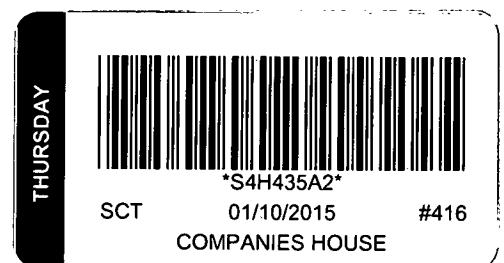


Registration number: SC057720

A & J Stephen (Builders) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2015



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

A & J Stephen (Builders) Limited

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A & J Stephen (Builders) Limited
Company Information

Directors	John W Stephen Brian Finlay Dale Stephen John Webster Bruce Strachan
Registered office	Stephen House Edinburgh Road PERTH PH2 8BS
Solicitors	Blackadders Solicitors 2 Tay Street PERTH PH1 5LJ
Auditors	Morris & Young, Statutory Auditor Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

A & J Stephen (Builders) Limited

Strategic Report for the Year Ended 31 March 2015

The directors present their strategic report for the year ended 31 March 2015.

Business review

Fair review of the business

Turnover at £14.8m is 37% up on the previous year. The number of units sold was 76, a 55% increase and in line with settlement targets. The Help to Buy (Scotland) Scheme introduced in September 2013, despite an initial poor take up in Perthshire, was a boost to our performance this year. 20 settlements (26%) took advantage of this government initiative. This year's turnover also benefited from the successful delivery of 12 affordable homes at Abernethy for Kingdom Housing Association. These were delivered on time and on budget. In addition we also entered into a contract to deliver two properties for Pitlochry Estates.

The Gross Margin at 17% is in line with budgeted levels. Despite property valuations showing a steady increase, margins remain under pressure as the supply chain looks to capitalise on the demand for their services. Our Commercial team has been bolstered by an additional member of staff to ensure our better buying strategy continues while maintaining the standard expected of a Stephen home.

Operating profit increased 22% to just over £630k. This reflects the wider improvement in market conditions but also underlies the strength of our core business.

The balance sheet remains strong with shareholders' funds standing at £9.4m.

At the year end and throughout the year the company had no net borrowing.

Outlook

The Board is confident that the success of 2015 will continue into 2016. The forward order book at the start of this year was at pre-recession levels with 47 reservations. This represents a significant proportion of this year's sales target.

Currently the company is active on nine development sites. These are mainly in Perth & Kinross but we also have developments in Fife and Aberdeenshire.

A & J Stephen (Builders) Limited
Strategic Report for the Year Ended 31 March 2015

..... continued

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

	Unit	2015	2014
Turnover	£	14,850,067	10,866,376
Gross Margin	%	17	19
Profit/(loss) on ordinary activities before tax	£	620,410	516,966
Shareholders' funds	£	9,449,497	8,862,169

The Board recognise that our results are a reflection of our people. A & J Stephen is fortunate to have a long serving dedicated and committed workforce. There are currently 88 employees in the company. Health & Safety of our colleagues is of paramount importance. We want everyone to go home the same way they came to work. To this end A & J Stephen remain fully committed to extensive training initiatives to reduce accidents and increase safety awareness. For the fourth year in succession Alan Robertson, our Site Manager at our Bargarvie Farm Development in Scone, won the NHBC Pride in the Job Seal of Excellence award for Scotland in the small builder category.

Recruitment of people with the right skills is becoming more challenging as the sector recovers from years in recession. It is widely acknowledged that the construction industry in general is facing a potential skills shortage in years to come. To ensure we have the right skills in house we have reopened our Apprentice Programme with an intake of apprentices starting Autumn 2015.

A & J Stephen (Builders) Limited
Strategic Report for the Year Ended 31 March 2015

..... continued

Principal risks and uncertainties

The Board recognise that the management of risk is fundamental to the success of any business. Within A & J Stephen all tiers of management are involved in managing, monitoring and mitigating risk where possible.

Uncertainties outwith the control of the company remain the principal risks:

The reduction in sales volumes in response to the macro-economic environment and particularly the availability of mortgage finance for house purchases remains our biggest risk. We have seen customer confidence rise on the back of generally improving economic indicators and an improvement in the availability of mortgage finance. However record low interest rates introduced by the Bank of England in 2009 will rise at some point and will impact our market.

The dramatic fall in the price of Brent Crude experienced in recent months may bring about an adjustment to the previously vibrant Aberdeen economy. Oil companies and service support companies have had to cut costs and this has led to redundancies in the local market. Our Aberdeenshire site at Chapelton has been well received and we continue to take reservations but we recognise sales volumes here may be reduced until the oil price recovers.

As previously highlighted the Help to Buy (Scotland) Scheme provided a very welcome boost to the property market and helped the company secure 20 sales during the year. In January 2015 a separate Help to Buy (Small Developers) Scheme was launched to help smaller builders like ourselves. The budget to March 2016 of the principal scheme has been fully allocated and can accept no further applications. The small builder schemes budget is anticipated to be exhausted by December 2015. Unlike in England where the Help to Buy support has been committed to 2020 there is no such commitment from the Scottish Government. Uncertainty over the sustainability of Help to Buy in Scotland is clearly a risk to future growth.

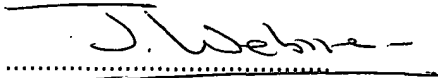
Our main market continues to be development sites in Perth & Kinross. Perth city and the wider catchment has been earmarked for significant growth in the Development Plan and we believe we are well placed to help deliver this. However delays in the planning process and obstacles preventing us obtaining the necessary consents before the commencement of building remains a constraint on our business aspirations.

The company currently has 93 houses under construction; this is a step up from the average of recent years. In times of such growth liquidity management is fundamental. The Board regularly reviews the company's rolling 12 month cashflow to proactively manage our working capital requirements. A 36 month cashflow projection is also regularly updated to model new sites coming on stream and strategic land purchases. The Board are acutely aware of the importance of good financial management to maintain a strong balance sheet.

A & J Stephen (Builders) Limited
Strategic Report for the Year Ended 31 March 2015

..... continued

Approved by the Board on 28 September 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J. Webster', is written over a solid horizontal line. Below this line is a dotted horizontal line.

John Webster
Director

A & J Stephen (Builders) Limited
Directors' Report for the Year Ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Directors of the company

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

John W Stephen

Brian Finlay

Dale Stephen

John Webster

Bruce Strachan

Financial instruments

Objectives and policies

In terms of the financial risk in the present economic climate, 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 company does not trade in financial instruments.

At the time of writing the company's operational bank account remains within its facility and current forecasts show that this will continue to be the case in the medium term.


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

Reappointment of auditors

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

Approved by the Board on 28 September 2015 and signed on its behalf by:



John Webster
Director

A & J Stephen (Builders) Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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; 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.

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

We have audited the financial statements of A & J Stephen (Builders) Limited for the year ended 31 March 2015, set out on pages 10 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 7), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements 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 company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

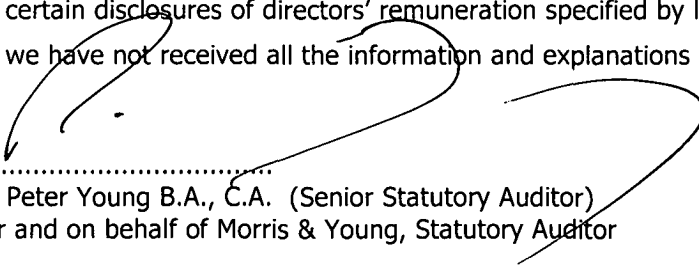
**Independent Auditor's Report to the Members of
A & J Stephen (Builders) Limited**

..... continued

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



.....
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

30 September 2015

A & J Stephen (Builders) Limited
Profit and Loss Account for the Year Ended 31 March 2015

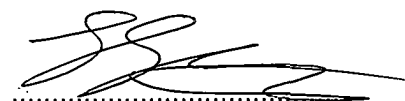
	Note	2015 £	2014 £
Turnover		14,850,067	10,866,376
Cost of sales		<u>(12,294,566)</u>	<u>(8,821,807)</u>
Gross profit		2,555,501	2,044,569
Administrative expenses		(2,336,039)	(1,874,595)
Other operating income		<u>414,434</u>	<u>350,589</u>
Operating profit	2	633,896	520,563
Other interest receivable and similar income	5	-	81
Interest payable and similar charges	6	<u>(13,486)</u>	<u>(3,678)</u>
Profit on ordinary activities before taxation		620,410	516,966
Tax on profit on ordinary activities	7	<u>(33,082)</u>	<u>(2,401)</u>
Profit for the financial year	16	<u><u>587,328</u></u>	<u><u>514,565</u></u>

Turnover and operating profit derive wholly from continuing operations.

A & J Stephen (Builders) Limited
(Registration number: SC057720)
Balance Sheet at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	8	<u>433,750</u>	<u>239,725</u>
Current assets			
Stocks	9	14,598,730	13,333,857
Debtors	10	260,880	301,381
Cash at bank and in hand		<u>1,060,918</u>	<u>27,173</u>
		15,920,528	13,662,411
Creditors: Amounts falling due within one year	11	<u>(6,726,483)</u>	<u>(4,961,480)</u>
Net current assets		<u>9,194,045</u>	<u>8,700,931</u>
Total assets less current liabilities		9,627,795	8,940,656
Creditors: Amounts falling due after more than one year	12	(145,216)	(78,487)
Provisions for liabilities	13	<u>(33,082)</u>	-
Net assets		<u><u>9,449,497</u></u>	<u><u>8,862,169</u></u>
Capital and reserves			
Called up share capital	14	25,000	25,000
Profit and loss account	16	<u>9,424,497</u>	<u>8,837,169</u>
Shareholders' funds	15	<u><u>9,449,497</u></u>	<u><u>8,862,169</u></u>

Approved and authorised for issue by the Board on 28 September 2015 and signed on its behalf by:



John W Stephen
Director

The notes on pages 14 to 25 form an integral part of these financial statements.

A & J Stephen (Builders) Limited
Cash Flow Statement for the Year Ended 31 March 2015

Cash flow statement

	2015 £	2014 £
Net cash inflow from operating activities	<u>1,211,093</u>	<u>1,041,554</u>
Returns on investments and servicing of finance		
Interest received	-	81
HP and finance lease interest	(13,331)	(3,678)
Interest paid	<u>(155)</u>	<u>-</u>
	<u>(13,486)</u>	<u>(3,597)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(127,353)	(48,935)
Sale of tangible fixed assets	<u>20,120</u>	<u>36,500</u>
	<u>(107,233)</u>	<u>(12,435)</u>
Net cash inflow before management of liquid resources and financing	1,090,374	1,025,522
Financing		
Repayment of capital element of finance leases and HP contracts	<u>(56,629)</u>	<u>(16,967)</u>
Increase in cash	<u><u>1,033,745</u></u>	<u><u>1,008,555</u></u>

Reconciliation of net cash flow to movement in net debt

	Note	2015 £	2014 £
Increase in cash		1,033,745	1,008,555
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>56,629</u>	<u>16,967</u>
Change in net debt resulting from cash flows	20	1,090,374	1,025,522
 New finance leases		<u>(161,209)</u>	<u>(140,410)</u>
Movement in net debt	20	929,165	885,112
Net debt at 1 April	20	<u>(96,270)</u>	<u>(981,382)</u>
Net funds/(debt) at 31 March	20	<u><u>832,895</u></u>	<u><u>(96,270)</u></u>

The notes on pages 14 to 25 form an integral part of these financial statements.

A & J Stephen (Builders) Limited
Cash Flow Statement for the Year Ended 31 March 2015

..... continued

Reconciliation of operating profit to net cash flow from operating activities

	2015	2014
	£	£
Operating profit	633,896	520,563
Depreciation, amortisation and impairment charges	94,537	50,883
Profit on disposal of fixed assets	(20,120)	(36,500)
Increase in stocks	(1,264,873)	(497,250)
Decrease/(increase) in debtors	40,501	(99,938)
Increase in creditors	<u>1,727,152</u>	<u>1,103,796</u>
Net cash inflow from operating activities	<u><u>1,211,093</u></u>	<u><u>1,041,554</u></u>

The notes on pages 14 to 25 form an integral part of these financial statements.

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

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

Going concern

A & J Stephen (Builders) 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 Note 18. 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 (Builders) Limited consider that it is appropriate to prepare these accounts on a going concern basis.

Turnover

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

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

Government grants

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

Depreciation

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

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

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

Stock and work in progress

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

Deferred tax

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

Hire purchase and leasing

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

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

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

Pensions

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

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

2 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Operating leases - other assets	85,060	84,407
Auditor's remuneration - The audit of the company's annual accounts	5,650	5,605
Profit on sale of tangible fixed assets	(20,120)	(36,500)
Depreciation of owned assets	<u>94,537</u>	<u>50,883</u>

3 Particulars of employees

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

	2015 No.	2014 No.
Administration and support	36	34
Production	<u>39</u>	<u>29</u>
	<u>75</u>	<u>63</u>

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	2,146,289	1,757,621
Social security costs	250,297	207,035
Staff pensions	<u>150,029</u>	<u>121,161</u>
	<u>2,546,615</u>	<u>2,085,817</u>

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	179,838	199,116
Company contributions paid to money purchase schemes	<u>22,646</u>	<u>21,410</u>

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

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	92,793	105,530
Company contributions to money purchase pension schemes	<u>13,919</u>	<u>13,552</u>

5 Other interest receivable and similar income

	2015 £	2014 £
Other interest receivable	<u>-</u>	<u>81</u>

6 Interest payable and similar charges

	2015 £	2014 £
Other interest payable	155	-
Finance charges	<u>13,331</u>	<u>3,678</u>
	<u>13,486</u>	<u>3,678</u>

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

7 Taxation

Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
Adjustments in respect of previous years	-	2,401
Deferred tax		
Origination and reversal of timing differences	33,082	-
Total tax on profit on ordinary activities	<u>33,082</u>	<u>2,401</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before taxation	620,410	516,966
Corporation tax at standard rate	130,286	118,902
Capital allowances in excess of depreciation	(47,511)	(44,650)
Non deductible expenses	242	284
Adjustment for prior periods	-	2,401
Tax losses	(83,017)	(74,536)
Total current tax	<u>-</u>	<u>2,401</u>

Factors that may affect future tax charges

The company has estimated losses of £213,239 (2014 - £608,559) to carry forward against future trading profits.

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2014	1,039,281	377,136	341,731	1,758,148
Additions	175,758	1,910	110,894	288,562
Disposals	(37,250)	-	(82,957)	(120,207)
At 31 March 2015	<u>1,177,789</u>	<u>379,046</u>	<u>369,668</u>	<u>1,926,503</u>
Depreciation				
At 1 April 2014	845,233	370,048	303,142	1,518,423
Charge for the year	66,399	3,990	24,148	94,537
Eliminated on disposals	(37,250)	-	(82,957)	(120,207)
At 31 March 2015	<u>874,382</u>	<u>374,038</u>	<u>244,333</u>	<u>1,492,753</u>
Net book value				
At 31 March 2015	<u>303,407</u>	<u>5,008</u>	<u>125,335</u>	<u>433,750</u>
At 31 March 2014	<u>194,048</u>	<u>7,088</u>	<u>38,589</u>	<u>239,725</u>

Leased assets

Included within the net book value of tangible fixed assets is £288,425 (2014 - £156,079) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £48,268 (2014 - £12,165).

9 Stocks

	2015 £	2014 £
Stocks	381,642	683,279
Work in progress	<u>14,217,088</u>	<u>12,650,578</u>
	<u>14,598,730</u>	<u>13,333,857</u>

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

10 Debtors

	2015	2014
	£	£
Trade debtors	84,657	88,877
Other debtors	161,831	196,709
Prepayments and accrued income	14,392	15,795
	<u>260,880</u>	<u>301,381</u>

11 Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	848,147	1,187,919
Obligations under finance lease and hire purchase contracts	82,807	44,956
Amounts owed to group undertakings	4,686,750	2,711,481
Corporation tax	5,052	5,052
Other taxes and social security	129,785	73,280
Other creditors	46,214	33,291
Accruals and deferred income	927,728	905,501
	<u>6,726,483</u>	<u>4,961,480</u>

12 Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Obligations under finance lease and hire purchase contracts	<u>145,216</u>	<u>78,487</u>

Obligations under finance leases and HP contracts

Amounts repayable:

	2015	2014
	£	£
In one year or less on demand	82,807	44,956
Between one and two years	<u>145,216</u>	<u>78,487</u>
	<u>228,023</u>	<u>123,443</u>

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

13 Provisions

	Deferred tax £	Total £
At 1 April 2014	-	-
Charged to the profit and loss account	33,082	33,082
At 31 March 2015	<u>33,082</u>	<u>33,082</u>

Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	75,729	31,943
Tax losses available	<u>(42,647)</u>	<u>(31,943)</u>
	<u>33,082</u>	<u>-</u>

14 Share capital

Allotted, called up and fully paid shares

	2015	2014
	No. £	No. £
Ordinary shares of £1 each	<u>25,000</u> <u>25,000</u>	<u>25,000</u> <u>25,000</u>

15 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	587,328	514,565
Net addition to shareholders' funds	587,328	514,565
Shareholders' funds at 1 April	<u>8,862,169</u>	<u>8,347,604</u>
Shareholders' funds at 31 March	<u>9,449,497</u>	<u>8,862,169</u>

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

16 Reserves

	Profit and loss account £	Total £
At 1 April 2014	8,837,169	8,837,169
Profit for the year	<u>587,328</u>	<u>587,328</u>
At 31 March 2015	<u>9,424,497</u>	<u>9,424,497</u>

17 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £150,029 (2014 - £121,161).

Contributions totalling £nil (2014 - £nil) were payable to the schemes at the end of the year and are included in creditors.

18 Contingent liabilities

There is a contingent liability relating to the guarantee given by the company to the Royal Bank of Scotland in respect of cross corporate guarantee including offset provisions incorporating all group companies. There is also a contingent liability relating to the guarantee given by the company for the loan to A & J Stephen (Holdings) Limited from the Royal Bank of Scotland. The bank has security over a number of the finished plots held in work in progress by the company.

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

19 Commitments

Operating lease commitments

As at 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015 £	2014 £
Land and buildings		
Within one year	<u>75,000</u>	<u>75,000</u>
Other		
Within one year	50,651	27,052
Within two and five years	<u>36,983</u>	<u>53,135</u>
	<u>87,634</u>	<u>80,187</u>

20 Analysis of net debt

	At 1 April 2014 £	Cash flow £	Other non-cash changes £	At 31 March 2015 £
Cash at bank and in hand	27,173	1,033,745	-	1,060,918
Finance leases and hire purchase contracts	(123,443)	56,629	(161,209)	(228,023)
Net funds	<u>(96,270)</u>	<u>1,090,374</u>	<u>(161,209)</u>	<u>832,895</u>

21 Related party transactions

Other related party transactions

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

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

Dale Stephen

(director)

During the year a number of the directors and their families purchased consumable items, which are immaterial to the individuals concerned and the company, from A & J Stephen (Builders) Limited at market value. Also during the year the company provided services of £122,663 (2014 - £228,000) to Dale Stephen. The company paid rent of £1,200 (2014 - £nil) to Dale Stephen. At the balance sheet date the amount due from/(to) Dale Stephen was £1,216 (2014 - £nil).

Derek Stephen

(shareholder of parent company)

During the year a number of the directors and their families purchased consumable items, which are immaterial to the individuals concerned and the company, from A & J Stephen (Builders) Limited at market value. At the balance sheet date the amount due to Derek Stephen was £nil (2014 - £nil).

Brian Finlay

(director)

During the year a number of the directors and their families purchased consumable items, which are immaterial to the individuals concerned and the company, from A & J Stephen (Builders) Limited at market value. At the balance sheet date the amount due to Brian Finlay was £nil (2014 - £nil).

John S Stephen

(shareholder of parent company)

During the year a number of the directors and their families purchased consumable items, which are immaterial to the individuals concerned and the company, from A & J Stephen (Builders) Limited at market value. At the balance sheet date the amount due to John S Stephen was £nil (2014 - £nil).

John W Stephen

(director)

During the year a number of the directors and their families purchased consumable items, which are immaterial to the individuals concerned and the company, from A & J Stephen (Builders) Limited at market value. At the balance sheet date the amount due from/(to) John W Stephen was £670 (2014 - £nil).

A & J Stephen Limited Retirement & Death Benefit Scheme

(the director's pension scheme)

During the year the company was charged rent totalling £75,000 (2014 - £79,375) for the yard, office and an industrial unit which is considered to be a fair market rent. At the balance sheet date the amount due to A & J Stephen Limited Retirement & Death Benefit Scheme was £nil (2014 - £nil).

Elmcliff Limited

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

During the year the company has paid £nil (2014 - £8,400) on behalf of Elmcliff Limited. Also during the year the company provided services of £5,596 (2014 - £1,124) to Elmcliff Limited. At the balance sheet date the amount due from Elmcliff Limited was £8,754 (2014 - £8,584).

Tanera LLP

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

During the year the company has paid expenses of £342 (2014 - £nil) on behalf of Tanera LLP. At the balance sheet date the amount due from Tanera LLP was £7,125 (2014 - £6,783).

Inch Farms Limited

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

During the year the company paid £nil (2014 - £14) on behalf of Inch Farms Limited. At the balance sheet date the amount due from Inch Farms Limited was £87 (2014 - £87).

A & J Stephen (Builders) Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

Paul Stephen

(Derek Stephen's son and a shareholder of A & J Stephen (Holdings) Limited)

During the year the company sold a house to Paul Stephen for £142,750. At the balance sheet date the amount due to Paul Stephen was £nil (2014 - £nil).

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

22 Control

The company is controlled by A & J Stephen (Holdings) Limited the parent company which is registered in Scotland.