow Statement for the Year Ended 31 March 2013

Reconciliation of operating profit/loss to net cash flow from operating activities

	2013 £	2012 £
Operating profit/(loss)	122,535	(838,817)
Depreciation, amortisation and impairment charges	45,763	90,172
Loss/(profit) on disposal of fixed assets	1,776	(41,934)
Decrease in stocks	382,565	1,293,169
(Increase)/decrease in debtors	(247,758)	572,060
Increase/(decrease) in creditors	246,904	(186,486)
Receipt/release of government grants	-	(2,690)
Net cash inflow from operating activities	<u>551,785</u>	<u>885,474</u>

Cash flow statement

	2013 £	2012 £
Net cash inflow from operating activities	<u>551,785</u>	<u>885,474</u>
Returns on investments and servicing of finance		
Interest received	14,116	23,139
Interest paid	(41,160)	(34,348)
	<u>(27,044)</u>	<u>(11,209)</u>
Tax received/(paid)	<u>14,999</u>	<u>(72,000)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(9,195)	(89,298)
Sale of tangible fixed assets	5,195	49,337
Receipts of government grants	-	1,345
	<u>(4,000)</u>	<u>(38,616)</u>
Equity dividends paid	-	(106,200)
Net cash inflow before management of liquid resources and financing	535,740	657,449
Financing		
Repayment of loans and borrowings	<u>(336,000)</u>	<u>(336,000)</u>
Increase in cash	<u>199,740</u>	<u>321,449</u>

The notes on pages 13 to 32 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited
Consolidated Cash Flow Statement for the Year Ended 31 March 2013
..... continued

Reconciliation of net cash flow to movement in net debt

	Note	2013 £	2012 £
Increase in cash		199,740	321,449
Cash outflow from repayment of loans		<u>336,000</u>	<u>336,000</u>
Change in net debt resulting from cash flows	23	<u>535,740</u>	<u>657,449</u>
 Movement in net debt	 23	 535,740	 657,449
Net funds at 1 April	23	<u>1,663,271</u>	<u>1,005,822</u>
Net funds at 31 March	23	<u><u>2,199,011</u></u>	<u><u>1,663,271</u></u>

A & J Stephen (Holdings) Limited
Notes to the Financial Statements for the Year Ended 31 March 2013

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 2013.

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 £88,669 (2012 - £78,923).

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 21. 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.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

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.

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

Stock and work in progress

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.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

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 2013

..... *continued*

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2013 £	2012 £
Operating leases - other assets	92,988	94,977
Loss/(profit) on sale of tangible fixed assets	1,776	(41,934)
Depreciation of owned assets	45,763	90,172
Government grants receivable	-	(1,345)
Auditor's remuneration	16,170	15,725

3 Auditor's remuneration

	2013 £	2012 £
Audit of the financial statements	8,505	8,440
Other fees to auditors		
Other services	7,665	7,285
	<u>16,170</u>	<u>15,725</u>

£465 (2012 - £465) of the fee for auditing the financial statements and £530 (2012 - £530) of other fees to auditors 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:

	2013 No.	2012 No.
Administration and support	30	37
Production	32	36
	<u>62</u>	<u>73</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

The aggregate payroll costs were as follows:

	2013 £	2012 £
Wages and salaries	1,844,994	2,124,202
Social security costs	155,025	173,463
Staff pensions	124,762	117,733
	<u>2,124,781</u>	<u>2,415,398</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2013 £	2012 £
Remuneration	288,427	286,876
Company contributions paid to money purchase schemes	21,044	18,727

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

	2013 No.	2012 No.
Accruing benefits under money purchase pension scheme	5	5

In respect of the highest paid director:

	2013 £	2012 £
Remuneration	122,757	121,819

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

6 Other interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	13,446	13,350
Other interest receivable	<u>670</u>	<u>9,789</u>
Group interest receivable	<u>14,116</u>	<u>23,139</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

7 Interest payable and similar charges

	2013 £	2012 £
Interest on other loans	20,660	34,348
Other interest payable	<u>20,500</u>	<u>-</u>
Group interest payable and similar charges	<u><u>41,160</u></u>	<u><u>34,348</u></u>

8 Taxation

Tax on profit/(loss) on ordinary activities

	2013 £	2012 £
Current tax		
Corporation tax charge	21,340	-
Adjustments in respect of previous years	<u>-</u>	<u>(1)</u>
UK Corporation tax	<u><u>21,340</u></u>	<u><u>(1)</u></u>

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%).

The differences are reconciled below:

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	<u>95,491</u>	<u>(850,026)</u>
Corporation tax at standard rate	22,918	(221,007)
Capital allowances in excess of depreciation	1,670	(22,347)
Non deductible expenses	446	732
Adjustment in respect of prior years	-	(1)
Tax losses	-	242,622
Other tax adjustments	<u>(3,694)</u>	<u>-</u>
Total current tax	<u><u>21,340</u></u>	<u><u>(1)</u></u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

9 Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2012	982,331	389,811	336,718	1,708,860
Additions	1,400	-	7,795	9,195
Disposals	-	(12,675)	(40,527)	(53,202)
At 31 March 2013	<u>983,731</u>	<u>377,136</u>	<u>303,986</u>	<u>1,664,853</u>
Depreciation				
At 1 April 2012	861,549	365,791	336,718	1,564,058
Charge for the year	39,823	5,128	812	45,763
Eliminated on disposals	-	(5,704)	(40,527)	(46,231)
At 31 March 2013	<u>901,372</u>	<u>365,215</u>	<u>297,003</u>	<u>1,563,590</u>
Net book value				
At 31 March 2013	<u>82,359</u>	<u>11,921</u>	<u>6,983</u>	<u>101,263</u>
At 31 March 2012	<u>120,782</u>	<u>24,020</u>	<u>-</u>	<u>144,802</u>

A & J Stephen (Holdings) Limited
Notes to the Financial Statements for the Year Ended 31 March 2013
..... continued

10 Investments held as fixed assets

Company

	2013	2012
	£	£
Shares in group undertakings and participating interests	<u>366,620</u>	<u>366,620</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings	Total
	£	£
Cost		
At 1 April 2012	<u>366,620</u>	<u>366,620</u>
At 31 March 2013	<u>366,620</u>	<u>366,620</u>
Net book value		
At 31 March 2013	<u>366,620</u>	<u>366,620</u>

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
A & J Stephen (Builders) Limited	Ordinary	100%	General Building
A & J Stephen Limited	Ordinary	100%	Land Developers
Castle Homes (Scotland) Limited	Ordinary	100%	Dormant

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... *continued*

Associates

Inch Farms Limited

Ordinary 50%

Dormant

For the year ending 31 March 2013 the subsidiary was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

11 Stocks

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Stocks	9,416,746	9,662,131	-	-
Work in progress	12,574,124	12,711,304	-	-
	<u>21,990,870</u>	<u>22,373,435</u>	<u>-</u>	<u>-</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

12 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	167,448	144,459	-	-
Amounts owed by group undertakings	-	-	1,899,947	1,785,942
Amounts owed by undertakings in which the company has a participating interest	624	624	624	624
Other debtors	432,647	319,719	-	-
Prepayments and accrued income	13,751	15,915	-	-
	<u>614,470</u>	<u>480,717</u>	<u>1,900,571</u>	<u>1,786,566</u>

Group debtors includes £379,371 (2012 - £250,503) receivable after more than one year and parent company debtors includes £nil (2012 - £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 2013 was £498,610 (2012 - £326,785).

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Other debtors	<u>379,371</u>	<u>250,503</u>	<u>-</u>	<u>-</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

13 Creditors: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	259,828	339,784	-	-
Bank loans and overdrafts	1,720,773	1,806,550	739,000	389,613
Corporation tax	91,843	55,504	71,790	67,841
Other taxes and social security	84,898	94,254	-	-
Other creditors	34,577	44,912	-	-
Accruals and deferred income	1,088,876	1,276,830	450	450
	<u>3,280,795</u>	<u>3,617,834</u>	<u>811,240</u>	<u>457,904</u>

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

Group

	2013	2012
	£	£
Bank overdraft	1,392,773	1,470,549
Bank loan	328,000	336,000
	<u>1,720,773</u>	<u>1,806,549</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... *continued*

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. There is a Standard Security in favour of Denmarkfield Limited over land at Denmarkfield Farm.

14 Creditors: Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	-	328,000	-	328,000
Directors' current accounts	420,500	-	-	-
	<u>420,500</u>	<u>328,000</u>	<u>-</u>	<u>328,000</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the group/company:

Group

	2013	2012
	£	£
Bank loan	-	328,000
Directors loan	420,500	-
	<u>420,500</u>	<u>328,000</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

The bank loan 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. Derek Stephen's loan is secured by a Standard Security over plot 34 at Clathymore, Gask.

15 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1 each	<u>236,000</u>	<u>236,000</u>	<u>236,000</u>	<u>236,000</u>

16 Dividends

	2013 £	2012 £
Dividends paid		
Current year interim dividend paid	<u>-</u>	<u>106,200</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

17 Reserves

Group

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2012	105,520	22,509,421	22,614,941
Profit for the year	-	74,151	74,151
At 31 March 2013	<u>105,520</u>	<u>22,583,572</u>	<u>22,689,092</u>

Company

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2012	105,520	1,025,762	1,131,282
Profit for the year	-	88,669	88,669
At 31 March 2013	<u>105,520</u>	<u>1,114,431</u>	<u>1,219,951</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

18 Reconciliation of movement in shareholders' funds

Group

	2013 £	2012 £
Profit/(loss) attributable to the members of the group	74,151	(850,025)
Dividends	-	(106,200)
Net addition/(reduction) to shareholders' funds	74,151	(956,225)
Shareholders' funds at 1 April	22,850,941	23,807,166
Shareholders' funds at 31 March	<u>22,925,092</u>	<u>22,850,941</u>

Company

	2013 £	2012 £
Profit attributable to the members of the company	88,669	78,923
Dividends	-	(106,200)
Net addition/(reduction) to shareholders' funds	88,669	(27,277)
Shareholders' funds at 1 April	1,367,282	1,394,559
Shareholders' funds at 31 March	<u>1,455,951</u>	<u>1,367,282</u>

19 Pension schemes

Defined contribution 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 £124,762 (2012 - £117,733).

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

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.

22 Commitments

Operating lease commitments

Group

As at 31 March 2013 the group had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013	2012
	£	£
Land and buildings		
Within one year	<u>85,000</u>	<u>120,000</u>
Other		
Within one year	10,997	13,441
Within two and five years	<u>75,704</u>	<u>62,925</u>
	<u>86,701</u>	<u>76,366</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

23 Analysis of net debt

	At 1 April 2012 £	Cash flow £	At 31 March 2013 £
Cash at bank and in hand	3,797,821	121,963	3,919,784
Bank overdraft	(1,470,550)	77,777	(1,392,773)
	<u>2,327,271</u>	<u>199,740</u>	<u>2,527,011</u>
Debt due within one year	(336,000)	8,000	(328,000)
Debt due after more than one year	(328,000)	328,000	-
Net funds	<u>1,663,271</u>	<u>535,740</u>	<u>2,199,011</u>

24 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. Also during the year the group sold a plot at the market value of £100,000 to Dale Stephen. At the balance sheet date the amount due from Dale Stephen was £1,118 (2012 - £547).

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. Also during the year the company received a loan of £400,000 from Derek Stephen. Derek Stephen has charged the company interest of £20,500. The loan is to be repaid in April 2014. At the balance sheet date the amount due (to)/from Derek Stephen was (£419,633) (2012 - £59).

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 from Brian Finlay was £1,764 (2012 - £2,799).

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

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John S 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 charged John Stephen £nil (2012 - £84,913) for services. At the balance sheet date the amount due from/(to) John S Stephen was £3,501 (2012 - £nil).

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 £nil (2012 - £5,811) to John W Stephen. At the balance sheet date the amount due (to)/from John W Stephen was £nil (2012 - £5,813).

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 £92,500 (2012 - £100,000) 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 (2012 - £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 £14 (2012 - £141) on behalf of Elmcliff Limited. Also during the year the group provided services of £1,189 (2012 - £624) to Elmcliff Limited. At the balance sheet date the amount due from Elmcliff Limited was £184 (2012 - £170).

Tanera LLP

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

During the year the company has paid expenses of £142 (2012 - £nil) on behalf of Tanera LLP. At the balance sheet date the amount due from Tanera LLP was £6,783 (2012 - £6,641).

Inch Farms Limited

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

During the year A & J Stephen (Builders) Limited paid £14 (2012 - £15) on behalf of Inch Farms Limited. At the balance sheet date the amount due from Inch Farms Limited was £74 (2012 - £60).

Dividends

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

John S Stephen(director) - £nil (2012 - £10,620)

Derek Stephen (director) - £nil (2012 - £10,620)

Dale Stephen (director) - £nil (2012 - £26,550)

Lorna Finlay (director) - £nil (2012 - £13,500)

John W Stephen (director) - £nil (2012 - £16,992)

Brian Finlay (director of A & J Stephen (Builders) Limited) - £nil (2012 - £13,050)

Paul Stephen (Derek Stephen's son) - £nil (2012 - £5,310)

Joanne Thom (Derek Stephen's daughter) - £nil (2012 - £5,310)

Kristian Stephen (Dale Stephen's son) - £nil (2012 - £2,124)

Vivienne Stephen (Dale Stephen's daughter) - £nil (2012 - £2,124)

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

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

25 Control

The company is controlled by the directors who own 73.71% of the called up share capital.