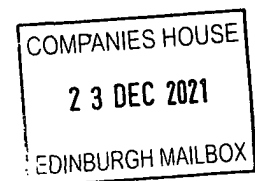


Registration number: SC036265

A & J Stephen Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021



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

A & J Stephen Limited

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A & J Stephen Limited

Company Information

Directors Mr Dale Stephen
Mr Brian Finlay
Mr John S Stephen
Mr John W Stephen
Mr John Webster

Company secretary Mr John Webster

Registered office Stephen House
Edinburgh Road
PERTH
PH2 8BS

Solicitors Blackadders Solicitors
30-34 Reform Street
Dundee
DD1 1RJ

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

A & J Stephen Limited

Strategic Report for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

Principal activity

The principal activity of the company is obtaining land and making this available for building development

Fair review of the business

In common with many other businesses in our sector and indeed the wider economy, our financial performance was significantly impacted by the outbreak of the COVID pandemic and the subsequent lockdown measures from March 2020 when our construction sites were closed, and all operations suspended for a period of 3 months. Turnover in the year was reduced to £946K and the company returned a loss before tax of £260k. This is a disappointing result, but the board consider it acceptable against the backdrop of the pandemic.

The balance sheet remains strong with shareholders' funds in excess of £14m.

Outlook

The board are delighted to see that interest from potential customers in our homes remains strong, indeed sales has outstripped expectations since the end of lockdown and the housing market continues to be buoyant. However, the current level of demand for new homes is putting significant pressure on the supply chain. We are currently experiencing unprecedented price increases and material shortages with some key construction materials doubling in price. Many construction materials are on extended lead times. The widely reported skills shortage in the industry has also come home to bite with shortages experienced across all trades. This pressure on the supply chain is extending our development programmes and impacting on our margin. In light of this our forecast for the year to March 2022 has been revised down but our latest projections still anticipate the company returning to profitability in that period.

Turnover, profitability and return on capital are carefully forecast and monitored. Nevertheless, given the nature of the company's business and the challenging landscape of the next 12 months we fully expect some unpredictable variations in the values and timing of cashflows.

Whilst our short and medium-term priorities have changed to reflect the Covid-19 situation, the strategic objective to enable long term sustainable growth remains the same. To that end the group has continued to invest in strategic land acquisitions. In-house expertise in promoting development through the planning process helps drive this vision.

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

	Unit	2021	2020
Turnover	£	946,000	1,251,732
Gross Profit	%	40	69
Profit before Tax	£	(259,921)	256,651
Total equity	£	14,786,510	15,046,431

A & J Stephen Limited

Strategic Report for the Year Ended 31 March 2021

Principal risks and uncertainties

The board recognise that the management of risk is fundamental to the success of the business. Within the Stephen Group all tiers of management are involved in managing risks relevant to the business and ensure that these risks are either mitigated or managed to an acceptable level.

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


Delivery of new development sites

It is vitally important that new developments emerge from the approvals process in order to protect the core operations of the Stephen group of companies.

Covid -19 Pandemic.

The overriding uncertainty facing the business remains the worldwide Covid-19 pandemic. The success of the UK vaccination programme has given us some respite from the periods of lockdown and allowed some degree of normality to return to our daily lives. However, at the time of writing this report the world is facing a new variant of the virus - Omicron. This is reported to be the most infectious variant of the virus that we have faced yet. It would be foolhardy not to recognise that it has the potential to significantly disrupt our business, the way we work and the way we live. The economic and societal impact of the Coronavirus has been devastating and is likely to be long-lasting.

Approved by the Board on 21 December 2021 and signed on its behalf by:



Mr John Webster
Company secretary and director

A & J Stephen Limited

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors of the company

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

Mr Dale Stephen

Mr Brian Finlay

Mr John S Stephen

Mr John W Stephen

Mr John Webster - Company secretary and director

Financial instruments

Objectives and policies

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

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

The main risks arising from the company's financial instruments are interest rate fluctuations and liquidity risk. It is the company's policy to finance its operations through a mixture of cash and borrowings and to review periodically the mix of these instruments with regard to the projected cash flow requirements of the company and an acceptable level of risk exposure.


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 company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are 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 21 December 2021 and signed on its behalf by:



.....
Mr John Webster
Company secretary and director

A & J Stephen 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 company and of the profit or loss of the company 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 company's transactions and disclose with reasonable accuracy at any time the financial position of 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A & J Stephen Limited

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

Opinion

We have audited the financial statements of A & J Stephen Limited (the 'company') for the year ended 31 March 2021, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

A & J Stephen Limited

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

A & J Stephen Limited

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for irregularities to occur is in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, UK tax legislation, employment, environmental and health and safety legislation.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members at planning and reminded them to remain alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Our procedures to respond to risks identified included the following:

- . reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- . enquiring of directors concerning actual and potential litigation and claims;
- . we gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the year;
- . performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- . testing of the completeness and correct allocation of revenue in the year;
- . reading minutes of meetings of those charged with governance;
- . in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- . assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
- . and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A & J Stephen Limited

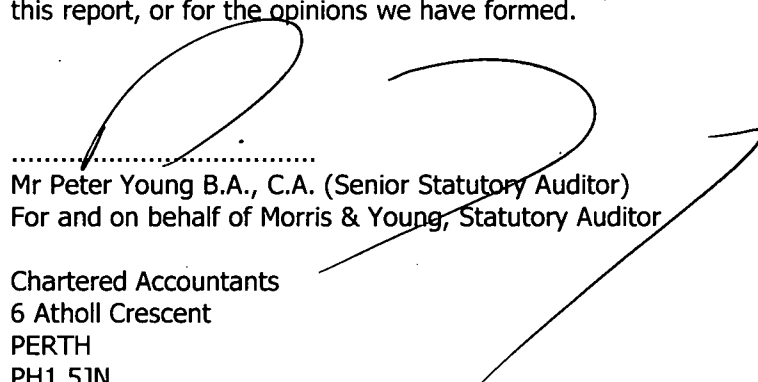
Independent Auditor's Report to the Members of A & J Stephen Limited

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. As with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



.....
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

23 December 2021

A & J Stephen Limited

Income Statement for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Revenue	3	946,000	1,251,732
Cost of sales		<u>(570,584)</u>	<u>(387,688)</u>
Gross profit		375,416	864,044
Administrative expenses		(674,171)	(658,982)
Other operating income	4	<u>35,793</u>	<u>45,254</u>
Operating (loss)/profit		(262,962)	250,316
Other interest receivable and similar income	5	<u>3,041</u>	<u>6,335</u>
(Loss)/profit before tax		<u>(259,921)</u>	<u>256,651</u>
(Loss)/profit for the financial year		<u><u>(259,921)</u></u>	<u><u>256,651</u></u>

The above results were derived from continuing operations.

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

The notes on pages 15 to 21 form an integral part of these financial statements.

A & J Stephen Limited

Statement of Comprehensive Income for the Year Ended 31 March 2021

	2021	2020
	£	£
(Loss)/profit for the year	<u>(259,921)</u>	<u>256,651</u>
Total comprehensive income for the year	<u><u>(259,921)</u></u>	<u><u>256,651</u></u>

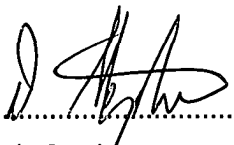
A & J Stephen Limited

(Registration number: SC036265)

Statement of Financial Position as at 31 March 2021

	Note	2021 £	2020 £
Current assets			
Inventories	9	4,685,345	5,069,333
Receivables	10	10,338,769	10,897,861
Cash at bank and in hand		<u>2,354,454</u>	<u>1,513,649</u>
		17,378,568	17,480,843
Payables: Amounts falling due within one year	12	<u>(2,592,058)</u>	<u>(2,434,412)</u>
Net assets		<u>14,786,510</u>	<u>15,046,431</u>
Equity			
Called up share capital	13	24,000	24,000
Capital redemption reserve	14	600	600
Profit and loss account	14	<u>14,761,910</u>	<u>15,021,831</u>
Total equity		<u>14,786,510</u>	<u>15,046,431</u>

Approved and authorised by the Board on 21 December 2021 and signed on its behalf by:



 Mr Dale Stephen
 Director

The notes on pages 15 to 21 form an integral part of these financial statements.

A & J Stephen Limited

Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020	24,000	600	15,021,831	15,046,431
Loss for the year	-	-	(259,921)	(259,921)
Total comprehensive income	-	-	(259,921)	(259,921)
At 31 March 2021	<u>24,000</u>	<u>600</u>	<u>14,761,910</u>	<u>14,786,510</u>
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2019	24,000	600	14,765,180	14,789,780
Profit for the year	-	-	256,651	256,651
Total comprehensive income	-	-	256,651	256,651
At 31 March 2020	<u>24,000</u>	<u>600</u>	<u>15,021,831</u>	<u>15,046,431</u>

The notes on pages 15 to 21 form an integral part of these financial statements.

A & J Stephen Limited

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
(Loss)/profit for the year		(259,921)	256,651
Adjustments to cash flows from non-cash items			
Finance income	5	<u>(3,041)</u>	<u>(6,335)</u>
		(262,962)	250,316
Working capital adjustments			
Decrease in inventories	9	383,988	379,442
Decrease/(increase) in trade receivables	10	559,092	(2,541,013)
Increase in trade payables	12	<u>157,646</u>	<u>26,137</u>
Net cash flow from operating activities		837,764	(1,885,118)
Cash flows from investing activities			
Interest received	5	<u>3,041</u>	<u>6,335</u>
Net increase/(decrease) in cash and cash equivalents		840,805	(1,878,783)
Cash and cash equivalents at 1 April		<u>1,513,649</u>	<u>3,392,432</u>
Cash and cash equivalents at 31 March		<u><u>2,354,454</u></u>	<u><u>1,513,649</u></u>

The notes on pages 15 to 21 form an integral part of these financial statements.

A & J Stephen Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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 20 December 2021.

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.

The financial statements are presented in sterling (£).

Going concern

A & J Stephen Limited is a wholly owned subsidiary of A & J Stephen (Holdings) 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 Limited consider that it is appropriate to prepare these accounts on a going concern basis.

The directors have considered the impact of the Covid-19 pandemic on the going concern of the company. The group was closed for a short period during lockdown but has re-opened. Due to the financial support of CBILS, grants, furlough and the trading since re-opening in the group, the directors consider the preparation of the accounts on a going concern basis to be appropriate.

A & J Stephen Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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 Company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts

The Company 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 Company's activities.

Tax

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits.

Trade 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 Company 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.

A & J Stephen Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Trade 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 Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor 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.

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.

3 Revenue

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

	2021 £	2020 £
Sale of goods	<u>946,000</u>	<u>1,251,732</u>

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

	2021 £	2020 £
Housebuilders	<u>946,000</u>	<u>1,251,732</u>

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

	2021 £	2020 £
UK	<u>946,000</u>	<u>1,251,732</u>

4 Other operating income

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

	2021 £	2020 £
Rental income	24,872	28,449
Miscellaneous other operating income	<u>10,921</u>	<u>16,805</u>
	<u>35,793</u>	<u>45,254</u>

A & J Stephen Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

5 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	<u>3,041</u>	<u>6,335</u>

6 Directors' remuneration

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

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

7 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>3,740</u>	<u>3,630</u>

8 Taxation

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
(Loss)/profit before tax	<u>(259,921)</u>	<u>256,651</u>
Corporation tax at standard rate	(49,385)	48,764
Effect of tax losses	<u>49,385</u>	<u>(48,764)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

9 Inventories

	2021 £	2020 £
Other inventories	<u>4,685,345</u>	<u>5,069,333</u>

A & J Stephen Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Impairment of inventories

The amount of impairment loss included in profit or loss is £110,996 (2020 - £Nil).

10 Receivables

	Note	2021 £	2020 £
Amounts owed by related parties	17	10,191,387	10,729,490
Other receivables		108,212	129,201
Income tax asset	8	39,170	39,170
Less non-current portion		<u>(103,619)</u>	<u>(124,544)</u>
		<u>10,235,150</u>	<u>10,773,317</u>

Details of non-current trade and other receivables

£103,619 (2020 -£124,544) of other receivables is classified as non current. Included in other receivables 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 2021 was £139,185 (2020 - £167,085).

11 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	2,328,589	1,487,767
Short-term deposits	<u>25,865</u>	<u>25,882</u>
	<u>2,354,454</u>	<u>1,513,649</u>

12 Payables

	Note	2021 £	2020 £
Due within one year			
Amounts due to related parties	17	2,299,484	2,320,485
Accruals		<u>292,574</u>	<u>113,927</u>
		<u>2,592,058</u>	<u>2,434,412</u>

A & J Stephen Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

The bank holds 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.

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

13 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</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.

14 Reserves

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.

15 Contingent assets

The company has sold land and 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 on future sites if agreed by the Local Author.

A & J Stephen Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

16 Contingent liabilities

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.

17 Related party transactions

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 all associates

Associated company

Loans to related parties

	Associates	Total
	£	£
2021		
At start of period	<u>1,668</u>	<u>1,668</u>
At end of period	<u>1,668</u>	<u>1,668</u>
	Associates	Total
	£	£
2020		
At start of period	<u>1,668</u>	<u>1,668</u>
At end of period	<u>1,668</u>	<u>1,668</u>

18 Parent and ultimate parent undertaking

The company's immediate parent is A & J Stephen (Holdings) Limited, incorporated in Scotland.

These financial statements are available upon request from Registrar of Companies, 139 Fountainbridge, Edinburgh.

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