

Registration number: SC057721

A & J Stephen (Holdings) Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2017

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

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A & J Stephen (Holdings) Limited

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 8
Consolidated Income Statement	9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16 to 38

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

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

A & J Stephen (Holdings) Limited

Strategic Report for the Year Ended 31 March 2017

The directors present their strategic report for the year ended 31 March 2017.

Principal activity

The principal activity of the company is Housebuilders.

Fair review of the business

The group performed satisfactorily in the year despite a number of challenges. Both turnover and profitability were significantly down on the previous year at £17.4m and £0.2m respectively. As previously forecast, difficult trading conditions in the north east of Scotland following the crash in the price of crude oil along with general uncertainty over the economic position following Brexit have both negatively impacted sales.

This year 63 new homes were sold, a fall of 34 on the previous year.

The gross margin has also fallen back in the period from 21% to 18%. Increases in raw material prices, in part due to the effect of the devaluation of Sterling on imported goods, along with subcontractor rate rises have both reduced the margin. With house price inflation remaining flat the business has no choice but to absorb these increases. In addition, revised building standards embracing the Scottish Government's carbon reduction agenda and local 'roof taxes' amounting to £10,000 per house, both matters outwith our control, have also led to a poorer financial performance this year.

On a more positive note, the financial position of the group remains strong with total equity in excess of £25 million. At the year end the group had no net bank borrowings and had cash resources in excess of £4 million.

Outlook

The outlook for the year ahead is forecast to be similar to the current performance. We anticipate new home sales to be approximately 70. A number of our popular developments are close to being sold out, however our new developments at Scone, Luncarty, Cupar and Newburgh have been delayed for various planning and technical reasons. We anticipate our new development at West Woodlands in Perth will be the first to come on stream in summer 2018.

The Aberdeen market remains slow and we expect the sales at our site at Chapelton to be challenging over the next 12 months. The oil price has shown some signs of recovery in recent months and we are hopeful that the economic fortunes of the North East economy will start to recover.

Our site at Tornagrain, east of Inverness, has been well received and sales volumes are encouraging. We have recently negotiated the purchase of a second phase that will deliver a further 49 units.

We have also just opened a new development at Glenfarg near Perth. This site for 33 units will provide a mixture of family homes in this rural community.

Given the time it takes to open up new developments to the point when new homes are occupied, the board predict that the current constraints facing the business will endure for a further 2 to 3 years before the business returns to levels of turnover and profitability previously reported.

A & J Stephen (Holdings) Limited

Strategic Report for the Year Ended 31 March 2017

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

	Unit	2017	2016
Turnover	£	17,473,754	24,926,743
Gross Margin	%	18	21
Profit(loss) on ordinary activities before tax	£	209,563	2,313,392
Total Equity	£	25,181,475	25,013,089

The Group continues to invest in strategic land acquisitions and to capitalise on our expertise of promoting developments through the planning process. However the time it now takes to bring a major application forward is hugely protracted. The extent of information requested by the planning process and the numerous statutory consultees is significantly impacting on the businesses ability to deliver new homes and provide ongoing employment opportunities.

We continue to monitor turnover, profitability and working capital requirements of the group. In order to improve the gross margin we have invested significantly in IT this year. This investment improves the integration between our accounting systems with our commercial land evaluation and budgeting software.

There are currently 83 employees in the group across our development sites and head office. We are acutely aware of the importance of managing the group's fixed overhead. Should new development sites be further delayed by the approvals process we anticipate that further reductions in the overhead will follow.

In the year, two of our site managers received NHBC recognition. Alan Robertson, our site manager at Scone won the Pride in the Job award for the Scottish region in the small builder category and Ian Barrett, our site manager at Carnock, received a commendation in the NHBC Health and Safety awards. We are also proud of Jordan Telfer, a second year apprentice joiner, who won the CITB Inter Scottish College skills competition.

A & J Stephen (Holdings) Limited

Strategic Report for the Year Ended 31 March 2017

Principal risks and uncertainties

The Board recognise that the management of risk and bureaucracy is fundamental to the success of our business. Within the Stephen group of companies all tiers of management are involved in managing, monitoring and mitigating risk where possible.

Uncertainties outwith the control of the group remain our principal risks:

- **Market**

The reduction in sales volumes remains our principal risk. While undoubtedly the housing sector is in a far better place than recent years the market remains fragile. Uncertainty over Brexit negotiations and the consequential economic uncertainty continue to undermine customer confidence. We have recently seen the first rise in interest rates since 2007 and it is forecast that this trend will continue. The availability of mortgage finance has improved in recent years but interest rate rises will make them less affordable and this will once again stem demand.

We believe support for first time buyers should be stronger. This is a key part of the housing supply chain that drives demand at all levels. The Government sponsored Help to Buy (Scotland) Scheme has significantly helped the sector in previous years but is now less effective due to the drop in the qualifying threshold.

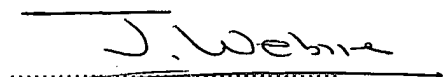
- **Costs**

Planning gain continues to be a significant cost to the business with 25% of new housing being affordable. Within Perth and Kinross we now also pay an education levy of £6,395 per house along with a transportation levy of £3,549. These measures are entirely outwith our control but significantly erode profitability.

- **Bureaucracy**

The house building industry is subject to an increasingly stringent regulatory environment and levels of bureaucracy. The industry body Homes for Scotland have recognised this and believe it to be a significant factor constraining the delivery of new homes across the country. Within the Stephen group we have a number of new sites tied up in the approval process. Further delays to these projects would inevitably affect the future performance of the group.

Approved by the Board on 11 December 2017 and signed on its behalf by:



John Webster
Company secretary

A & J Stephen (Holdings) Limited

Directors' Report for the Year Ended 31 March 2017

The directors present their report and the for the year ended 31 March 2017.

Directors of the group

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

John S Stephen

Derek Stephen

Dale Stephen

John W Stephen

Lorna Finlay

Financial instruments

Objectives and policies

In terms of the financial risk in the present economic climate, the group seeks to finance any development through bank funding where the funding term is matched to the development.

Price risk, credit risk, liquidity risk and cash flow risk

The group does not trade in financial instruments.

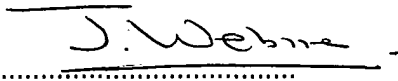
Disclosure of information to the auditor

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

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 11 December 2017 and signed on its behalf by:



.....
John Webster
Company secretary

A & J Stephen (Holdings) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A & J Stephen (Holdings) Limited

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 2017, set out on pages 9 to 38. 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the group and parent 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 group and parent 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 group and the parent 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 6), 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 to the financial statements.

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 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

A & J Stephen (Holdings) Limited

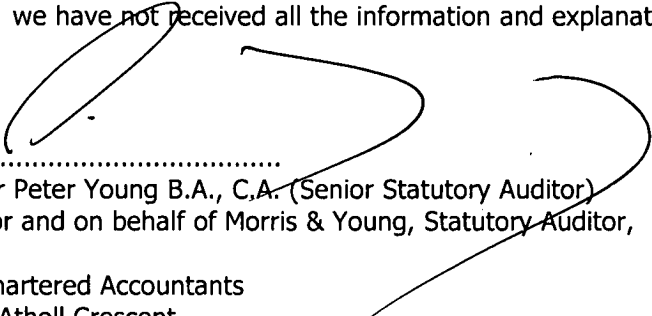
Independent Auditor's Report to the Members of A & J Stephen (Holdings) Limited

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

13 December 2017

A & J Stephen (Holdings) Limited

Consolidated Income Statement for the Year Ended 31 March 2017

	Note	31 March 2017 £	31 March 2016 £
Revenue	3	17,473,754	24,926,743
Cost of sales		<u>(14,409,026)</u>	<u>(19,601,006)</u>
Gross profit		3,064,728	5,325,737
Administrative expenses		(2,873,407)	(2,986,373)
Other operating income	4	<u>49,680</u>	<u>33,291</u>
Operating profit	5	<u>241,001</u>	<u>2,372,655</u>
Other interest receivable and similar income	6	12,403	4,414
Interest payable and similar expenses	7	<u>(43,840)</u>	<u>(63,676)</u>
		<u>(31,437)</u>	<u>(59,262)</u>
Profit before tax		209,564	2,313,393
Taxation	11	<u>(41,178)</u>	<u>(462,937)</u>
Profit for the financial year		<u>168,386</u>	<u>1,850,456</u>
Profit/(loss) attributable to:			
Owners of the company		<u>168,386</u>	<u>1,850,456</u>

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

The notes on pages 16 to 38 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Profit for the year		<u>168,386</u>	<u>1,850,456</u>
Total comprehensive income for the year		<u>168,386</u>	<u>1,850,456</u>
Total comprehensive income attributable to:			
Owners of the company		<u>168,386</u>	<u>1,850,456</u>

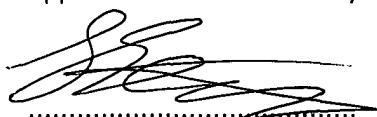
A & J Stephen (Holdings) Limited

(Registration number: SC057721)

Consolidated Statement of Financial Position as at 31 March 2017

	Note	2017 £	2016 £
Non Current Assets			
Property Plant & Equipment	12	509,800	642,192
Current assets			
Inventories	14	23,620,139	25,073,338
Receivables	15	642,006	881,957
Cash at bank and in hand		<u>4,046,856</u>	<u>4,160,733</u>
		28,309,001	30,116,028
Payables: Amounts falling due within one year	17	<u>(2,498,872)</u>	<u>(5,427,098)</u>
Net current assets		<u>25,810,129</u>	<u>24,688,930</u>
Total assets less current liabilities		26,319,929	25,331,122
Payables: Amounts falling due after more than one year	17	(1,056,841)	(189,709)
Provisions for liabilities	18	<u>(81,613)</u>	<u>(128,324)</u>
Net assets		<u>25,181,475</u>	<u>25,013,089</u>
Equity			
Called up share capital	20	236,000	236,000
Capital redemption reserve	21	105,520	105,520
Profit and loss account	21	<u>24,839,955</u>	<u>24,671,569</u>
Equity attributable to owners of the company		<u>25,181,475</u>	<u>25,013,089</u>
Total equity		<u>25,181,475</u>	<u>25,013,089</u>

Approved and authorised by the Board on 11 December 2017 and signed on its behalf by:



John W Stephen
Director

The notes on pages 16 to 38 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited

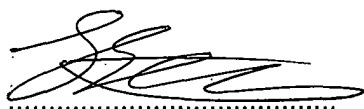
(Registration number: SC057721)

Statement of Financial Position as at 31 March 2017

	Note	2017 £	2016 £
Non Current Assets			
Investments	13	366,620	366,620
Current assets			
Receivables	15	2,321,509	2,386,318
Cash at bank and in hand		<u>547</u>	<u>5,285</u>
		2,322,056	2,391,603
Payables: Amounts falling due within one year	17	<u>(90,808)</u>	<u>(1,230,745)</u>
Net current assets		<u>2,231,248</u>	<u>1,160,858</u>
Total assets less current liabilities		2,597,868	1,527,478
Payables: Amounts falling due after more than one year	17	<u>(1,000,000)</u>	<u>-</u>
Net assets		<u><u>1,597,868</u></u>	<u><u>1,527,478</u></u>
Equity			
Called up share capital		236,000	236,000
Capital redemption reserve		105,520	105,520
Profit and loss account		<u>1,256,348</u>	<u>1,185,958</u>
Total equity		<u><u>1,597,868</u></u>	<u><u>1,527,478</u></u>

The company made a profit after tax for the financial year of £70,390 (2016 - profit of £80,431).

Approved and authorised by the Board on 11 December 2017 and signed on its behalf by:



John W Stephen
Director

The notes on pages 16 to 38 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2017 Equity attributable to the parent company

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £	Total equity £
At 1 April 2016	236,000	105,520	24,671,569	25,013,089	25,013,089
Profit for the year	-	-	168,386	168,386	168,386
Total comprehensive income	-	-	168,386	168,386	168,386
At 31 March 2017	236,000	105,520	24,839,955	25,181,475	25,181,475
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £	Total equity £
At 1 April 2015	236,000	105,520	23,793,433	24,134,953	24,134,953
Profit for the year	-	-	1,850,456	1,850,456	1,850,456
Total comprehensive income	-	-	1,850,456	1,850,456	1,850,456
Dividends	-	-	(972,320)	(972,320)	(972,320)
At 31 March 2016	236,000	105,520	24,671,569	25,013,089	25,013,089

The notes on pages 16 to 38 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited

Statement of Changes in Equity for the Year Ended 31 March 2017

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2016	236,000	105,520	1,185,958	1,527,478
Profit for the year	-	-	70,390	70,390
Total comprehensive income	-	-	70,390	70,390
At 31 March 2017	<u>236,000</u>	<u>105,520</u>	<u>1,256,348</u>	<u>1,597,868</u>
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2015	236,000	105,520	2,077,847	2,419,367
Profit for the year	-	-	80,431	80,431
Total comprehensive income	-	-	80,431	80,431
Dividends	-	-	(972,320)	(972,320)
At 31 March 2016	<u>236,000</u>	<u>105,520</u>	<u>1,185,958</u>	<u>1,527,478</u>

The notes on pages 16 to 38 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		168,386	1,850,456
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	140,062	146,871
Profit on disposal of property plant & equipment		-	(82,292)
Finance income	6	(12,403)	(4,414)
Finance costs	7	43,840	63,676
Income tax expense	11	41,178	462,937
		381,063	2,437,234
Working capital adjustments			
Decrease/(increase) in inventories	14	1,453,199	(2,020,048)
Decrease in receivables	15	60,076	675,614
(Decrease)/increase in payables	17	(2,203,873)	1,933,779
Cash generated from operations		(309,535)	3,026,579
Income taxes paid	11	(55,158)	(260,563)
Net cash flow from operating activities		(364,693)	2,766,016
Cash flows from investing activities			
Interest received		12,403	4,414
Acquisitions of property plant & equipment		(7,670)	(190,153)
Proceeds from sale of property plant & equipment		-	82,292
Net cash flows from investing activities		4,733	(103,447)
Cash flows from financing activities			
Interest paid	7	(29,789)	(47,956)
Proceeds from bank borrowing draw downs		1,000,000	-
Repayment of bank borrowing		-	(542,115)
Proceeds from other borrowing draw downs		-	600,000
Repayment of other borrowing		(600,000)	-
Payments to finance lease liabilities		(124,128)	(109,118)
Dividends paid		-	(972,320)
Net cash flows from financing activities		246,083	(1,071,509)
Net (decrease)/increase in cash and cash equivalents		(113,877)	1,591,060
Cash and cash equivalents at 1 April		4,160,733	2,569,673
Cash and cash equivalents at 31 March		4,046,856	4,160,733

The notes on pages 16 to 38 form an integral part of these financial statements.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated in Scotland.

The address of its registered office is:

Stephen House
Edinburgh Road
PERTH
PH2 8BS

These financial statements were authorised for issue by the Board on 11 December 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the group and its subsidiary undertakings drawn up to 31 March 2017.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

A subsidiary is an entity controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the group and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

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 the contingent liability note. 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 2017

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

The group recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Group's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment

Property plant & equipment are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property plant & equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Plant & machinery

Fixtures, fittings & equipment

Motor vehicles

Depreciation method and rate

20% Reducing balance

20% & 50% Straight line

25% Reducing balance

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the transaction price. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the latest cost price.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the payable for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Sale of goods	17,251,543	24,899,231
Rendering of services	<u>222,211</u>	<u>27,512</u>
	<u>17,473,754</u>	<u>24,926,743</u>

The analysis of the group's turnover for the year by class of business is as follows:

	2017	2016
	£	£
Housebuilders	<u>17,473,754</u>	<u>24,926,743</u>

The analysis of the group's turnover for the year by market is as follows:

	2017	2016
	£	£
UK	<u>17,473,754</u>	<u>24,926,743</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2017	2016
	£	£
Miscellaneous other operating income	<u>49,680</u>	<u>33,291</u>

5 Operating profit

Arrived at after charging/(crediting)

	2017	2016
	£	£
Depreciation expense	140,062	146,871
Operating lease expense - plant and machinery	130,193	93,887
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(82,292)</u>

6 Other interest receivable and similar income

	2017	2016
	£	£
Interest income on bank deposits	11,145	3,801
Other finance income	<u>1,258</u>	<u>613</u>
	<u>12,403</u>	<u>4,414</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

7 Interest payable and similar charges

	2017	2016
	£	£
Interest on bank overdrafts and borrowings	24,789	16,956
Interest on obligations under finance leases and hire purchase contracts	14,051	15,720
Interest expense on other finance liabilities	5,000	31,000
	<u>43,840</u>	<u>63,676</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017	2016
	£	£
Wages and salaries	2,497,923	2,764,897
Social security costs	262,804	304,373
Pension costs, defined contribution scheme	172,403	282,136
Other employee expense	21,953	20,740
	<u>2,955,083</u>	<u>3,372,146</u>

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

	2017	2016
	No.	No.
Production	42	45
Administration and support	43	40
	<u>85</u>	<u>85</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017	2016
	£	£
Remuneration	320,861	455,047
Contributions paid to money purchase schemes	28,453	150,122
	<u>349,314</u>	<u>605,169</u>

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

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2017 £	2016 £
Remuneration	132,648	188,040
Company contributions to money purchase pension schemes	<u>-</u>	<u>76,245</u>

10 Auditors' remuneration

	2017 £	2016 £
Audit of these financial statements	<u>9,710</u>	<u>9,330</u>
Other fees to auditors		
All other non-audit services	<u>20,070</u>	<u>16,235</u>

11 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	68,263	367,694
UK corporation tax adjustment to prior periods	<u>19,626</u>	<u>-</u>
	87,889	367,694
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(46,711)</u>	<u>95,243</u>
Tax expense in the income statement	<u>41,178</u>	<u>462,937</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 20% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>209,564</u>	<u>2,313,393</u>
Corporation tax at standard rate	41,913	462,679
Effect of expense not deductible in determining taxable profit (tax loss)	3,396	240
Effect of tax losses	-	(42,629)
Increase in UK and foreign current tax from adjustment for prior periods	19,626	-
Tax increase/(decrease) from effect of capital allowances and depreciation	22,955	(52,595)
Tax (decrease)/increase from other short-term timing differences	<u>(46,712)</u>	<u>95,242</u>
Total tax charge	<u>41,178</u>	<u>462,937</u>

Deferred tax

Group

Deferred tax assets and liabilities

2017

Accelerated capital allowances

Liability
£

81,613

2016

Accelerated capital allowances

Liability
£

128,324

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

12 Property, plant and equipment

Group

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 April 2016	379,046	373,723	1,224,228	1,976,997
Additions	-	-	7,670	7,670
At 31 March 2017	<u>379,046</u>	<u>373,723</u>	<u>1,231,898</u>	<u>1,984,667</u>
Depreciation				
At 1 April 2016	376,937	177,573	780,295	1,334,805
Charge for the year	<u>1,344</u>	<u>49,037</u>	<u>89,681</u>	<u>140,062</u>
At 31 March 2017	<u>378,281</u>	<u>226,610</u>	<u>869,976</u>	<u>1,474,867</u>
Carrying amount				
At 31 March 2017	<u>765</u>	<u>147,113</u>	<u>361,922</u>	<u>509,800</u>
At 31 March 2016	<u>2,109</u>	<u>196,150</u>	<u>443,933</u>	<u>642,192</u>

Assets held under finance leases and hire purchase contracts

The net carrying amount of property plant & equipment includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2017 £	2016 £
Motor vehicles	114,256	161,163
Plant & machinery	<u>169,319</u>	<u>281,963</u>
	<u>283,575</u>	<u>443,126</u>

13 Investments

Group

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:

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
A & J Stephen Limited*	Scotland	Ordinary	100%	100%
A & J Stephen (Builders) Limited*		Ordinary	100%	100%
Castle Homes (Scotland) Limited*	Scotland	Ordinary	100%	100%

Associates

Inch Farms Limited*	Scotland	Ordinary	50%	50%
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* indicates direct investment of the company

Subsidiary undertakings

The principal activity of A & J Stephen Limited is Land developers

The principal activity of A & J Stephen (Builders) Limited is General building

The principal activity of Castle Homes (Scotland) Limited is Dormant

Associate undertakings

The principal activity of Inch Farms Limited is dormant .

Company

	2017	2016
	£	£
Investments in subsidiaries	<u>366,620</u>	<u>366,620</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Subsidiaries	£
Cost or valuation	
At 1 April 2016	<u>366,620</u>
Provision	
Carrying amount	
At 31 March 2017	<u>366,620</u>
At 31 March 2016	<u>366,620</u>

Details of undertakings

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

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
A & J Stephen Limited	Scotland	Ordinary	100%	100%
A & J Stephen (Builders) Limited		Ordinary	100%	100%
Castle (Homes) Scotland Limited		Ordinary	100%	100%
Associates				
Inch Farms Limited	Scotland	Ordinary	50%	50%

The principal activity of A & J Stephen Limited is Land developers

The principal activity of A & J Stephen (Builders) Limited is General building

The principal activity of Castle (Homes) Scotland Limited is dormant

The principal activity of Inch Farms Limited is Dormant

The profit for the financial period of Inch Farms Limited was £Nil and the aggregate amount of capital and reserves at the end of the period was £(710).

For the year ending 31 March 2017 the subsidiary Castle Homes (Scotland) Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

14 Inventories

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Work in progress	14,600,869	15,780,702	-	-
Other inventories	9,019,270	9,292,636	-	-
	<u>23,620,139</u>	<u>25,073,338</u>	<u>-</u>	<u>-</u>

Group

The cost of inventories recognised as an expense in the year amounted to £5,156,708 (2016 - £9,537,657).

Impairment of inventories

The amount of impairment loss included in profit or loss is £Nil (2016 - £102,350).

15 Receivables

		Group		Company	
	Note	2017	2016	2017	2016
		£	£	£	£
Receivables		210,084	252,314	-	-
Amounts owed by related parties	27	625	624	2,321,509	2,386,318
Other receivables		412,049	430,411	-	-
Prepayments		19,248	18,733	-	-
Income tax asset	11	-	179,875	-	-
		<u>642,006</u>	<u>881,957</u>	<u>2,321,509</u>	<u>2,386,318</u>
Less non-current portion		<u>(259,544)</u>	<u>(290,331)</u>	<u>-</u>	<u>-</u>
Total current trade and other receivables		<u>382,462</u>	<u>591,626</u>	<u>2,321,509</u>	<u>2,386,318</u>

Details of non-current trade and other receivables

Group

£259,544 (2016 - £290,331) of other receivables is classified as non current. 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 2017 was £347,085 (2016 - £388,135).

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

16 Cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Cash on hand	240	300	-	-
Cash at bank	4,031,191	4,141,674	547	5,285
Short-term deposits	15,425	18,759	-	-
	<u>4,046,856</u>	<u>4,160,733</u>	<u>547</u>	<u>5,285</u>

17 Payables

		Group		Company	
	Note	2017	2016	2017	2016
		£	£	£	£
Due within one year					
Loans and borrowings	22	132,867	710,076	-	-
Trade payables		624,263	1,246,073	-	-
Amounts due to related parties	27	-	-	4,918	1,142,345
Social security and other taxes		95,900	146,154	-	-
Other payables		36,135	55,010	-	-
Accrued expenses		1,449,097	2,962,031	450	450
Income tax liability	11	<u>160,610</u>	<u>307,754</u>	<u>85,440</u>	<u>87,950</u>
		<u>2,498,872</u>	<u>5,427,098</u>	<u>90,808</u>	<u>1,230,745</u>
Due after one year					
Loans and borrowings	22	<u>1,056,841</u>	<u>189,709</u>	<u>1,000,000</u>	<u>-</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

18 Deferred tax and other provisions

Group

	Deferred tax £
At 1 April 2016	128,324
Increase (decrease) in existing provisions	<u>(46,711)</u>
At 31 March 2017	<u>81,613</u>

19 Pension and other 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 £172,403 (2016 - £282,136).

20 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>236,000</u>	<u>236,000</u>	<u>236,000</u>	<u>236,000</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

There is a single class of ordinary shares. There are no restrictions on the distributions of dividends and the repayment of capital.

21 Reserves

Group

Called up share capital

Represents the nominal value of shares that have been issued.

Capital redemption reserve

Relates to the redemption of share capital.

Profit and loss account.

Includes current and prior period retained profits and losses.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Company

Called up share capital

Represents the nominal value of the shares that have been issued.

Capital redemption reserve

Relates to the redemption of share capital.

Profit and loss account

Includes current and prior period retained profits and losses.

22 Loans and borrowings

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	1,000,000	-	1,000,000	-
Finance lease liabilities	56,841	189,709	-	-
	<u>1,056,841</u>	<u>189,709</u>	<u>1,000,000</u>	<u>-</u>

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Current loans and borrowings				
Finance lease liabilities	132,867	110,076	-	-
Other borrowings	-	600,000	-	-
	<u>132,867</u>	<u>710,076</u>	<u>-</u>	<u>-</u>

Group

Bank borrowings

Bank loan is denominated in £ with a nominal interest rate of 2.50%, and the final instalment is due on 8 February 2019. The carrying amount at year end is £1,000,000 (2016 - £Nil).

The bank loan is a development finance facility which is secured over various sites.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

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, Santander holds a cross corporate guarantee and letters of offset incorporating all group companies.

The bank also has a Standard Security over land at Newburgh and at Elswick, Stonehaven.

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 Denmarkfield Limited over land at Denmarkfield Farm.

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

Other borrowings

Other borrowings with a carrying amount of £Nil (2016 - £600,000) is denominated in £ with a nominal interest rate of 6%. The final repayment is due on 30 June 2016.

Company

Bank borrowings

Bank loan is denominated in £ with a nominal interest rate of 2.5%, and the final instalment is due on 8 February 2019. The carrying amount at year end is £1,000,000 (2016 - £Nil).

The bank loan is a development finance facility which is secured over various sites.

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, Santander holds a cross corporate guarantee and letters of offset incorporating all group companies.

The bank also has a Standard Security over land at Newburgh and at Elswick, Stonehaven.

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 Denmarkfield Limited over land at Denmarkfield Farm.

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

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

23 Obligations under leases and hire purchase contracts

Group

Finance leases

The finance lease relates to motor vehicles and plant purchased under hire purchase agreements. The agreements generally include fixed lease payments over a fixed period with an option to purchase fee at the end of the lease term. The contracts are secured over the assets to which they relate.

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	132,867	110,076
Later than one year and not later than five years	<u>56,841</u>	<u>189,709</u>
	<u>189,708</u>	<u>299,785</u>

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	5,010	5,004
Later than one year and not later than five years	<u>235,467</u>	<u>116,266</u>
	<u>240,477</u>	<u>121,270</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £215,193 (2016 - £170,554).

24 Dividends

	2017	2016
	£	£
Interim dividend of £Nil (2016 - £4.12) per ordinary share	<u>-</u>	<u>972,320</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

25 Contingent assets

Group

The group has sold land and services 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.

26 Contingent liabilities

Group

There is a contingent liability relating to the guarantee given by the company to Santander in respect of cross corporate guarantee including offset provisions incorporating all group companies.

Company

There is a contingent liability relating to the guarantee given by the company to Santander in respect of cross corporate guarantee including offset provisions incorporating all group companies.

27 Related party transactions

Group

Key management compensation

	2017	2016
	£	£
Salaries and other short term employee benefits	320,861	455,047
Post-employment benefits	28,453	150,122
	<u>349,314</u>	<u>605,169</u>

Summary of transactions with key management

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

During this year and the previous year the group paid rent to one of the directors.

During the year the group provided services to one of the directors.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Transactions with directors

	At 1 April 2016 £	Advances to directors £	At 31 March 2017 £
2017			
Derek Stephen			
Loan	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>
		Other payments made to company by director £	At 31 March 2016 £
2016			
Derek Stephen			
Loan		<u>(400,000)</u>	<u>(400,000)</u>

Dividends paid to directors

	2017 £	2016 £
John S Stephen		
Interim dividend	<u>-</u>	<u>97,232</u>
Derek Stephen		
Interim dividends	<u>-</u>	<u>97,232</u>
Dale Stephen		
Interim dividend	<u>-</u>	<u>243,080</u>
John W Stephen		
Interim dividends	<u>-</u>	<u>155,571</u>
Lorna Finlay		
Interim dividends	<u>-</u>	<u>123,600</u>

Summary of transactions with subsidiaries

The group is exempt from disclosing other related party transactions as they are with companies that are wholly owned within the group.

Summary of transactions with associates

Associated company

There has been no transactions during the current or previous year.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Summary of transactions with other related parties

Family, associated companies & directors pension scheme

During the year and prior year the family members and associated companies sold goods and services to family members and associated companies.

During the year and prior year the group rented properties at fair market rent from the directors pension scheme.

Income and receivables from related parties

	Key management £	Other related parties £
2017		
Sale of goods & services	32,549	182,026
Amounts receivable from related party	<u>5,386</u>	<u>5,883</u>
	Key management £	Other related parties £
2016		
Sale of goods & services	31,453	22,030
Amounts receivable from related party	<u>12,993</u>	<u>5,202</u>

Expenditure with and payables to related parties

	Key management £	Other related parties £
2017		
Leases	<u>14,400</u>	<u>85,000</u>
	Key management £	Other related parties £
2016		
Leases	<u>14,400</u>	<u>75,000</u>

Loans to related parties

	Associates £	Other related parties £
2017		
At start of period	712	22,729
Advanced	-	1,505
Expenses recognised as bad debt	<u>-</u>	<u>(7,125)</u>
At end of period	<u>712</u>	<u>17,109</u>

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

2016	Associates £	Other related parties £
At start of period	712	15,709
Advanced	<u>-</u>	<u>7,020</u>
At end of period	<u>712</u>	<u>22,729</u>

Company

Transactions with directors

Dividends paid to directors

	2017 £	2016 £
John S Stephen		
Interim dividends	<u>-</u>	<u>97,232</u>
Derek Stephen		
Interim dividends	<u>-</u>	<u>97,232</u>
Dale Stephen		
Interim dividends	<u>-</u>	<u>243,080</u>
John W Stephen		
Interim dividends	<u>-</u>	<u>155,571</u>
Lorna Finlay		
Interim dividends	<u>-</u>	<u>123,600</u>

Summary of transactions with parent

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

Summary of transactions with subsidiaries

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

Summary of transactions with associates

There has been no transactions during the current or previous year.

A & J Stephen (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Loans to related parties

2017

At start of period

Associates

£

625

2016

At start of period

Associates

£

625

28 Parent and ultimate parent undertaking

The ultimate controlling party is not known as there is no majority shareholder.